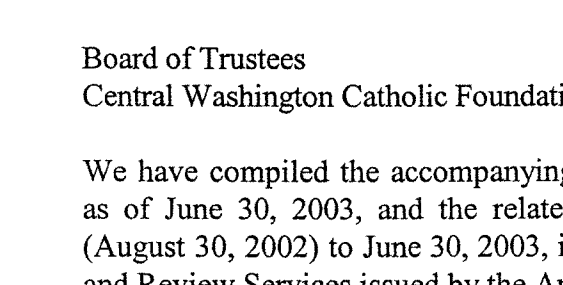


MOSS ADAMS LLP

CENTRAL WASHINGTON CATHOLIC FOUNDATION
ACCOUNTANT'S COMPILATION REPORT
and
FINANCIAL STATEMENTS
JUNE 30, 2003

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ACCOUNTANT'S COMPILATION REPORT

Board of Trustees
Central Washington Catholic Foundation

We have compiled the accompanying balance sheet of Central Washington Catholic Foundation as of June 30, 2003, and the related statements of activities and cash flows from inception (August 30, 2002) to June 30, 2003, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Moss Adams LLP

Yakima, Washington
October 17, 2003

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CENTRAL WASHINGTON CATHOLIC FOUNDATION BALANCE SHEET JUNE 30 2003

	Unrestricted	Temporarily Restricted	Total
ASSETS			
Cash and cash equivalents	\$ 46,171	\$ 305,899	\$ 352,070
Investment securities	-	2,321,695	2,321,695
TOTAL ASSETS	\$ 46,171	\$ 2,627,594	\$ 2,673,765
LIABILITIES AND NET ASSETS			
TOTAL NET ASSETS	\$ 46,171	\$ 2,627,594	\$ 2,673,765

See accountant's compilation report and accompanying notes.

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CENTRAL WASHINGTON CATHOLIC FOUNDATION STATEMENT OF ACTIVITIES FROM INCEPTION (AUGUST 30, 2002) TO JUNE 30 2003

	Unrestricted	Temporarily Restricted	Total
REVENUE			
Contributions	\$ 18,078	\$ 2,483,317	\$ 2,501,395
Dividends and Interest	-	71,661	71,661
Realized and unrealized gains on investments	-	196,575	196,575
Other income	4,500	-	4,500
Net assets released from restrictions	123,959	(123,959)	-
	146,537	2,627,594	2,774,131
EXPENSES			
Donations	64,238	-	64,238
General and administrative	26,052	-	26,052
Investment management fees	10,076	-	10,076
	100,366	-	100,366
INCREASE IN NET ASSETS	46,171	2,627,594	2,673,765
NET ASSETS, beginning of period	-	-	-
NET ASSETS, end of period	\$ 46,171	\$ 2,627,594	\$ 2,673,765

See accountant's compilation report and accompanying notes.

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CENTRAL WASHINGTON CATHOLIC FOUNDATION STATEMENT OF CASH FLOWS FROM INCEPTION (AUGUST 30, 2002) TO JUNE 30 2003

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from contributors and others	\$ 106,722
Cash paid for programs	(100,366)
Investment earnings received	71,661
Net cash from operating activities	78,017
CASH FLOWS FROM INVESTING ACTIVITIES	
Net increase in investments	274,053
Net cash from investing activities	274,053
NET INCREASE IN CASH AND CASH EQUIVALENTS	352,070
CASH AND CASH EQUIVALENTS, beginning of period	-
CASH AND CASH EQUIVALENTS, end of period	\$ 352,070
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 2,673,765
Adjustments to reconcile increase in net assets to net cash from operating activities	
Realized and unrealized gain on investments	(196,575)
Donated investments	(2,399,173)
Net adjustments	(2,595,748)
NET CASH FROM OPERATING ACTIVITIES	\$ 78,017

See accountant's compilation report and accompanying notes.

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CENTRAL WASHINGTON CATHOLIC FOUNDATION NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization

Central Washington Catholic Foundation (the Foundation) is organized as a not-for-profit corporation under the laws of the state of Washington and as a tax-exempt organization under the provisions of the Internal Revenue Code. In accordance with its bylaws, the Foundation raises and distributes funds to support the financial well-being of the Roman Catholic Church in Chelan, Douglas, Kittitas, Grant, Yakima, Benton, and Klickitat Counties in Central Washington.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting - The Foundation maintains its accounting records on the accrual basis. Under this method of accounting, revenue is recognized when earned and expenses are recognized when goods or services are received, whether paid or not.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Foundation considers all investments with an original maturity of three months or less to be cash equivalents. The cash balances in any one financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$100,000.

Investments - The Foundation is required to report equity securities with readily determinable fair values and all debt securities at fair value with gains and losses included in the statement of activities.

Financial Statement Presentation - The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets are classified based on the existence or absence of donor-imposed restrictions 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 may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from donor restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes. The Foundation has no permanently restricted net assets at June 30, 2003.

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CENTRAL WASHINGTON CATHOLIC FOUNDATION NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (continued)

Temporarily restricted net assets are available for the following purpose:

Education Funds	
Amos and Elsie Gamache	\$ 127,422
Jane Frances Godfrey	7,900
Jean Meyer	6,529
John Rodriguez-Kranz	16,382
Mary Ellen Chott-Mahre	27,724
Mark L. Kranz	23,143
Msgr. William J. Sweeney	841,397
Sr. Noreen	2,721
St. Joseph Kennewick	103,180
St. Joseph Wenatchee	112,378
St. Paul Cathedral	145,452
St. Rose of Lima	99,381
William A. and Mary M. Hamblen	26,446
	1,540,055
Parish Funds	
Holy Family	172,229
Poulin Holy Family	122,655
Rosa, Lena, Louisa Orlando	155,190
St. Joseph Kennewick Music	6,774
St. Joseph Yakima	102,138
St. Paul Cathedral	53,126
	612,112
Seminarian Funds	
Bittner Burse	129,150
Edmond and Blanche Poulin	125,152
Thomas and Nancy Mahony	119,970
Robert G. Geier	63,138
Seminarian Education	38,017
	475,427
	\$ 2,627,594

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other specified events.

Satisfaction of specified restrictions which consist of allocations to purpose restricted Catholic organizations and funds released for administrative costs

\$ 123,959

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CENTRAL WASHINGTON CATHOLIC FOUNDATION NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (continued)

Contributions - Contributions received are recorded as revenue in the period received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions with donor-imposed restrictions whose restrictions are met in the same reporting period are reported as unrestricted support.

Donated Services - A number of volunteers donate their time for the Foundation's program activities. These donated hours are a necessary part of the Foundation's activities since its services could not be sustained without such support and since these activities enhance the financial assets of the Foundation. No dollar amounts have been reflected in the accompanying statements for these services since the services do not require specialized skills and would typically not be purchased if not provided by donation.

Federal Income Tax - The Foundation is in the process of applying for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

Functional Allocation of Expenses - In order to provide information in regard to service stipulations, the costs of providing the Foundation's programs have been presented in the statement of activities. The Foundation effectively operates as a single program and, therefore, no attempt has been made to segregate general and administrative expenses. In addition, the Foundation's fund raising activities are minimal.

Financial Statement Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

Note 3 - Investment Securities

The Foundation maintains its investments using fair value at quoted market prices. The aggregate carrying amount of the major types of investments consisted of the following at June 30, 2003:

Cash and cash equivalents	\$ 281,824
Accrued interest	24,075
Equity securities	601,517
Fixed income securities	1,592,756
Mutual funds	127,422
	\$ 2,627,594

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