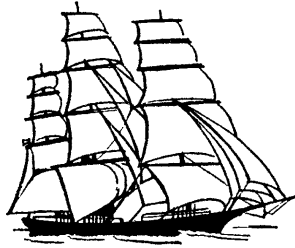


CLIPPER SHIP FOUNDATION, INC.



ANNUAL REPORT
For Fiscal Year Ended
October 31, 2006

INTRODUCTION

HISTORY AND PURPOSE OF THE FOUNDATION

Clipper Ship Foundation, Inc. was founded in 1979 by the late David Weatherhead. It is a non-profit corporation organized under Chapter 180 of the Massachusetts General Laws. The Foundation makes grants to federally tax-qualified, non-profit operating organizations serving residents of the Greater Boston community and the cities of Brockton and Lawrence to assist them in fulfilling their goals and broadening the scope of their activities. Priority is given to organizations devoted to helping the homeless and ill-housed, the destitute, the handicapped, children, and the aged, or those addressing the needs of new immigrants and other needy communities and neighborhoods. Special consideration is also given to emergency disaster situations, worldwide.

GRANT ACTIVITIES AND OBSERVATIONS

In the fiscal year ended October 31, 2006 Clipper Ship Foundation made grants totaling \$1,524,570, about \$220,000 more than 2005. Using a formula based on the average market value for the preceding three years, the board of directors in January had adopted a 2006 grant budget of \$1,400,000. In 2006 the value of the foundation's endowment increased, reaching over \$29 million by the end of December 2006. During the 2006 fiscal year the board reviewed average market values each quarter and made adjustments in the quarterly grant targets, and was thus able to make the grants above the budget. The breakdown of grants among the foundation's target categories is as follows:

Grant Category	2006	2005	2004
Aid to Persons with Disabilities	\$ 109,500	\$ 113,500	\$ 96,610
Children and Young People	\$ 649,000	\$ 530,150	\$ 503,150
Community Affairs	\$ 356,600	\$ 305,600	\$ 306,600
Food and Shelter	\$ 389,500	\$ 305,500	\$ 334,500
Emergency and Disaster Aid	\$ 19,970	\$ 50,000	\$ 40,000
Total Grants	\$ 1,524,570	\$1,304,750	\$ 1,280,860

As a result of the increased endowment value, the directors were able to allocate almost \$119,000 more to the category **Children and Young People**. Grants included a grant of \$15,000 to the YWCA of Greater Lawrence to assist it in the upgrade of its main facility, including handicap access and the renovation of the residence floor used for homeless domestic violence victims. Another \$15,000 grant was awarded to Lawrence Family Develop-

ment & Education Fund's capital campaign for expansion of the Lawrence Family Development Charter School. The directors also made three \$5,000 grants to programs highlighted at the April 6, 2006 EdVestors Urban Education Investment Showcase. Clipper Ship's partnership with EdVestors allows us to learn more about specific programs and initiatives within the Boston schools, and we expect to make similar grants to EdVestors showcase participants in the future.

Organizations in the diverse category of **Community Affairs**, received \$51,000 more than 2005. The Chelsea Collaborative was awarded a grant of \$25,000 in June aimed at capacity building for its work in promotion of improved housing and for its services to the Latino community. Although many other foundations are now supporting this vital Chelsea organization, Clipper Ship is proud of its early involvement with, and support of, the Collaborative and its now-retired executive director, Ed Marakovitz. A review of the other Community Affairs grants demonstrates the diversity of grantees and programs supported in this group.

Support to **Food and Shelter** grantees reached a new high of \$389,500, an increase of \$84,000 over 2005. Chief among these grantees was the Boston program office of the Local Initiatives Support Corporation that received \$55,000 to promote affordable housing and economic development projects through the activities of Boston-area community development corporations (CDCs). A grant of \$10,000 went to the Boston Living Center to assist its Meals Program for HIV-positive men and women. Another grant of \$10,000 was awarded to Lawrence Community Works to further support its affordable housing projects in Lawrence, and a grant of \$10,000 went to MainSpring Coalition for the Homeless to assist their renovation of shelter space for homeless families in Brockton.

Grantees within the category **Aid to Persons with Disabilities** received slightly less than in 2005, but included was \$15,000 in operating support to New England Home for the Deaf as its skilled nursing facility moved to its full licensed capacity. A grant of \$7,500 went to Special Olympics Massachusetts, Inc. to support the "Sports for All" program in Brockton. Community Servings, Inc. was given another grant of \$5,000 for its home delivery of meals to Brockton children and families affected by HIV.

Emergency and Disaster Aid grantees included CARE USA, which received a grant of \$15,000 to support its relief efforts in the wake of the Indonesian earthquake. A grant of \$4,950 was awarded Persevere Disaster Relief, Inc.

to aid its efforts to remove the thousands of dangerous standing trees killed by salt water in coastal Mississippi after Hurricane Katrina.

FINANCES

The foundation's endowment reached a market value of \$29,036,768 at the end of the fiscal year. This was an increase of \$1,526,515 from the value on October 31, 2005. More notable, perhaps, is the fact that this increase was after subtraction of \$1,593,000 for foundation grants and expenses. Investment returns are measured on a calendar year basis. One of the foundation's investment managers achieved a return of 11.4 percent for the 12 months ending December 31, 2006. The other manager posted a total return of 12.11 percent. On a combined basis the full endowment (excluding the foundation's investment in managed timber) had a total return of almost 12 percent.

ADMINISTRATION

As the 2006 fiscal year ended Sally Newbury alerted the board of her intention to retire as a director at the annual meeting in January 2007. Sally served as a director for fifteen years, and during that time contributed her valuable experience and insight to the foundation's grantmaking decisions. She will be missed and leaves the board with our thanks. At the June 2006 directors meeting the board decided to expand the board from eight members to ten. In the succeeding months, Christine Swistro and Ted Hirsch were elected as new directors. Christine is a management consultant who works with both non-profit and commercial clients. She resides in Chelsea. Ted Hirsch is the Assistant Principal of the South Shore Charter School in Norwell. He is a Hull resident. During the summer our foundation clerk, Yasmin Shah was assigned to new responsibilities at Grants Management Associates and Kirstie David has taken up the duties of foundation assistant and Clerk of Clipper Ship Foundation, Inc. Pamela LaBonté Maksy, our Assistant Treasurer, again provided excellent oversight of the foundation's financial records.

In January 2006 Ben Lacy, who served as President of Clipper Ship Foundation, Inc. since its incorporation on November 28, 1979 and as Chairman since January 2000, announced that he would not accept nomination as an officer in 2007. Ben has been the lead director since 1979, and he had a large role in shaping the foundation's grant policies and office procedures. Ben served often as the public face of the foundation at outside meetings and conferences. During his long service as board head Ben wrote most of the quarterly grant review memos until 2001 and since then has carried a major review workload. Ben's board colleagues feel fortunate that he expects to stay on the board and chair the Evaluation Committee.

AID TO PERSONS WITH DISABILITIES

AIDS Action Committee Housing Advocacy Program	\$5,000
Build the Out-of-School Time Network Lead to Opportunities for Youth with Disabilities (LOYD) initiative	\$5,000
Cambridge Art Association "The Art of Love" program	\$3,000
Community Servings Home-Delivered Meals Program for Families in Brockton	\$5,000
The Edinburg Center, Inc. Jail Diversion Program	\$6,000
First Night Boston American Sign Language-interpreted programming at First Night	\$2,000
The Granada House Capital support a handicapped accessible bathroom at 12 Alcott Street	\$7,500
Holden School Capital support of handicapped access	\$5,000
Living Independently for Equality Inc. Operating support to cover administrative costs	\$5,000
MAB Community Services Visually Impaired Elders Project	\$5,000
MATCH-UP Interfaith Volunteers, Inc. Friendly Visiting and Medical Escorts/Short Term Assistance programs	\$5,000
New England Home for the Deaf Operating support	\$15,000
Northeast Independent Living Program, Inc. TeenFest summer program	\$3,500
Northern Essex Community College f/b/o Gallaudet University Regional Center "Shared Reading Saturdays" literacy project	\$5,000
Partners for Youth with Disabilities, Inc. Mentor Match Program	\$5,000
Special Olympics Massachusetts, Inc. Brockton "Sports for All" Special Olympics program	\$7,500
Triangle, Inc. School-to-Career Project	\$5,000
The Urban Medical Group House Calls program	\$5,000

VSA Arts of Massachusetts	\$5,000
Cultural Access Project: Putting Creativity to Work	
Wellmet Project	\$5,000
Capital support	
Total Aid to Persons with Disabilities	\$109,500

CHILDREN AND YOUNG PEOPLE YEAR-ROUND PROGRAMS

AfterSchool Partners, Inc.	\$3,000
Expanding ASP's curriculum to school sites in Greater Boston, Chelsea, and Lawrence	
Artists for Humanity	\$7,500
Expansion of the youth-run Arts Micro-enterprise	
Asian Task Force Against Domestic Violence	\$5,000
WAVE teen dating violence prevention curriculum	
Associated Early Care & Education	\$5,000
Efforts addressing the obesity/malnutrition epidemic among children in low-income families	
Bikes Not Bombs	\$15,000
Capital support of BNB's campaign to build a new Hub for youth programming	
Birthday Wishes, Inc.	\$3,000
Operating support	
Black Ministerial Alliance of Greater Boston	\$10,000
Victory Generation program	
Blessed Stephen Bellesini, O.S.A. Academy, Inc.	\$5,000
Afterschool and Evening Study Program	
Boston Arts Academy	\$5,000
Wellness Education Program	
Boston Ballet	\$5,000
Taking Steps program	
Boston Center for the Arts	\$5,000
Civic Engagement Initiative	
Boston Chinatown Neighborhood Center	\$7,500
Oak Street Youth Center	
Boston Education Funders	\$1,500
Membership fee	
The Boston Foundation	\$10,000
Summer Safety Funders Collaborative	
Boston Learning Center, Inc.	\$5,000
Building Inspiration to Fight Failure alumni program	
Boston Lyric Opera, Inc.	\$5,000
Cambridge after-school program and free opera performances for youth at the Strand Theatre in Dorchester	

Boston Partners in Education, Inc. High School Math and Literacy Initiative	\$5,000
Boston Symphony Orchestra Chelsea Youth Project	\$10,000
Boston University Operating support for the Chelsea Intergenerational Literacy Program	\$5,000
Bottom Line, Inc. Operating support	\$5,000
Boys & Girls Club of Lynn Making Minutes Count after-school homework assistance program	\$5,000
Cambridge Community Center Out-of-School Time Program	\$5,000
Cambridge School Volunteers Operating support	\$10,000
Catholic Charities / Archdiocese of Boston Seek Out Another Road (S.O.A.R.) program, a reintegration program for young adult offenders	\$10,000
Child Care Resource Center, Inc. Operating support	\$10,000
Children's Friend and Family Services North Shore Youth Mentoring Program	\$5,000
The Children's Museum in Easton Urban Expansion Project (UEP)	\$7,500
Citizen Schools After-school apprenticeship program	\$7,500
City on a Hill Capital support of the Building a City on a Hill campaign	\$10,000
The City School Inc. "Rose from Concrete" component of the Prison Empowerment Program	\$7,500
City Stage Company South End After School Performing Arts Program	\$5,000
CityKicks, Inc. Operating support	\$5,000
CitySprouts Summer and after-school programs at five sites in Cambridge	\$5,000
Colonel Daniel Marr Boys and Girls Club The Arts Center	\$5,000
The Community Art Center, Inc. School Age Child Care and Teen Media Programs	\$5,000
Community Rowing, Inc. Girls Row Boston (G-ROW) program	\$5,000

The Courageous Sailing Center "Step Five: Young Leaders" program	\$6,000
Dimock Community Health Center Smart Kids After School program	\$5,000
"E" Inc. Planet Protectors program	\$5,000
Earthen Vessels Operating support	\$5,000
East Boston Ecumenical Community Council ASPIRE after-school program	\$7,000
EdVestors Operating support	\$1,500
Boston Public Schools Alternative High School Network and Commonwealth Corporation	\$5,000
Dever School Mental Health Initiative	\$5,000
Harbor and O'Hearn Schools Full Inclusion Project	\$5,000
Ellis Memorial & Eldredge House, Inc. Capital support of repairs at 66 Berkeley Street	\$5,000
Epiphany School, Inc. Operating support	\$5,000
Essex County Community Foundation F1rst Jobs Program for teens in the North Shore area	\$5,000
Family Service of Greater Boston Center for Counseling/Trauma Services	\$5,000
For Kids Only Afterschool, Inc. Equipment for a new educational resource center	\$5,000
Friends of the Rafael Hernandez School Expanding the After School Center	\$5,000
Girls Incorporated of Lynn Odyssey, an after school program for girls ages 11-14	\$5,000
Greater Lawrence Educational Collaborative The Multicultural Enrichment Partnership	\$12,000
Greenwood Memorial United Methodist Church Greenwood Shalom After School Program	\$5,000
The Guidance Center, Inc. Universal Screening for Child Care program	\$5,000
Handel & Haydn Society Educational Outreach programs during the 2006-2007 school year	\$5,000
Hawthorne Youth and Community Center, Inc. Capital support for facilities expansion	\$10,000
Horizons for Homeless Children The Community Children's Centers and Playspace Programs	\$7,500
Hyde Square Task Force Youth Literacy Tutors Program	\$5,000

Institute for Learning and Teaching/ UMASS Boston Project ALERTA	\$5,000
Jumpstart for Young Children, Inc. Operating support	\$5,000
Just A Start Corporation To purchase a permanent facility for the Teen Living & Parent Training Program in Transitional Housing.	\$10,000
Kids' Karate Roxbury branch of the Kids' Karate program	\$5,000
KIPP Foundation f/b/o KIPP Academy Lynn Charter School Capital support of KIPP Academy Lynn's facility expansion efforts	\$7,500
Lawrence Boys & Girls Clubs, Inc. Street Smart program	\$7,500
Lawrence Family Development & Education Fund Capital support of the "Building for Their Futures" campaign	\$15,000
LEAP Self-Defense, Inc. General operations, program expansion, teen mentor training, and program evaluation	\$5,000
Lesson One Foundation, Inc. Expanding the Lesson One pilot program into two Boston public schools	\$5,000
Life Resources, Inc. Capital support	\$7,500
Lucy Stone School Initiative Corporation Operating support of mental health capacity for students	\$5,000
Massachusetts Coalition for Occupational Safety and Health Teens Lead @ Work	\$5,000
Massachusetts Society for the Prevention of Cruelty to Children Kid's Day Afterschool Program	\$10,000
Multicultural Youth Tour of What's Now (MY TOWN) Youth Guide Development Program	\$5,000
Museum of African American History History Happens Here! youth education program	\$6,000
Music and Art Development, Inc. d/b/a Cooperative Artists Institute Peace Drum Project	\$5,000
Mystic Learning Center, Inc. Empowering Competent Youth Project	\$5,000
New England SCORES Operating support	\$7,500
Northshore Youth Symphony Orchestra "Strings Open Opportunities" project in Lawrence	\$4,000
Peer Health Exchange, Inc. The Boston program	\$2,500

Phillips Brooks House Association, Inc. Refugee Youth Summer Enrichment Program	\$3,000
Prevent Blindness Massachusetts Vision screenings in Lawrence schools	\$3,000
Rediscovery Inc. Teen LEEP's training program for the More Than Words Bookstore	\$5,000
Revere Public Schools Musical Mentors project	\$10,000
Saint Mary's Women and Children's Center GRLZ Radio Broadcasting and Music Production Program	\$7,500
Salesian Boys and Girls Club of East Boston Capital support of the purchase of a boiler for Orient Heights Youth Center	\$7,500
Si, Se Puede Operating support	\$5,000
South Boston Neighborhood House Adolescent Services Program	\$7,500
Star House Additional housing for children aged 5-12 in the Star House program	\$5,000
Strong Women, Strong Girls Operating support	\$7,500
Third Sector New England f/b/o South End/Lower Roxbury Youth Workers' Alliance Operating support	\$5,000
Thompson Island Outward Bound Education Center Choices program	\$7,500
Tieng Xanh-Voice, Inc. Examined Life Program for high-risk Vietnamese youth in Dorchester	\$5,000
Tutoring Plus of Cambridge, Inc. Operating support	\$5,000
Unitarian Universalist Urban Ministry Roxbury Youth Program	\$7,500
Uphams Corner Charter School Purchase and renovation of the Columbia Square Building as a new school facility	\$10,000
Uphams Corner Community Center, Inc. d/b/a Bird Street Community Center Youth workforce development programs	\$10,000
The Welcome Project GIRLZ project	\$5,000
YWCA of Greater Lawrence Facility renovation project	\$15,000
Total Year-round Programs	\$617,500

SUMMER PROGRAMS

Associated Grant Makers, Inc.	\$31,500
\$27,000 in support of the Summer Fund	
\$3,000 in support of the Special Homeless Campership Fund	
\$1500 for the administrative fee for the Special Fund	
Total Summer Programs	\$31,500

COMMUNITY AFFAIRS

American Institute for Social Justice	\$5,000
f/b/o Association of Community Organizations for Reform Now	
Four Earned Income Tax Credit preparation centers	
Asian Center of Merrimack Valley, Inc.	\$6,000
Operating support	
Associated Grant Makers, Inc.	\$500
“Silver” level sponsorship of the September Networking Meeting	
Associated Grant Makers, Inc.	\$9,600
2006 membership support	
Bosnian Community Center for Resource Development, Inc.	\$3,000
Operating support	
Boston Area Rape Crisis Center, Inc.	\$5,000
Operating support	
The Boston Foundation	\$7,500
f/b/o Mayor’s Office of New Bostonians	
English for New Bostonians Initiative	
Boston Health Care for the Homeless Program, Inc.	\$10,000
Capital campaign support of the Mallory Building renovation	
Brazilian Immigrant Center	\$5,000
Workers’ Rights Project	
Brockton Interfaith Community	\$7,500
Operating support	
Cambridge Cares About AIDS, Inc.	\$3,500
Operating support of CCAA’s housing programs	
Centro Latino de Chelsea, Inc.	\$7,500
Operating support	
Centro Presente	\$7,500
Education for Empowerment program	
Chelsea Collaborative	\$25,000
Operating support	
City Mission Society	\$5,000
Crisis Intervention Program	
Community Legal Services and Counseling Center, Inc.	\$7,500
Community Based Mental Health Counseling Program	
East End House, Inc.	\$7,500
Operating support	

Ecumenical Social Action Committee Sustainable Homeownership Center’s Senior Homeowners Services and Foreclosure Prevention	\$5,000
Educational Development Group, Inc. Accelerated English Plus program	\$5,000
Franklin Park Coalition Playhouse in the Park project	\$7,500
Friends of the Shattuck Shelter Operating support	\$5,000
Generations Incorporated Generations Incorporated Classroom Literacy program	\$7,500
GLT Prison Prevention Ministry Future Hope Apprenticeship Program	\$10,000
Help for Abused Women and Their Children Lynn Community Outreach Program	\$7,500
Homeless Empowerment Project d/b/a Spare Change To secure the services of a professional advertising salesman	\$5,000
Interseminarian - Project Place, Inc. Capital campaign support of an acquisition and development of real estate	\$10,000
Jamaica Plain Neighborhood Development Corporation “Jobs for Jamaica Plain” program	\$7,500
John F. Kennedy Family Service Center Bilingual outreach position at the Kennedy Center’s Community Resource Center	\$5,000
Kit Clark Senior Services Technology Improvement Program	\$10,000
La Alianza Hispana Capacity-building activities in Roxbury, Dorchester, and Greater Boston	\$5,000
Latino Health Institute d/b/a Latin American Health Institute To support the hiring of a case manager	\$10,000
Lazarus House, Inc. Food and Shelter Program	\$10,000
Massachusetts Alliance of Portuguese Speakers Operating support	\$5,000
Mattapan Community Centers Inc. Computer lab upgrades at three Community Centers in Mattapan	\$5,000
Merrimack Valley Project MVP Worker Center Project	\$5,000
Mission Works, Inc. Self-sufficiency programs and services for residents of Mission Hill	\$7,500

Mujeres Unidas en Accion Operating support	\$5,000
Notre Dame Education Center Feeder Class Program	\$7,000
Odwin Learning Center Operating support	\$5,000
Parents Helping Parents Support groups for parents in Brockton, Methuen, and Greater Boston	\$4,000
Prisoners Re-Entry Working Group, Inc. “Coming Home: A Resource Directory for Ex-Offenders Returning to Greater Boston Communities”	\$3,000
Refugee Immigration Ministry Operating support	\$5,000
Roca, Inc. Community Literacy and Leadership Project	\$7,500
Saint Francis House Mental health services for former offenders	\$7,500
Salem Harbor Community Development Corporation Community English Program	\$7,500
Self Esteem Boston “Skills for Success” program	\$3,000
Sociedad Latina Latinos in Leadership, Action and Change (LILAAC) program	\$5,000
South End Adults at Cathedral ESL instruction	\$5,000
The Samaritans Relocation expenses	\$10,000
Vietnamese American Initiative for Development, Inc. Community Resource Center	\$6,000
Watertown Community Housing, Inc. Emergency Assistance Program	\$5,000
Woburn Council of Social Concern Operating support	\$5,000
Women of Means, Inc. Strengthening the Core program	\$6,000
YMCA of Greater Boston - Training, Inc. YMCA’s Training, Inc. program	\$5,000
Total Community Affairs	\$356,600

EMERGENCY AND DISASTER RELIEF

CARE USA	\$15,000
Indonesian earthquake relief efforts	
Persevere Disaster Relief Inc.	\$4,970
Katrina Relief Project	
Total Emergency and Disaster Relief	\$19,970

FOOD AND SHELTER

American Red Cross of Massachusetts Bay	\$7,500
Boston Food Pantry	
Boston Building Materials Coop Charitable & Educational Fund, Inc.	\$6,000
d/b/a Building Materials Resource Center	
Operating support	
Boston Living Center	\$10,000
Meals Program	
Bread & Roses, Inc.	\$5,000
Operating support	
The Bridge Fund of Massachusetts Inc.	\$5,000
Homelessness prevention program	
Cambridge and Somerville Program for Alcoholism and	\$7,500
Drug Abuse Rehabilitation	
Client Care Coordinator staff position	
Casa Esperanza	\$7,500
f/b/o Latinas y Ninos Center	
Transitional and Affordable Supportive Housing Program	
Casa Myrna Vazquez	\$8,000
To purchase computer equipment	
Casa Nueva Vida	\$6,000
Operating support	
The Charity Guild, Inc.	\$5,000
Operating support	
Chelsea Neighborhood Housing Services	\$5,000
Financial Empowerment Program	
Community Farms Outreach	\$5,000
d/b/a Waltham Fields Community Farm	
Operating support for the hunger relief program	
Crittenton Hastings House	\$5,000
Transitional Housing Program for Homeless Families	
Crossroads Family Shelter	\$5,000
Operating support	
David Jon Louison Foundation, Inc.	\$10,000
d/b/a David Jon Louison Family Center	
Capital support, for the renovation of five bathrooms	

EMH Recovery Inc. Operating support	\$7,500
The Food for Free Committee, Inc. Operating support	\$5,000
The Friday Night Supper Program, Inc. Operating support	\$3,500
Haley House, Inc. Operating support	\$5,000
HarborCOV Community Housing Initiative's Economic Centers and Children's Centers.	\$15,000
HomeStart Housing search, stabilization and homelessness prevention	\$7,500
Jewish Community Housing for the Elderly Caring Choices program	\$5,000
Lawrence Community Works, Inc. Capacity-building for the support of Project Reviviendo	\$10,000
Little Sisters of the Poor Jeanne Jugan Residence An upgrade of the emergency response system	\$5,000
Local Initiatives Support Corporation Part of a three-year grant in support of affordable housing development	\$55,000
MainSpring Coalition for the Homeless Renovations to the Catholic Charities South facility to house 15 homeless families	\$10,000
Margaret Fuller Neighborhood House Emergency Food Pantry	\$3,000
Massachusetts Housing and Shelter Alliance Journeys to Success housing initiative	\$6,000
Mission of Deeds "Beds for Kids" campaign	\$5,000
My Brother's Table Operating support	\$7,500
Neighborhood Action, Inc. Day Shelter program	\$5,000
Neighbors In Need Operating support	\$7,500
On The Rise Outreach/Safe Haven Program	\$7,500
Quincy Community Action Programs, Inc. Housing Program	\$5,000
Quincy Interfaith Sheltering Coalition Operating support	\$7,500
Saint Joseph's Food Pantry Operating support	\$5,000

The Second Step, Inc. Operating support	\$7,500
Solutions at Work Operating support	\$7,500
Southwest Boston Senior Services, Inc. d/b/a Ethos Purchase of a minivan for the Meals on Wheels program	\$4,500
Travelers Aid Family Services, Inc. Operating support	\$7,500
Waltham Battered Women's Support Committee d/b/a REACH Capital support of the purchase, renovation, and furnishing of a new shelter	\$5,000
Wellspring House, Inc. in operating support	\$5,000
Wellspring, Inc in support of purchasing a house for the Transitional Housing Program	\$10,000
Women's Educational and Industrial Union Horizons Housing Program	\$7,500
Total Food and Shelter	\$339,500

STATEMENT OF INCOME AND EXPENSE

Year ended October 31, 2006

Income:

Dividends	\$	667,517	
Interest	\$	<u>130,784</u>	
Total Income (Before gain or loss on securities)	\$		798,301

Expenses:

Administrative Expenses			
Accounting	\$	9,500	
Administration	\$	53,031	
Directors Fees	\$	16,000	
Investment Management	\$	57,716	
Office and Miscellaneous	\$	<u>5,564</u>	
Total Administrative Expenses	\$		141,811
Federal taxes (current)	\$		43,015
Federal Taxes (deferred)	\$		16,878
Grants	\$		1,524,570
Total Expenses, Taxes, and Grants	\$		1,726,274
Excess of Expenses, taxes, and grants over income, before gain or loss on securities:	\$		(927,973)

STATEMENT OF NET ASSETS

Year ended October 31, 2006

Net Assets as of November 1, 2005	\$ 27,415,106
Net realized and unrealized gains (losses)	\$ 2,524,087
Excess of expenses, taxes and grants over income Before gain or loss on securities	\$ (927,973)
Net Assets as of October 31, 2006	\$ 29,011,220

BALANCE SHEET

October 31, 2006

ASSETS

Cash	\$	54,475
Accrued Interest and Dividends Receivable	\$	32,702

Investments at Fair Market Value

Corporate and Other Obligations	\$	2,248,048
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Equities	\$	6,669,594
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Limited Partnership	\$	922,473
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Mutual Funds

Cash Management	\$	384,447
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Balanced	\$	17,253,455
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International	\$	830,042
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Small Cap Value	\$	299,994
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Global Bond	\$	428,715
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Total Investments	\$	29,036,768
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TOTAL ASSETS	\$	29,123,945
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LIABILITIES AND NET ASSETS

Liabilities

Deferred federal excise taxes	\$	90,187
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Accrued Expenses	\$	18,874
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Accrued federal excise taxes	\$	3,664
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Total Liabilities	\$	112,725
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Net Assets	\$	29,011,220
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TOTAL LIABILITIES AND NET ASSETS	\$	29,123,945
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HOW TO APPLY

Proposals should follow the Common Proposal Format designed and published by Associated Grant Makers, Inc., 55 Court Street, Suite 520, Boston, MA 02108. Tel. 617-426-2606. Website: www.agmconnect.org.

All applications must include:

1. A Cover Summary and Proposal Narrative as prescribed by the AGM Common Proposal Format. As a general rule, operating or program grants will not be made for any period longer than one year.
2. As Exhibits:
 - a. A copy of the IRS Determination Letter under Section 501(c)(3). As a general rule grants will be considered only to organizations which are incorporated as non-profit corporations and which have been determined by the Internal Revenue Service to be tax exempt under section 501(c)(3) of the Internal Revenue Code.
 - b. Personal resumes of the principal administrator or administrators of the subject project or program.
 - c. A budget, including the following:
 - time period covered by the budget;
 - revenue, categorized by anticipated sources: e.g., grants, contracts, fees for services, fundraising event, annual solicitations, interest, endowment income and in-kind support;
 - expenses: providing a line item expense budget, with narrative footnotes for those items which need further explanation.

Applicants are urged to consult the form of budget described in the Common Proposal Format.

- d. A list of the other sources of support already committed and pending requests.
- e. Current board membership with relevant background, affiliations and places of residence.
- f. Audited financial statements for the two most recently completed fiscal years and/or the Applicant's IRS Form 990 returns for the two most recently completed tax years. If the last fiscal year ended six months or more before the meeting month in which the applicant would like to be considered, that fiscal year's audit or Form 990 MUST be included or no action will be taken on your application. If you cannot meet this requirement, please wait to apply until the next quarterly round or such later time as you have that audit or Form 990.

Consideration

Proposals are considered by the Grantmaking Committee and the Board four times a year, in January, April, June, and October. Complete proposals must be received by November 10, March 1, May 10, and August 10 to be considered at the following Committee meeting. Applications that are received after these dates will be deferred until the next review cycle, even if postmarked on or before the deadline.

Reports

A grantee must submit a final report within two months of the termination of the subject project or program, or of the period of operations in which the grant is to be expended, or if applying for a new grant, the report should be submitted with the new request for funds. The report should clearly delineate the objectives and goals of the project or program, the specific manner in which the proceeds were expended, and the progress achieved subsequent to the submission of the request for the Clipper Ship grant. Clipper Ship welcomes the use of the AGM Common Report Form.

Proposals, Guidelines and Annual Reports

Proposal submissions and/or Annual Reports should be directed to:

Ms. Kirstie David

Foundation Assistant

Clipper Ship Foundation

77 Summer Street, Eighth Floor

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