

STATEMENTS OF FINANCIAL POSITION

December 31, 2006 and 2005

Assets	2006	2005
Cash and cash equivalents	\$ 2,500,912	\$ 498,845
Traditional investments	238,664,076	220,201,187
Mission-related investments (see Note 1)	65,093,288	58,502,393
Other assets	435,234	467,068
Property and equipment, net	164,803	226,654
Total assets	\$306,858,313	\$279,896,147
Liabilities and Net Assets	2006	2005
Liabilities:		
Accounts payable and accrued expenses	\$ 152,838	\$ 101,526
Grants payable (see Note 2)	4,540,000	3,017,500
Deferred Federal excise tax payable	417,648	197,778
Total liabilities	5,110,486	3,316,804
Unrestricted net assets	301,747,827	276,579,343
Total liabilities and net assets	\$306,858,313	\$279,896,147

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. Five PRIs are limited partnership interests in community development venture funds and two are preferred stock in a regulated community development banks. The Foundation expects to hold all PRIs to maturity.

At December 31, 2006 and 2005, mission-related investments consisted of the following:

	2006		2005	
	Fair or carrying value	Cost	Fair or carrying value	Cost
Invested cash and cash equivalents	\$ 1,237,528	\$ 1,237,528	\$ 487,116	\$ 487,116
Insured deposits in low-income designated Credit Unions and Community Development Banks	5,800,000	5,800,000	5,000,000	5,000,000
Fixed-income securities	19,926,436	20,072,130	19,743,300	19,718,494
Common and preferred stock	11,681,563	10,193,999	10,221,087	10,013,091
Limited partnership interests	7,492,867	6,260,731	5,474,846	5,454,314
Program-related investments	18,954,894	18,954,894	17,576,044	17,576,044
	\$ 65,093,288	\$ 62,519,282	\$ 58,502,393	\$ 58,249,059

At December 31, 2006 and 2005, the Foundation had capital commitments of approximately \$4,752,000 and \$8,546,000, to mission-related limited partnerships.

STATEMENTS OF ACTIVITIES

Years ended December 31, 2006 and 2005

Net investment income:	2006	2005
Interest and dividends	\$ 7,953,753	\$ 7,228,411
Investment expenses	(1,448,409)	(1,030,893)
Current Federal excise tax	(336,836)	(381,000)
Net investment income	<u>6,168,508</u>	<u>\$ 5,879,518</u>
Expenses:	2006	2005
Program services:		
Grants (see Note 2)	10,623,610	\$ 11,960,523
Program expenses	1,941,194	1,720,057
Total program services	12,564,804	13,680,580
Administrative expenses	444,427	472,710
Total expenses	13,009,231	14,153,290
Appreciation in fair value of investments, net of deferred Federal excise tax	32,009,207	14,723,415
Change in net assets	25,168,484	6,449,643
Net assets at beginning of year	276,579,343	270,129,700
Net assets at end of year	<u>\$301,747,827</u>	<u>\$276,579,343</u>

See accompanying notes to financial statements.

NOTE 2. GRANTS PAYABLE

The following summarizes changes in grants payable as of December 31, 2006 and 2005:

	2006	2005
Balance at beginning of year	\$ 3,017,500	\$ 2,715,000
Additions:		
Grants authorized	10,623,610	11,960,523
Deductions:		
Grants paid	(9,101,110)	(11,658,023)
Balance at end of year	<u>\$ 4,540,000</u>	<u>\$ 3,017,500</u>