

**JAMES GRAHAM BROWN FOUNDATION, INC.**

**STATEMENTS OF FINANCIAL POSITION**

December 31, 2007 and 2006

<b>ASSETS</b>	<u>2007</u>	<u>2006</u>
Cash	\$ 789,797	\$ 156,339
Refundable federal excise taxes	322,090	
Investments	472,694,649	449,115,402
Timberlands, timber, and mineral rights	3,795,000	4,753,856
Other assets	66,444	185,131
<b>TOTAL ASSETS</b>	<u>\$ 477,667,980</u>	<u>\$ 454,210,728</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 7,427,326	\$ 242,977
Grants payable		5,000,000
Federal excise taxes payable		1,477,483
Deferred federal excise taxes	1,005,000	278,447
Total liabilities	8,432,326	6,998,907
 <b>NET ASSETS</b>		
Unrestricted	<u>469,235,654</u>	<u>447,211,821</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 477,667,980</u>	<u>\$ 454,210,728</u>

See Notes to Financial Statements.

**JAMES GRAHAM BROWN FOUNDATION, INC.**

**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2007 and 2006

	2007	2006
<b>Changes in unrestricted net assets:</b>		
<b>Revenues:</b>		
Interest	\$ 479,775	\$ 8,731,094
Dividends	852,976	4,491,120
Oil lease and royalty income	338,070	436,707
Other income	2,493	20,095
Total revenues	1,673,314	13,679,016
<b>Expenses:</b>		
Administrative and general	1,105,963	1,170,055
Investment counselor fees	8,598,639	371,139
Federal excise tax expense	808,684	615,520
Total expenses	10,513,286	2,156,714
(Decrease) increase in total net assets before investment gains (losses), environmental expenses and grants	(8,839,972)	11,522,302
<b>Investment gains (losses):</b>		
Realized gain on sale of timberlands, timber and mineral rights		416,022
Realized gain on sale of investments	8,216,141	75,795,085
Unrealized (loss) gain on timberlands, timber and mineral rights	(173,211)	2,281,669
Unrealized gain (loss) on investments	38,420,259	(24,339,500)
Total investment gains	46,463,189	54,153,276
Increase in total net assets before environmental expenses and grants	37,623,217	65,675,578
<b>Environmental expenses and grants:</b>		
Environmental expenses, net of insurance recoveries	(116,956)	(104,447)
Grants authorized	(15,482,428)	(15,002,524)
Total environmental expenses and grants	(15,599,384)	(15,106,971)
<b>Net increase in total net assets</b>	22,023,833	50,568,607
Net assets at beginning of year	447,211,821	396,643,214
Net assets at end of year	\$ 469,235,654	\$ 447,211,821

See Notes to Financial Statements.