

## THE PAPAL FOUNDATION

### Report to the Stewards

As we enter the 30<sup>th</sup> anniversary of the founding of The Papal Foundation, it is appropriate that in preparing to mark this milestone year we take this opportunity to reflect on its accomplishments, renew our commitment to its purpose and goals and look to the future with revitalized energy and hope to sustain our service to Christ, His Church, our Holy Father Pope Francis, and to our brothers and sisters in need.

Since its founding in 1988, The Papal Foundation has worked diligently to carry out the goals announced in its Mission Statement:

“The mission of the Papal Foundation is to serve the Holy Father and the Roman Catholic Church. We do this by gathering in a corporal and cooperative collaboration of laity, clergy and hierarchy within the Church, in witness to one another of our faith, and drawing strength from the witness of the Holy Father. We bring and contribute our faith, our energy and our financial resources, to serve those needs of the Church that are of particular significance to the Holy Father, always with a commitment to walk in union with the Holy Father and the Magisterium of the Church.”

From its first contribution in response to the requests of Pope Saint John Paul II, The Papal Foundation has supported grant requests in excess of \$100 million. These contributions originally responded to both the internal needs of the Church in Rome and have continued to do so, most recently supporting the startup of news.va, while they also focused, with increasing awareness, on meeting the needs of the poor and marginalized throughout the world, particularly in less developed countries.

The upcoming annual report, entitled *Devotion to Faith, Prayer, and Service*, will highlight projects made possible by the support of the Stewards and will detail the Papal Foundation’s financial condition. However, a preview of this report shows that 2017 has been a particularly good one for the Foundation given the number of new Stewards and the performance of our investment portfolio.

The Foundation’s ability to help so many of our brothers and sisters around the world is a direct result of the faith, dedication and generosity of the Stewards, the resourcefulness of The Papal Foundation and the commitment of its Board members, officers and staff.

The year that just ended, while filled with much good news, also brought with it some challenges. For the first time, The Papal Foundation was asked, on the part of our Holy Father, to make a significant special grant in the amount of \$25,000,000 over a three-year period as part of an effort to provide funding for a hospital in Rome. This request came in the larger context of the Holy Father's commitment to confront and eliminate corruption and financial mismanagement both within the Vatican itself and in outside projects with which it was involved or sponsored.

This new type of grant request brought challenges to the Board. As appropriate, the Board responded with discussion, review and considerable reflection. The Stewards of Saint Peter can be proud of the fact that the Board devoted so much attention to separating misinformation from fact, to examining our legal status and fiduciary responsibilities, and to inviting a full review by outside legal counsel of the administration of our corporate governance and operations.

While the process was somewhat time consuming, the end result shows the wisdom of the Board's active engagement in weighing the situation, the purpose of our Foundation, our own sense of responsibility and the level of accountability for any of our grants.

In the end, after two Board meetings and considerable discussion and reflection at those meetings as well as in the period between those meetings, the Board came to a unanimous conclusion (with no audible dissent) to make the grant, requested by our Holy Father, while at the same time to reinforce the need for verification on the use of the funds through quarterly reports on the hospital's financial, operational, and administrative status, in response to the Board's sense of accountability. Our actions we hope also follow on our Holy Father's efforts at institutional reform. It was also suggested that the Foundation's leadership discuss with the Secretary of State the Foundation's preference that in the future grant requests be of the size and for the purposes traditionally presented to the Foundation.

At the same time, what was particularly striking about the Board's unanimous declaration, was the unequivocal affirmation of loyalty to the Holy Father and the desire to be of dedicated service to him and his articulated needs.

Stewards of Saint Peter and friends of The Papal Foundation can be justifiably proud of the Board members who took such time and effort to achieve this unified position which would not have been possible without the commitment of everyone involved.

Our attention, however, also turns to the future. As we look to the April pilgrimage to Rome and our annual audience with our Holy Father in which he has always expressed his personal gratitude to the Stewards for their contribution and to The Papal Foundation itself for its support of the needs he articulates, we will be able, even apart from the special grant request, to assure the Holy Father of a contribution this year of \$11,670,213.

During our annual pilgrimage, we will again take time to celebrate Mass on several occasions, including the opening Mass at the Basilica of Saint Peter in Chains and our concluding Mass in the Basilica of Saint John Lateran. These occasions can be moments of joyful celebration of our identity, our loyalty to the Holy Father and our gratitude to God for the capability that the Foundation has to be so generous. But the pilgrimage also provides us a time of personal spiritual renewal with the availability of the Sacrament of Reconciliation and other moments of personal devotion and reflection.

May this anniversary pilgrimage to the See of Peter and our visit with his Successor, Pope Francis, be a time of grace and peace, faith, unity and love.

Friday, January 5, 2018