

STATEMENTS OF FINANCIAL POSITION

December 31, 2004 and 2003

Assets	2004	2003
Cash and cash equivalents	\$ 2,492,722	\$ 5,562,019
Traditional investments	224,432,032	209,585,700
Mission-related investments (see Note 1)	45,604,909	42,497,737
Other assets	403,748	357,686
Property and equipment, net	294,500	368,340
Total assets	\$273,227,911	\$258,371,482
Liabilities and Net Assets	2004	2003
Liabilities:		
Accounts payable and accrued expenses	\$ 74,465	\$ 79,734
Grants payable (see Note 2)	2,715,000	3,970,000
Deferred Federal excise tax payable	308,746	218,425
Total liabilities	3,098,211	4,268,159
Unrestricted net assets	270,129,700	254,103,323
Total liabilities and net assets	\$273,227,911	\$258,371,482

See accompanying notes to financial statements.

The financial information in this report has been summarized by the Foundation from its audited financial statements. A copy of the independent auditor's report, complete financial statements and notes are on file at the Foundation's office.

NOTE 1. MISSION-RELATED INVESTMENTS

Mission-related investments advance the mission of the Foundation using the core program strategies articulated in the Program Guidelines. These include both risk-adjusted, market-rate investments that advance the mission and program-related investments (PRIs).

PRIs, defined in IRC §4944(c), have a primary purpose of advancing the mission of the Foundation without a significant purpose of the production of income or the appreciation of property. PRIs are treated as charitable distributions on Internal Revenue Service form 990-PF; the tax and information return filed by private foundations for minimum-distribution requirement purposes. The Foundation's PRI loans bear interest at below-market rates, from 1% to 6%, generally payable on March 31 and September 30 of each year. Four PRIs are limited partnership interests in community development venture funds and one is preferred stock in a community development bank. The Foundation expects to hold all PRIs to maturity.

At December 31, 2004 and 2003, mission-related investments consisted of the following:

	2004		2003	
	Fair or carrying value	Cost	Fair or carrying value	Cost
Invested cash and cash equivalents	\$ 576,040	\$ 576,040	\$ 544,996	\$ 544,996
Insured and uninsured deposits in Community Development Credit Unions and Community Development Banks	4,250,000	4,250,000	4,300,000	4,300,000
Fixed-income securities	19,344,102	19,145,828	18,594,425	18,284,437
Limited partnership interests	4,457,375	4,482,900	3,573,795	3,583,222
Program-related investments	16,977,392	16,977,392	15,484,521	15,484,521
	\$ 45,604,909	\$ 45,432,160	\$ 42,497,737	\$ 42,197,176

At December 31, 2004 and 2003, the Foundation had capital commitments of approximately \$4,150,000 and \$4,820,000, respectively, to mission-related limited partnerships.

STATEMENTS OF ACTIVITIES

Years ended December 31, 2004 and 2003

Net investment income:	2004	2003
Interest and dividends	\$ 7,199,425	\$ 7,180,528
Less investment expenses	(1,146,779)	(980,999)
Less current Federal excise tax	(175,000)	(56,164)
Net investment income	<u>\$ 5,877,646</u>	<u>\$ 6,143,365</u>
Expenses:	2004	2003
Program services:		
Grants (see Note 2)	\$ 8,003,660	\$ 10,037,426
Program expenses	1,753,961	1,706,603
Total program services	9,757,621	11,744,029
Supporting services—administrative expenses	375,819	338,444
Total expenses	10,133,440	12,082,473
Net appreciation in fair value of investments, net of deferred Federal excise tax	20,282,171	35,846,018
Change in net assets	16,026,377	29,906,910
Unrestricted net assets at beginning of year	254,103,323	224,196,413
Unrestricted net assets at end of year	<u>\$270,129,700</u>	<u>\$254,103,323</u>

See accompanying notes to financial statements.

NOTE 2. GRANTS PAYABLE

The following summarizes changes in grants payable as of December 31, 2004 and 2003:

	2004	2003
Balance at beginning of year	\$ 3,970,000	\$ 2,580,000
Additions:		
Grants authorized	8,003,660	10,037,426
Deductions:		
Grants paid	(9,258,660)	(8,647,426)
Balance at end of year	<u>\$ 2,715,000</u>	<u>\$ 3,970,000</u>