

**JAMES GRAHAM BROWN FOUNDATION, INC.**

**STATEMENTS OF FINANCIAL POSITION**

December 31, 2006 and 2005

<b>ASSETS</b>	<u>2006</u>	<u>2005</u>
Cash	\$ 156,339	\$ 81,973
Accrued interest and dividends receivable	96,824	2,705,100
Prepaid expenses	63,011	70,492
Investments	449,115,402	401,625,930
Timberlands, timber, and mineral rights	4,753,856	3,000,050
Property and equipment, less accumulated depreciation	<u>25,296</u>	<u>42,468</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 454,210,728</b></u>	<u><b>\$ 407,526,013</b></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 8,526	\$ 7,777
Accrued expenses	234,451	76,551
Grants payable	5,000,000	10,000,000
Federal excise taxes payable	1,477,483	54,163
Deferred federal excise taxes	<u>278,447</u>	<u>744,308</u>
Total liabilities	6,998,907	10,882,799
 <b>NET ASSETS</b>		
Unrestricted	<u>447,211,821</u>	<u>396,643,214</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 454,210,728</b></u>	<u><b>\$ 407,526,013</b></u>

See Notes to Financial Statements.

**JAMES GRAHAM BROWN FOUNDATION, INC.**

**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2006 and 2005

	2006	2005
<b>Changes in unrestricted net assets:</b>		
<b>Revenues:</b>		
Interest	\$ 8,731,094	\$ 8,709,939
Dividends	4,491,120	4,054,166
Oil lease and royalty income	436,707	1,187,908
Other income	20,095	32,867
Total revenues	13,679,016	13,984,880
<b>Expenses:</b>		
Administrative and general	1,170,055	1,181,337
Investment counselor fees	371,139	348,068
Federal excise tax expense	615,520	493,866
Total expenses	2,156,714	2,023,271
Increase in total net assets before investment gains (losses), environmental expenses and grants	11,522,302	11,961,609
<b>Investment gains (losses):</b>		
Realized gain on sale of timberlands, timber and mineral rights	416,022	2,711,015
Realized gain on sale of investments	75,795,085	45,379,083
Unrealized gain (loss) on timberlands, timber and mineral rights	2,281,669	(1,104,774)
Unrealized loss on investments	(24,339,500)	(42,685,297)
Total investment gains	54,153,276	4,300,027
Increase in total net assets before environmental expenses and grants	65,675,578	16,261,636
<b>Environmental expenses and grants:</b>		
Environmental expenses, net of insurance recoveries	(104,447)	(52,773)
Grants authorized	(15,002,524)	(13,738,169)
Total environmental expenses and grants	(15,106,971)	(13,790,942)
<b>Net increase in total net assets</b>	50,568,607	2,470,694
Net assets at beginning of year	396,643,214	394,172,520
Net assets at end of year	\$ 447,211,821	\$ 396,643,214

See Notes to Financial Statements.