



*The Catholic Community Foundation
Annual Report 2006*



*P. Michael Mahoney
Chairman of the Board*



*Mary Ellen Markowski
President*

Dear Friends,

Last year, The Catholic Community Foundation reached a noteworthy milestone – awarding \$1,000,000 in grants since our inception. This year, we celebrate our Fifth Anniversary! These last five years we have witnessed our significant growth, along with our continued commitment to enrich lives, both physically and spiritually, through our flourishing grants program.

At the close of the fiscal year, with assets totaling \$24.9 million, we increased our assets by \$2.0 million and awarded grants totaling \$332,274 to 30 organizations/programs that support the mission of the Catholic Church. We continue to award grants in support of our priorities – such as primary and secondary education, programs that support the community, the training of deacons and lay leaders in the church and those that provide primary health care and nursing services for the needy and homeless. It is important that our grants serve everyone from beginning of life to end – infants, children, adults, and the elderly – enriching lives and enabling faith.

The Foundation has a continued appreciation and gratitude to donors whose funds have forged such an impact on the everyday lives of those in need. We invite and encourage others to join us in our efforts to widen our scope of support in the community. We also thank the many Catholic organizations, schools and parishes that entrust their endowment funds to the Foundation and rely on us to provide socially responsible investment management expertise that allows for future growth and prosperity.

As we reflect on the Foundation's progress over the past five years, we use our Fifth Anniversary as a catalyst for continued growth and success, ensuring a strong and vibrant future for generations to come. We look forward to many more anniversaries and continued achievements to celebrate The Catholic Community Foundation's commitment to the people of Southeastern Wisconsin.

A handwritten signature in black ink that reads "P. Michael Mahoney".

P. Michael Mahoney
Chairman of the Board

A handwritten signature in black ink that reads "Mary Ellen Markowski".

Mary Ellen Markowski
President

A special thank you to our friends at Gesu Meal Program, Catholic Memorial High School, Penfields Children's Care Center and St. Patrick's Parish for allowing us to photograph the people directly affected by The Catholic Community Foundation.



Providing Lasting Support for Your Favorite Causes

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.

The Catholic Community Foundation is here to help donors carry out lasting support for their favorite Catholic causes by setting up funds that will provide a legacy for them and their families. We manage these funds for 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.



The Brian D. Hanley Fund

The Brian D. Hanley Fund was initiated in the memory and honor of Brian Hanley, a man who lived a very full, yet far too short life. Brian was raised in Waukesha, WI in a large Catholic family of five boys. His parents, David and Beverly, were strong believers in Catholic education, and Brian, like his brothers, attended 16 years of Catholic school. Brian was diagnosed with melanoma in 2002 which he battled for over two years. His wife, Julie, and son, Ryan, were the absolute focus of his life, and they supported him throughout his long and valiant battle against this difficult disease.

Brian lived a life of passion and had a contagious love of life, whether it was riding his Harley, playing hoops with his brothers, or watching Marquette basketball. Brian attended Catholic Memorial High School and Marquette University and went on to lead a very distinguished career as a partner at Ernst and Young. He felt he was blessed throughout his life. Many of those close to him agreed and really wanted to be sure his spirit lived on well beyond his years. In his name, the Brian D. Hanley Fund was established in 2004, with many generous gifts from family and friends. Brian and his family had discussed how they could ensure that his spirit continued on and agreed that the Brian D. Hanley Fund would be a great way to continue to support education by giving those in need an

opportunity to attend Catholic Memorial High School and Marquette University.

Brian and his family saw this fund not only as a way to help facilitate a great education for those in need, but also as a way to help his friends, family and supporters work together for a cause they cared most about. For some, grants from this fund will help make the dream of a Catholic education a reality.

Brian was always the glue that kept his family and friends close together. It was these family members and friends that decided that The Catholic Community Foundation would be “home” for the Brian D. Hanley Fund – a place where they, as advisors to this donor advised fund – could continue to keep alive Brian’s dream of supporting education.

Building the Faith

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. Some gifts allow the donor to retain income for life, avoid certain capital gains taxes, and still make a large gift to establish a fund.

GROWING THROUGH FAITH

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 recommended 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 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 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.

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.

INVESTING WITH SOCIALLY RESPONSIBLE GUIDELINES

The Board of Directors of The Catholic Community Foundation believes that it is our responsibility to be sure that our investment managers are investing based on the socially responsible guidelines. Based on these guidelines, investments in the Foundation shall be consistent with the Catholic teachings.

Our investment managers must comply with our socially responsible guidelines and 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. We have a goal of providing long-term growth and believe we will achieve this through a diversified mix of investments.

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.

Frederick P. and Karen L. Bersch Family Fund – An advised fund to provide support for homelessness, housing and hunger, primarily within the ten counties of Southeastern Wisconsin.

Bishop Brust Memorial Fund – A field of interest fund established to assist the needs of retired priests in the memory of Bishop Brust, an Auxiliary Bishop of the Archdiocese of Milwaukee.

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. Father Darneider was a respected supporter of Catholic education.

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



Funds, Continued

Henry and Francine Ducat Fund – A designated fund established to support Gesu Parish, and in particular, their meal program, as well as those 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 who passed away from cancer. By establishing this fund, Brian's family wishes to continue to provide funds for causes he supported during his lifetime. Some of these causes include Marquette University; Catholic Memorial High School; organizations working in cancer research and 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 in the name of Father Hauser, a diocesan priest, and Mr. and Mrs. Kegel to support the training of priesthood candidates, a cause to which Father Hauser and Mr. and Mrs. Kegel have provided long-time support.

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 greater Milwaukee area to provide financial assistance for students from Racine. It is the intention of Mr. and Mrs. Heegeman to give back to the community that helped his parents provide an education for himself and his brothers and sisters.

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.

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 needed for such ends 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 G. 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 yearly awards to parish priests for outstanding work in the area of 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's Board of Directors.

The Yaniak Fund - A field of interest fund that provides support for the education and training of priesthood candidates and support for the necessities of living for retired priests. Father Frank J. Yaniak, who served the Archdiocese at parishes from his ordination in 1949 through his retirement in 1999, aspired to aid his brother priests and also promote interest in the priesthood.

AGENCY FUNDS *

Catholic Charities Endowment Fund

Divine Savior Holy Angels High School

Dominican High School

Mary B. Finnigan Fund in Memory of Eleanor H. Boheim

Marquette University High School

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

Our Lady of Divine Providence-Milwaukee

Rosalie Manor

St. Alphonsus-Greendale

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. Margaret Mary-Milwaukee
St. Martin de Porres-Milwaukee
Ss. Peter and Paul-Milwaukee
St. Roman-Milwaukee
St. Vincent Pallotti-Milwaukee
The Sheboygan County Catholic Fund, Inc.
Sr. Lucy Ann Scholarship Fund
Three Holy Women-Milwaukee
Mary Kane Weakland Education Fund

* Grants at the discretion of the agency.



The Henry and Francine Ducat Fund

Francine was born in Seraing, Belgium and later moved to Leige, Belgium with her family. She attended the University of Liege during the war and met her future husband, Wisconsin native Henry Ducat, while he was stationed there. Francine moved to the United States in 1946 at the age of 18, married Henry and continued to live their lives in Milwaukee until their deaths.

Francine and Henry led a simple life, and one of the things that mattered most in their lives was their parish, Gesu, and its parish community. When she wasn't working, Francine enjoyed spending the day downtown, but she always started the day off with mass at Gesu, where she really felt most comfortable.

During her lifetime, Francine was always helping others. She especially liked the kind of help Gesu's meal program provided to those in need within the community. In establishing a donor designated fund with The Catholic Community Foundation, Francine knew that they would be able to continue doing what they cared most about: Helping others in need within the community by directing that grants from the fund be awarded to Gesu Parish for its meal program.

Although Henry and Francine were very private people, by establishing the Henry and Francine Ducat Fund within The Catholic Community Foundation, they let others know that they could continue giving to and supporting the community they cared most about even after their deaths.

The Catholic Community Foundation Grants

In awarding discretionary grants, the Foundation is focusing 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 recommended distribution of grants from donor advised and donor designated funds as well as parish endowment funds. The Board of Directors gives final approval to all grants.



GRANT RECIPIENTS

The Foundation distributed grants totaling \$332,274 to 30 organizations/programs in fiscal year 2005/06. The following organizations received grants from funds within the Foundation.

Adult Learning Center	\$10,000	Program for older adult day services	\$10,000	Rosalie Manor Family and Community Services	\$12,500
Agape Community Center	\$ 5,000	Catholic Memorial High School, Waukesha	\$ 3,500	S.E.T. Ministry, Inc.	\$12,500
Angel of Hope Clinic	\$10,000	CommonGround Ministry, Inc.	\$10,000	St. Ben's Clinic at Cathedral Center-	
Archdiocese of Milwaukee-		Covenant Circle of Life Foundation, Inc.	\$10,000	St. Catherine Residence	\$10,000
Catholic Stewardship Appeal	\$ 1,740	Dominican High School	\$ 5,000	St. Francis Seminary-priesthood support	\$ 5,000
Archdiocese of Milwaukee-		Guest House of Milwaukee, Inc.	\$15,000	St. Francis Seminary-ministry preparation	\$ 9,000
priest service awards	\$ 2,000	Interfaith Older Adult Programs, Inc.	\$10,000	St. Francis Seminary-diaconate and lay	
Archdiocese of Milwaukee-		Madre Angela Dental Clinic-		ministers preparation	\$ 8,000
retired priests' needs	\$16,284	Marquette University	\$ 3,500	St. Francis Seminary, vocations	\$ 750
Benedict Center	\$10,000	Medical College of Wisconsin-		St. Lawrence Seminary, Mt. Calvary, WI	\$ 4,000
Catholic Central High School, Burlington	\$ 5,000	Saturday Clinic for the Uninsured	\$10,000	St. Mary Parish, Kenosha	\$10,000
Catholic Charities of the Archdiocese of		Milwaukee Achiever Literacy Services, Inc.	\$10,000	San Juan Diego Middle School, Racine	\$10,000
Milwaukee, Inc.- program for immigrants	\$15,000	My Good Mourning Place	\$ 5,000	Sixteenth Street Community Health Center	\$ 5,000
		Near South Side Catholic Schools Association	\$12,500	United Community Center	\$11,000
		Notre Dame Middle School	\$10,000		
		Penfield Children's Center	\$10,000		
		Repairers of the Breach	\$12,500		



The St. Francis Seminary Grant

As the Church moves into the new millennium, it needs effective well-trained lay leaders to confront the challenges ahead including the decreasing number of clergy in the Church. We 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. To help face these challenges, one of the priorities important to the Foundation is the support of lay leadership training. The ministerial formation program within the Archdiocese of Milwaukee prepares men for diaconate as well as men and women for ecclesial lay ministry for parishes in areas of pastoral services, administrative services and Christian formation leadership. As the Church continues to move forward, a significant area of emphasis is multicultural diversity.

Without the support of grants from The Catholic Community Foundation, individuals who are committed to ministry in the Church, but have other financial and personal obligations, would not be able to get the training they need through the ministerial formation program in order to be the Church's lay leaders of tomorrow.

For example, one of the lay ministry participants in the Spanish-speaking program is a single mother with two teenage children. She has a full-time job and the burdens of raising a family on her own, yet she is heavily involved in the ministry of her parish and active as a volunteer in the community. With the training she'll receive, she can remain committed to leading her family at home as well as her family in her parish.

In addition to this single mother, there is a Latino couple who are both committed to their training through the lay ministry program. Both are active in their parish with youth ministry, retreats, and coordinate the catechesis program. They have dedicated their lives to ministry in the Church. They have a young family with growing financial demands, yet they are committed to getting the training they'll need to continue to lead their parish's ministry programs.

Grants from donor funds within The Catholic Community Foundation make it possible for committed and faithful individuals to get the training they need to be the lay leaders of the Church as we move into the new millennium.

The St. Anthony Fund

St. Anthony Hospital, which was once located in the city of Milwaukee, was operated as the only diocesan hospital during the 1960's. The actual building was owned by the Capuchin fathers and the hospital itself was operated by the Archdiocese of Milwaukee which engaged an order of religious sisters to provide for its Catholic administration.

As with all businesses, some changes took place with the hospital during the mid 1970's, one of which was the change in the operation. The diocese instituted a lay/board administration at that time to operate the hospital. St. Anthony was not affiliated with any health care system, and was truly operating as a primary care hospital serving a distinctly poorer patient base within the City of Milwaukee. It was this patient base to which they were committed from the beginning. Unfortunately, the difficult financial times of the late 1970's forced

several hospitals to close and these pressures led the boards of Family Hospital and St. Anthony Hospital to ask themselves if they should consider merging, which they eventually did in the early 1980's. The merged hospital became known as St. Anthony/Family Hospital.

However, the merger didn't solve all their financial problems. This merged hospital struggled for many years until it was forced to consider bankruptcy in the early 1990's. Efforts by the Archbishop of Milwaukee at that time and other Catholic hospitals to support its ongoing operations failed and the diocese, being the corporate member of the corporation, had to oversee the bankruptcy. With the remaining assets, the diocese wanted to be sure that the mission and legacy of

St. Anthony Hospital continued and, thus, they approved changing the name of the corporation to St. Anthony

Foundation. Its stated purpose was to support the health care programs in a fashion consistent with the former hospitals. A lay board overseeing this foundation, including the awarding of grants, was appointed by the Archbishop of Milwaukee and the St. Anthony Foundation continued to help those programs that helped the poor within the City of Milwaukee.

With the establishment of The Catholic Community Foundation, the board found a wonderful "home" for the hospital foundation's assets. A field of interest fund was established with The Catholic Community Foundation from which grants would continue to be awarded to support health care needs of programs in the community formerly served by St. Anthony and Family hospitals.



Catholic Community Foundation Financials

Statements of Financial Position • Years Ended June 30, 2006 and 2005

Assets

Current Assets

	YE 2006	YE 2005
Cash and Cash Equivalents	\$ 88,161	\$ 74,968
Accounts Receivable	24,522	18,386
Prepaid Expense		1,107
Total Current Assets	112,683	94,461
Property and Equipment	16,742	21,391
Investments		
Investments at Market Value	13,833,903	12,798,758
Agency Funds	10,933,175	10,039,636
Total Investments	24,767,078	22,838,394

Total Assets

\$24,896,503

\$22,954,246

Liabilities and Net Assets

Current Liabilities

	YE 2006	YE 2005
Accounts Payable	\$ 62,611	\$ 58,688
Accrued Liabilities	17,660	8,931
Total Current Liabilities	80,271	67,619

Long-Term Liabilities

Agency Funds	10,933,175	10,039,636
Total Liabilities	11,013,446	10,107,255

Net Assets

Unrestricted Funds	6,392,674	5,554,433
Temporarily Restricted Funds	7,490,383	7,292,558
Total Net Assets	13,883,057	12,846,991

Total Liabilities and Net Assets

\$24,896,503

\$22,954,246



Statements of Activities • Years Ended June 30, 2006 and 2005

	Unrestricted	Temporarily Restricted	2006 Total	Unrestricted	Temporarily Restricted	2005 Total
<i>Public Support and Revenue</i>						
Contributions	\$683,436	\$ -	\$683,436	\$1,007,062	\$ 5,000	\$1,012,062
Contributed facility/services from Archdiocese	9,300	-	9,300	22,226	-	22,226
Interest and dividend income	145,668	182,915	328,583	132,460	201,398	333,858
Realized gains (losses) on investment	342,853	429,766	772,619	(17,238)	(28,490)	(45,728)
Unrealized gains (losses) on investment	(47,980)	(40,427)	(88,407)	209,977	310,763	520,740
Investment management fees	(33,037)	(41,672)	(74,709)	(24,734)	(37,591)	(62,325)
Administrative fee on agency funds	54,465	-	54,465	44,021	-	44,021
Net assets released from restrictions	332,757	(332,757)	-	332,891	(332,891)	-
<i>Total Public Support and Revenue</i>	<i>\$1,487,462</i>	<i>\$197,825</i>	<i>\$1,685,287</i>	<i>\$1,706,665</i>	<i>\$118,189</i>	<i>\$1,824,854</i>
<i>Grants and Expenses</i>						
Grants approved for charitable purposes	\$332,274	\$ -	\$332,274	\$344,330	\$ -	\$344,330
Program related expenses	116,674	-	116,674	111,677	-	111,677
Supporting services:						
Administrative expenses	200,273	-	200,273	213,014	-	213,014
<i>Total Grants and Expenses</i>	<i>\$ 649,221</i>	<i>\$ -</i>	<i>\$ 649,221</i>	<i>\$ 669,021</i>	<i>\$ -</i>	<i>\$ 669,021</i>
<i>Change in Net Assets</i>	<i>838,241</i>	<i>197,825</i>	<i>1,036,066</i>	<i>1,037,644</i>	<i>118,189</i>	<i>1,155,833</i>
<i>Net Assets — Beginning of Year</i>	<i>5,554,433</i>	<i>7,292,558</i>	<i>12,846,991</i>	<i>4,516,789</i>	<i>7,174,369</i>	<i>11,691,158</i>
<i>Net Assets — End of Year</i>	<i>\$6,392,674</i>	<i>\$7,490,383</i>	<i>\$13,883,057</i>	<i>\$5,554,433</i>	<i>\$7,292,558</i>	<i>\$12,846,991</i>

Investment Allocations

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

The Foundation is charged with providing stewardship of donors' assets. We take the responsibility of being good stewards very seriously. To effectively live up to the high standards expected of us, we have formulated a long term investment philosophy that aligns our fiscal goals with our social ones.

The highlights of our approach are to:

- Maintain focus on the Foundation's mission and each donor's wishes. In this regard, our goal is to build a portfolio that will support the philanthropy of our donors into perpetuity by preserving the purchasing power of the assets gifted to us.
- Allocate the assets in a manner that will achieve the Foundation's long term return objectives. We believe a well-diversified approach will reduce risk and increase the likelihood of achieving our goals during changing economic and market conditions.
- Utilize only the highest quality investment managers. All of the managers we employ meet stringent selection criteria. In addition, all donor funds are invested in a manner that is consistent with Catholic teachings, so as not to give rise to serious questions of social justice and moral principals.

- Monitor the assets under our supervision on a continuous basis. Our volunteer Investment Committee has significant experience in this area and oversees our process to ensure each donor's gift is invested in a responsible manner.

We attribute our continued success to the adherence to these philosophies. Over the past year, our portfolio returned a strong 7.8%. This compares favorably with

both a passively managed 65% stock/35% bond index, and to Morningstar's index of balanced mutual funds. The same is true of our longer three year return of 9.8%.

Our pledge to donors is, and continues to be, that we will invest donor funds in a prudent manner that is consistent with Catholic teachings.

Summary of Investments as of June 30, 2006 and 2005

	Cost	Market Value
<i>2006</i>		
Cash and cash equivalents	\$ 15,459	\$ 15,459
Large cap socially screened S&P 500 index fund	8,068,462	8,693,605
Domestic small/mid cap common stocks	4,250,909	4,418,821
International equities	2,725,343	3,299,704
Bond mutual funds	8,721,473	8,339,489
<i>Totals</i>	<i>\$23,781,646</i>	<i>\$24,767,078</i>
<i>2005</i>		
Cash and cash equivalents	\$ 250,448	\$ 250,448
Large cap socially screened S&P 500 index fund	7,225,428	7,864,948
Domestic small/mid cap common stocks	3,673,432	3,971,992
International equities	2,563,317	2,851,318
Bond mutual funds	7,919,568	7,899,688
<i>Totals</i>	<i>\$21,632,193</i>	<i>\$22,838,394</i>

The investment market values were determined by Bank One Trust Company as of June 30, 2006 and 2005 respectively.

Notes to Financial Statements Years Ended June 30, 2006 and 2005

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.

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.

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 Archdiocese of Milwaukee Catholic Community Foundation, Inc. as a long-term liability.

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

BOARD OF DIRECTORS

P. Michael Mahoney
Chairman of the Board,
President & CEO, Park Bank

Mary Ellen Markowski
President

Peter W. Bruce
Chief Insurance Officer,
Northwestern Mutual

John Callan
Attorney, Foley & Lardner

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Milwaukee

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Milwaukee

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STAFF

Mary Ellen Markowski
President

John Blickle
Controller

Julie Kurer
Administrative Coordinator



— THE —
CATHOLIC
COMMUNITY
FOUNDATION
—

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