

Statements of Financial Position

December 31, 2005 and 2004

Assets	2005	2004
Cash and cash equivalents	\$ 498,845	\$ 2,492,722
Traditional investments	220,201,187	224,432,032
Mission-related investments (see Note 1)	58,502,393	45,604,909
Other assets	467,068	403,748
Property and equipment, net	226,654	294,500
Total assets	<u>\$279,896,147</u>	<u>\$273,227,911</u>
Liabilities and Net Assets	2005	2004
Liabilities:		
Accounts payable and accrued expenses	\$ 101,526	\$ 74,465
Grants payable (see Note 2)	3,017,500	2,715,000
Deferred Federal excise tax payable	197,778	308,746
Total liabilities	3,316,804	3,098,211
Unrestricted net assets	276,579,343	270,129,700
Total liabilities and net assets	<u>\$279,896,147</u>	<u>\$273,227,911</u>

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, 2005 and 2004, mission-related investments consisted of the following:

	2005		2004	
	Fair or carrying value	Cost	Fair or carrying value	Cost
Invested cash and cash equivalents	\$ 487,116	\$ 487,116	\$ 576,040	\$ 576,040
Insured deposits in low-income designated Credit Unions and Community Development Banks	5,000,000	5,000,000	4,250,000	4,250,000
Fixed-income securities	19,743,300	19,718,494	19,344,102	19,145,828
Common and preferred stock and equity funds	10,221,087	10,013,091	—	—
Limited partnership interests	5,474,846	5,454,314	4,457,375	4,482,900
Program-related investments	17,576,044	17,576,044	16,977,392	16,977,392
	<u>\$ 58,502,393</u>	<u>\$ 58,249,059</u>	<u>\$ 45,604,909</u>	<u>\$ 45,432,160</u>

At December 31, 2005 and 2004, the Foundation had capital commitments of approximately \$8,546,000 and \$6,018,000, respectively, to mission-related limited partnerships.

Statements of Activities

Years ended December 31, 2005 and 2004

Net investment income:	2005	2004
Interest and dividends	\$ 7,228,411	\$ 7,199,425
Less investment expenses	(1,030,893)	(1,146,779)
Less current Federal excise tax	(381,000)	(175,000)
Net investment income	<u>\$ 5,879,518</u>	<u>\$ 5,877,646</u>
Expenses:	2005	2004
Program services:		
Grants (see Note 2)	\$ 11,960,523	\$ 8,003,660
Program expenses	1,720,057	1,753,961
Total program services	13,680,580	9,757,621
Supporting services—administrative expenses	472,710	375,819
Total expenses	14,153,290	10,133,440
Net appreciation in fair value of investments, net of deferred Federal excise tax	14,723,415	20,282,171
Change in net assets	6,449,643	16,026,377
Unrestricted net assets at beginning of year	270,129,700	254,103,323
Unrestricted net assets at end of year	<u>\$276,579,343</u>	<u>\$270,129,700</u>

See accompanying notes to financial statements.

NOTE 2. GRANTS PAYABLE

The following summarizes changes in grants payable as of December 31, 2005 and 2004:

	2005	2004
Balance at beginning of year	\$ 2,715,000	\$ 3,970,000
Additions:		
Grants authorized	11,960,523	8,003,660
Deductions:		
Grants paid	(11,658,023)	(9,258,660)
Balance at end of year	<u>\$ 3,017,500</u>	<u>\$ 2,715,000</u>