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The Catholic Community Foundation
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2008 Annual Report



*Nurture your faith.
Trow your community.*

We have witnessed Christ's message of love through his humble example of selflessness. Together we can continue Christ's teachings of compassion, acts of faith and good works. By providing a simple way for donors to create a legacy of giving to their favorite causes, The Catholic Community Foundation provides fertile ground in which to plant the seeds of faith, grow them gloriously and spread the bounty to those who need it most.



*Reap rewards,
Spread bounty.*

As Catholics, giving is not what we do; it is who we are. The Catholic Community Foundation provides a variety of ways for you to support the community you live in, perpetually. From anonymous individual gifts to donor advised funds, you can be involved as much or as little as you want in helping guide the distribution of grants to the organizations that support the mission and values of the Catholic Church.

*Cultivate a legacy
of giving.
Plant a seed.*

Christ showed us how much can be made from even the smallest gift shared. Likewise, a modest amount of giving can grow and spread with the proper nurturing. The Catholic Community Foundation has a proven track record for managing investments to ensure competitive performance, while at the same time remaining socially responsible in its investment philosophy. Whether you're a parish with an endowment fund or an individual with a budding donor fund, your resources will be carefully managed to grow over time, and provide the maximum benefit to the organization and causes in which you believe.



Dear friends, It has been well documented throughout this country that we, as individuals, are facing many challenges – from a sluggish economy and weak stock market to a growing number of nonprofits that are seeing their contributions decrease while the need for their services increases. It is important for you to know that The Catholic Community Foundation, through our donor funds and grant program, remains steadfast in making real and significant contributions to your community.

We continue to focus on the positives and report to you the “good things” we are doing with the help of our donors and clients.

- This year we reached another milestone for our organization – we have now awarded over \$2 million in grants since our inception. In addition, our assets at the end of the fiscal year totaled \$27.3 million.
- We continue to apply our socially responsible investment guidelines to all foundation assets we manage for our donor and agency funds.
- We continue to work with donors to simplify their giving, while enabling them to establish a legacy fund for future generations.
- We continue to work with parishes, schools and Catholic organizations to provide investment management in a socially responsible manner for their endowment fund assets to help secure their futures.

At a time when there are so many ways for donors to give, The Catholic Community Foundation provides individuals with an opportunity to take advantage of tax benefits, but more importantly, it allows them to establish a legacy gift that will be invested based on our social screens and provide support to those organizations they care most about. Our mission is to help you make your church and community a richer and healthier one that will continue to grow and secure Christ’s legacy for future generations.

On behalf of the entire board, we extend our heartfelt appreciation to each of you for your continued support of the Foundation. We ask you to spread the word about us so that together we can help grow the seeds we have already planted.

P. Michael Mahoney
Chairman of the Board

Mary Ellen Markowski
President

A Separate Structure

The Catholic Community Foundation is a not-for-profit Wisconsin corporation, tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code and governed by its own Board of Directors. The Foundation is a separate civil and canonical entity independent of the Archdiocese of Milwaukee.

*Agency Accounts**

- Andrew L. Nelson Alumni/AE Chair on Christian Ethics Fund
- Catholic Charities
- Congregation of Good Shepherd, Eden
- Divine Savior Holy Angels High School
- Dominican High School
- Goebel Fund
- Helen Rapp Trust Fund
- Marquette University High School
- Mary B. Finnigan Fund in Memory of Eleanor H. Boheim
- Mary Kane Weakland Education Fund
- Our Lady of Divine Providence, Milwaukee
- Rosalie Manor Community and Family Services
- St. Alphonsus, Greendale
- St. Andrew, Delavan
- St. Anthony on the Lake, Pewaukee
- St. Bernard, Wauwatosa
- St. Boniface, Germantown
- St. Dominic, Brookfield
- St. Edward, Racine
- St. Eugene, Fox Point
- Saint Francis de Sales Seminary
- St. John Vianney, Brookfield
- St. Leonard, Muskego
- St. Margaret Mary, Milwaukee
- St. Martin de Porres, Milwaukee
- St. Peter, Kenosha
- Ss. Peter and Paul, Milwaukee
- St. Roman, Milwaukee
- Sheboygan County Catholic Fund, Inc.
- Sr. Lucy Ann Scholarship Fund
- Three Holy Women, Milwaukee

*Grants at the discretion of the agency

DONOR FUNDS

Donors make a gift which is invested in a permanent endowment and each year grants are awarded from the fund. A donor can establish one of the following types of funds within the Foundation and give it a name and purpose that reflects their philanthropic intentions.

Advised Fund Grants are awarded to charitable organizations that are recommended by the donor and/or family member. These funds may be more favorable than starting a private foundation.

Field of Interest Fund Grants are awarded in a particular charitable area specified by the donor. The Foundation Board makes sure it carries out the wishes of the donor.

Designated Fund The donor specifies one or more charitable agencies or organizations to which grants are awarded.

Unrestricted Fund The board is given full discretion in awarding grants based on the Foundation's priorities.

Supporting Foundation A private foundation may wish to become a part of the Foundation.

Agency Endowed Fund Agencies, such as parishes, schools or other Catholic organizations, are able to incorporate their funds, most typically their endowments, into the Foundation while still maintaining ownership. They benefit from investment management expertise and administrative services provided by the Foundation.

••••• DONOR FUNDS WITHIN THE FOUNDATION •••••

Joseph F. and Catherine M. Bennett Family Fund A field of interest fund to support the areas of greatest need in the central city Catholic schools.

Fred and Karen Bersch Family Fund An advised fund to provide support for homelessness, housing and hunger.

Bishop Brust Memorial Fund A field of interest fund established to assist the needs of retired priests in the memory of Bishop Brust.

Building the Faith General Fund An unrestricted fund for charitable purposes and/or the administration of the Foundation as the Foundation's Board, at its discretion, may determine.

Reverend Leslie Darneider Scholarship Fund A field of interest fund to provide scholarships to children of Catholic school teachers whose children attend a Catholic school.

DePorres Scholarship Fund A field of interest fund to provide scholarships and grants-in-aid to central city Catholic school students.

Directors Legacies of Faith Fund An unrestricted fund established by the Board of Directors for charitable purposes and/or the administration of the Foundation as the Foundation's Board, at its discretion, may determine.

Henry and Francine Ducat Fund A designated fund established to support Gesu Parish's meal program and other charitable purposes determined by the Foundation's Board of Directors.

Education Endowment Fund A field of interest fund to provide tuition for needy children in any school in the Archdiocese of Milwaukee.

Brian D. Hanley Fund An advised fund established in memory of Brian Hanley, by his family, in order to continue to provide funds for causes he supported including Marquette University, Catholic Memorial High School, cancer research and other charitable organizations consistent with the interests of the fund advisors.

Father Gerald B. Hauser and John and Ruth Kegel Priesthood Scholarship Fund An advised fund to support the training of priesthood candidates.

John C. (Jack) and Hildegard A. Heegeman

Scholarship Fund An advised fund for Catholic primary and secondary schools in Racine, Wisconsin, as well as Catholic colleges and universities within the Milwaukee area to provide financial assistance for students from Racine, Wisconsin.

JCC Fund A field of interest fund, established through this donor's estate, which continues the charitable giving to those causes that this philanthropist cared most about and supported during his lifetime.

Mission Fund A designated fund established by the donor to provide support for the Office of the Propagation of Faith of the Archdiocese of Milwaukee for their program that supports lay missionaries serving in foreign missions.

Marilyn C. Schmit, PhD Fund Monsignor Ralph K. Schmit established this field of interest fund in memory of his sister, Marilyn, to provide educational support for Catholic high schools located within the ten counties of the Archdiocese of Milwaukee.

St. Aemilian Fund A field of interest fund to provide for the establishment of facilities in the Archdiocese of Milwaukee for orphans, dependent, neglected and delinquent children; for rehabilitation, treatment and other welfare services, and the promotion of education, charity and religion.

St. Anthony Fund A field of interest fund that supports agencies providing medical assistance to the poor and indigent in Milwaukee.

Archbishop Rembert J. Weakland Fund A designated fund established by a number of donors to provide support for the Catholic Stewardship Appeal.

Whelandale Trust An advised fund that provides annual awards for the outstanding work of parish priests in Liturgy, Preaching, Justice and Peace Ministry.

Charles and Sara Wieber Family Fund An unrestricted fund established by Mr. and Mrs. Wieber to focus on those organizations with the greatest needs as determined by the Foundation.

Yaniak Fund A field of interest fund that provides support for the education and training of priesthood candidates and the necessities of living for retired priests. Father Frank J. Yaniak, served archdiocesan parishes for 50 years.

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**PROVIDING EDUCATION. NURTURING LEADERSHIP.
STRENGTHENING FAMILIES. SUPPORTING HEALTH CARE.**

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In awarding discretionary grants, the Foundation is focusing on four grant priorities for the foreseeable future.

Teaching Through Catholic Tendencies

Education has always been an important mission of the Catholic Church. The Foundation will support Catholic schools and religious education programs that provide formation for students in kindergarten through twelfth grade.

Strengthening the Foundation of the Church

To help build strong, supportive communities, the Foundation will support initiatives that strengthen families, parishes and those suffering from poverty, discrimination and violence.

Sharing the Faith Through Leadership

The Church needs effective leaders if it is to move boldly into the new millennium. Parishes, schools and agencies must have leaders who are able to engage people in creating a shared vision for the future while developing sound strategies and infrastructures to achieve the vision.

Health Care Support Begins at the Heart

The Foundation awards grants from a fund established by the St. Anthony Foundation to support those organizations that are engaged in providing health care services in the City of Milwaukee, with particular attention being given to the central portions of the city that were formerly served by St. Anthony Hospital.

Grantmaking Policies The primary geographic area served by The Catholic Community Foundation is the ten counties of the Archdiocese of Milwaukee. At least seventy-five percent of grants from any given fund should be made to organizations located in Milwaukee, Waukesha, Ozaukee, Washington, Dodge, Racine, Kenosha, Walworth, Sheboygan and Fond du Lac counties. Recipient organizations may not necessarily be Catholic, but their missions are required to be

consistent with the work of the Roman Catholic Church. The Board of Directors has established a grants committee that reviews grant proposals and recommends distributions of the Foundation's unrestricted, field of interest, donor advised and donor designated funds in accordance with established policies and procedures. The Board of Directors gives final approval to all grants.

GRANT RECIPIENTS

The Foundation distributed grants of over \$391,000 to 62 organizations/programs in fiscal 2007/08. The following organizations received grants from funds within the Foundation.

Adult Learning Center	\$9,000	Daystar, Inc.	\$10,000
Agape Community Center	\$5,000	Dismas Ministry	\$5,000
AIDS Resource Center of Wisconsin	\$7,500	Dominican High School	\$2,500
All Saints Catholic Church	\$10,000	The Gathering of Southeast Wisconsin, Inc.	\$8,000
Alverno College	\$4,000	Gesu Parish	\$2,880
America's Second Harvest of Wisconsin	\$2,500	The Guest House	\$10,000
Angel of Hope Clinic	\$10,000	House of Peace, Community Nursing Center	\$7,500
Archdiocese of Milwaukee, Catholic Stewardship Appeal	\$1,930	House of Peace, Holiday Gift Basket Program	\$5,000
Archdiocese of Milwaukee, John Paul II Center	\$10,000	Interfaith Older Adult Programs	\$7,500
Archdiocese of Milwaukee, Recognition of Priest Service	\$3,500	John Paul II Academy, Racine	\$6,000
Archdiocese of Milwaukee, Retired Priests' Needs	\$17,000	Madre Angela Dental Clinic	\$9,000
Benedict Center	\$5,000	Marquette University	\$3,000
Big Brothers Big Sisters of Metropolitan Milwaukee	\$7,500	Marquette University, Manresa Project	\$7,500
Cardinal Stritch University	\$1,000	Milwaukee Christian Center	\$7,500
Casa Guadalupe Education Center, Inc., West Bend	\$7,500	Milwaukee Habitat for Humanity	\$1,000
Casa Romero Renewal Center	\$5,000	My Good Mourning Place	\$3,000
The Cathedral Center Women's Shelter	\$1,000	Near South Side Catholic Schools Association	\$10,000
Catholic Charities	\$10,000	Notre Dame Middle School	\$5,000
Catholic Memorial High School	\$2,000	Office for World Missions	\$4,750
Catholic Schools Staff Development Association	\$5,000	Penfield's Children Center	\$10,000
Catholic Urban Academies	\$3,080	Pregnancy Help Center of Milwaukee, Inc	\$5,000
Centro Legal	\$5,000	Rosalie Manor Community and Family Services	\$10,000
Circle of Life Foundation, Parish Nurse Program	\$10,000	St. Ann Center for Intergenerational Care	\$5,000
CommonGround Ministry	\$10,000	St. Ben's Clinic at the Cathedral Center	\$9,000
Congregation of the Great Spirit, Siggenauk Center Food Pantry	\$1,000	St. Ben's Community Meal	\$10,000
CORE/El Centro	\$7,500	St. Catherine High School, Racine	\$3,000
Creative SHARP Presentations	\$7,500	Saint Francis de Sales Seminary	\$8,590
		St. Hyacinth Parish	\$2,500
		St. Martin de Porres Parish	\$5,000
		St. Mary's Springs High School, Fond du Lac	\$2,150
		St. Vincent de Paul Society, Fond du Lac	\$5,000
		School Sisters of Notre Dame	\$10,000
		S.E.T. Ministry, Inc.	\$10,000
		United Community Center	\$7,500
		Waukesha Catholic School System	\$5,000

STATEMENT OF FINANCIAL POSITION JUNE 30, 2008 AND 2007

	<i>YE 2008</i>	<i>YE 2007</i>		<i>YE 2008</i>	<i>YE 2007</i>
<i>Current Assets</i>			<i>Current Liabilities</i>		
Cash and cash equivalents	\$ 35,471	\$ 111,250	Accounts payable	\$ 67,458	\$ 72,008
Accounts receivable	47,649	35,653	Accrued liability	29,103	27,689
Prepaid expenses	2,359	2,000	Total Current Liabilities	\$ 96,561	\$ 99,697
Total Current Assets	\$ 85,479	\$ 148,903	<i>Long-Term Liabilities</i>		
<i>Property and Equipment</i>			Agency funds	\$ 12,802,880	\$ 13,139,417
	\$ 31,418	\$ 16,989	Total Liabilities	\$ 12,899,441	\$ 13,239,114
<i>Investments</i>			<i>Net Assets</i>		
Long-term investments	\$ 14,403,284	\$ 15,633,221	Unrestricted funds	\$ 6,815,627	\$ 7,361,403
Agency funds	12,802,880	13,139,417	Temporarily restricted funds	7,607,993	8,338,013
Total Investments	\$ 27,206,164	\$ 28,772,638	Total Net Assets	\$ 14,423,620	\$ 15,699,416
Total Assets	\$ 27,323,061	\$ 28,938,530	Total Liabilities and Net Assets	\$ 27,323,061	\$ 28,938,530

STATEMENT OF ACTIVITIES YEARS ENDING JUNE 30, 2008 AND 2007

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>2008 Total</i>	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>2007 Total</i>
<i>Public Support and Revenue</i>						
Contributions	\$ 127,368	-	\$ 127,368	\$ 266,442	-	\$ 266,442
Contributed services	315	-	315	8,908	-	8,908
Interest and dividend income	214,198	240,893	455,091	203,735	235,595	439,330
Realized gain (loss) on investments	140,277	159,350	299,627	199,642	228,585	428,227
Unrealized gain (loss) on investments	(641,003)	(723,705)	(1,364,708)	676,628	785,269	1,461,897
Investment management fees	(43,508)	(47,903)	(91,411)	(42,936)	(49,612)	(92,548)
Administrative fee on agency endowments	65,034	-	65,034	59,995	-	59,995
Net assets released from restrictions	358,655	(358,655)	-	352,207	(352,207)	-
Total Public Support and Revenue	\$ 221,336	\$ (730,020)	\$ (508,684)	\$ 1,724,621	\$ 847,630	\$ 2,572,251
<i>Grants and Expenses</i>						
Grants approved for charitable purposes	\$ 391,248	-	\$ 391,248	\$ 408,050	-	\$ 408,050
Program related expenses	135,114	-	135,114	131,873	-	131,873
Supporting services:	-	-	-	-	-	-
Administrative expenses	240,750	-	240,750	215,969	-	215,969
Total Grants and Expenses	\$ 767,112	-	\$ 767,112	\$ 755,892	-	\$ 755,892
Change in Net Assets	\$ (545,776)	\$ (730,020)	\$ (1,275,796)	\$ 968,729	\$ 847,630	\$ 1,816,359
Net Assets—Beginning of Year	\$ 7,361,403	\$ 8,338,013	\$ 15,699,416	\$ 6,392,674	\$ 7,490,383	\$ 13,883,057
Net Assets—End of Year	\$ 6,815,627	\$ 7,607,993	\$ 14,423,620	\$ 7,361,403	\$ 8,338,013	\$ 15,699,416

OUR APPROACH

The Catholic Community Foundation invests its assets to financially support current activities related to its mission, as well as provide resources for future efforts and growth. Asset allocation is the key to achieving this objective. The portfolio is well-diversified, allowing achievement of the return objectives during a variety of economic and market conditions. Presently, the Foundation invests in asset classes ranging from traditional equity and fixed income to alternative investments. The strategy is implemented using world-class investment managers and is monitored on a regular basis. All investments meet socially responsible investment criteria and are consistent with

Catholic teachings. Over the past year, markets declined sharply as concerns regarding inflation, oil prices and the credit crisis were at the forefront. The Foundation's long standing strategy of pursuing broad asset class diversification paid significant dividends during the past year, as the impact of market volatility and losses was tempered. Allocations to emerging markets equities, commodities and fixed income produced gains. While U.S. equity investments declined, the Foundation's results in this area were better than benchmarks thanks to successful active management. In aggregate, we were pleased to see the total portfolio was able to outperform the target benchmark by 1% over the past fiscal year.

Amita Schultes, Director, Colonial Consulting, LLC – The Foundation's investment advisor based in New York City

SUMMARY OF INVESTMENTS

<i>Investments as of June 30, 2008</i>	<i>Cost</i>	<i>Market Value</i>	<i>Investments as of June 30, 2007</i>	<i>Cost</i>	<i>Market Value</i>
Cash and cash equivalents	\$2,952	\$2,952	Cash and cash equivalents	\$52,365	\$52,365
Large-cap equities and socially screened S&P 500 index fund	8,218,915	9,224,378	Large-cap equities and socially screened S&P 500 index fund	8,080,500	10,233,362
Domestic small/mid-cap common stocks	2,184,694	2,216,583	Domestic small/mid-cap common stocks	3,417,889	3,865,491
International equities	5,432,133	5,640,562	International equities	3,783,811	5,034,892
Commodities	1,350,000	1,482,062	Commodities	1,350,000	1,370,215
Bond mutual funds	8,915,515	8,639,627	Bond mutual funds	8,476,000	8,216,313
Totals	\$ 26,104,209	\$ 27,206,164	Totals	\$ 25,160,565	\$ 28,772,638

The investment market values were determined by J.P. Morgan Chase Bank, N.A. as of June 30, 2008 and 2007 respectively.

NOTES TO FINANCIAL STATEMENTS

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tax-Exempt Status

The Foundation has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of state law and, accordingly, is not subject to federal or state income taxes.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation are classified and reported as follows:

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations.

Permanently Restricted Net Assets

Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation.

Agency Endowment Funds

Certain Catholic parishes and other organizations have transferred funds to the Foundation for management. These funds are invested with the other funds of the Foundation, but the title is retained by the transferring organization and is reflected in the statements of financial position of the Foundation as a long-term liability.

The Catholic Community Foundation is audited annually. Copies of the complete audit reports are available upon request.

BOARD OF DIRECTORS

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THE
CATHOLIC
COMMUNITY
FOUNDATION

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