

JAMES GRAHAM BROWN FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2008 and 2007

ASSETS	<u>2008</u>	<u>2007</u>
Cash	\$ 1,235,075	\$ 789,797
Refundable federal excise taxes	100,000	322,090
Deferred federal excise tax asset	771,000	
Investments	303,734,340	472,694,649
Timberlands, timber, and mineral rights	3,795,000	3,795,000
Other assets	<u>69,724</u>	<u>66,444</u>
Total assets	<u>\$ 309,705,139</u>	<u>\$ 477,667,980</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 391,362	\$ 7,427,326
Grants payable	16,000,000	
Deferred federal excise tax liability	<u></u>	<u>1,005,000</u>
Total liabilities	16,391,362	8,432,326
 NET ASSETS		
Unrestricted	<u>293,313,777</u>	<u>469,235,654</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 309,705,139</u>	<u>\$ 477,667,980</u>

See Notes to Financial Statements.

JAMES GRAHAM BROWN FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2008 and 2007

	2008	2007
Changes in unrestricted net assets:		
Revenues:		
Interest	\$ 187,407	\$ 479,775
Dividends	1,414,571	852,976
Oil lease and royalty income	304,845	338,070
Other income	7,119	2,493
Total revenues	1,913,942	1,673,314
Expenses:		
Administrative and general	1,019,954	1,105,963
Investment counselor fees	1,496,099	8,598,639
Federal excise tax (benefit) expense	(1,772,445)	808,684
Total expenses	743,608	10,513,286
Increase (decrease) in total net assets before investment gains (losses), environmental expenses and grants	1,170,334	(8,839,972)
Investment gains (losses):		
Realized (loss) gain on sale of investments	(14,321,748)	8,216,141
Unrealized loss on timberlands, timber and mineral rights		(173,211)
Unrealized (loss) gain on investments	(127,133,536)	38,420,259
Total investment gains (losses)	(141,455,284)	46,463,189
(Decrease) increase in total net assets before environmental expenses and grants	(140,284,950)	37,623,217
Environmental expenses and grants:		
Environmental expenses, net of insurance recoveries	(150,427)	(116,956)
Grants authorized	(35,486,500)	(15,482,428)
Net (decrease) increase in total net assets	(175,921,877)	22,023,833
Net assets at beginning of year	469,235,654	447,211,821
Net assets at end of year	\$ 293,313,777	\$ 469,235,654

See Notes to Financial Statements.