Dear Brothers and Sisters in Christ,

The Holy Father, Pope Francis, has invited us to enter more deeply into the mystery of God’s divine mercy revealed in the Sacred Heart of Jesus.

The Jubilee Year of Mercy provides us the occasion to recognize how we are saved by the merciful hand of Jesus, pierced for our sake, as well as consider the manner by which we extend this same saving mercy to others.

The heart of the Catholic Foundation is the Sacred Heart of Jesus. His wisdom and charity inspire all the many works supported by the Foundation. I hope the accompanying report will convey both the careful stewardship of this Catholic legacy as well as the gospel joy with which it is shared for the greater glory of God.

Respectfully,

+Jaime Soto
Bishop of Sacramento
Building a vibrant and successful future

CAPITAL CAMPAIGN PROGRESS

The ONE Campaign was designed to support and bring Bishop Soto’s strategic plan to fruition. This plan focuses on six primary areas of need that are crucial to building a vibrant and successful future for our church — education, youth ministry, pastoral care, communication, service and the parish communities. We are pleased to share with you the ONE expenditure plan for funds committed as of June 30, 2014.

Education

$5.8 million
- Technology $500 thousand: Bringing technology to the classroom $15,000/school
  - Bishop Soto’s Strategic Plan calls for every school to be a 1:1 device environment by 2016. With the ONE School Technology Fund, qualifying schools receive grants for this purpose.

Lay Formation & Youth Ministry $9.5 million
- Lay Formation $1.2 million: Nurturing spirituality
  - ONE Lay Formation Funds will help to underwrite the cost of certifying an additional 400 lay ministry leaders at the basic level and 100 lay ministry leaders at the advanced level over the next five years.

Parish Community $4.1 million
- The unique needs of each parish are great. This campaign will not only strengthen the entire community, but individual parishes as well.

Communication $1.5 million
- Radio Santísimo is making the mission of new evangelization a reality in the Diocese of Sacramento.

Service $1.35 million
- We must support and expand our community’s good works and give hope and sustenance to those in need.

Pastoral Care $750 thousand
- The opportunity for our retired priests to live independently yet in community, has proven to be a very attractive model.

NEW ENDOWMENTS FOR
- Parochial Schools $1.5 million
  - ONE Parochial School Endowment Funds will be used to assist in the purchase and renovation of properties as well as the purchase of replacement buildings.

- High Schools $1 million
  - Supporting our school families $500–$2,500 award range
    - ONE Scholarship Funds will provide financial assistance to help make Catholic school affordable for deserving families who seek financial assistance.

- Facilities Improvements $2.8 million
  - ONE Facility Funds will address the specific facility and infrastructure needs of our three parishes.

NEW MILLION
- Education
- Technology
- Parochial Schools
- High Schools
- Facilities Improvements

NEW MILLION
- Youth & Young Adult Ministry
- Youth & young adult ministry coordinator/region
- The ONE Regional Youth & Young Adult Ministry Fund will support three Regional Coordinator positions to work one-on-one with parish staff, host collaborative regional events and promote the creation of additional paid youth ministry positions.

NEW MILLION
- Newman Centers & Programs
- Home away from home
- The ONE Campus Ministry Fund will address the needs of our three Newman Centers to ensure our college-aged community has a place to worship and mentors who will guide them when they are away from home.

NEW MILLION
- Camp Colfax
- ONE Camp Colfax Funds will be used to assist in the purchase and renovation of this youth camp and retreat property to ensure expanding participation of youth and young adults at the parish, deanery, regional and diocesan levels.

In 2012, The Most Reverend Jaime Soto, after two years of development and input released his exciting and ambitious Strategic Plan, “A Hopeful and Effective Sacrament of Christ in Northern California.”
A program of The Catholic Foundation, the Annual Catholic Appeal is our annual tradition that connects us to those who need our help. The Foundation is focused on growing the potential of the Appeal.

50% of proceeds helped a vibrant network of Catholic social service agencies extend the hand of Christ to those who are lost and alone.

25% of proceeds helped families in our most at-risk communities with tuition assistance so their children could remain in Catholic school; and helped seminarians devote themselves fully to their studies as they prepare to serve as priests in our diocese.

25% helped 102 parishes respond to local needs.
The Catholic Foundation practices Christian stewardship by managing individual endowment funds for the benefit of parishes, schools and agencies in the Diocese of Sacramento.

MAJOR FUNCTIONS OF THE FOUNDATION
Fund Development to support the Bishop’s Strategic Plan
Parish Services to support parish financial goals
Community Outreach to build donor, government, board and media relations
Impact Reporting to communicate results, accomplishments, and accountability

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Funds & endowments at work »

Bishop William K. Weigand Seminarian Endowment » Recruiting seminarians, rebuilding the presbyterate and Hispanic ministry were priorities for Bishop William K. Weigand when he became the eighth Bishop of the Diocese of Sacramento in 1994. It was even more urgent in Sacramento than anywhere else he had served because of the declining number of priests. “When I arrived, there were only a handful of parishes in the Diocese that offered the Mass and sacraments in Spanish and many communities were divided. We had to plan for a presbyterate that would eventually be totally non-Irish and be from local, Hispanic and Filipino vocations. Today, we have a very diverse presbyterate. We also developed parish committees to recruit more local vocations and brought in priests and sisters from several religious communities.”

Established in 2007, the Bishop William K. Weigand Seminarian Burse continues to assist with the education and formation of future priests for the Diocese of Sacramento. Thanks to his vision and generosity, we have a permanent resource to support such a critically important ministry to the future of our diocese.

◆

Camp ReCreation has been serving people with developmental disabilities since 1983. Each year, the camp provides three weeks of residential summer camp and engaging year-round activities that inspire fun, social interaction and spiritual growth – all while creating valuable respite for parents and caregivers. Camp ReCreation also strives to increase awareness and acceptance of persons with developmental disabilities in the greater community. "Camp ReCreation is made possible only by the generous support of our donors." – Kathi Barber, Director

Camp ReCreation Endowment » Camp ReCreation has been serving people with developmental disabilities since 1983. Each year, the camp provides three weeks of residential summer camp and engaging year-round activities that inspire fun, social interaction and spiritual growth – all while creating valuable respite for parents and caregivers. Camp ReCreation also strives to increase awareness and acceptance of persons with developmental disabilities in the greater community. “Camp ReCreation is made possible only by the generous support of our donors.” – Kathi Barber, Director

Camp ReCreation is under the patronage of the Diocese of Sacramento and supported by the Knights of Columbus and many other individuals and organizations. In 1999, the Camp ReCreation Endowment Fund was established to help assure the long-term viability of the programs and ensure continued opportunities for future campers.

Each year, an endowment’s earnings are used to help finance the specific purpose for which it was created. Camp ReCreation has been serving people with developmental disabilities since 1983. Each year, the camp provides three weeks of residential summer camp and engaging year-round activities that inspire fun, social interaction and spiritual growth – all while creating valuable respite for parents and caregivers. Camp ReCreation also strives to increase awareness and acceptance of persons with developmental disabilities in the greater community. “Camp ReCreation is made possible only by the generous support of our donors.” – Kathi Barber, Director

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Catholic Schools / Tuition Assistance Endowments

A.G. Kassis Family Scholarship Endowment for High Schools
Apostle of Sacred Heart of Jesus, St. Charles, Sacramento
Believe / Catholic Schools Scholarship Endowment
Charles and Helen Schwall Foundation Fund
Charlotte Mary Church Memorial Scholarship Fund, St. Robert School, Sacramento
Donald W. “Bill” Latelljohn Scholarship Fund, Colusa
Edward L. Lammerding Scholarship
Edward B. Vera Langen Scholarship Endowment
Everett V. O’Rourke Scholarship Endowment for High Schools
Greenleaf Scholarship Fund, St. Patrick / St. Vincent High School
Hansen Tuition Assistance Fund, Holy Rosary School, Woodland
Helen Faulkner Scholarship Fund, Mercy High School, Red Bluff
Ima Stoß Scholarship Trust
Isabel Dinelli Cristo Rey Scholarship Fund
Isabel Dinelli Scholarship Fund
John J. Losser Estate Scholarship
John Robert Keane Memorial Scholarship Endowment
Lomello P. McKenna-Faulkner Endowment
Mary Van Geffen Scholarship, Notre Dame, Marysville
Maurice Dixon Scholarship Memorial Endowment for SUCCCEED Schools
Merle A. Webb Endowment, Notre Dame School, Chico
Mt. St. Mary School Endowment
Mt. St. Mary School, Single Parent Scholarship Endowment
Nancy E. Murray-Wachtler Scholarship Fund, St. Thomas, Oroville
Natalie Marie Giorgi Scholarship Fund
Nellie J. Schrader Scholarship Fund
Philip Henry DeRoches Fund
Preserving our Past Building our Future Scholarship Endowment for Catholic Schools
Preserving our Past Building our Future Scholarship Endowment for Religious Education and Lay Ministry
Raymond J. Spingold College Scholarship Fund
Richard J. Nancy Quinn Scholarship, Notre Dame School, Vacaville
Richard J. Lee Memorial Scholarship Fund
Ring Scholarship Fund, Sacred Heart School, Sacramento
Robert L. Rufian Endowment Fund, St. Patrick – St. Vincent High School
Rosemary Trainer Bradley Memorial Scholarship Award
St. Angela Merici Scholarship Fund
St. Francis High School Endowment
St. Patrick-St. Vincent High School Endowment
St. Patrick-St. Vincent High School Memorial Scholarship Fund
SUCCCEED Schools Endowment Fund
The Leonro and Mary Tirapelle Scholarship Fund
Thomas & Beverly Burke Endowment Fund, St. Patrick – St. Vincent High School
Thomas N. Burke Class of 1954, St. Basil, Vallejo
Timothy Grover Memorial Scholarship, St. John Notre Dame School, Folsom
Viet Scholarship Endowment for College
William Randolph Hearst Small and Rural School Endowment
and 45 funds and endowments established by parishes to benefit their parish school

Catholic Schools / Tuition Assistance

We are grateful for funds like the Everett O’Rourke Scholarship Endowment. Students with the desire, but not the means to attend Catholic High School have been given a remarkable gift.”
— David Perry, President
St. Patrick – St. Vincent High School Vallejo

64.8%
$46.1 million

Catholic Schools / Tuition Assistance

Established in 1987, the endowment was created in memory of Everett O’Rourke for his many years of service to Catholic education in our diocese.

To be considered, the student’s family must exhibit a need for financial aid and the student must prove academic excellence and service to the community.

Angelina, a 2014-15 recipient wrote: “Often I am bombarded by media and a society that have lost respect for family and faith. Catholic education strengthens the value of family and faith.” She continues: “A Catholic education prepares students to be good stewards of God’s gifts and active people of faith who serve others, make a difference in the world, and participate in our faith. This faith-filled environment instills high degrees of self-confidence, self-respect, and self-discipline among students.”

Thanks to O’Rourke Scholarship funds, Angelina has been able to continue her Catholic education in the faith-filled environment of St. Patrick-St. Vincent High School in Vallejo. •

“I am able to grow in an environment where dependence on God and prayer are encouraged.”
— Angelina O’Rourke Scholarship Recipient

Funds & endowments

at work »
CREATING A CHARITABLE GIFT ANNUITY

Robert Reel creates a legacy of gratitude to Holy Rosary Parish

Ask Robert Reel what he’s most grateful for over his lifetime, and without hesitation “my choice to become Catholic.”

“I went to Holy Rosary Church with my wife, Marie, and decided to become Catholic. I’ve never regretted it.” Robert was baptized in the 1970s. “Being Catholic and a member of Holy Rosary has meant a lot to me over the years,” Robert says. “I really don’t know how to fully explain it. I wouldn’t miss coming to Mass for anything. It’s made me a different person.”

Marie died two years ago. When Robert heard about the CGA program for those 65 and older being offered by The Catholic Foundation, he donated $200,000 of his savings as a way to give back for his four joyful decades at the parish. With the annuity, he receives lifetime income for himself in the form of a monthly check for 20 years or for the rest of his life, which will benefit the many ministries of Holy Rosary.

“Charitable gift annuities endowments at work

Robert Reel
Holy Rosary Parish, Woodland

I can’t think of a better place to donate my money. The parish has meant so much to me for so many years.”

Donors and financial advisors may choose from a variety of ways to achieve philanthropic goals

<table>
<thead>
<tr>
<th>TYPE OF GIFT</th>
<th>FORM OF GIFT</th>
<th>POTENTIAL BENEFIT TO PDO – THE DONOR</th>
<th>BENEFIT TO FOUNDATION MINISTRIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outright Gift: Unrestricted</td>
<td>Cash</td>
<td>Charitable tax deduction</td>
<td>Immediate benefit to ministry(ies) of donor choosing (or Foundation may choose if unrestricted)</td>
</tr>
<tr>
<td></td>
<td>Stock/Securities, Insurance, Real Estate, Personal Property, etc.</td>
<td>Avoidance of capital gains tax, Opportunity to make a gift to a designated ministry(ies)</td>
<td></td>
</tr>
<tr>
<td>Outright Gift: Endowment</td>
<td>Cash</td>
<td>Charitable tax deduction</td>
<td>Ongoing support to donor designated ministry(ies), Opportunity for beneficiaries to participate in philanthropy</td>
</tr>
<tr>
<td></td>
<td>Stock/Securities, Insurance, Real Estate, Personal Property, etc.</td>
<td>Avoidance of capital gains tax, Opportunity to make a gift to a designated ministry(ies), Honor a loved one</td>
<td></td>
</tr>
<tr>
<td>Charitable Gift Annuity</td>
<td>Cash</td>
<td>Guaranteed cash flow for life at rates higher than bank CDs, Portion of cash flow is tax-free</td>
<td>Upon end of donor life or end of contract, remaining assets support parish, school or designated ministry(ies)</td>
</tr>
<tr>
<td></td>
<td>Stock/Securities</td>
<td>Charitable tax deduction, reduction of taxable estate</td>
<td></td>
</tr>
<tr>
<td>Donor Advised Fund</td>
<td>Cash</td>
<td>Donor recommends recipient ministries, Advice in determining appropriate ministry(ies), Charitable tax deduction, reduction of taxable estate</td>
<td>The Foundation receives gift for immediate and future use, Opportunity for beneficiaries to participate in philanthropy</td>
</tr>
<tr>
<td></td>
<td>Stock/Securities, Insurance</td>
<td>Charitable tax deduction</td>
<td></td>
</tr>
<tr>
<td>Charitable Remainder Trust</td>
<td>Cash</td>
<td>Donor receives income stream, Charitable tax deduction, Reduction of taxable estate, plus avoidance of capital gains tax</td>
<td>Upon end of donor life, remaining trust assets support designated ministry(ies)</td>
</tr>
<tr>
<td></td>
<td>Stock/Securities, Real Estate, Any appreciated property</td>
<td>Opportunity to make a gift to a designated ministry(ies)</td>
<td></td>
</tr>
<tr>
<td>Bequest: In Will or Trust</td>
<td>Cash</td>
<td>Reduction of taxable estate, Create legacy honoring a loved one, Opportunity to designate ministry(ies)</td>
<td>Funds designated ministry(ies) (or Foundation may choose if unrestricted)</td>
</tr>
<tr>
<td></td>
<td>Stock/Securities, Personal Property, etc., Percentage of estate, Remainder of estate</td>
<td>Opportunity for beneficiaries to participate in philanthropy</td>
<td></td>
</tr>
<tr>
<td>Life Insurance</td>
<td>Name the Foundation as policy owner and/or beneficiary</td>
<td>Future gift at manageable cost, Charitable tax deduction</td>
<td>The Foundation receives full face value of policy upon death of the donor, or current surrender value</td>
</tr>
<tr>
<td>Retirement Plan / IRA / Annuity</td>
<td>Name the Foundation as beneficiary</td>
<td>Donor maintains control during life, avoids tax at death, Opportunity to designate ministry(ies)</td>
<td>Upon end of donor life, immediate support of Foundation ministry(ies)</td>
</tr>
</tbody>
</table>

Cemetery Perpetual Care Funds and Parish Endowments provide for maintenance of facilities and programs.

More funds & endowments at work

Parish Endowments

Fr. Michael J. Dillon Scholarship, Rocklin
Garland and Veronica Fritzie Endowment, St. Joseph Parish, Sacramento
Mary B. Allen Trust Endowment, Sacred Heart Parish, Gridley
Marya Welch-Memorial Hall Endowment, St. James Parish, Davis
Richard Lambert Trust, St. John the Baptist Parish, Chico
Sacred Heart Parish Endowment, Red Bluff
St. Francis of Assisi Parish Endowment, Sacramento
St. James Parish Endowment, Davis
St. Joseph Parish Endowment, Elk Grove
St. Joseph Parish Endowment, Redding
St. Rose Parish Education Endowment, Roseville
St. Therese Parish Endowment, Ileston
William and Marijane Adams Endowment, Queen of the Snows Parish, Tahoe City

$13.6 million
Cemetery Perpetual Care Funds

19.1%
Department of Cemeteries Endowment Fund
Department of Cemeteries Veterans Endowment Fund
St. Josephs Cemetery, Redding
St. Patricks Cemetery, Placerville

5.9 million
Parish Endowments

8.4%
YEARS ENDED DECEMBER 31, 2014 & 2013

Financial Position

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$348,257</td>
<td>$681,838</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>1,017</td>
<td>—</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>349,274</td>
<td>681,838</td>
</tr>
<tr>
<td>Investments</td>
<td>$71,057,277</td>
<td>68,701,880</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$71,406,551</td>
<td>$69,383,718</td>
</tr>
</tbody>
</table>

LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$138,880</td>
</tr>
<tr>
<td>Long-term Liabilities:</td>
<td></td>
</tr>
<tr>
<td>Endowments Held for Others</td>
<td>61,521,353</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>61,660,233</td>
</tr>
<tr>
<td>Net Assets:</td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>6,482</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>2,050,368</td>
</tr>
<tr>
<td>Permanently Restricted</td>
<td>7,689,468</td>
</tr>
<tr>
<td>Total Net Assets</td>
<td>9,746,318</td>
</tr>
<tr>
<td>Total Liabilities and Net Assets</td>
<td>$71,406,551</td>
</tr>
</tbody>
</table>

Revenue and Reclassifications:

- **Endowment Contributions**: $35,987
- **Other Contributions**: 2,826
- **Net Investment Income**: 516,100
- **Management Fee Revenue**: 4,113
- **Net Assets Released from Restrictions**: 539,664

Total Revenue and Reclassifications: $967,703

Expenses:

- **Administrative and Financial Services Fee**: 4,113
- **Distributions and Grants**: 516,100

Total Expenses: 961,221

Change In Net Assets: 6,482

Net Assets, Beginning of Year: $2,045,663

Net Assets, End of Year: $6,482

Target Asset Allocation:

- **Fixed Income**: 50%
- **Large-Cap and Mid-Cap Equities**: 35%
- **Small-Cap Equities**: 7.5%
- **International Equities**: 7.5%
The Catholic Foundation of the Diocese of Sacramento, Inc.

MISSION
To witness to Christ and His Gospel values of love, justice, forgiveness and service to all by ensuring that financial donors can effectively support the well-being of Catholic works in our diocese.

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Street Consulting

Services
Annual Catholic Appeal | Parish capital campaign assistance
Parish school development support | Parish stewardship resources
Planned and major giving support

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