

FOUNDATIONS

Building up the Catholic Community through Education & Communication

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Fall 2002

ARCHITECTS



Bishop O'Brien presenting Legacy Award to David Katzin

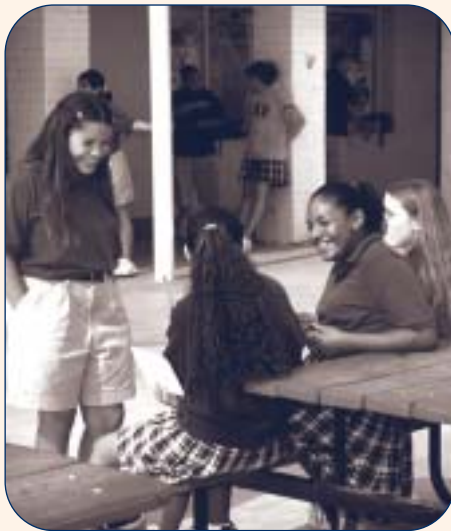
First Annual Legacy Awards Honor Commitment, Leadership

Phoenix businessman David Katzin and Rev. Michael Straley have been named as the first recipients of the Legacy Awards given by the Catholic Community Foundation. The honors were presented on June 5, 2002 at a reception attended by more than 100 guests at the Phoenix Country Club.

The Legacy Awards program was created to honor individuals who have set an outstanding example by providing for others through perpetual gifts. According to Tom Anderson, Chairman of the event, "Our goal for this year's program was to spotlight one individual donor and one of our school or parish endowment partners to thank them for their participation and efforts." David Katzin received the award for his establishment of

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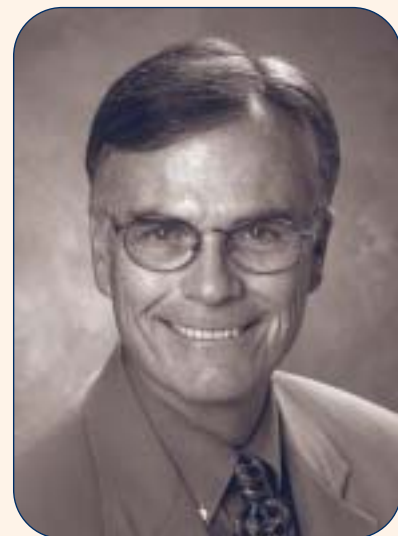
Catholic School Match Program Continues to Gain Momentum

The Catholic School Match Program, which was approved by the Catholic Community Foundation Board of Directors in 2001, has received an enthusiastic response from educators. To date, more than 30 of the 40 schools in the Diocese of Phoenix have signed up for the program.

Inspired by the successful "Million Dollar Parish Match" campaign, the Catholic School Match Program makes it possible for each school to establish an endowment fund with the Foundation. Each school signing up for the program receives "seed money" to start the fund, and can then qualify for additional matching funds. Preschools and kindergartens can receive \$2,000 outright plus up to \$2,000 in additional matching funds. Elementary schools can receive \$5,000 with up to \$5,000

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Frank J. Brady Named Foundation Chairman

The Catholic Community Foundation has named Frank J. Brady as Chairman of the Board of Directors for a two-year term beginning July 1. Frank, who has served on the Foundation's board since 1997, succeeds Don Ruff who was Chairman for the past two years.

Frank recently retired after more than 30 years as an audit partner and CPA with Ernst & Young. His clients have included large multinational corporations and Fortune 500 companies in the construction, real estate, manufacturing, retail, airline, transportation, insurance and banking industries. His specialties include SEC accounting and reporting, health insurance, non-profit organizations and real estate. He received his MBA from the University of Chicago and his BA from

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Money was raised by the 8th graders of San Francisco de Asis school as a graduation gift to the school. Fr. Mike Staley presents John Scola with a check for their endowment fund.

the David Katzin Classical Music Endowment. This groundbreaking music program will make it possible for hundreds of urban Catholic school children in the Diocese of Phoenix to be introduced to classical music each year. The five schools that will benefit from the endowment are St. Agnes, St. Catherine of Siena, St. Gregory, St. Matthew, and St. Vincent de Paul.

Katzin explained, "I'm a big supporter of classical music. If kids aren't exposed to it, they never get a chance to appreciate it. I'm just trying to expose them to it. I chose Catholic schools because they have a real interest in this program...and there will be people around to follow up on the results." Katzin's generosity will make it possible for these schools to put a perpetual classical music program in place, and he hopes the idea will spread to other schools in the future.

Rev. Michael Straley, pastor of San Francisco de Asis Parish in Flagstaff, received the award to honor the leadership role he played in helping the Foundation launch the successful Parish Match Program. Before



Flautist Emily Mitchell and pianist Matt Brown from Bourgade Catholic High School provided entertainment for the guests

the Foundation even began presentations to explain the program, Fr. Straley was well into his own campaign, taking advantage of the program to benefit San Francisco de Asis, St. Mary's Catholic School and Holy Trinity Newman Center.

Former television anchor Mary Jo West served as the Mistress of Ceremonies at the Legacy Awards reception. She explained how her involvement with the Catholic Church began when she was a reporter covering Bishop O'Brien's ordination in Rome. She described it as "a magical assignment," where she felt "God was leading me to the church."

Special guest Michael Geddes delivered a personal perspective on the Foundation drawn from his experience as an Advisory Board member and former Chairman of the Foundation. Also at the reception, Mary Anne McKone, Edie Reyno, Diane Scalise, Jane Kohonen, Betty Bool, Linda Wendell and Carolyn Rock were formally recognized for their contributions as past chairmen of the Bishop's Crozier Dinner. A plaque was presented



F. Richard Bloechl, receives a certificate of appreciation from Bishop O'Brien at the Annual Meeting for his term of service to the Foundation. Other members who received recognition but not pictured are Carolyn Rock, Nancy Knight, Ernest Calderon, Frank Nageotte, and John G. Hough.

with the engraved names of all 14 Chairmen and will be displayed at the Foundation offices.

Another highlight of the afternoon event, which was sponsored by Marshal & Ilsley Trust Company, was the premier showing of the Foundation's new video entitled Prayerful and Perpetual Giving. The seven-minute video was produced by West and Life Studios to raise awareness about the Foundation and its mission.

Anderson said, "I thought the awards ceremony was really well-attended and went very well. The video was well received and Mary Jo West did a fabulous job as our Mistress of Ceremonies. Pamela Gralton also deserves kudos for all of the legwork she did."

Flautist Emily Mitchell and pianist Matt Brown from Bourgade Catholic High School provided entertainment for the guests. Past recipients of Christian Service Scholarships served as hosts and hostesses at the reception, which is slated to become an annual event.

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matched, and diocesan high schools can receive \$20,000 outright plus up to \$20,000 in matching funds. Over \$500,000 was set aside to fund the program from the unrestricted earnings.

Committee chairman Greg Donahue commented, "They call it a match program, but I like to call it a '2 for 1.' If a grade school raises \$5,000, they get another \$10,000 to put into the fund. It's a really good way to stimulate the schools to establish their own endowment fund so they can benefit from the perpetuity that goes with having a fund."

Donahue and other Foundation representatives have visited many of the schools in the diocese to explain the program. Once school officials learn how the match program works, participation is an easy decision. Donahue explained, "There are no negatives to saying 'sign me up.' It's a free program."

One of the key advantages of the program is the flexibility it gives schools to use the fund's earnings as they see fit. "If they want to use it for scholarships...if they want to use it for teachers' aides...supplies...for anything around the school, they can, as long as it falls within Catholic guidelines," said Donahue. "We provide them with ideas, but one thing I found out from going out to these schools is that they all have different needs."

St. Gregory's Elementary School has already begun raising additional funds and is planning to use its endowment for financial assistance. According to



Alumni from Seton Catholic gather at a Basketball Game to announce the winner of a drawing they sponsored to raise money for the Michael Eubanks Endowment Fund

Development Director Joann Gaona, "A number of our families are always in financial situations where they can't attend without significant assistance. Even money from CTDOF and Adopt-A-Student usually isn't enough. The match program is terrific. What a great opportunity it is for the schools."

Seton Catholic High School Development Director Shelly Conner commented, "Our alumni association took advantage of the program and did a fundraiser to raise money for a scholarship endowment. We're thrilled that the funds raised are going to be doubled. A lot of hard work went into the fundrais-

ing effort and the fact that it was worth twice as much was definitely a benefit."

Conner summarized the value of the program. "If people had started an endowment 40 years ago, we wouldn't be in the position we are in now. The Catholic School Match Program is the best thing that ever happened to Catholic school endowments." Donahue agrees. He said, "The Bishop really wants this program to work."

For more information on the Catholic School Match Program, call the Catholic Community Foundation at 602-257-5642.



Cathy Giedraitis, 2003 Bishop's Crozier Dinner Committee Chairman

2003 Crozier Dinner Slated for April 26

Marriott's Camelback Inn in Paradise Valley will provide the setting for the 15th annual Bishop's Crozier Dinner to be held on April 26, 2003. The Crozier dinner was established in 1989 to provide an important fundraising vehicle for the Catholic Community Foundation. Last year, the sold-out event raised \$300,000 to support the Foundation's goals of education and communications.

Plans are well under way for next year's dinner. According to Cathy Giedraitis, committee chairman,

"Everything is pretty much set. Our first committee meeting is in October, and we're right on schedule for everything." Entertainment for the event will be announced at a later date. Music is provided by big names in the entertainment industry, and past performers have included Sergio Mendez and Brasil 2000 and Doc Severinsen and his Traveling Band.

Invitations to the Crozier dinner will be mailed in late February or early March, but people who want to reserve their own tables can do so at any time. Also, individuals or businesses interested in underwriting tables or any other aspect of the event are encouraged to call Giedraitis at 480-948-3022. For more information on the Bishop's Crozier Dinner visit our website at www.ccfphx.org

Deadline Approaching for Christian Service Scholarship Applications

Eighth grade students who plan to attend a Catholic high school in the Diocese of Phoenix are invited to apply for a Christian Service Scholarship award. The scholarships are given annually to students who demonstrate Catholic values in their everyday life through service to their parish, school, and local communities. In 2002, nine scholarships, totaling a record \$72,000, were awarded.

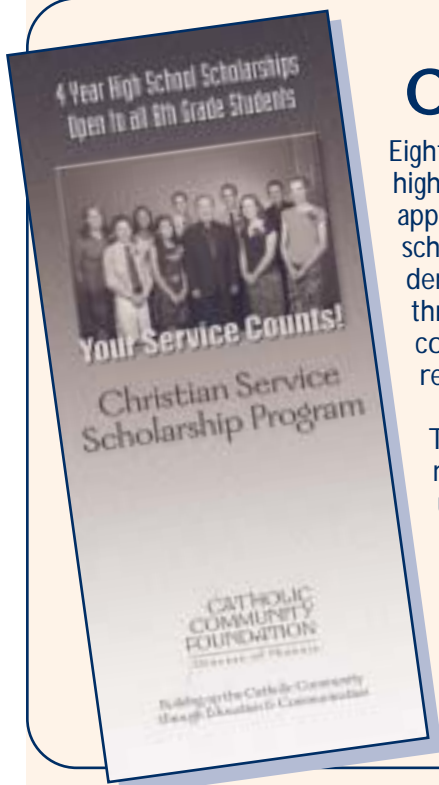
The Christian Service Scholarship Program is made possible through the generosity of contributors who have established perpetual funds through the Foundation. Walter Delecki, Ph.D., Chairman of the selection committee, is asking members of the Catholic community to help spread the word about the program. He said, "There are so many young people that are making a difference in their community. If you know of someone who could benefit from



Scholarship winner Carolyn Scott trains guide dogs for the blind.

this program, or who could contribute, please tell them about it. It's a wonderful program for the students and for the Catholic community." To apply for the scholarship, students must complete an application and obtain recommendations from their pastor or parish representative, community service supervisor, and teacher. They must also submit a 500-word essay on the theme "Whatever you do for the least of these, you do for me." *Matthew 25:45*

All applications and accompanying materials must be received by the Foundation no later than November 15th. Scholarship recipients will be announced the first week in April, and the awards will be presented at a reception hosted by Bishop O'Brien. Additional information, including an application form, can be obtained on the Foundation's web site at www.ccfphx.org, or by calling the Foundation at 602-257-5642.



Treasurer's Report - A Case for Endowments

One of the many ways the Catholic Community Foundation serves the Diocese of Phoenix is by helping the Catholic community prepare for the future. Our endowment program provides a solid base of funds to help our churches, schools and other Catholic organizations continue their important work on a perpetual basis. To help establish these endowments, the Foundation serves as a bridge that connects people who have an interest in helping to the needs that exist.

Like any long-term funding strategy, endowments benefit from strong financial management. The Foundation's investment policy is designed to meet its primary goal of capital preservation combined with the objectives of achieving reasonable income and capital growth. "This investment policy has enabled the Foundation to maintain a reasonable financial position despite adverse market conditions," stated P. Andrew Groseta, Treasurer and Board Member. "I believe the case for endowments will continue to be strengthened by this policy, not only for the present day, but for the future."

The Foundation is grateful to the many individuals, parishes and ministries that provide gifts to meet the many needs throughout the Diocese of Phoenix. Gifts to the Foundation may be established by outright gifts, wills and bequests, charitable gift annuities, charitable trusts, insurance policies, and personal family funds. If the donor has specific wishes as to how the gift is to be used, the funds will be restricted to that purpose. If the gift is unrestricted, the stewards of the Foundation will allocate the funds where the need is greatest.

Since its 1983 inception, the Foundation has distributed more than \$2,700,000 in unrestricted grants. Grants awarded during the 2001-2002 fiscal year totaled \$662,589, including a record amount of \$438,000 in unrestricted grants. The remaining \$224,589 in grants came from parish, school and ministry endowment funds that were set up or augmented through the Parish and School Match programs. More than 56% of the funds awarded during the past year were allocated to education. Additional Income also is derived from memorial endowment funds. These funds are restricted and the decision on how the earnings are disbursed is up to the donor and advisors to the fund on an annual basis.

The Foundation uses a total valuation methodology in calculating disbursements. The value of the fund on the closing date of each fiscal year is averaged (usually for three years), and a percentage is applied (usually 5%) to that average to calculate the disbursement. The 5% figure is recommended since it accounts for the costs of maintaining the fund, as well as inflation, while assuming a historically realistic rate of return. (The Foundation's management, administration, and investment fees are well below the industry average.) An additional benefit is that fund disbursements using the total valuation methodology are more predictable for planning purposes.

Providing prudent stewardship of all funds managed by the Foundation continues to be an important priority. "Employing continued strict fiduciary con-

trol over all Foundation assets will enable the Foundation to continue to meet its goal of capital preservation," reported P. Andrew Groseta.

Annual Reports are available at the Foundation office. For more information about the Foundation, we invite you to visit our web site at www.ccfphx.org.



P. Andrew Groseta, Treasurer

Mr. Groseta is co-owner of Headquarters West, Ltd., a statewide agribusiness firm specializing in agricultural real estate brokerage, appraisals, management, and consulting. He received his Masters in Agricultural Education from the University of Arizona in 1978 and a B.S. in Animal Science/Agricultural Education from the University of Arizona in 1972. Andy is Past President, Yavapai Cattle Growers Association; Past President, U of A Agricultural Alumni Association; Board Member, U of A Yavapai County Extension Advisory Board; and Immediate Past Chairman of the Board of Directors for Northern Arizona Healthcare (Flagstaff Medical Center, Verde Valley Medical Center, Sedona Medical Center). Currently, he serves as Chairman of the Federal Lands committee of the National Cattlemen's Beef Association. Andy and His wife Mary Beth have three children, are a 3rd generation cattle ranching family in the Verde Valley, and members of Immaculate Conception Catholic Church in Cottonwood.

Our Apologizes..

Due to a printing error, the photos of Vanessa Cruz and Carolyn Mosher were inadvertently switched in the Summer 2002 issue of Foundations. Now both freshmen at Bourgade Catholic High School, Vanessa and Carolyn were the recipients of the Michael and Sheila Geddes Christian Service Scholarship awards for 2002. We congratulate these young women for their commitment to Christian service, and we apologize for any inconvenience this error may have caused them or their families.



Vanessa Cruz



Carolyn Mosher

Estate Planning

Estate planning is the process of accumulating and managing your assets during your lifetime and disposing of those assets, as you direct, at your death. Our ministry at the Catholic Community Foundation is to provide assistance to individuals who are interested in pursuing the possibility of making a gift to their parish, school, or ministry as part of their estate plan. This could be a current gift, a life income gift, or a gift at death.

Thoughts about charitable gifting at year-end

As the end of the year approaches, our thoughts turn to planning for the next year. These plans should include a thoughtful review of our current situation.

Unfortunately, many of the current financial matters affecting many of us are still being debated by our legislature. Those of us with investments in the stock market are still wondering when things will change and ideally return to better days. It is hard to watch your net worth drop every time the stock market closes.

Even though many things are uncertain, for 2002 there are things we know. The lower income tax rates established in July 2001 remain the same. The amount that can be set aside tax-free for retirement savings increased in 2002. The federal estate tax exempted amount was raised to \$1,000,000 in 2002. As of this writing, Congress is still struggling with the idea of a complete repeal of the federal estate tax.

We also know that charitable gifts continue to be fully deductible. Gifts of cash may be deducted from federal income tax in an amount up to 50% of your adjusted gross income. Gifts of appreciated stocks, mutual funds, and certain other assets are deductible up to 30% of your adjusted gross income. Donations in excess of these maximum amounts may be used to reduce taxes in up to five future years.

If you make charitable gifts, you may wish to look at the timing of your gifts to maximize tax savings. Only gifts completed by December 31st will help reduce your taxes on your next April 15th tax bill.

If you are one of those who have stock that has actually increased in value since you have owned it, a charitable

gift of the stock may be an attractive option. That gift would not only be deductible from income tax at its full value if owned more than one year, but you could also bypass the capital gains tax due if sold.

If you have investments that have decreased in value, consider selling them and making a deductible charitable gift of the cash proceeds. In this way you create a loss which you may be able to deduct from other taxable income along with your charitable deduction for your cash donation.

In these times of low interest rates, many of our senior members struggle because of the low cash flow of their investments. Many have found that a charitable gift annuity can increase their monthly cash flow while providing a future gift to their parish, school or ministry. There is an income tax deduction on part of the gift, which is available in the year of the gift. Charitable Gift Annuities can be a good replacement for low interest CD's.

Charitable gift annuity payments are based on the amount of the gift and the age of the annuitant. The annuity rates range from 6.7% for an individual age 65 to 12% at age 90. Information on charitable gift annuities is available without obligation.

Charitable Gifting Through Life Insurance.

One of the most overlooked options for charitable gifting is life insurance. Many of us have one or more life insurance policies. Life insurance is traditionally purchased for a variety of reasons — to provide security for loved ones, as a time-honored savings plan, or as a means to provide funds expected to be needed for the payment of taxes and other estate settlement expenses.

Life insurance is an especially flexible planning tool that can be used to meet a variety of personal financial needs. Many people have been pleased to discover that their life insurance can offer a convenient way to fund meaningful charitable gifts as well.

Is life insurance giving for you?

Ask yourself the following questions to discover whether a gift of life insurance could play a role in your charitable giving plans.

- Do you have a policy on your life that was intended to protect a spouse who will no longer need it or a child who is now financially independent?
- Do you have a policy purchased to complete the payment of a mortgage that has since been paid in full?
- Do you have a policy you bought to provide retirement income? Have you since accumulated adequate amounts in your other retirement plans?
- Do you have a policy you bought to guarantee that money will be available for your children's education? If you have paid for the education using other funds, is this life insurance still needed?
- Do you have a policy to protect a business that no longer exists or no longer needs such protection?
- Do you have a small policy your parents purchased for you when you were a child?

Many people have excess life insurance but do nothing about the "obsolete" insurance coverage they may have. Check your life insurance policies. Compare your coverage with your present needs. Then consider how your life insurance may be used to help you meet other goals.

There are many ways to give using life insurance. Each method of giving life insurance can help meet a different estate or financial planning goal. Please contact the Catholic Community Foundation for detailed information concerning making charitable gifts with life insurance. There is no obligation. Consider whether any of these ways to give life insurance may be applicable to your situation.

In our next issue of Foundations, we will discuss additional methods such as outright gifts, bequests, IRAs and other retirement plans, charitable trusts and real estate. For more information on the many ways in which you can create a legacy of your faith through giving, call Tom Thieken, Senior Field Representative for the Catholic Community Foundation at 602.744.6392.

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Georgetown University.

In addition to his professional responsibilities, Frank has a long history of service to the community. He has served on the board of the Boys and Girls Clubs of Metropolitan Phoenix for 12 years, and was a board member and president of Phoenix Little Theatre. Among the many other organizations to which he has donated his time and talents are COMPAS and Kids at Hope. He is also currently a board member and treasurer of Paradise Valley Country Club. "I've always enjoyed community activities," he commented.

Frank has established several goals for his term as Chairman. They include investing the fund's assets

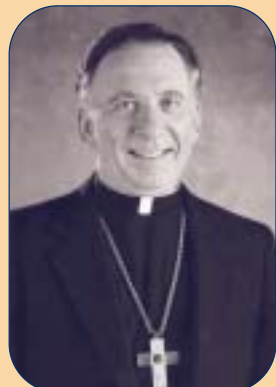
wisely and safely, increasing the amount of the fund's assets, and determining the best use of contributions for diocesan needs. He also hopes to increase minority participation in the Foundation, particularly within the Hispanic community. "I'd like to see more active participation by minorities on the board, so we can better understand what the minority needs are in the Catholic community," he explained. "We could possibly provide funding in an area that we don't do right now, if it has great value and can reach a lot of people."

Continuing the campaign to make the Catholic Community Foundation better known in the community is another goal Frank plans to pursue with the help of the board. "We have a great group of board mem-

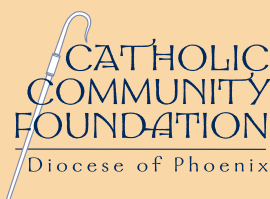
bers right now," he said, "and I want to continue to seek active board members who can add value to the Foundation."

Frank credits the Foundation's Executive Director, John Scola, for helping the board chart the right course. "John is very bright, energetic and creative," he said. "A guy like him makes the job of Chairman a lot easier. I frankly look to see where John wants to lead us and I just get out front and there we go. We're lucky to have him."

Frank and his wife Connie have four children and three grandchildren. They have lived in Phoenix since 1981 and are members of St. Maria Goretti Parish.



Most Rev. Thomas J. O'Brien,
Bishop of Phoenix



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STAFF

John A. Scola, CFRE
Executive Director
602.494.7066 direct
jscola@ccfphx.org

Pamela M. Gralton, Editor
Marketing Manager
602.257.5592
pgralton@ccfphx.org

Thomas L. Thieken
Senior Field Representative
602.744.6392
tthieken@ccfphx.org

Michele Gibbs
Executive Assistant
602.257.5642
mgibbs@ccfphx.org

Beatriz Adriana Coria
Financial Assistant
602.744.6343
acorria@ccfphx.org