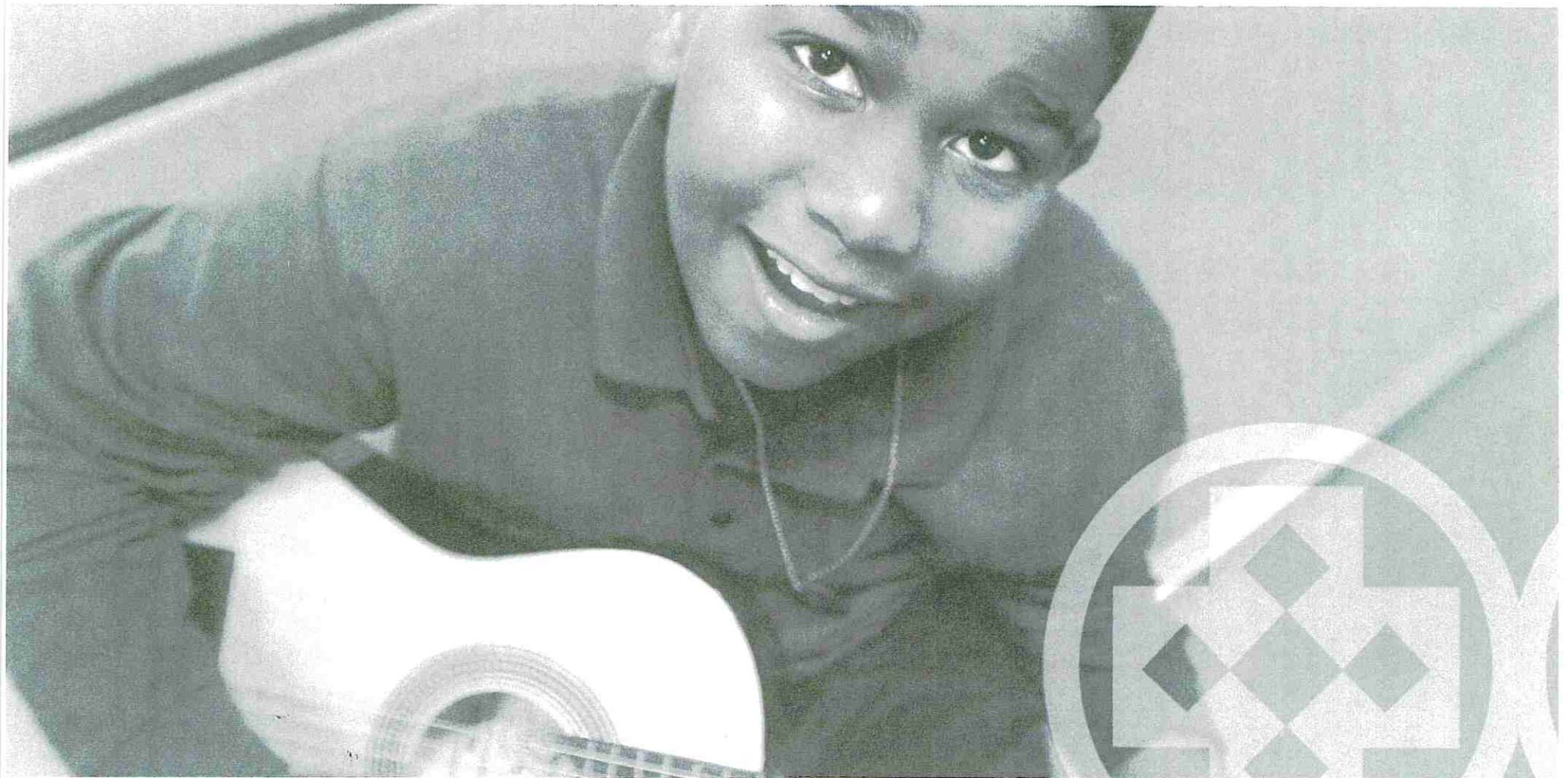




THE CATHOLIC COMMUNITY FOUNDATION
ANNUAL REPORT 2003 – 2004





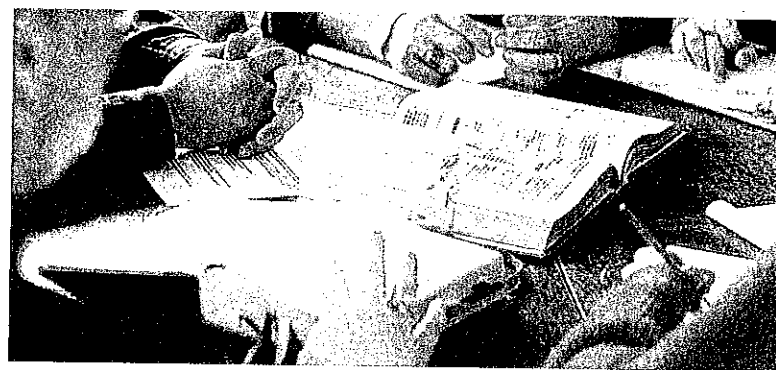
Dear Donors and Friends,

This last year has been another year of growth for the Archdiocese of Milwaukee Catholic Community Foundation, and we have accomplished many great things. At the close of the fiscal year, we had total assets of \$19.7 million. That represents an increase of \$2.6 million from last year. This year we also awarded grants of \$248,270 to 26 Catholic-related programs. With these grants we were able to assist those organizations that serve the medically indigent in Milwaukee, the parishioners and children of parishes and schools throughout the diocese, and finally, so many worthy organizations throughout the ten counties of southeastern Wisconsin. We thank those individuals that have joined us by establishing a fund within the Foundation. As we grow, we will be able to touch and enrich even more lives of the faith community of southeastern Wisconsin.

Sincerely,

A handwritten signature in cursive script, reading "Stephen N. Graff".

Stephen N. Graff
Chairman of the Board



For more than 2,000 years, the Catholic Church and its people have carried forth Christ's message of love.

Rooted in the faith of a small band of disciples, this community of believers has branched out and spread to every corner of the world, sharing the good news of salvation through acts of faith and good works.

You are a treasured part of this magnificent tradition.

Providing a Legacy for the Future

The Catholic Community Foundation is here to help donors carry out lasting support for their favorite causes by setting up funds that will provide a legacy for them and their families. The Foundation will manage the funds with the goal of long-term growth based on

our socially responsible guidelines and award grants to organizations in need. The ultimate goal of the Foundation is to increase the amount and effectiveness of philanthropy flowing to causes that support the mission of the Catholic Church in southeastern Wisconsin.



"In our mutual spirit of doing the most with the least for the *least of the least*, we thank The Catholic Community Foundation for grant money that sustains our work in an essential way."

—MacCanon Brown
Repairers of the Breach



Dear Donors and Friends,

Over this last year I have been privileged to see and hear about the many lives our grants have touched throughout southeastern Wisconsin. From the students in the after-school programs at the Catholic Urban Academies and All Saints Catholic Church to the jail chaplaincy program of Kenosha County, we are committed to helping spread the faith. It is because of the generosity of our donors that have established funds within The Catholic Community Foundation that we have been able to begin making an impact with the organizations that received grants from us. I am honored to work with our donors because they believe that together we can provide for and secure the future of the faith community of southeastern Wisconsin.

Sincerely,

Mary Ellen Markowski
President



Funds



"There are no words to express how much we appreciate your support to our ministry. Together we can and do make a difference."

—Sister Ginny Reichard, SSND
Jail Chaplaincy of Kenosha County

LASTING SUPPORT FOR YOUR FAVORITE CAUSES

The Catholic Community Foundation welcomes gifts of cash, securities, retirement plan assets, bequests and life income arrangements to establish a fund within the Foundation. The gifts are tax deductible. Through a diversified mix of equity and bond investments the fund assets are managed by our investment advisors with a goal of providing long-term growth. It is the responsibility of the investment managers to comply with our socially responsible guidelines. Distributions are made in accordance with a spending policy that is intended to protect the real value of the corpus.

GROWING THROUGH FAITH

The following types of funds, that are given a name and a purpose, can be established by a donor in the Foundation.

Advised Fund – Grants may be awarded to organizations that are recommended by the donor. 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.

Designated Fund – The donor indicates one or more agencies or organizations to which grants are awarded.

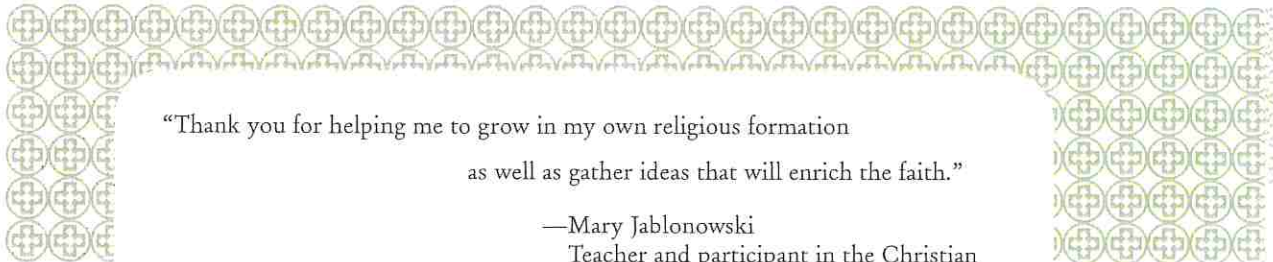
Unrestricted Fund – The board is given full discretion in awarding grants based on the Foundation's priorities.

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

Agency Endowed Fund – Agencies, such as parishes, schools or other Catholic organizations can incorporate their funds, most typically their endowments, into the Foundation while maintaining ownership. They benefit from the Foundation's investment management and administrative services.

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.



“Thank you for helping me to grow in my own religious formation
as well as gather ideas that will enrich the faith.”

—Mary Jablonowski
Teacher and participant in the Christian
Doctrine program at Marquette University

DONOR FUNDS WITHIN THE FOUNDATION

Bishop Brust Memorial Fund

A field of interest fund established to assist the needs of retired priests.

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.

Education Endowment Fund

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

Father Gerald B. Hauser and

John & Ruth Kegel Priesthood Scholarship Fund

A donor-advised fund that provides scholarship support to religious organizations for candidates for the priesthood.

Marilyn C. Schmit, PhD Fund

A field of interest fund 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 rehabilitation, treatment and other welfare services, and to promote education, charity and religion for emotionally disturbed dependent or delinquent children, or for any other purpose as determined by the Archbishop.

St. Anthony Fund

A field of interest fund that supports agencies that provide medical assistance to the poor and indigent in Milwaukee.

Archbishop Rembert G. Weakland Fund

A donor designated fund established by the Campanile Society to provide funds for the Catholic Stewardship Appeal.

Whelandale Trust

A donor advised fund that provides yearly awards to parish priests for outstanding work in the area of Liturgy, Preaching, Justice and Peace Ministry.

AGENCY FUNDS *

Catholic Charities Endowment Fund

Dominican High School

Marquette University High School

Andrew L. Nelson Alumni/AE Chair
on Christian Ethics Fund

Rosalie Manor

St. Andrew-Delavan

St. Bernard-Wauwatosa

St. Boniface-Germantown

St. Dominic-Brookfield

St. Edward-Racine

St. Eugene-Fox Point

St. Francis Seminary

St. John Vianney-Brookfield

St. Roman-Milwaukee

St. Vincent Palotti-Milwaukee

Sr. Lucy Ann Scholarship Fund

Three Holy Women-Milwaukee

Mary Kane Weakland Education Fund

* Grants at the discretion of the agency.



Grants



"The work accomplished through this grant touched the lives of many women and children who had no other source of health care."

—Bill Solberg
St. Mary Foundation
St. Ben's Clinic at the Cathedral Center

MANY WILL PROSPER

In awarding grants the Foundation will focus on four grant priorities for the foreseeable future.

Teaching Through Catholic Generosities

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.

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.

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.

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 all unrestricted grant dollars are 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 and field of interest funds in accordance with established policies and procedures. The committee also reviews distribution of grants from donor advised funds and parish endowment funds. The Board of Directors gives final approval to all grants. Grants are awarded based on the Foundation's spending policy.

GRANT RECIPIENTS

The Foundation made grants of \$248,270 to 26 organizations in fiscal year 2003/04. The following organizations received grants from funds within the Foundation.

All Saints Catholic Church	\$ 2,500	Repairers of the Breach	\$10,000
Archdiocese of Milwaukee	\$15,266	Rosalie Manor Community & Family Services	\$12,500
Archdiocese of Milwaukee	\$ 2,000	St. Ann Center for Intergenerational Care, Inc.	\$ 5,000
Archdiocese of Milwaukee Catholic Stewardship Appeal	\$ 1,504	St. Anne Catholic Church, Pleasant Prairie, WI	\$ 7,500
Catholic Urban Academies	\$ 5,000	St. Francis Foundation -Angel of Hope Clinic	\$10,000
CommonGround Ministry, Inc.	\$10,000	St. Mary Foundation -Adult Learning Center	\$10,000
CORE/El Centro	\$10,000	St. Mary Foundation-Madre Angela Dental Clinic	\$12,500
Covenant Healthcare System, Inc. -Covenant Circle of Life Foundation, Inc.	\$10,000	St. Mary Foundation-St. Ben's Clinic at the Cathedral Center	\$12,500
Franciscan Peacemakers, Inc.	\$10,000	St. Mary Springs High School, Fond du Lac, WI	\$10,000
Jail Chaplaincy of Kenosha County, Inc., Kenosha, WI	\$ 5,000	S.E.T. Ministry, Inc.	\$12,500
Marquette University	\$15,000	Sixteenth Street Community Health Center	\$ 5,000
Medical College of Wisconsin -Family House Medical Assessment and Referral Clinic	\$10,000	Unified Catholic Parish Schools of Beaver Dam, Beaver Dam, WI	\$ 6,000
Milwaukee Christian Center	\$ 6,000		
Near South Side Catholic Schools Association	\$10,000		
Penfield Children's Center	\$10,000		
Province of St. Joseph of the Capuchin Order, Inc.-House of Peace Community Nursing Center	\$12,500		



“By investing in our students and their continuing education needs, you are positively impacting their families and their relationships by giving them the tools they need to succeed.”

—Ms. Judy Birlem, Principal
St. Leo Catholic Urban Academy



Financials

INVESTING RESPONSIBLY FOR A GREATER RETURN

The Catholic Community Foundation provides socially responsible, diversified, professionally monitored investment management to protect and grow contributed assets. Investments shall be consistent with Catholic teachings so as not to give rise to serious questions of social justice and moral principals. The Foundation believes the achievement of investment returns should be viewed in a long-term context and recognizes that rates of return can be volatile on a year-by-year basis. It is the responsibility of the Board of Directors and the investment committee to provide oversight of the professional management of all funds along with our investment consultant, Colonial Consulting. Portfolio annual returns have been 15.0% and 3.0% for fiscal years ending June 30, 2004 and 2003 respectively.

Statements of Financial Position • Years Ended June 30, 2004 and 2003

Assets	YE 2004	YE 2003
Current Assets		
Cash and Cash Equivalents	\$ 70,300	\$ 53,074
Accounts Receivable	10,077	6,745
Total Current Assets	80,377	59,819
Property and Equipment	26,040	30,690
Other Assets		
Investments at Market Value	11,623,639	10,326,744
Agency Endowment Funds	7,978,821	6,727,177
Total Other Assets	19,602,460	17,053,921
TOTAL ASSETS	\$ 19,708,877	\$ 17,144,430
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 30,066	\$ 61,764
Accrued Expenses	8,832	11,520
Grants Payable	—	10,000
Total Current Liabilities	38,898	83,284
Long-Term Liabilities		
Agency Endowment Funds	7,978,821	6,727,177
Total Liabilities	8,017,719	6,810,461
Net Assets		
Unrestricted Funds	4,516,789	3,805,429
Temporarily Restricted Funds	7,174,369	6,528,540
Total Net Assets	11,691,158	10,333,969
TOTAL LIABILITIES AND NET ASSETS	\$ 19,708,877	\$ 17,144,430

Statements of Activities • Years Ended June 30, 2004 and 2003

Public Support and Revenue		2003/2004	Unrestricted	Temporarily Restricted	2002/2003
Contributions	\$ 266,907	—	\$ 266,907	\$ 20,962	\$ 3,922
Contributed Facility/Services from Archdiocese	21,528	—	21,528	20,700	—
Interest and dividend income	96,053	158,140	254,193	94,262	157,950
Realized gains (losses) on investments	170,399	279,528	449,927	(75,744)	(128,327)
Unrealized losses on investments	332,917	560,561	893,478	93,839	149,195
Investment management fees	(18,414)	(29,993)	(48,407)	(16,693)	(28,127)
Administrative fee on agency endowments	38,391	38,391	24,765	238,538	(238,538)
Net assets released from restrictions	322,407	(322,407)	—	127,416	(127,416)
Loss on investment in excess of restricted balance	—	—	—	—	—
Total Public Support and Revenue		\$ 1,230,188	\$ 645,829	\$ 1,876,017	\$ 528,045
Expenses					
Grants approved for charitable purposes	\$ 248,270	\$ 248,270	\$ 273,998	\$ 273,998	\$ 273,998
Program-related expenses	75,566	75,566	81,227	81,227	81,227
Supporting services: Administrative expenses	194,992	194,992	204,805	204,805	204,805
Total Expenses	\$ 518,828	—	\$ 518,828	\$ 560,030	—
Change in Net Assets	711,360	645,829	1,357,189	(31,985)	(211,341)
Net Assets – Beginning of Year	3,805,429	6,528,540	10,333,969	3,837,414	6,739,881
Net Assets – End of Year	\$ 4,516,789	\$ 7,174,369	\$ 11,691,158	\$ 3,805,429	\$ 6,528,540
					\$ 10,333,969



BOARD OF DIRECTORS

Stephen N. Graff
Chairman of the Board
Retired Managing Partner,
Arthur Andersen LLP

Mary Ellen Markowski
President

Peter W. Bruce
Chief Insurance Officer,
Northwestern Mutual

John Callan
Attorney, Foley & Lardner

Barbara Anne Cusack
Chancellor, Archdiocese
of Milwaukee

Sarah M. Dean
Retired Executive Director, Faye
McBeath Foundation

Tim Dodge
President, Hanson Dodge Creative

P. Michael Mahoney
President & CEO, Park Bank

Patrick B. Mehigan
Tax Partner, Deloitte & Touche LLP

Dennis J. Purtell
Attorney, Whyte
Hirschboeck Dudek SC

Wayne Schneider
Controller, Archdiocese of Milwaukee

James Simon
Retired Vice President
Giddings & Lewis

The Most Reverend Richard J. Sklba
Auxiliary Bishop, Archdiocese
of Milwaukee

Reverend Leonard S. Van Vlaenderen
Pastor, St. John Vianney Parish,
Brookfield

Notes to Financial Statements • Years Ended June 30, 2004 and 2003

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

Archdiocese of Milwaukee Catholic Community Foundation, Inc. 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.

AGENCY ENDOWMENT FUNDS

Agency endowment funds are unrestricted funds received from non-profit organizations and parishes that designate themselves as beneficiaries. Accordingly, agency endowment funds are reported as liabilities rather than as net assets of the Foundation.

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 Archdiocese of Milwaukee Catholic Community Foundation, Inc. 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 Archdiocese of Milwaukee Catholic Community Foundation, Inc. pursuant to those stipulations.

Permanently Restricted Net Assets

Net assets subject to donor-imposed stipulations that they be maintained permanently by the Archdiocese of Milwaukee Catholic Community Foundation, Inc.



“Our nurses have been able to
 provide consistent, personal and
 personalized health care to those
 who feel unwelcome elsewhere.
 Without the assistance of
 The Catholic Community Foundation,
 many of the disenfranchised and
 medically untreated would
 have remained so.”

—Br. Mark Carrico
 House of Peace

Summary of Investments as of June 30, 2004 and 2003

2004	Cost	Market Value
Cash and cash equivalents		
Large cap S&P 500 index fund	\$ 179,526	\$ 179,526
Domestic small/mid cap common stocks	6,533,942	6,922,346
International equity common trust fund	3,143,377	3,379,930
Bond mutual funds	2,044,080	2,426,054
	6,795,720	6,694,604
Totals	\$ 18,696,645	\$ 19,602,460

2003	Cost	Market Value
Cash and cash equivalents	\$ 1,178,311	\$ 1,178,311
Large cap S&P 500 index fund	6,083,732	5,468,188
Domestic small/mid cap common stocks	2,486,695	2,639,804
International equity common trust fund	1,975,017	1,847,414
Bond mutual funds	5,723,058	5,920,204
Totals	\$ 17,446,813	\$ 17,053,921

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



THE
CATHOLIC
COMMUNITY
FOUNDATION

Archdiocese of Milwaukee Catholic Community Foundation, Inc.
3501 S. Lake Drive • P.O. Box 070050 • Milwaukee, WI 53207-0050
Ph. 414.769.3443 • Fax 414.769.3438
www.legaciesoffaith.org