



WILKERSON ASSOCIATES

November 7, 2007

Board of Directors and Members
Jerome Foundation
Saint Paul, MN

Required Communication Letter

We have audited the financial statements of Jerome Foundation for the year ended April 30, 2007, and have issued our report thereon dated November 7, 2007. Professional standards require that we provide you the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter dated August 2, 2007, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with generally accepted accounting principles. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

Consideration of Internal Controls

In planning and performing our audit of the financial statements of Jerome Foundation for the year ended April 30, 2007, in accordance with auditing standards generally accepted in the United States, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express our opinion on the effectiveness of the Foundation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

The following comments arise from a newly effective auditing standard and not from any changes in the Foundation's internal control processes and systems.

The new audit standard involves communications related to internal control matters identified during an audit engagement. This standard defines our responsibility as your auditors to inform you as a governance body of the Foundation, of matters involving internal controls which are considered deficiencies, significant deficiencies and material weaknesses.

Internal controls involve processes and systems that allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A control deficiency exists when the design or operation of a control does not allow for this outcome. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data in accordance with generally accepted accounting principles. Such a condition creates an environment in which there is a likelihood that a misstatement of the Foundation's financial statements that is more than inconsequential will not be prevented or detected by the internal control. A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statement will not be prevented or detected by the entity's internal control.

Deficiency in Internal Controls: Preparation of Annual Financial Statements and Related Disclosures

One of the circumstances described in the standard as constituting a control deficiency is when the Foundation relies on its outside auditors to prepare its audited financial statements and related footnote disclosures in accordance with generally accepted accounting principles because the Foundation does not have the internal capacity to do so, meaning the resources and/or expertise to ensure that there is full and complete reporting and disclosure. While it is acceptable to have us as your outside auditors perform this role, the standard in essence indicates we cannot be a substitute for management or employees related to your internal controls.

While we recognize this circumstance as a control deficiency based on the newly-effective auditing standard, we also recognize that most foundations the size of the Jerome Foundation choose not to allocate resources to this very specialized activity, rather to rely on outside resources to do so. It is the role of the Board with management to determine whether the Foundation is willing to accept the degree of risk that financial reports could be misstated due to this circumstance.

Material Weakness; Investment Accounting

The Foundation does not record the investment activities on a monthly basis in its accounting software; rather relies on us as the outside auditors to summarize the annual investment activity. While this practice results in complete financial statements at year-end, the monthly financial reports from the Foundation's accounting program omit a significant portion of the Foundation's financial activities. Although the Foundation's management and Board do review investment reports monthly, the process of reconciling and recording the activity monthly in the accounting software would strengthen the internal control reporting processes. Without this, there is a potential of allowing unauthorized investment activities to occur without opportunity to detect on a timely basis.

The Foundation's management would like to begin the process of monthly reporting, and we are willing to assist the Foundation's Controller to assure accurate recording.

Significant Accounting Policies

The Foundation has the responsibility for selection and use of appropriate policies. In accordance with the terms of our engagement letter, we will advise the Foundation about the appropriateness of accounting policies and their application. The significant accounting policies used by Jerome Foundation are described in Note 2 to the financial statements. During 2007 the Foundation invested in an alternative investment fund. The Foundation adopted the accounting policy of recording this investment at the fair value as reported by the fund manager.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience of past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

No significant accounting estimates affecting the financial statements were noted at April 30, 2007.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Foundation's financial reporting process (that is, cause future financial statements to be materially misstated). We proposed fifteen adjustments during the audit that management approved and recorded. The adjustments increased the changes in net assets by an approximate \$2,200,000. Adjustments were needed to properly record the Foundation's investment activity (seven adjustments for \$1,700,000), depreciation, and excise and deferred taxes (two adjustments for \$200,000) and grants payable (two adjustments for \$300,000).

We also noted one potential adjustment which was waived due to its immaterial nature in relation to the financial statements as a whole. This \$60,000 waived adjustment related to accrued vacation not recorded by the Foundation at April 30, 2007. The Foundation also waived an adjustment in the prior year of \$55,000 relating to unrecorded accrued vacation. The net impact in the current year would have been a decrease of \$5,000 to the Change in Net Assets.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a concern, whether or not resolved to our satisfaction, regarding a financial accounting, reporting, or auditing issue that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Board of Directors and Members
Jerome Foundation
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Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit. Our thanks to Cynthia Gehrig and Karen Fjorden for their assistance in completion of the audit.

This report is intended solely for the information of the Audit Committee and Management.

Respectfully submitted,

Wilkinson, Guthmann + Johnson, Ltd.



WILKERSON ASSOCIATES

November 7, 2007

Board of Directors and Members
Jerome Foundation
Saint Paul, MN

Management Letter

We have completed our audit of the financial statements of Jerome Foundation for the year ended April 30, 2007. The following comments are for your information and review.

Alternative Investments

During 2007, the Jerome Foundation invested in the Julius Baer Institutional International Equity Fund II. This fund represents 5.8% of the Foundation's total investment portfolio. This fund is a commingled fund open to a limited number of investors. The Fund is not registered and is subject to less regulation than a mutual fund. Not all of the underlying assets of this fund are listed on any national exchange or over-the-counter markets and thus, quoted market prices are not available.

The Foundation is required by Generally Accepted Accounting Principles to report its investments at fair value. Alternative investments have increased risk of misstatement because they do not have readily determinable market values.

The responsibility for establishing fair value of alternative investments rests with the management of the Foundation. A system of internal control over the estimation of fair value of these investments should be established. This responsibility cannot be outsourced or assigned to a party outside of management. While management may look to the investment manager for the mechanics of the valuation, it must have sufficient information to evaluate and challenge the investment valuation.

The procedures required to determine fair value will vary depending on the complexity of the alternative investments. A fund, such as the Julius Baer Institutional International Equity Fund II, that is mainly invested in readily marketable securities ordinarily requires a less sophisticated process and related controls than an alternative investment with underlying investments that are more complex and difficult to value.

Some procedures that can be performed by the Foundation's management include:

- Gain an understanding of the investment manager's strategy, positions and valuation policies.
- Review a detail listing of the underlying investments to determine their characteristics and review their fair values
- Review the fund's audited financial statements noting basis of accounting, summary of significant accounting policies and procedures related to valuation, name of audit firm, and type of opinion.

New Statements on Auditing Standards

Effective for the next financial year, audits performed in accordance with Generally Accepted Auditing Standards must comply with eight new standards. These new standards, while primarily developed to address the public's declining perception related to the reliability of financial statement due to scandals at the national level, apply equally to all organizations. The new standards are referred to as the "risk assessment audit standards" because they aim to reduce the risk of financial reporting misstatement due to error or fraud. The scope of this letter is not sufficient to adequately explain the full impact of the new standards, the interpretations of those standards, or the accounting profession's general assessment of the additional efforts required.

In summary, the new Risk Assessment Audit Standards require auditors to develop the audit strategy with an emphasis on understanding the client and its internal controls, including controls over information technology, and to use that understanding to identify key risks associated with the engagement in order to tailor audit procedures to address those key risks. Like always, our commitment to you is that we will look for ways that these additional efforts, expended by your team and ours, translate into tangible benefits to your organization. We look forward to further discussions with management regarding these matters so we may begin implementing the standards.

Board of Directors and Members
Jerome Foundation
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November 7, 2007

Financial Analysis

Attached are three graphs which depict certain financial trends of the Foundation. These graphs are provided for analytical purposes only.

Graph 1 depicts the investment allocation at fair market value for the past four years. The amounts reported do not include the value of beneficial interest in the charitable remainder trust.

Shown in Graph 2 are the investments at cost in comparison to total fair market value.

Graph 3 reflects the categories of operating expenses.

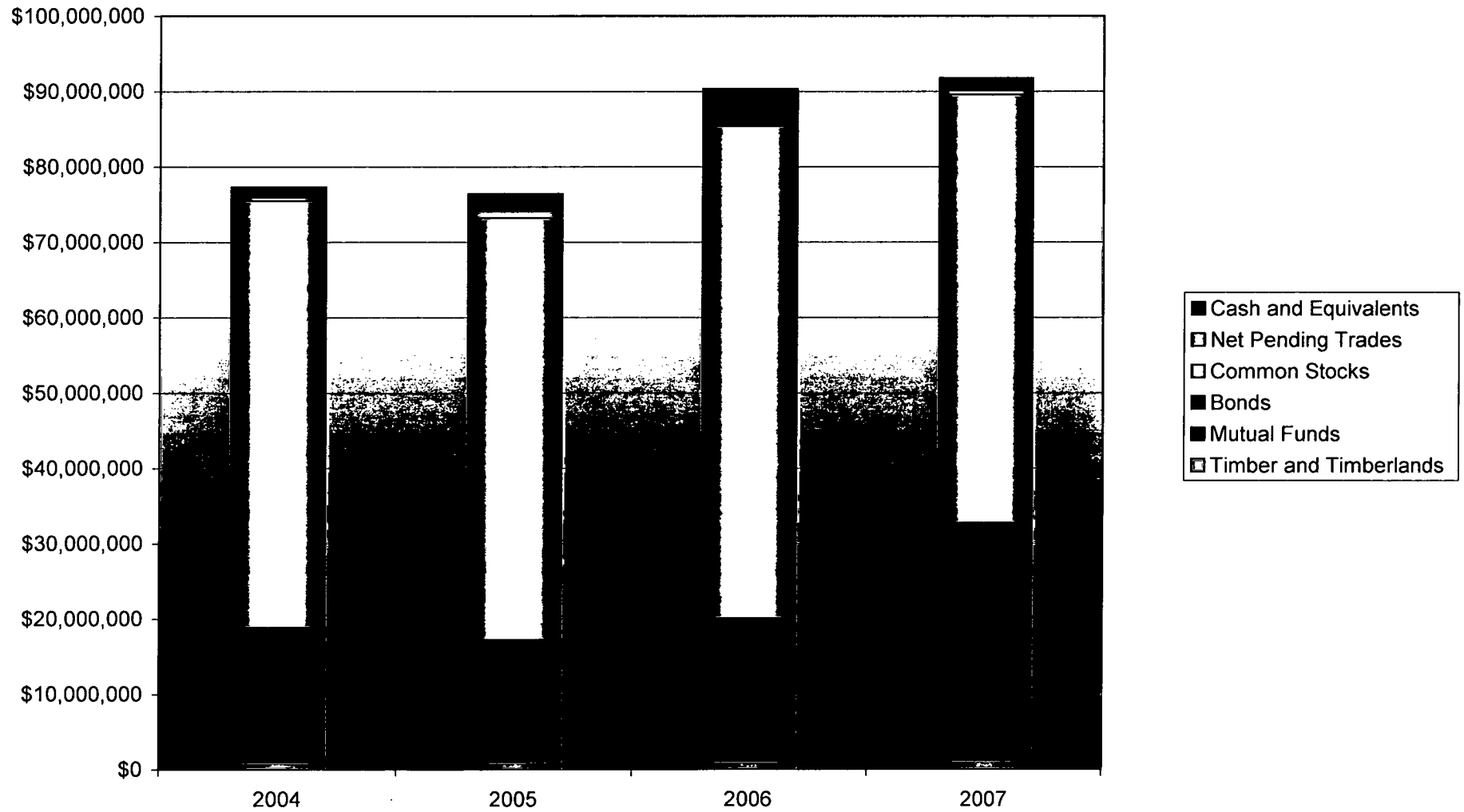
We would like to express our appreciation to Cynthia Gehrig and Karen Fjorden for their assistance during our engagement. We certainly appreciate the opportunity to be of service.

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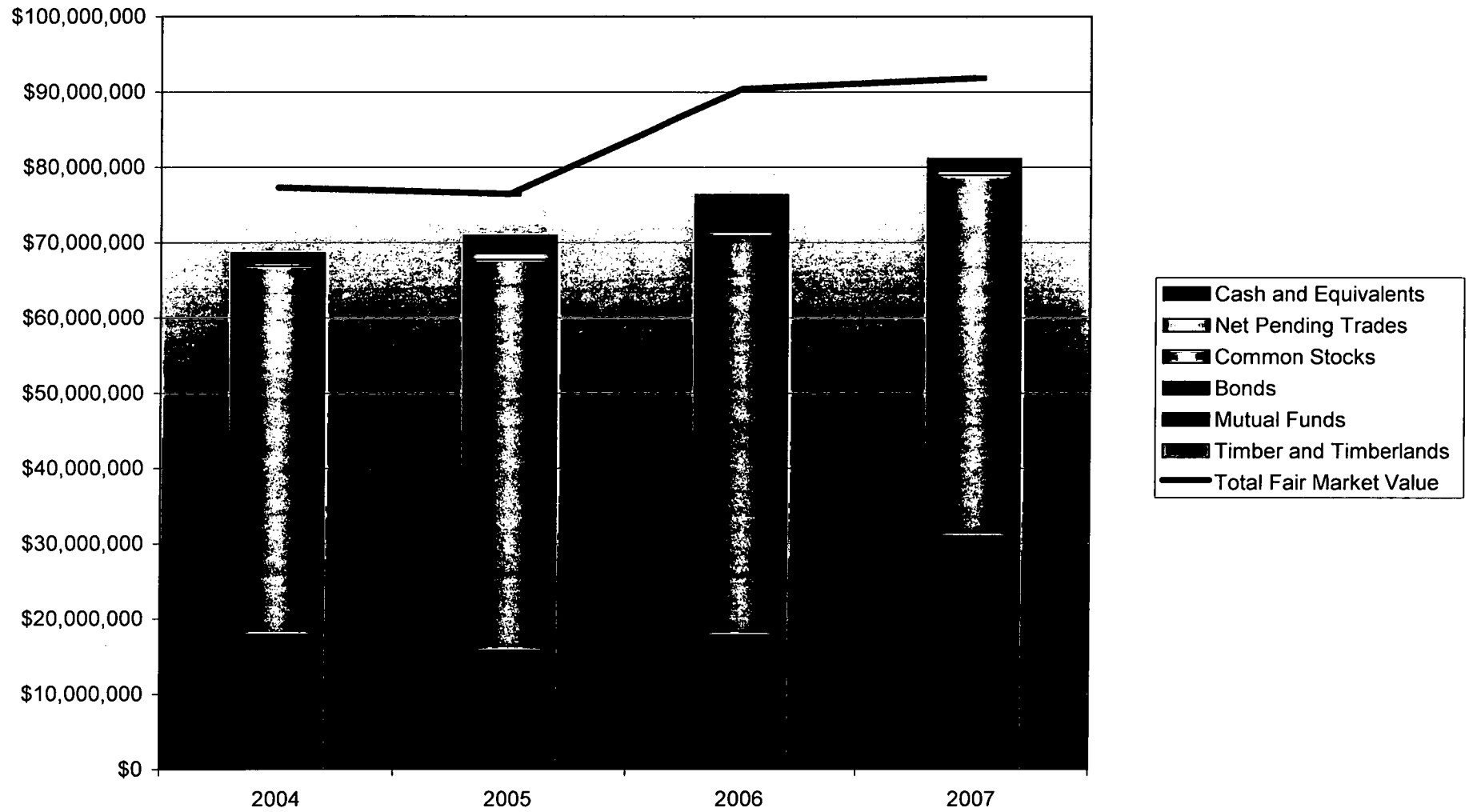
Respectfully submitted,

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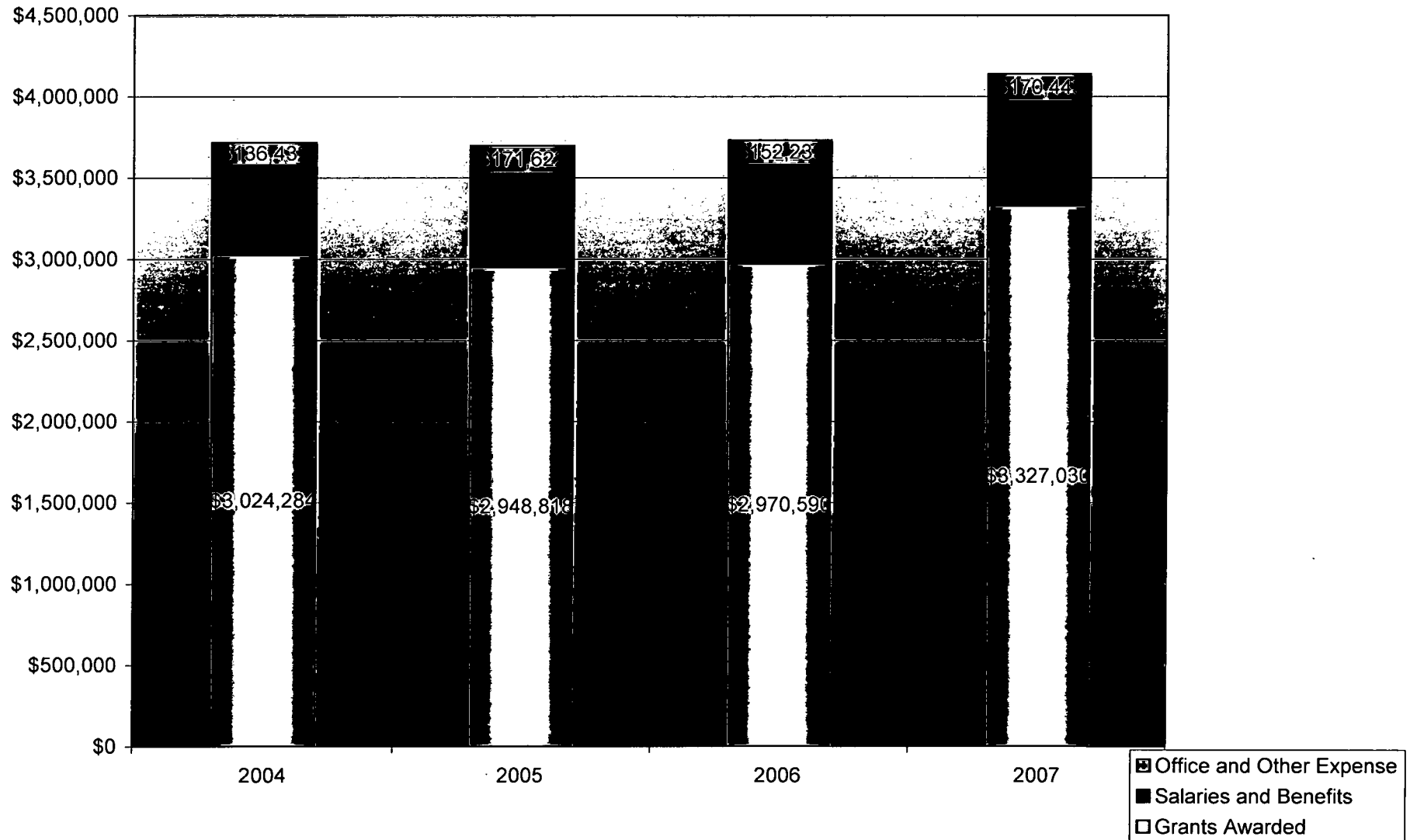
Jerome Foundation
Investments at Fair Market Value



Jerome Foundation
Investments at Cost



Jerome Foundation
Operating Expenses



Jerome Foundation, Inc.

*Financial Statements, Additional Information
and Independent Auditor's Report*

April 30, 2007 and 2006

Jerome Foundation, Inc.

*Financial Statements, Additional Information
and Independent Auditor's Report*

April 30, 2007 and 2006



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November 7, 2007

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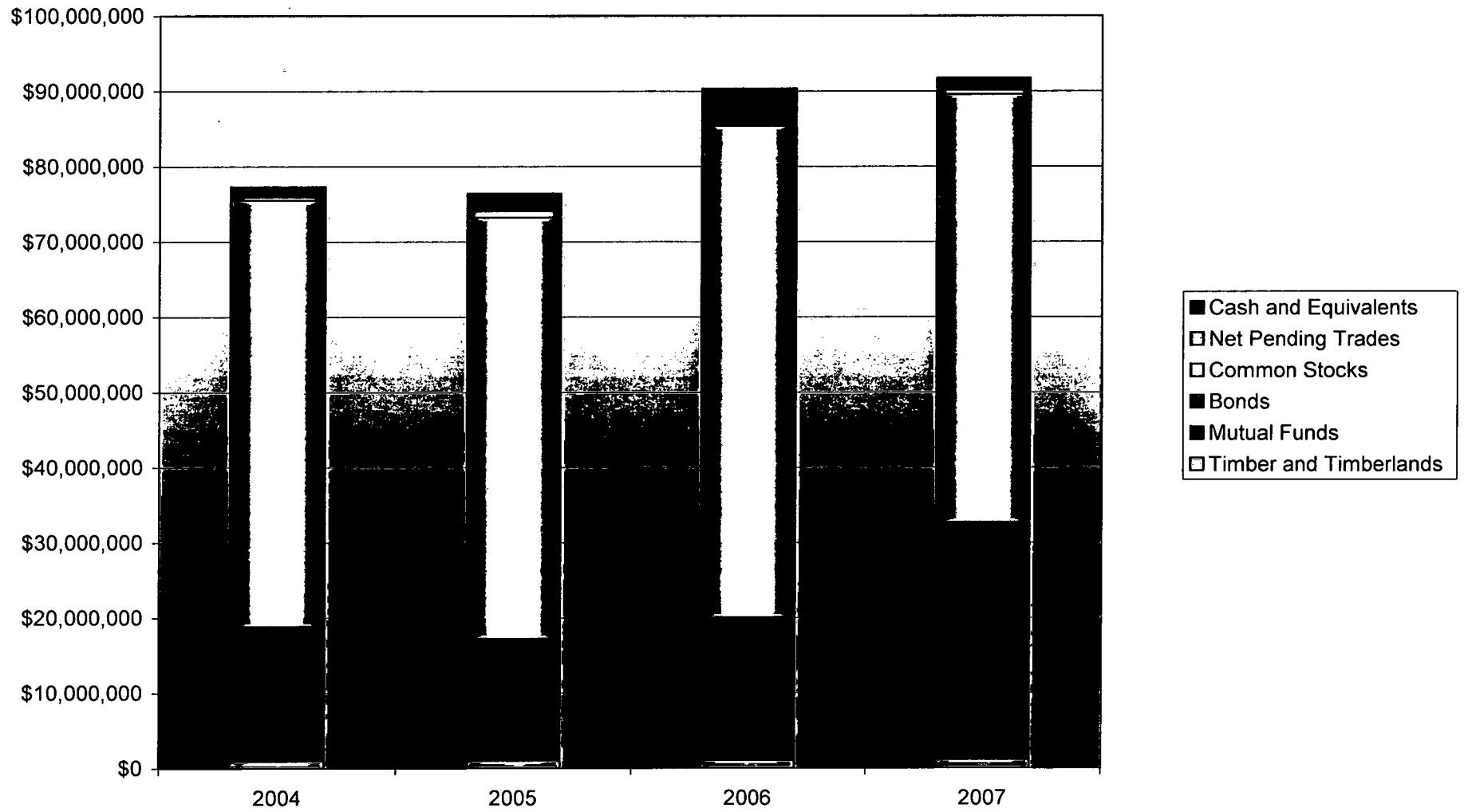
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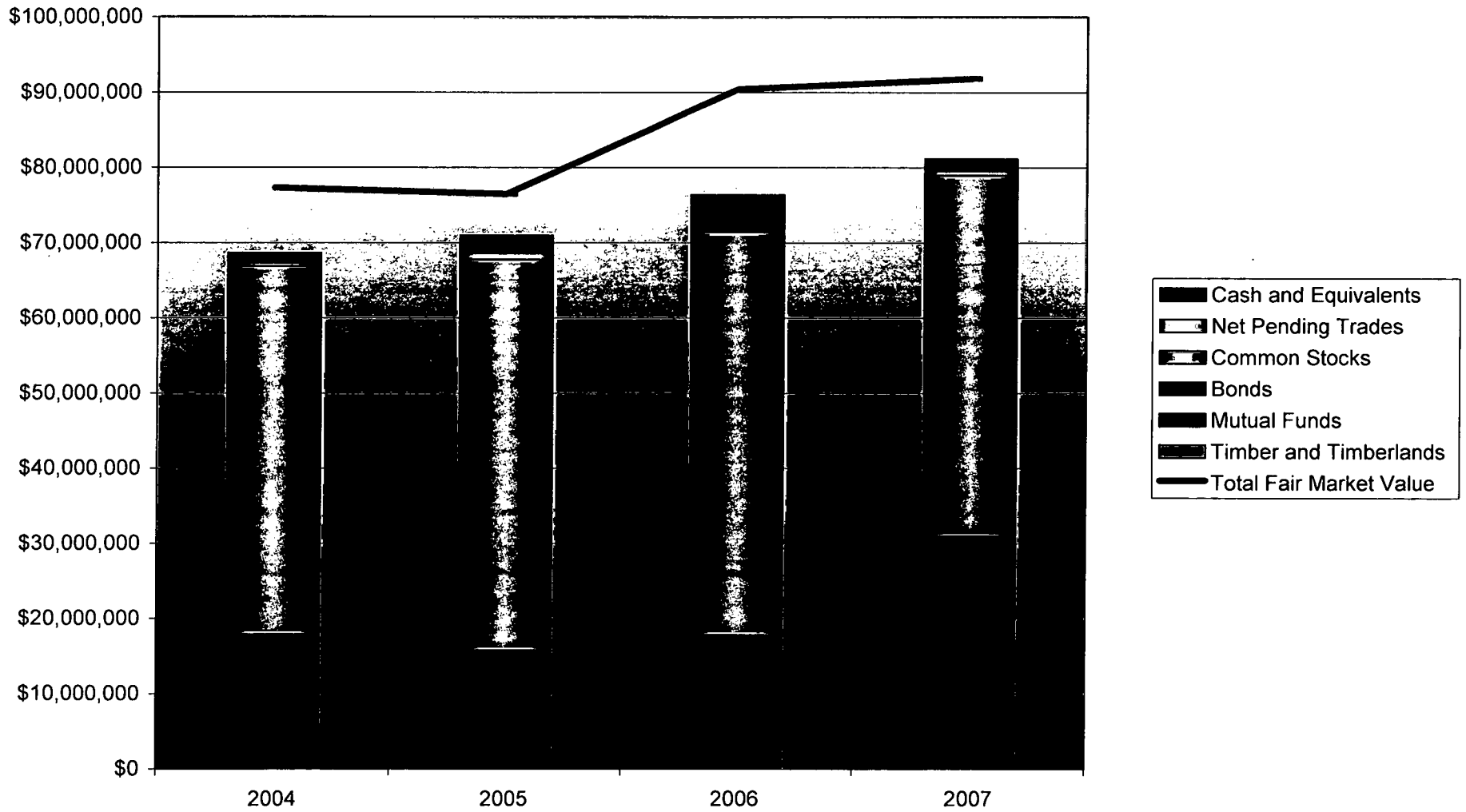
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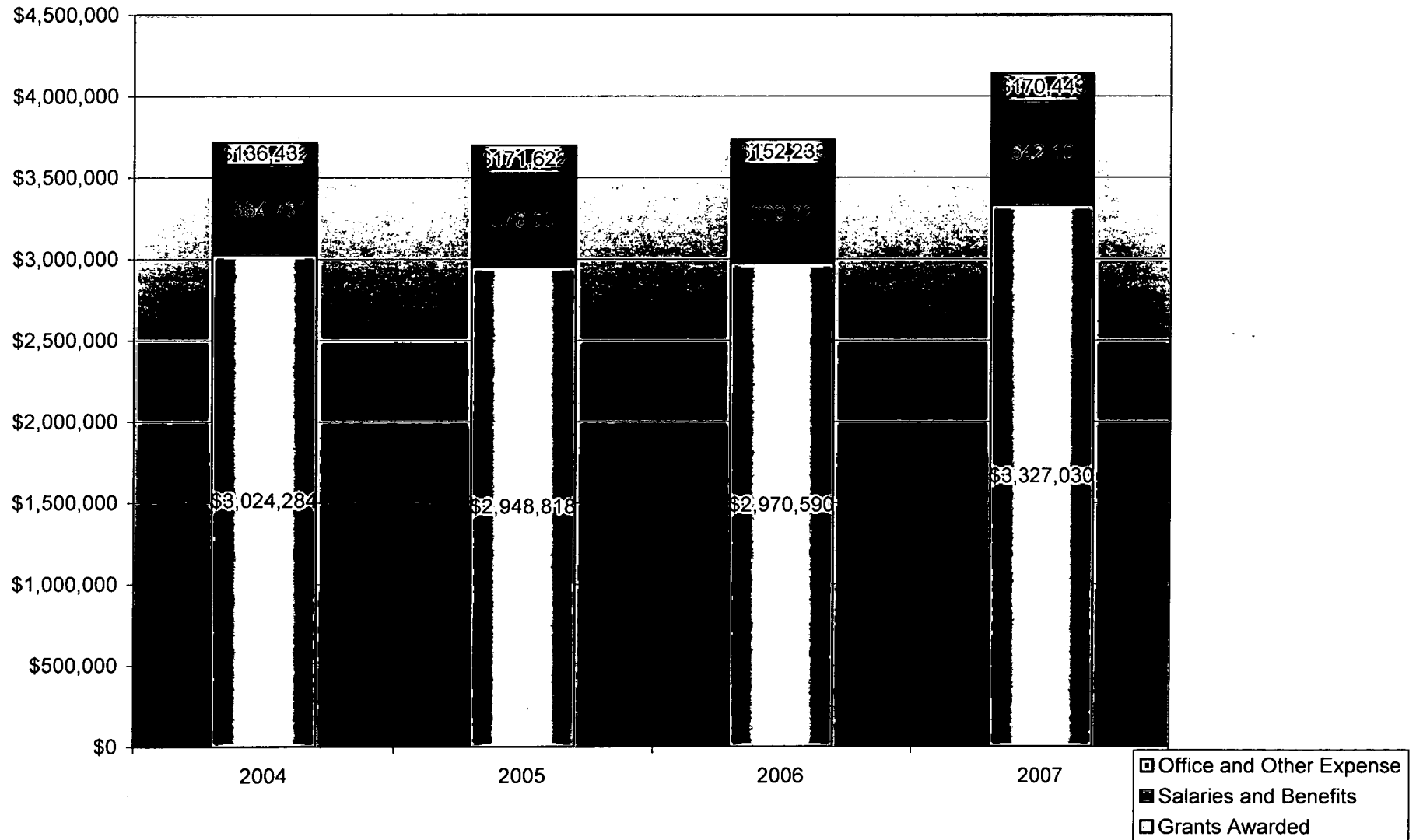
Jerome Foundation
Investments at Fair Market Value



Jerome Foundation
Investments at Cost



Jerome Foundation Operating Expenses





WILKERSON ASSOCIATES

November 7, 2007

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Jerome Foundation
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The net impact in the current year would have been a decrease of \$5,000 to the Change in Net Assets.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a concern, whether or not resolved to our satisfaction, regarding a financial accounting, reporting, or auditing issue that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

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Issues Discussed Prior to Retention of Independent Auditors

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Board of Directors and Members
Jerome Foundation
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Respectfully submitted,

Wilkinson, Guthmann + Johnson, Ltd.

April 30, 2007 and 2006

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WILKERSON ASSOCIATES

Independent Auditor's Report

To the Board of Directors and Members
Jerome Foundation, Inc.
Saint Paul, Minnesota

We have audited the accompanying statement of financial position of Jerome Foundation, Inc. as of April 30, 2007, and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Jerome Foundation as of April 30, 2006 were audited by other auditors whose report dated June 26, 2006 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jerome Foundation, Inc. as of April 30, 2007, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Wilkerson, Guthmann + Johnson, Ltd.

Saint Paul, Minnesota
November 7, 2007

Jerome Foundation, Inc.

Statements of Financial Position

<i>As of April 30,</i>	2007	2006
ASSETS		
Current Assets		
Cash	\$ 57,673	\$ 260,436
Accrued Investment Income	135,682	151,106
Prepaid Expenses and Other Receivables	20,338	16,905
Prepaid Excise Tax	13,700	-
Total Current Assets	227,393	428,447
Investments		
Cash Equivalents	1,632,406	4,884,761
Net Pending Trades	572,726	74,409
Common Stocks	44,505,292	47,628,173
Securities on Loan	15,326,773	20,211,471
Bonds	8,652,891	6,724,331
Mutual and Commingled Funds	19,936,794	9,769,495
Timber and Timberlands	1,144,900	1,049,400
Total Investments	91,771,782	90,342,040
Beneficial Interest in Charitable Remainder Trust	3,115,810	2,858,253
Property and Equipment - Net	43,564	25,042
Total Assets	\$ 95,158,549	\$ 93,653,782
LIABILITIES AND NET ASSETS		
Current Liabilities		
Grant Commitments Payable	\$ 960,076	\$ 1,229,039
Excise Taxes Payable	-	75,522
Accounts Payable	90,901	78,032
Total Current Liabilities	1,050,977	1,382,593
Other Liabilities		
Deferred Excise Tax	235,500	333,326
Total Liabilities	1,286,477	1,715,919
Net Assets		
Unrestricted		
Undesignated	90,397,536	88,637,295
Board Designated	358,726	442,315
Total Unrestricted Net Assets	90,756,262	89,079,610
Temporarily Restricted Net Assets	3,115,810	2,858,253
Total Net Assets	93,872,072	91,937,863
Total Liabilities and Net Assets	\$ 95,158,549	\$ 93,653,782

The accompanying notes are an integral part of the financial statements.

Jerome Foundation, Inc.

Statements of Activities and Changes in Net Assets

<i>As of April 30,</i>	2007			2006		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenue						
Interest	\$ 683,618	\$ -	\$ 683,618	\$ 576,312	\$ -	\$ 576,312
Dividends	673,232		673,232	588,680		588,680
Contributions	45,000		45,000	57,500		57,500
Securities Lending Income	42,373		42,373	31,491		31,491
Commission Recapture	6,688		6,688	8,803		8,803
Other Income	22,329		22,329	25,168		25,168
Release from Restriction				285,520	(285,520)	
Total Support and Revenue	1,473,240		1,473,240	1,573,474	(285,520)	1,287,954
Expense						
Grants Awarded, Net of Cancellations and Refunds of \$1,000 and \$4,200 in 2007 and 2006, Respectively	3,327,030		3,327,030	2,970,590		2,970,590
Salaries and Benefits	642,106		642,106	609,324		609,324
Office and Other Expenses	170,443		170,443	152,233		152,233
Total Expense	4,139,579		4,139,579	3,732,147		3,732,147
Change in Net Assets - Operating	(2,666,339)		(2,666,339)	(2,158,673)	(285,520)	(2,444,193)
Other Changes in Net Assets						
Net Gains on Investments	4,842,516		4,842,516	16,829,143		16,829,143
Federal Excise (Tax) Benefit	7,048		7,048	(406,837)		(406,837)
Investment and Agent Fees	(506,573)		(506,573)	(456,471)		(456,471)
Change in Value of Beneficial Interest in Charitable Remainder Trust		257,557	257,557		236,874	236,874
Total Other Changes in Net Assets	4,342,991	257,557	4,600,548	15,965,835	236,874	16,202,709
Change in Net Assets	1,676,652	257,557	1,934,209	13,807,162	(48,646)	13,758,516
Net Assets - Beginning	89,079,610	2,858,253	91,937,863	75,272,448	2,906,899	78,179,347
Net Assets - Ending	\$ 90,756,262	\$ 3,115,810	\$ 93,872,072	\$ 89,079,610	\$ 2,858,253	\$ 91,937,863

The accompanying notes are an integral part of the financial statements.

Jerome Foundation, Inc.

Statements of Cash Flows

<i>As of April 30,</i>	2007	2006
Cash Flows from Operating Activities		
Change in Net Assets	\$ 1,934,209	\$ 13,758,516
Adjustments to Reconcile Change in Net Assets to		
Net Cash Used by Operating Activities:		
Depreciation	9,244	6,056
Net Gains on Investments	(4,842,516)	(16,829,143)
Deferred Excise Taxes	(97,826)	223,365
Changes in:		
Value of Charitable Remainder Trust	(257,557)	(236,874)
Accrued Investment Income	15,424	(30,818)
Prepaid Expenses and Other Receivables	(3,433)	(98)
Prepaid Excise Tax	(13,700)	-
Grant Commitments Payable	(268,963)	(146,551)
Excise Taxes Payable	(75,522)	68,559
Accounts Payable	12,869	(12,860)
Net Cash Used by Operating Activities	(3,587,771)	(3,199,848)
Cash Flows from Investing Activities		
Purchase of Investments	(135,098,441)	(105,629,704)
Proceeds from Sales of Investments	138,511,215	108,542,469
Purchases of Property and Equipment	(27,766)	(11,579)
Net Cash Provided by Investing Activities	3,385,008	2,901,186
Cash Flows from Financing Activities		
Distributions from Charitable Remainder Trust	-	285,520
Decrease in Cash	(202,763)	(13,142)
Cash - Beginning of Year	260,436	273,578
Cash - End of Year	\$ 57,673	\$ 260,436
Supplemental Information		
Excise Tax Payments	<u>\$ 180,000</u>	<u>\$ 115,000</u>

The accompanying notes are an integral part of the financial statements.

April 30, 2007 and 2006

1. Organization

The Jerome Foundation, Inc. (the Foundation) is a private foundation incorporated under the laws of Minnesota. Grants are made to support programs and projects located in the State of Minnesota and New York City in the areas of dance, literature, film and video, multidisciplinary arts, music, theater, visual arts and arts criticism.

2. Summary of Significant Accounting Policies

Classes of Net Assets

Net assets and revenues, gains and losses are classified based on donor imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted – Resources over which the Board of Directors has discretionary control. Designated amounts represent those net assets which the Board has set aside for future Foundation-administered program expenses.

Temporarily Restricted – Those resources subject to donor imposed restrictions which will be satisfied by actions of the Foundation or passage of time. Temporarily restricted net assets consists of the value of the Foundation's beneficial interest in a charitable remainder trust.

Permanently Restricted – Resources subject to donor imposed restrictions that they be maintained permanently by the Foundation. The Foundation has no permanently restricted net assets.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported support, revenue and expenses. Actual results could vary from the estimates that were used.

Investments

Investments are stated at fair value based on current quoted market prices, appraised values, or as reported by the fund manager. Net unrealized appreciation or depreciation for the year is reflected in the Statement of Activities and Changes in Net Assets.

Purchases and sales of investments are reflected on a trade-date basis. Realized gains or losses on sales are based on the specific identification method.

April 30, 2007 and 2006

2. Summary of Significant Accounting Policies (continued)

Investments (continued)

Interest income is recorded on the accrual basis and dividend income is recorded on the ex-dividend date.

The Foundation holds a sole interest in timber and timberlands, which is valued once each fiscal year by a forestry consultant.

Beneficial Interest in Charitable Remainder Trust

The Foundation is named as a beneficiary of a charitable remainder trust (the Trust), which allows for a distribution to the Foundation after the death of the named beneficiaries. The Foundation is not the trustee and therefore does not control or have access to the assets of the Trust. The Foundation's interest in the Trust is reported at the fair value of the assets of the Trust less the present value of estimated future payments to the noncharitable beneficiaries based on their life expectancy with a discount rate of 4.6%.

Grants

Grant commitments are charged to operations at the time the grants are approved by the Board of Directors.

Property and Equipment

Expenditures for property and equipment that exceed the capitalization threshold are capitalized at cost. Depreciation is provided using the straight-line method over an estimated useful life of three to five years.

Contributions

Contributions are recorded when received or pledged. Restricted contributions that are fulfilled in the same time period are classified as unrestricted.

Concentration of Credit Risk

At times during the year, the Foundation may have cash in excess of federally insured limits of \$100,000 per financial institution.

April 30, 2007 and 2006

2. Summary of Significant Accounting Policies (continued)

Classification of Expenses

Grants and expenses associated with the Foundation's direct charitable activities are considered to be program expenses, while all other expenses of the Foundation are considered to be management and general expenses.

Tax Exempt Status

The Foundation has a tax exempt status under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute. Due to the Foundation's classification as a private foundation under the Internal Revenue Code, it pays an excise tax of 2% (reduced to 1% if certain requirements are met) on its net taxable investment income.

Measure of Operations

In its Statements of Activities and Changes in Net Assets, the Foundation includes in its definition of operations all support, revenues and expenses that are an integral part of its programs and supporting activities. Non-operating activity consists primarily of net realized and unrealized gains and losses on investments, investment and agent fees, federal excise tax and change in value of beneficial interest in the charitable remainder trust.

Reclassifications

Certain 2006 amounts in the accompanying financial statements have been reclassified to conform to the 2007 presentations. Such reclassifications had no impact on net assets or the change in net assets.

3. Investments

The fair value of investments is estimated based upon quoted market prices with the exception of timber and timberlands and alternative investments. The fair value of timber and timberlands is based on an independent appraisal. Investment in alternative investments, which consists of an institutional international equity fund, is reflected at fair value as reported by the fund manager, and may differ significantly for the values that would have been reported had a ready market for these securities existed. The Foundation reviewed and evaluated the values of the underlying investments provided by the investment manager and agreed with the valuation methods and assumptions used in determining the fair value of the alternative investments.

Notes to Financial Statements

*April 30, 2007 and 2006***3. Investments (continued)**

The fair values at April 30, 2007 and 2006 were as follows:

	2007		2006	
	Cost	Fair Value	Cost	Fair Value
Cash Equivalents	\$ 1,629,106	\$ 1,632,406	\$ 4,884,761	\$ 4,884,761
Net Pending Trades	572,726	572,726	74,409	74,409
Common Stock	37,257,982	44,505,292	39,455,688	47,628,173
Securities on Loan	13,627,607	15,326,773	16,613,690	20,211,471
Bonds	8,645,444	8,652,891	6,883,834	6,724,331
Mutual and Commingled Funds	19,302,192	19,936,794	8,333,947	9,769,495
Timber and Timberlands	76,140	1,144,900	76,140	1,049,400
Totals	<u>\$ 81,111,197</u>	<u>\$ 91,771,782</u>	<u>\$ 76,322,469</u>	<u>\$ 90,342,040</u>

During 2007, the Foundation invested in a commingled institutional international equity fund which is not publicly traded. This alternative investment is less liquid than the Foundation's other investments, and its cost and fair value at April 30, 2007 were \$5,122,997 and \$5,363,118, respectively.

During the years ended April 30, 2007 and 2006, the Foundation's investments (including those bought, sold and held during the year) appreciated (depreciated) in value as follows:

	2007		
	Realized Net Gains	Unrealized Appreciation (Depreciation)	Totals
Marketable Securities	\$ 8,201,492	\$ (3,454,476)	\$ 4,747,016
Timber and Timberlands		95,500	95,500
Totals	<u>\$ 8,201,492</u>	<u>\$ (3,358,976)</u>	<u>\$ 4,842,516</u>

	2006		
	Realized Net Gains	Unrealized Appreciation (Depreciation)	Totals
Marketable Securities	\$ 8,307,620	\$ 8,476,431	\$ 16,784,051
Timber and Timberlands		45,092	45,092
Totals	<u>\$ 8,307,620</u>	<u>\$ 8,521,523</u>	<u>\$ 16,829,143</u>

Notes to Financial Statements

April 30, 2007 and 2006

4. Fair Value of Financial Instruments

The carrying amounts reflected on the Statement of Financial Position for cash, accrued investment income, grants payable, and excise taxes payable approximate the fair value due to the short maturities of those instruments. The fair value for investments is based primarily on quoted market prices for those or similar instruments. The fair value of timber and timberlands is determined by an independent forestry appraisal. The fair value of the alternative investment fund is recorded as reported by the fund manager. The fair value of the Foundation's beneficial interest in the charitable remainder trust approximates its carrying value and is based on the fair value of the assets of the Trust less the present value of estimated future lifetime distributions to beneficiaries.

5. Securities Lending

The Jerome Foundation, Inc., lends its investment securities to registered broker-dealers. The borrower provides collateral in the form of cash, U.S. Government securities or a bank letter of credit in an amount in excess of the loaned securities' aggregate value. The Foundation receives either (i) a fee in the case of non-cash collateral or (ii) payment of a portion of earnings in the case of cash-collateral. The amount of collateral held is adjusted daily based on market value changes of the loaned securities. The borrower must return identical securities to close the loan at which time the collateral will be returned. Collateral is held by the investment custodian and is immediately available upon default. All earnings from interest and dividends on the loaned securities revert to the Foundation, except for commissions to the agent for handling the security lending.

The following is a summary of securities loaned balances at:

	April 30,	
	2007	2006
Fair Value of Collateral Held	\$ 15,914,377	\$ 20,512,999
Fair Value of Securities on Loan	\$ 15,326,773	\$ 20,211,471

6. Property and Equipment

The detail of property and equipment is as follows:

	2007	2006
Equipment	\$ 56,985	\$ 52,225
Vehicle	23,006	20,971
Leasehold Improvements	66,524	66,524
Totals	146,515	139,720
Less: Accumulated Depreciation	102,951	114,678
Property and Equipment - Net	\$ 43,564	\$ 25,042

Notes to Financial Statements

*April 30, 2007 and 2006***7. Grants**

Grant activity for the years ended April 30, 2007 and 2006 is summarized as follows:

	April 30,	
	2007	2006
Grant Commitments Payable, Beginning of Year	\$ 1,229,039	\$ 1,375,590
Appropriations	3,328,030	2,974,790
Payments	(3,596,993)	(3,121,341)
Grant Commitments Payable, End of Year	<u>\$ 960,076</u>	<u>\$ 1,229,039</u>
 Grant Appropriations	 3,328,030	 2,974,790
Grant Payments Returned and Reallocated	(1,000)	(4,200)
Grants Awarded, Net	<u>\$ 3,327,030</u>	<u>\$ 2,970,590</u>

Essentially all grant commitments outstanding at April 30, 2007 are expected to be paid within one year.

8. Federal Excise Tax

The federal excise tax provision (benefit) consists of the following as of:

	April 30,	
	2007	2006
Provision (Benefit):		
Current	\$ 90,778	\$ 183,054
Deferred	(97,826)	223,783
Totals	<u>\$ (7,048)</u>	<u>\$ 406,837</u>

The Foundation is subject to minimum distribution requirements of the Internal Revenue Code.

Deferred taxes result from certain income and expense items being accounted for in different time periods for financial statement purposes than for federal excise tax purposes. Deferred excise tax expense (benefit) arises from the change in unrealized appreciation (depreciation) in fair value of investments. The deferred excise tax provision (benefit) is calculated utilizing the 2% excise tax rate.

April 30, 2007 and 2006

9. Retirement Plan

The Foundation has a defined contribution profit-sharing and 401(k) plan for all eligible employees. Contributions are subject to Board of Directors' discretion. Employer contributions for the year ended April 30, 2007 amounted to 15% of qualified compensation per individual employee. Retirement plan expense was \$70,793 and \$62,608 for the years ended April 30, 2007 and 2006, respectively. The Foundation also allows employees to make pre-tax contributions up to 30% of wages to their 401(k) account.

10. Functional Expenses

The functional allocation of expenses for the years ended April 30, 2007 and 2006 was as follows:

	2007	2006
Programs	\$ 3,436,950	\$ 3,055,014
Management and General	702,629	677,133
Totals	<u>\$ 4,139,579</u>	<u>\$ 3,732,147</u>

11. Financial Management

U.S. Bank Institutional Financial Services, Wells Fargo Bank Minnesota, N.A., Peregrine Capital Management, Alliance/Bernstein Capital Management Corporation, State Street Global Advisors, and Julius Baer Investment Management, LLC provide the Foundation with custodial and investment management services for a fee.

The corporate articles of the Foundation provide for the Members of the Foundation to elect the Directors of the Foundation who appoint the investment managers.

12. Lease Commitment

The Foundation has a five-year non-cancelable operating lease for office space that expires September 30, 2008. The Foundation is required to pay base rent and its share of operating expenses. Rent expense related to this lease was \$54,115 and \$53,310 for the years ended April 30, 2007 and 2006, respectively. At April 30, 2007, the minimum lease payments were as follows:

Year Ending April 30.	Minimum Rent
2008	\$ 49,542
2009	20,780
Total	<u>\$ 70,322</u>

Independent Auditor's Report on Additional Information

Board of Directors and Members
Jerome Foundation, Inc.
Saint Paul, Minnesota

Our report on the audit of the basic financial statements of Jerome Foundation, Inc. for the year ended April 30, 2007 appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Administrative Expenses and the Schedule of Grant Commitments and Payments for the year ended April 30, 2007 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The basic financial statements of Jerome Foundation, Inc. for the year ended April 30, 2006 were audited by other auditors whose report dated June 26, 2006, expressed an unqualified opinion on those financial statements. Their report, as of the same date, on the Schedule of Administrative Expenses and the Schedule of Grant Commitments and Payments stated that, in their opinion, such information was fairly stated in all material respects in relation to the basic financial statements for the year ended April 30, 2006, taken as a whole.



Saint Paul, Minnesota
November 7, 2007

Jerome Foundation, Inc.

Schedule of Administrative Expenses

<i>Years Ended April 30,</i>	2007	2006
Salaries and Benefits Expenses		
Salaries and Temporary Services	\$ 460,764	\$ 437,558
Health, Dental, and Other Insurance	78,813	79,431
Retirement Plan Expense	70,793	62,608
Payroll Taxes	31,736	29,727
Total Salaries and Benefits Expenses	642,106	609,324
Office and Other Expenses		
Rent	54,115	53,310
Meetings and Events	29,950	33,173
Education Program	7,682	3,959
Office Operations	22,568	9,902
Travel	13,097	13,933
Telephone and Internet	4,896	4,556
Professional Fees	16,550	16,000
Insurance	6,437	6,456
Postage	4,083	3,461
Publications	1,183	1,072
Legal Services	638	355
Depreciation	9,244	6,056
Total Office and Other Expenses	170,443	152,233
Total Expenses	812,549	761,557
Less Expenses Allocated to Program Activities:		
Minnesota Film and Video Program	25,260	22,880
New York City Film and Video Program	29,380	26,920
Travel and Study Grant Program	55,280	34,624
Total Expenses Allocated to Program Activities:	109,920	84,424
Total Administrative Expenses	\$ 702,629	\$ 677,133

Jerome Foundation, Inc.

Schedule of Grant Commitments and Payments

As of and for the year ended April 30, 2007

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable End of Year
American Brass Chamber Music Association New York, New York Emerging composers' commissions	\$ 14,000	\$ -	\$ 14,000	\$ -
American Composers Forum Saint Paul, Minnesota Composers Commissioning Program, the Subito Program and consulting services for emerging composers		282,000	141,000	141,000
Recording of works by composer Ann Millikan		12,000		12,000
American Composers Orchestra New York, New York Commissions for New York City and Minnesota emerging composers		30,000	15,000	15,000
Ananya Dance Theatre Minneapolis, Minnesota Creation and production of a new work		10,000	10,000	
Anderson Center for Interdisciplinary Studies Red Wing, Minnesota Residencies for emerging artists	15,500		15,500	
Aperture Foundation New York, New York <i>First Books</i> , a publication program serving emerging photographers	15,000		15,000	
Art in General New York, New York Participation of emerging artists in the New Commissions Program, exhibitions, and artists' services	19,000		19,000	
Arts @ St. Ann's Brooklyn, New York Creation and production of work by Accinosco		9,000	9,000	

Jerome Foundation, Inc.

Schedule of Grant Commitments and Payments

As of and for the year ended April 30, 2007

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable End of Year
Aspen Institute (The) Washington, DC Research and publication of a study of artist-endowed private foundations in the United States	\$ -	\$ 15,000	\$ 7,500	\$ 7,500
Bang on a Can Brooklyn, New York Emerging composers' commissions within The People's Commissioning Fund		12,000	12,000	
Blacklock Nature Sanctuary Moose Lake, Minnesota Emerging Artist Residency Program		44,000	22,000	22,000
Bronx Museum of the Arts (The) New York, New York Artist in the Marketplace Program		15,000	15,000	
Cave Canem New York, New York New York City workshops for emerging African-American poets		16,000	16,000	
Center for Independent Artists Minneapolis, Minnesota Production by Zaraawar Mistry		10,000	10,000	
ChameckiLerner New York, New York Creation and production of new work		8,000	8,000	
Chanticleer San Francisco, California Emerging Composer Memorial Commission to honor Maud Hill Schroll		15,000	15,000	
Cherry Lane Theatre New York, New York Mentor Project	30,000		30,000	

Jerome Foundation, Inc.

Schedule of Grant Commitments and Payments

As of and for the year ended April 30, 2007

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable End of Year
Children's Theatre Company (The) Minneapolis, Minnesota Playground Program	\$ -	\$ 30,000	\$ 30,000	\$ -
Civilians (The) New York, New York Development and production of new work		10,000	10,000	
Clubbed Thumb New York, New York Summerworks, Bootcamp and productions of new works		15,000	15,000	
Coffee House Press Minneapolis, Minnesota Publication of books by emerging writers	25,000		25,000	
Cornucopia Art Center Lanesboro, Minnesota Artist Residency Program	15,000		15,000	
Council on Foundations Washington, DC General Support		7,740	7,740	
Council of Literary Magazines & Presses New York, New York Pilot Program <i>Face Out: Maximizing the Visibility of Emerging Writers</i>		92,000	46,975	45,025
Dance New Amsterdam New York, New York <i>In the Company of Men</i> Program	20,000		20,000	
Dance Theater Workshop New York, New York Bessie Schönberg/ <i>First Light</i> Commissioning Program		35,000	35,000	
Creation and production of work by Lawrence Goldhuber/BIGMANARTS		8,000	8,000	

Jerome Foundation, Inc.

Schedule of Grant Commitments and Payments

As of and for the year ended April 30, 2007

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable End of Year
Danspace Project				
New York, New York				
Commissions for emerging choreographers	\$ -	\$ 55,000	\$ 55,000	\$ -
Creation, development and production of new work by Miguel Gutierrez		9,000	9,000	
DanzAisa				
New York, New York				
Creation and production of new work		10,000	10,000	
Dixon Place/Open Channels				
New York, New York				
Mondo Cane! Commissions and Under Construction Program	27,000		27,000	
Duluth Art Institute				
Duluth, Minnesota				
Participation of emerging artists in the Exhibition Program		13,500	13,500	
Ensemble Studio Theatre				
New York, New York				
Developmental programs for emerging playwrights		36,000	18,000	18,000
Ethel's Foundation for the Arts				
New York, New York				
Commissions to emerging composers for works to be performed by the Ethel String Quartet		12,000	12,000	
Ethos Percussion Group				
New York, New York				
Emerging Composer Commissioning Program	22,500		22,500	
Exit Art				
New York, New York				
Participation of emerging artists in the Exhibition Program		38,000	19,000	19,000

Jerome Foundation, Inc.

Schedule of Grant Commitments and Payments

As of and for the year ended April 30, 2007

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable End of Year
Eyebeam Atelier New York, New York Artists at Eyebeam	\$ -	\$ 15,000	\$ 15,000	\$ -
Field (The)/Performance Zone New York, New York New work by DD Dorvillier/human future dance corps	8,000		8,000	
New work by Young Jean Lee's Theatre Company		10,000	10,000	
New work by Luis Lara Malvacias		9,000	9,000	
New work by Sarah Michelson Dance		20,000	10,000	10,000
New work by RoseAnne Spradlin Dance		10,000	10,000	
Five Myles Brooklyn, New York Exhibitions of works by emerging artists		8,000	8,000	
FORECAST Public Artworks Saint Paul, Minnesota Public Art Affairs Program		65,000	32,500	32,500
Foundation Center (The) New York, New York General support		2,000	2,000	
Foundry Theatre (The) New York, New York New works by emerging playwrights	23,000		23,000	
Franconia Sculpture Park Shafer, Minnesota Emerging Artist Program		35,000	35,000	
Franklin Art Works Minneapolis, Minnesota Participation of emerging artists in the Exhibition Program		20,000	20,000	

Jerome Foundation, Inc.

Schedule of Grant Commitments and Payments

As of and for the year ended April 30, 2007

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable End of Year
Franklin Furnace Archive New York, New York Fund for Performance Art and The Future of the Present programs	\$ -	\$ 77,000	\$ 77,000	\$ -
Grantmakers in the Arts Seattle, Washington General Support	10,000		10,000	
Graywolf Press Saint Paul, Minnesota Publication of books by emerging writers	25,000		25,000	
H. T. Dance Company/Mulberry Street Theater New York, New York <i>Ear to the Ground</i> Commissioning Series	10,000		10,000	
Harlem Stage (Aaron Davis Hall) New York, New York Commissions to emerging artists within the <i>Fund for New Work</i>		20,000	20,000	
Harvestworks New York, New York Artists' Residencies Program	17,000		17,000	
Heart of the Beast Puppet and Mask Theatre (In the) Minneapolis, Minnesota MayDay Mentor Program		34,000	17,000	17,000
HERE Arts Center New York, New York HERE Artists Residency Program	20,000		20,000	
Development and production of work by Lisa D'Amour		9,000	9,000	
Highpoint Center for Printmaking Minneapolis, Minnesota Jerome Emerging Printmakers' Residency Program		16,000	16,000	

Jerome Foundation, Inc.

Schedule of Grant Commitments and Payments

As of and for the year ended April 30, 2007

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable End of Year
Hmong American Institute for Learning Minneapolis, Minnesota Publication of Paj Ntaub Voice, readings, and a writers' workshop	\$ -	\$ 11,000	\$ -	\$ 11,000
IFP Minnesota Saint Paul, Minnesota Programming and services for independent Minnesota media artists and photographers		20,000	20,000	
<i>MNTV</i> Consortium	33,000		33,000	
INTAR Theatre New York, New York NewWorks Laboratory		20,000	20,000	
Intermedia Arts of Minnesota Minneapolis, Minnesota S.A.S.E./Jerome Fellowships, Verve Grants for Spoken Word Poets and Writer-to-Writer Mentorship Program	49,500		49,500	
Naked Stages Program	36,000		36,000	
Jamaica Center for Arts & Learning Jamaica, New York Participation of emerging artists in the Visual Arts Program		30,000	15,000	15,000
Jazz Gallery (The) New York, New York Commissions to emerging jazz composers and the performance of those works		20,000	20,000	
Jerome Foundation Saint Paul, Minnesota (Foundation-Administered Programs) Building Administrative Capacity Grant Program	5,408			5,408

Jerome Foundation, Inc.

Schedule of Grant Commitments and Payments

As of and for the year ended April 30, 2007

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable End of Year
Jerome Foundation (Continued)				
Jerome Hill Centennial Program	\$ 3,974	\$ -	\$ 864	\$ 3,110
Minnesota Film and Video Program	61,092	116,319	148,311	29,100
New York City Film and Video Program	46,895	294,888	246,078	95,705
Initiative to broaden access to Jerome regrant programs	9,749			9,749
Strategic Development Program	14,607		6,947	7,660
Travel and Study Grant Program	28,314	132,383	103,628	57,069
Kitchen (The) (a.k.a. Haleakala, Inc.) New York, New York				
Emerging Artists' Commissions		15,000	15,000	
Loft Literary Center (The) Minneapolis, Minnesota				
Mentor Series		100,000	50,000	50,000
Minnesota Writers Career Initiative	50,000		50,000	
Lower East Side Printshop New York, New York				
Keyholder Residency and Special Editions Fellowship Programs	15,000		15,000	
Lower Manhattan Cultural Council New York, New York				
Artist Workspace Program		21,000	21,000	
Mabou Mines New York, New York				
<i>Suite</i> Resident Artist Program	30,000		30,000	
Meet The Composer New York, New York				
Creative Connections grants to emerging composers in Minnesota and New York City		40,000	40,000	

Jerome Foundation, Inc.

Schedule of Grant Commitments and Payments

As of and for the year ended April 30, 2007

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable End of Year
Milkweed Editions Minneapolis, Minnesota Publication of books by emerging writers and one anthology	\$ -	\$ 46,000	\$ 23,000	\$ 23,000
Minneapolis College of Art and Design Minneapolis, Minnesota MCAD/Jerome Fellowship Program	80,000		80,000	
Minneapolis Institute of Arts (The) Minneapolis, Minnesota Minnesota Artists Exhibition Program		40,000	20,000	20,000
Minnesota Center for Book Arts Minneapolis, Minnesota Jerome/MCBA Mentorship/Fellowship Program	20,000			20,000
Minnesota Center for Photography Minneapolis, Minnesota Participation of emerging artists in the Exhibition Program		28,000	28,000	
Minnesota Council on Foundations Minneapolis, Minnesota General Support		7,250	7,250	
Minnesota Press (University of) Minneapolis, Minnesota Publication of a photography book by Chris Faust		12,000	12,000	
Mixed Blood Theatre Company Minneapolis, Minnesota Commissions for emerging playwrights and the development and production of work		11,700	11,700	
Mizna Minneapolis, Minnesota Publication of the Mizna Journal		32,000	16,000	16,000

Jerome Foundation, Inc.

Schedule of Grant Commitments and Payments

As of and for the year ended April 30, 2007

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable End of Year
Momenta Art Brooklyn, New York Emerging Artist Exhibition Program	\$ -	\$ 14,000	\$ 14,000	\$ -
Mu Performing Arts Minneapolis, Minnesota New Performance Program		35,000	17,500	17,500
Museum of Modern Art New York, New York Acquisitions of works supported by Jerome Foundation's Film and Video Programs	7,000		7,000	
Preservation of films within the Jerome Hill Collection		100,000	100,000	
National Video Resources New York, New York Grantmakers in Film and Electronic Media		5,000	2,500	2,500
New Georges New York, New York New works by emerging playwrights		30,000	30,000	
New Radio and Performing Arts Staten Island, New York Emerging artists' commissions for TURBULENCE	16,000		16,000	
New Rivers Press MSUM Moorhead, Minnesota Many Voices Project	15,000		15,000	
New York Mills Arts Retreat and Regional Cultural Center New York Mills, Minnesota Artist-in-Residence Program		16,000	16,000	
New York Regional Association of Grantmakers New York, New York General support		750	750	

Jerome Foundation, Inc.

Schedule of Grant Commitments and Payments

As of and for the year ended April 30, 2007

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable End of Year
New York Theatre Workshop New York, New York Artist development activities	\$ 19,000	\$ -	\$ 19,000	\$ -
Northern Clay Center Minneapolis, Minnesota Jerome Ceramic Artists Project and Residency Grants Program		53,000	26,500	26,500
Obsidian Arts Minneapolis, Minnesota Participation of emerging artists in the Exhibition Program		10,000	10,000	
Patrick's Cabaret Minneapolis, Minnesota Core performance program of new works in development		40,000	40,000	
Performance Space 122 New York, New York Emerging artists' commissions New work by Thomas Bradshaw		85,000 8,000	85,000 8,000	
Pillsbury United Communities/Pillsbury House Theatre Minneapolis, Minnesota New works by emerging playwrights		19,000	7,000	12,000
<i>Non-English Speaking Spoken Here: The Late Nite Series</i>	34,500	34,500	51,750	17,250
Playwrights' Center (The) Minneapolis, Minnesota Many Voices Program Jerome Emerging Playwrights Fellowship Program	46,000 122,000		46,000 122,000	

Jerome Foundation, Inc.

Schedule of Grant Commitments and Payments

As of and for the year ended April 30, 2007

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable End of Year
New York, New York				
American Voice artistic development program and Peter Jay Sharp Theater productions	\$ -	\$ 23,000	\$ 23,000	\$ -
P.S. 1 Contemporary Art Center Long Island City, New York <i>Special Projects</i> Program		10,000	10,000	
Queens Theatre in the Park Flushing Meadows Corona Park, Queens, New York Immigrant Voices Project		10,000	10,000	
Ragamala Music and Dance Theater Minneapolis, Minnesota Creation and production of work by Aparna Ramaswamy		10,000	10,000	
Red Eye Collaboration Minneapolis, Minnesota New Works 4 Weeks and Critical Core programs, encompassing Isolated Acts and Works-in-Progress		60,000	30,000	30,000
Repertorio Español New York, New York Voces Nuevas Program	18,000		18,000	
Ripe Time Brooklyn, New York Creation and development of new work		10,000	10,000	
Rochester Art Center Rochester, Minnesota 3rd Floor Emerging Artists Exhibition Series		10,000	10,000	
Roulette Intermedium New York, New York Emerging Composer Commissioning Program	20,000	48,000	44,000	24,000

Jerome Foundation, Inc.

Schedule of Grant Commitments and Payments

As of and for the year ended April 30, 2007

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable End of Year
Saint John's University Collegeville, Minnesota Emerging Artist in Residence Program at the Pottery	\$ 27,000	\$ -	\$ 27,000	\$ -
SculptureCenter Long Island City, New York <i>In Practice</i> Program		14,000	14,000	
James Sewell Ballet Minneapolis, Minnesota <i>Ballet Works</i> Program		12,000	12,000	
SITI Company New York, New York Associates New Work Series	10,000		10,000	
Smack Mellon Studios New York, New York Participation of emerging artists in the Exhibition Program		28,000	28,000	
Soap Factory (The) Minneapolis, Minnesota Participation of emerging artists in the Exhibition Program		30,000	30,000	
Socrates Sculpture Park Long Island City, New York Emerging Artists Fellowship Program		40,000	40,000	
Soho Repertory Theatre New York, New York New work development and production	10,000		10,000	
Southern Theater Foundation Minneapolis, Minnesota New work by Live Action Set		10,000	10,000	
New Music and Media Collaborations Commissioning Program		60,000	30,000	30,000

Jerome Foundation, Inc.

Schedule of Grant Commitments and Payments

As of and for the year ended April 30, 2007

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable End of Year
Southern Theater Foundation (continued) Minneapolis, Minnesota				
New work by Savage Aural Hotbed	\$ 8,000	\$ -	\$ 8,000	\$ -
New York City productions of works by Morgan Thorson & Company		10,000	10,000	
New work by TU Dance	6,000		6,000	
New work by Marcus Young		9,000	9,000	
Springboard for the Arts Saint Paul, Minnesota				
Artists' Services and the Diversity and Accessibility Initiative		62,000	31,000	31,000
Studio Museum in Harlem (The) Harlem, New York				
Artists-in-Residence Program		11,000	11,000	
Textile Center of Minnesota Minneapolis, Minnesota				
Programs and services for emerging fiber artists		16,000	16,000	
Theatre Communications Group New York, New York				
National Theatre Criticism/Affiliated Writers Program		38,000	38,000	
Thirteen/WNET New York New York, New York				
<i>Reel New York</i>		50,000	25,000	25,000
VocalEssence Minneapolis, Minnesota				
Essentially Choral Program		25,000	25,000	
Voice & Vision New York, New York				
ENVISION Retreat and Lab Workshop Productions	13,500		13,500	

Jerome Foundation, Inc.

Schedule of Grant Commitments and Payments

As of and for the year ended April 30, 2007

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable End of Year
VSA Arts of Minnesota Minneapolis, Minnesota				
Artist Recognition Grant Program and grants and services to emerging artists with disabilities	\$ -	\$ 35,000	\$ 17,500	\$ 17,500
Walker Art Center Minneapolis, Minnesota				
<i>Momentum: New Dance Works Series</i> by emerging choreographers	20,000		20,000	
Writers Room (The) New York, New York				
Programs and services for emerging writers	15,000		15,000	
Zeitgeist Saint Paul, Minnesota				
New work by Anthony Gatto	9,000		9,000	
Composer Workshop	13,500		13,500	
Zenon Dance Company and School Minneapolis, Minnesota				
Commissions of new works by emerging choreographers		50,000	25,000	25,000
	<u>\$ 1,229,039</u>	<u>\$ 3,328,030</u>	<u>\$ 3,596,993</u>	<u>\$ 960,076</u>

