



Mission The Lloyd A. Fry Foundation supports organizations with the strength and commitment to address persistent problems of urban Chicago resulting from poverty, violence, ignorance, and despair. We seek to build the capacity of individuals and the systems that serve them. Our vision is a Chicago that offers education, prosperity, and hope for all.

About the Foundation

In 1933, Lloyd A. Fry founded the Lloyd A. Fry Roofing Company on the Southwest Side of Chicago. During the next five decades, the company grew to become the world's largest manufacturer of asphalt roofing and allied products, with nearly 5,000 dedicated employees in manufacturing facilities nationwide. The company was sold to Owens-Corning Fiberglass Corporation in 1977. In large part, the proceeds from the sale of the company now serve as the endowment of the Lloyd A. Fry Foundation. The Foundation has been addressing the needs of the Chicago community since 1983.

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Message from the Chairman

Fry Foundation board members spend a lot of time together on foundation activities. Perhaps more than any other activity, we talk with one another (and with our extraordinary program staff) ceaselessly about tactical and strategic planning: What can we do better? How can we get more impact for our dollars? What should we be doing differently? How should we refocus our areas of interest? We do this sort of planning in a formal way at a two-day retreat in August of each year, but the conversation continues with barely a pause from one formal planning meeting to the next. Recognizing our own mildly compulsive tendencies, we have developed a shorthand characterization for the process: We refer to it as “Painting the Golden Gate Bridge,” with a nod to another process that never ends, realizing that, like those who labor at the mouth of San Francisco Bay, whenever we think the process is completed we must dutifully go back to the place of beginning and start again.

2006 was not a year of big new initiatives for us, rather it was a year in which we sharpened our focus and instituted modest changes in our grantmaking, all intended to implement ideas that evolved from our process of Painting the Golden Gate Bridge. In August of 2005, at the beginning of our 2006 fiscal year, we refined our grantmaking guidelines. We are interested in funding grantee efforts that have potential long-term impact and benefits for our target population of need. We are especially interested in efforts that will foster learning and innovation. We have an increasing emphasis on evaluation, asking our grantees to work with us as we try to maximize the effectiveness of our grant dollars.

In the pages that follow, you may read about some grantee efforts that we were pleased to support. These inspired efforts should provide several good examples of the sorts of projects in which we like to invest. There are many hard-working and dedicated people serving our grantees; space does not permit us to recognize them all individually in these pages, but we salute them.

We also spent some time in New Orleans in 2006 following Hurricane Katrina, trying to determine how we could—as citizens of the nation and the world—use some of our resources to help that devastated community. More on that in next year’s annual report. Our focus remains squarely on Chicago. And we are pleased to have the opportunity to serve this community.

I must close by recognizing and thanking our extraordinary program staff. Our intelligent and thoughtful executive director, Unmi Song, has real leadership skills, and she is a catalyst for all the change that is best at the Fry Foundation. Ernest Vasseur has ably assumed responsibility for our health grants—which with his guidance include our world relief grants—and he has become our Senior Program Officer. Sharon Bush is starting her third year with us and has significantly improved the focus of our employment grantmaking. Yolanda Knight (education) and Sydney Sidwell (arts and culture) have brought to us extensive and valuable experience in their respective areas, and they both have wit, energy, and insight; we are fortunate to have them.



Howard M. McCue III
Chairman

Message from the Executive Director

I recently attended the opening day ceremonies of Silk Road Chicago, a new collaboration between the Art Institute of Chicago, the Chicago Symphony Orchestra, and the Silk Road Project, which was founded by cellist Yo-Yo Ma. The Lloyd A. Fry Foundation is supporting work to help bring the rich array of artistic and historical resources of Silk Road Chicago to Chicago public school students. A core theme of Silk Road Chicago is “what happens when strangers meet,” when traditions are shared, technologies exchanged, and ideas are applied in new ways. This theme was illustrated beautifully by the Silk Road Ensemble. Beginning with what sounded like a traditional Korean folk rhythm, the Ensemble then integrated rhythms from India and Africa to form an altogether new set of unfamiliar, yet reminiscent rhythms.

Fry Foundation grantees are like the Ensemble musicians, combining knowledge and techniques from diverse places in order to create something new—a new solution to old problems, a different route, a possibly faster way of getting to desired ends. In this year’s annual report we share the stories of four organizations that are applying knowledge in innovative ways and finding new approaches to their work—with impressive results. Common to them all is the story of discovery, vision, know-how, and perseverance.

Strategic Learning Initiatives, for example, borrowed strategies from business practices and combined them with educational approaches used in Chicago’s highest performing schools in order to create a new approach to helping low-achieving public schools improve. The result: reading and math scores that improved at rates two and three times higher than gains at comparable Chicago public schools.

Rush University Medical Center, a leading research hospital, used findings from the latest diabetes research to develop a new set of inpatient care protocols which improved the health outcomes of its patients with diabetes. With Fry Foundation support, Rush is now adapting its protocols for use by Saint Anthony Hospital, a small, community hospital serving low-income Chicago residents. Because the environment, circumstances, and types of patients at the two hospitals are so different, the process of adaptation is likely to be similar to that of the percussion piece performed by the Silk Road Ensemble—resulting in something new, yet familiar.

As I complete my third year at the Foundation, I continue to be deeply impressed as well as inspired by the work of our grantees, their perseverance, and their creativity. This annual report represents a small sampling of the ways in which Fry Foundation grantees are discovering new knowledge, borrowing ideas, exchanging technology, and in doing so, improving the lives of low-income families throughout Chicago.



Unmi Song
Executive Director

Education, prosperity, and hope for all. That is the vision behind the Fry Foundation's grantmaking. We provide support to nonprofit organizations that have the strength and commitment to improve conditions for low-income, underserved Chicago residents. Grants are awarded in four major areas: Education, Employment, Arts and Culture, and Health. Across all of our funding areas, our focus is on helping organizations: **Build** capacity to enhance the quality of services and better assess the impact of programs; **Develop** successful program innovations that other organizations in the field can learn from or adopt; and **Share** knowledge so that information which can help low-income communities and individuals is widely and readily available.

Education

Increasing the academic achievement of low-income students in Chicago has been a cornerstone of the Foundation's grantmaking since its inception. Our interests focus on improving public education and expanding educational opportunities in order to increase the academic achievement and college graduation rates of low-income students in Chicago public schools. Teacher professional development, school leadership development, academic enrichment, and college preparation are among the activities we fund to support this goal. The Foundation also considers grant requests for policy advocacy when the connection to academic achievement is clear.

Strategic Learning Initiatives

By integrating local lessons, national research, and business practices, Strategic Learning Initiatives is working with networks of neighborhood schools to help them improve student achievement and transform the way schools operate. Developing shared leadership, providing ongoing professional development for teachers, and helping parents engage in their children's education are the core tenets of the program.

For many years, Chicago's public school system was considered among the worst in the country. Today, however, many of the city's schools demonstrate the potential to achieve powerful results. The numbers are compelling. In 1990, 82 percent of all Chicago public elementary schools were considered low performing, with only 20 percent of students at or above the national average in reading. By 2005, 49 percent of students had risen to or were above the national average. What happened that led to such gains in student learning? Could the lessons from these local schools be applied to bring about school improvements elsewhere? These were the questions the leadership of Strategic Learning Initiatives (SLI) set out to answer.

To do so, SLI identified the common characteristics of the Chicago schools that made academic gains during the past fifteen years. They linked these characteristics with factors identified in national research as best practices for school improvement and with business practices used to improve the competitiveness of large companies such as Motorola, Southwest Airlines, and Ford Motor Company. The result: Scaling Up Best Practice, SLI's partnership program with the Chicago Public Schools.



Scaling Up Best Practice builds networks of three to five neighborhood schools that work together for four years to focus collectively on improving student learning. They do so by developing shared leadership within each school and across the network; providing teachers with training, coaching, and tools to enhance instructional methods; and increasing parents' ability to support and encourage their children's learning at home.

A core tenet of the Scaling Up model is the business practice of developing high performing teams—teams that maximize each member's talents, use more of their potential, encourage innovation, and move to a higher level of overall performance. This is a significant departure for many schools, where traditionally teachers work in isolation, administrators try to accomplish tasks alone, and the responsibility of implementing new ideas falls to individuals.

“Fundamentally, Scaling Up is about creating a culture, structure, and process that develops and supports leadership at every level, ongoing learning for everyone involved with the school, and decision making by those closest to the problem,” notes John Simmons, SLI's president. He believes that teachers, parents, and administrators have a lot of untapped energy and creativity. Providing them with a way to take part in problem solving and decision making will result in continuous school improvement and real student gains.

Scaling Up's results are strong. Last year, Scaling Up network schools increased the number of students meeting or exceeding Illinois standards in reading and math at a rate two to three times greater than comparable Chicago public schools for the prior two years. Simmons attributes these outcomes to Scaling Up's focus on building shared leadership teams. When school administrators, teachers, and parents have shared goals, a sense of commitment, the ability to work together, and mutual accountability, increased student achievement is more likely.



We have learned that clusters of schools working toward shared goals can learn more effectively and at a lower cost.



Employment

Helping families and individuals move out of poverty is the common thread that binds our Employment grantmaking. The Foundation supports organizations that help low-income people prepare for, find, and keep jobs. Grantee organizations provide an array of critical services such as: employment-related literacy and English as a Second Language; pre-employment, job placement, and job retention services; and vocational training connected to growing industries. Grants also support efforts to improve the quality and effectiveness of employment programs, and policy advocacy that improves the quality and accessibility of education and training programs for low-income adults.

Instituto del Progreso Latino

Through strong partnerships between community-based organizations and a community college, Instituto del Progreso Latino is modeling a new way to prepare disadvantaged adults to further their education and advance to jobs that lift them out of poverty.

One in four working families in Illinois does not earn enough to meet their basic needs. When these adults try to improve their job prospects, they are often faced with challenges such as lack of basic literacy skills, inability to afford continuing education, and family and child care pressures. “Career pathways” is an approach to helping individuals move from poverty and a poor education to a promising career within local industries that have a growing demand for workers. In Chicago, the health care sector needs nurses and allied health professionals, as well as a diversified workforce that reflects the patient population. This need has opened an opportunity to link bilingual Latinos to well-paying positions in the health care industry—and Instituto del Progreso Latino had the vision and know-how to take advantage of the opportunity.

Building on a track record of developing effective workforce training programs, Instituto created Carreras en Salud. Carreras is a career pathway program that sequences education and training opportunities to enable those with few skills and little experience to qualify for jobs as entry level Certified Nursing Assistants (CNAs) and then progress up to Licensed Practical Nurses (LPNs). Entry-level CNAs earn \$9-\$12 per hour; LPNs can earn \$25,000-\$40,000 annually. Students enter the program at various points along the pathway, depending on their backgrounds and skill levels.

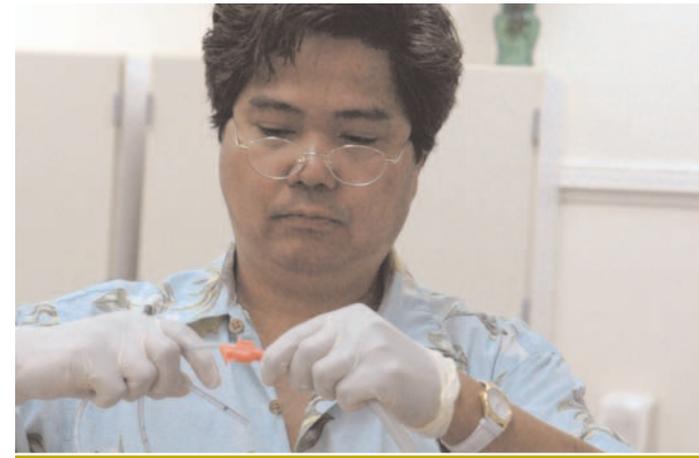


At all levels of the program, students strengthen their English language skills while learning about the health care industry. “At Instituto, we use health care as a context for teaching math, language, computers, and other basic skills,” explains program director Dr. Ricardo Estrada. “It’s a nontraditional way to teach the nontraditional student.”

The program is a partnership with Instituto and three other institutions—Humboldt Park Vocational Education Center of Wilbur Wright College, Association House of Chicago, and National Council of LaRaza. Wright College provides the LPN training for Carreras students while Instituto and Association House continue to provide additional educational supports, such as tutoring and child care assistance. And this is where Carreras’ early results are most impressive. In its first year of operation, 33 Carreras students entered the LPN program at Wright College; 88 percent completed the program.

“I have been in education for thirty years and I have not ever seen advancement like this before. One student, who was a Patient Care Technician when she came to the program, is now a licensed LPN. She has job offers from four different hospitals and will make about \$25 per hour, have the flexibility to organize her schedule, and be eligible for tuition reimbursement to pay for her to become a Registered Nurse,” Estrada exclaims.

The success of Carreras students has generated interest in the program locally and nationally. Instituto wants to share its program model widely and is working to develop training materials that will help other nonprofits develop and sustain a health career pathway program similar to Carreras’. “Too often in the nonprofit world even the most successful efforts end up fading away due to lack of funding or interest over time. We are developing ways to share our program model that include walking people through the financing mechanism and providing coaching on how to sustain and grow the program,” says Juan Salgado, Instituto’s executive director.



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Arts and Culture

Using the arts as a means to improve learning and provide life enriching experiences is the goal of the Foundation's Arts and Culture funding. We focus on arts education programs for low-income Chicago youth and are especially interested in programs that provide a rich combination of: arts instruction; performance or exhibition experiences; interaction with professional artists; and training and professional development opportunities for arts educators and classroom teachers. The Fry Foundation gives priority to partnerships between cultural organizations and public schools, as well as to cultural organizations directly serving low-income youth.

Chicago Shakespeare Theater

By developing a strong working knowledge of the education practices and theories that Chicago Public Schools teachers are asked to implement in their classrooms, Chicago Shakespeare Theater has been able to help teachers use Shakespeare to improve student literacy skills.

Many educators believe that a student who can read Shakespeare can read anything. Yet, faced with a classroom of struggling readers and under pressure to improve test scores, many teachers feel they and their students are ill-equipped to tackle sophisticated classic texts. Thus, Shakespeare is often dreaded, shunned, hurried past, or stumbled through. Chicago Shakespeare Theater is working to change this through an innovative professional development program for Chicago Public Schools (CPS) teachers called Bard Core.

Bard Core grew out of a determined effort by Chicago Shakespeare Theater to help CPS teachers with struggling readers improve student literacy through the use of Shakespeare's texts in their classrooms. To accomplish this, the Theater's education staff did two things. First, working with reading and literacy experts, the Theater's education department developed an understanding of the education practices and theories that CPS teachers are asked to implement in the classrooms. Second, they began to think creatively about how their own set of skills and knowledge of Shakespeare could complement and support the classroom practice expected of these teachers.



“Instead of imposing an alien model upon the teachers, we came to understand the model that CPS teachers are asked to follow. As I delved into the literacy literature, I realized how closely the two seemingly unconnected worlds of theater and literacy intersected,” notes Marilyn Halperin, director of education and communication at Chicago Shakespeare Theater. “Both theater artists and successful readers closely examine a text to discover the intention behind the written words and to visualize the action described on the page.”

The year-long program begins with an intensive week-long workshop that brings twenty-five CPS teachers together to study the techniques that enable actors to capture the emotion and intention behind Shakespeare’s words. Curriculum experts and reading strategists participate as well and translate the Chicago Shakespeare techniques into practical classroom exercises for students.

Bard Core teachers meet throughout the school year. In the spring, teachers and their students tackle a selected Shakespeare work using the methods taught in Bard Core. After the text has

been read and discussed, students and teachers attend a matinee performance of the play at Chicago Shakespeare Theater. Not only do students encounter Shakespeare on the page, they are also introduced to Shakespeare the way it was written to be experienced—on the stage.

Bard Core’s impact goes well beyond the teaching of Shakespeare. Teachers are using the techniques learned in this program to teach other challenging texts in the English curriculum. “Teachers come with the hope of learning new ways to teach Shakespeare and discover how their newly acquired skills are immediately transferable across the language arts curriculum,” says Halperin.

“We were able to bridge our knowledge base with that of our teachers, and in so doing, our work became critical to theirs. From the point of view of both the teachers involved and the CPS administration, our work in Bard Core, rooted in literacy theory, is viewed as substantive, serious work—despite the fact that we are all having a great deal of fun in the process,” Halperin explains.



“Both theater artists and successful readers closely examine a text to discover the intention behind the written words and to visualize the action described on the page.”



Health

Improving access to quality health care is the focus of the Foundation's Health Program. We give priority to efforts that: combine health education on chronic diseases with early disease detection screenings and connect people with health services; provide primary care to low-income and uninsured patients; enroll families into government-subsidized health insurance programs; build on strategic partnerships between a health system and community-based organizations; focus on linguistically and culturally competent programs for patients with limited English proficiency; and improve knowledge and practice in the health field.

Rush University Medical Center

Spurred by the results of research and new standards of care published by the American Diabetes Association, Rush University Medical Center developed and tested new ways to better manage inpatients' blood glucose levels. The protocols result in fewer complications, shorter hospital stays, and lower costs—but required a complete culture shift at all levels of the hospital to implement. Rush is now sharing its knowledge to help a smaller, community-based hospital achieve similar improvements to patient health outcomes.

Generally diabetes is treated on an outpatient basis. When a patient is admitted to the hospital for a non-diabetic problem, physicians and nurses tend to focus on the condition that brought the patient in and the diabetes is a secondary factor. In 2002, Rush University Medical Center began implementing a hospital-wide series of improvements for inpatient diabetic care that was based on the latest research in the field. This included more effective ways of administering insulin and providing patient education, both while the patient is in the hospital and after discharge.

The effectiveness of these changes was demonstrated last year when Rush outperformed 35 of 37 participating university teaching hospitals in a national comparison of their success in controlling patient blood sugar levels. These improvements resulted in fewer surgical complications and infections, shorter hospital stays, and lower mortality. The Fry Foundation is assisting Rush to bring its proven practice into the broader community where diabetes runs rampant. Rush is working with Saint Anthony Hospital to adapt Rush's inpatient diabetes protocols and to improve coordination of patient care with the hospital's outpatient diabetes education program.



Saint Anthony is a small community-based hospital serving a predominantly low-income, uninsured, Hispanic patient population. Diabetes is the fourth leading cause of death among Mexican Americans; 30 percent of Mexican Americans have Type 2 diabetes, a rate twice as high as for other major ethnic groups in the United States. On its own, Saint Anthony lacks the resources and expertise to implement the complex new standards of inpatient diabetes care. Rush and Saint Anthony will design and put into practice protocols for identifying hospitalized patients with diabetes, assessing their therapeutic and educational needs, and for effectively administering insulin in the Emergency Room, Intensive Care Unit, and general medical and surgical units. Upon discharge from the hospital, patients will be referred for further outpatient education and medical care.

“We hope, in the short term, to improve diabetes care for inpatients and strengthen outpatient diabetes programs. In the long term, we hope to see improvement in the overall health of the Saint Anthony patient community. We also hope our university hospital/community hospital collaboration can be a model for other efforts to address the epidemic of diabetes,” says Dr. David Baldwin, director of the Rush Section of Endocrinology and program leader.

If successful, this effort will position Saint Anthony to become a certified diabetes education center, allowing the hospital to receive private and public insurance reimbursements for diabetes and nutritional patient education. These reimbursements would help sustain Saint Anthony’s ongoing diabetic care. Rush plans to share the outcomes of its work with Saint Anthony with other university teaching hospitals in the hopes of encouraging them to pursue similar partnerships with community hospitals that serve low-income and uninsured patients.



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The High School Initiative

Improving high schools to better prepare today's students for the complexities of 21st century life, for further education, and for careers is a top priority for school systems across the nation. The Fry Foundation's High School Initiative is designed to help Chicago public high schools take on this challenge. Launched in 2001, this multi-year effort aims to build strong learning environments and improve students' academic achievement through a collaborative leadership process.

The Fry Foundation's High School Initiative is moving into its final year, and of the six schools that started with the Initiative, five remain: Corliss, Crane, Curie, Kennedy, and Senn. For two schools—Corliss and Kennedy—2006 marked the completion of their fifth and final year of the High School Initiative. The remaining three schools will complete their final year next spring. Each school has dedicated its principal and a core team of teachers and staff to lead the Initiative. Together, these teams have implemented school improvement activities that research shows contribute to creating more successful high schools—helping teachers better assess students' strengths and needs, making curriculum more coherent and relevant to students, improving the quality of instruction, developing and sustaining professional learning communities, and structuring opportunities for students to have input into their own education. The Initiative has helped each school recognize the importance of learning how to use information about student progress as a tool to guide decisions and raise student achievement. “Being part of the Fry Foundation High School Initiative has taught us, among other things, the value of using data to set goals and expectations, and as a way to measure our progress in achieving the goals we set,” notes Senn High

School Principal Richard Norman. “This use of data has become a part of our school culture. We now have a successful model to emulate that will live with us beyond the end of the Fry Foundation grant.”

An annual retreat brings the school teams together. This year's annual retreat—Reaching and Sustaining High Levels of Achievement for All Students—focused on deepening each school's capacity to use assessment data to understand academic trends taking place in the school and respond appropriately. Each school practiced working in teams to develop processes for analyzing school-wide and classroom data. And each school used its own data to analyze and assess how it might better meet students' needs. Independent evaluators from Roosevelt University, who are documenting the Initiative, provided information collected from classroom observations, surveys and interviews with students and teachers, as well as the more traditional array of data from test scores, attendance charts, and graduation rosters. Each school identified the programs which were having the greatest impact on student academic achievement and created plans for Initiative activities next year. For almost all the schools, this meant continuing a focus on improving literacy

and math outcomes and deepening the level of professional development training offered to teachers.

“Our school is unusual,” explains Jerryelyn Jones, principal of Curie High School. “Many of our teachers have been here for twenty to thirty years—since the school opened. I am losing teachers to retirement at an average of ten to twenty per year. In the past five years, I have hired one hundred new teachers in total. So our improvement efforts focused on creating a culture of learning at every level. All teachers participate in weekly professional development workshops and new teachers are assigned teacher-mentors during their first year.” The schools are now ready to build upon the rich store of experience gained and lessons learned through the Initiative. Crane High School, for example, is one of fourteen schools selected to participate in the High School Transformation Project, a \$25 million effort funded by the Gates Foundation to help schools adopt rigorous college preparatory curricula in English, math, and science. “The Fry Foundation Initiative prepared us to participate in the Transformation Project. It laid the groundwork. Without it, we would not have been selected,” says Melver Scott, Crane's principal.

High School Initiative School Profiles

George Henry Corliss High School

Corliss' long-term objective is to establish a community of student writers and to demonstrate an improvement in the quality of student writing. The school has offered a mix of classroom-based and supplemental after-school activities for students, and concentrated on building the instructional capacity of faculty. This has included the establishment of two Writing Centers with resources to help students practice and improve their writing skills; the creation of a Teacher Writing Resource Center; working with the Illinois Writing Project to develop new methods to teach writing; teacher and student portfolios; a school-wide plan to integrate writing across the curriculum; a "Step Up to Writing" program that teaches students to better organize their writing; and work with Measurement Incorporated, a company that provides professional hand-scoring services for essays and open-ended exams.

Richard Crane Technical Prep Common High School

One of the key components of Crane's Initiative program is to close the technological divide and increase student engagement in school and academic work. The school now has a multi-purpose computer lab, a math and science lab, a reading lab, and a teacher resource room. This year, Crane is implementing an intensive peer-based professional development program to help teachers use the school's new, state-of-the-art technology as a means to increase student engagement and improve reading, math, writing, and overall technology skills. This program will include training on how to analyze student data to identify student strengths and weaknesses, helping teachers develop techniques to meet identified needs, and providing support to teachers in using the new teaching strategies in their classrooms.

Marie Skłodowska Curie Metro High School

A core component of Curie's program is to improve student literacy skills school-wide. Curie has worked with national literacy experts to deepen and expand its literacy programs and to train teachers to incorporate

best practices in literacy education into classrooms throughout the school. Teachers are now integrating new literacy practices in their lesson plans based on careful assessments of students' academic performance, learning styles, and literacy needs. Teachers are also better utilizing technology as a means of improving students' academic achievement. Lesson plans, student grades, and classroom assignments are now posted on the Internet. This allows parents and students to access information easily and enables teachers to share curricular tools.

John F. Kennedy High School

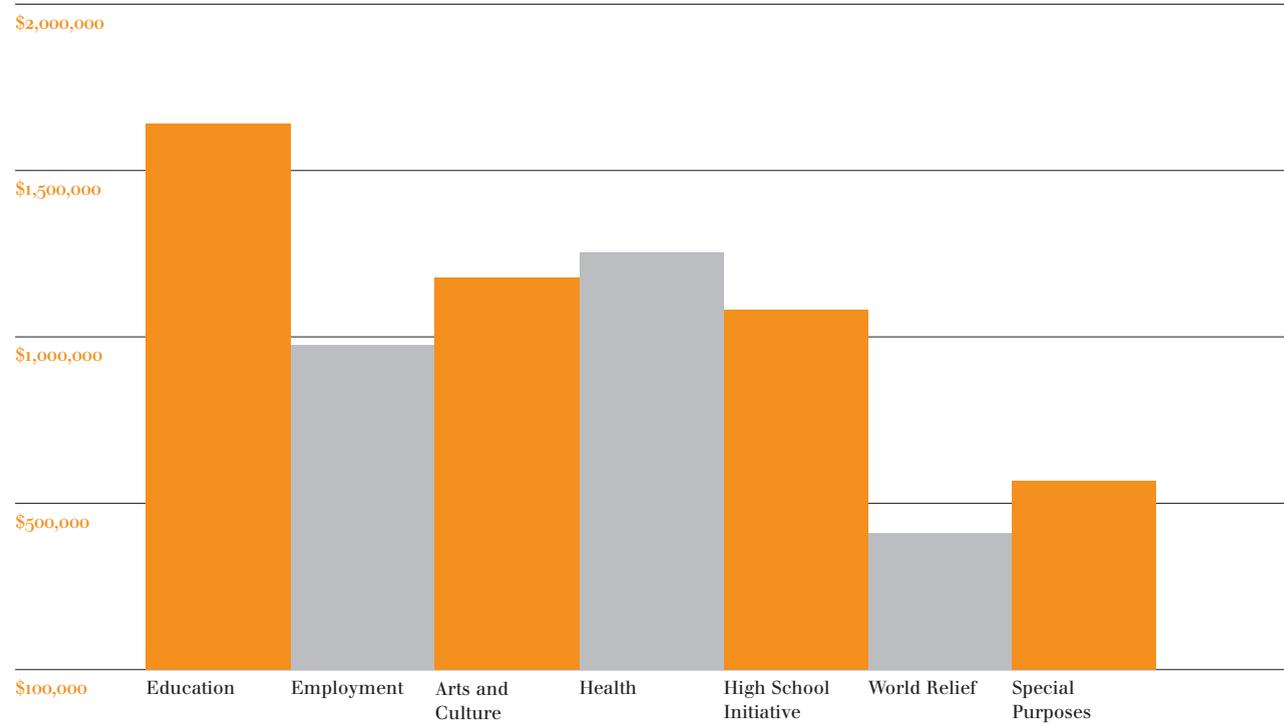
Research shows that freshman year is a vulnerable transition point for students. How well a student does during his or her freshman year is often a predictor of future high school success. Kennedy's Fry Foundation Initiative focused on helping struggling freshmen by providing after-school academic support. Students with the most need received intensive help through special Saturday classes. In addition, Kennedy's reading lab provided students with extra help in reading and writing and was a way to introduce students and teachers to new and sometimes individualized approaches to learning. Last year, Kennedy's increase in reading scores was among the highest in the Chicago Public School system.

Nicholas Senn High School

Senn's Fry Foundation Initiative centers on raising student achievement through school-wide, high-quality professional development opportunities for teachers. Over the past four years of the Initiative, more than three-fourths of Senn's teachers received professional development training from the nationally recognized organization Research for Better Teaching. This training provided teachers with a wide variety of techniques to keep students engaged in the classroom. Building on this experience, Senn will continue professional development for faculty on advanced teaching techniques. This includes workshops for teachers to create new classroom materials, the formation of teacher study groups, and peer coaching and feedback. This year, Senn will also develop student writing assessment tools for use in all ninth and tenth grade core courses. Data gathered from these assessments will be used to guide classroom instruction.

Lloyd A. Fry Foundation 2006 Grants

2006 Grants and Awards Totals



Education	\$ 1,591,840
Employment	995,000
Arts and Culture	1,240,000
Health	1,320,534
High School Initiative	1,182,871
World Relief	450,000
Special Purposes	542,287
Total	\$ 7,322,532

Education

ACE Technical Charter School

Chicago, Illinois
For the after school applied learning clubs
\$15,000

Adler Planetarium & Astronomy Museum

Chicago, Illinois
For the Astronomy Connections Program, a teacher professional development program
\$25,000

The Associated Colleges of Illinois

Chicago, Illinois
For the College Readiness Program
\$15,000

Belle Center of Chicago

Chicago, Illinois
To partner with the Chicago International Charter School
\$25,000

Big Shoulders Fund

Chicago, Illinois
For the Extended Day Program
\$150,000

Brighton Park Neighborhood Council

Chicago, Illinois
For the School Reform Committee
\$15,000

Business and Professional People for the Public Interest

Chicago, Illinois
For the Alliance for Innovation and Excellence, a learning and advocacy network for Chicago Public Schools
\$50,000

Centro Romero

Chicago, Illinois
For the After School Program
\$15,000

Chicago Academy of Sciences

Chicago, Illinois
For the Science on the Go education program
\$20,000

Chicago Campaign to Expand Community Schools in Chicago

Chicago, Illinois
For support of the Jenner Elementary School partnership
\$65,000

Chicago Coalition for the Homeless

Chicago, Illinois
For the Educational Rights Initiative
\$10,000

Chicago Foundation for Education

Chicago, Illinois
For the Grants for Teachers Study Group Program and the Teacher Network Leadership Institute
\$35,000

Chicago Horticultural Society

Glencoe, Illinois
For Science First and College First programs and evaluation
\$50,000

Chicago Metro History Education Center

Chicago, Illinois
For the Students Exploring and Researching Community History (SEARCH) Program
\$50,000

Chicago Youth Programs, Inc.

Chicago, Illinois
For the Teen Career and Teen Tutoring Programs
\$25,000

Civitas Schools

Chicago, Illinois
For professional development programs
\$50,000

Community Renewal Society

Chicago, Illinois
For Catalyst Chicago
\$25,000

Dominican University

River Forest, Illinois
Third payment of a three-year \$90,000 grant to support the Special Education Degree Program for CPS Teachers
\$50,000

El Valor

Chicago, Illinois
For expansion of the Succeeding Through Advanced Reading Strategies (STARS) Reading Clinic
\$25,000

Erie Neighborhood House

Chicago, Illinois
For Tutoring to Educate for Aims and Motivation (TEAM), a tutoring and college prep program
\$20,000

Facing History and Ourselves

Chicago, Illinois
For professional development for Chicago public school teachers
\$15,000

Family Focus

Chicago, Illinois
For evaluation of Hug-A-Book's literacy programs
\$40,000

Family Matters

Chicago, Illinois
For the Community Tutoring Program
\$50,000

Gads Hill Center

Chicago, Illinois
For Teen Connection, a college preparatory program
\$25,000

High Jump

Chicago, Illinois
For general operating support
\$50,000

HighSight

Chicago, Illinois
For college readiness programming
\$10,000

Inner-City Teaching Corps

Chicago, Illinois
For the UrbaN Impact Through Education (UNITE) Program
\$25,000

Jumpstart Chicago-DePaul University

Chicago, Illinois
For Early Childhood Enrichment Program
\$25,000

Lawrence Hall Youth Services

Chicago, Illinois
For academic programs
\$10,000

Leap Learning Systems

Chicago, Illinois
For the Language and Literacy Enrichment Teaching Project
\$20,000

Lincoln Park Zoological Society

Chicago, Illinois
For Project N.O.A.H.: The Reading Ark
\$25,000

Link Unlimited

Chicago, Illinois
For the Academic Enrichment and College Readiness Programs
\$25,000

Literature for All of Us

Evanston, Illinois
For the Book Group Program at Simpson Academy
\$20,000

Loyola University Chicago

Chicago, Illinois
For the Science Education for Public Understanding Program
\$55,000

Midtown Educational Foundation

Chicago, Illinois
For the Metro Achievement Program
\$20,000

Mikva Challenge

Chicago, Illinois
For the Civic Educator Network
\$20,000

Namaste Charter School

Chicago, Illinois
For the Teacher Quality Initiative
\$20,000

Near Northwest Neighborhood Network

Chicago, Illinois
For Project TEAM (Teachers Engaged as Mentors)
\$15,000

New Hope Community Service Center

Chicago, Illinois
For the Tutoring for Youth Program
\$15,000

New Leaders for New Schools

Chicago, Illinois
For the Residents Training Program
\$40,000

Noble Street Charter School

Chicago, Illinois
For literacy programs
\$40,000

North Lawndale College Preparatory Charter High School

Chicago, Illinois
For the instructional support program for at-risk students
\$20,000

The Oriental Institute Museum

Chicago, Illinois
For the Ancient Nubia: Teacher Training and Student Achievement Program
\$25,000

Perspectives Charter School

Chicago, Illinois
For the Brain Builders Initiative, a teacher professional development and student support program
\$50,000

The Posse Foundation

Chicago, Illinois
For the Pre-collegiate Training Program
\$25,000

Project Exploration

Chicago, Illinois
For the Sisters4Science Program
\$15,000

Providence-St. Mel School

Chicago, Illinois
For the Intervention Program
\$55,000

St. Agatha Family Empowerment

Chicago, Illinois
For educational enrichment programs
\$15,000

Strategic Learning Initiatives

Chicago, Illinois
For the Scaling Up Best Practice Program
\$50,000

TARGET Area Development Corporation

Chicago, Illinois
For the Campaign to Improve School Attendance and Achievement Program
\$20,000

The University of Chicago, Center for Urban School Improvement

Chicago, Illinois
For scaling up the New Teachers Network
\$115,000

WBEZ Chicago Public Radio

Chicago, Illinois
To establish an Education Desk
\$60,000

Wicker Park Learning Center

Chicago, Illinois
For the pilot tutoring project at the South Side YMCA
\$21,840

Casa Central

Chicago, Illinois
For employment assistance services at La Posada
\$25,000

Catholic Charities, Diocese of Joliet

Joliet, Illinois
For the Daybreak Center
\$10,000

Center for Economic Progress

Chicago, Illinois
For the Financial Empowerment Project, a workplace-based financial education program
\$25,000

Chicago House and Social Service Agency

Chicago, Illinois
For the Increase Independence and Income Initiative
\$50,000

Chicago Lights

Chicago, Illinois
For the Job Training and Readiness Program
\$15,000

Chicago Women in Trades

Chicago, Illinois
For the Technical Opportunities Program, a pre-apprenticeship training program for the skilled trades
\$50,000

Chicago Workers' Collaboration

Chicago, Illinois
For the Worker Rights Promoters Program
\$15,000

The Enterprising Kitchen

Chicago, Illinois
For Transitioning Women from Poverty to Self-Sufficiency through Social Enterprise project
\$25,000

Goodwill Industries of Metropolitan Chicago

Chicago, Illinois
For Job Counseling Services for the Deaf and Hard of Hearing
\$15,000

Harborquest, Inc.

Chicago, Illinois
For the Business Development Unit
\$55,000

Haymarket Center

Chicago, Illinois
For the employment services of the Family Enrichment Center
\$25,000

Housing Opportunities for Women

Chicago, Illinois
For the Employment Services Support Program
\$25,000

i.c.stars

Chicago, Illinois
For the Information Technology Training Program
\$50,000

Inspiration Corporation

Chicago, Illinois
For the Employment Services Program
\$40,000

Instituto del Progreso Latino

Chicago, Illinois
For Carreras en Salud Bilingual Healthcare Bridge Program
\$50,000

Jane Addams Resource Corporation

Chicago, Illinois
For the Workplace English as a Second Language Program
\$20,000

Jobs for Youth/Chicago

Chicago, Illinois
For the Customer Service Skills Training Program and to develop a tracking and evaluation system
\$40,000

Kenwood Oakland Community Organization

Chicago, Illinois
For the Employment Development Program
\$15,000

La Casa Norte

Chicago, Illinois
For Esperanza Trabajando, an employment assistance program
\$15,000

Latino Union of Chicago

Chicago, Illinois
For employment assistance services for the Day Laborer Program
\$15,000

Life Span

Chicago, Illinois
For the Employment Services Project
\$25,000

Literacy Works

Chicago, Illinois
For Succeed with Literacy, an employment focused English as a Second Language and Adult Basic Education instructional training program
\$20,000

Local Economic and Employment Development Council

Chicago, Illinois
For the Entry-Level Industrial Skills Training Program
\$20,000

Metropolitan Family Services

Chicago, Illinois
For employment assistance services for the Young Fathers Initiative
\$15,000

North Lawndale Employment Network

Chicago, Illinois
For the employment assistance services at the Resource Center
\$25,000

Pan-African Association

Chicago, Illinois
To support the salary of the employer outreach specialist for the Workforce Development Program
\$25,000

Poder Learning Center

Chicago, Illinois
For English as a Second Language and Computer Training Programs
\$20,000

Polish American Association

Chicago, Illinois
For the Employment Services and Vocational Training Programs
\$50,000

Project Match

Chicago, Illinois
For Financial Services for Low-Income Populations: Getting Employment Service Providers on the Right Track
\$40,000

Protestants for the Common Good

Chicago, Illinois
For the Providing Employment Opportunities for Ex-Offenders Program
\$20,000

Public Allies

Chicago, Illinois
For the Apprenticeship Program, a leadership development program for young adults
\$20,000

Renaissance Collaborative

Chicago, Illinois
For the Education and Employment Initiative
\$20,000

Spanish Coalition for Jobs

Chicago, Illinois
For employment services and the Bilingual Medical Assistant and Office Technology Training Programs
\$40,000

Vital Bridges

Chicago, Illinois
For the Learning Center at the Garfield Park site
\$25,000

Women Employed Institute

Chicago, Illinois
For the Career Coach, an online career development program
\$40,000

YMCA of Metropolitan Chicago

Chicago, Illinois
For the Customer Service and Employment Training Program
\$25,000

Arts and Culture

Albany Park Theater Project

Chicago, Illinois
For theater education activities
\$25,000

Art Institute of Chicago

Chicago, Illinois
For the Silk Road Teacher Institute
\$42,000

Art Resources in Teaching

Chicago, Illinois
For Building Arts Capacity in the Classroom in Volta and Dodge Schools
\$15,000

Black Ensemble Theater

Chicago, Illinois
For Strengthening the School through Theater Arts Program
\$10,000

Chicago Architecture Foundation

Chicago, Illinois
For the Newhouse Program and Architecture Competition and the development and implementation of the New High School Architecture Curriculum
\$55,000

Chicago Arts Partnerships in Education

Chicago, Illinois
For the Arts in Education Partnership Design Seminars
\$50,000

Chicago Chamber Musicians

Chicago, Illinois
For support of artist residencies and music education in four Chicago public elementary schools
\$20,000

Chicago Children's Choir

Chicago, Illinois
For choral training and performance programs in Chicago schools and neighborhoods
\$20,000

Chicago Children's Museum

Chicago, Illinois
For CLIMB: Collaborative Learning Museums & Beyond
\$10,000

Chicago Children's Theatre

Chicago, Illinois
For arts and science education activities to complement the production of A Year with Frog and Toad
\$15,000

The Chicago Community Trust

Chicago, Illinois
For the Arts Education Initiative
\$25,000

Chicago Dramatists Workshop

Chicago, Illinois
For the playwriting programs in Chicago public schools
\$15,000

Chicago Opera Theater

Chicago, Illinois
For in-school opera residency at Von Humboldt Elementary School and after-school program at Victor Herbert Elementary School
\$15,000

Chicago Shakespeare Theater

Chicago, Illinois
For Team Shakespeare Bard Core Curriculum
\$25,000

Chicago Sinfonietta

Chicago, Illinois
For Audience Matters, an in-school music instruction program, and the SEED Program: Student Ensembles with Excellence and Diversity
\$25,000

Chicago Theatre Company

Chicago, Illinois
For the Construction Company Program
\$15,000

Columbia College Chicago, Center for Black Music Research

Chicago, Illinois
For the Chicago Public Schools Educational Outreach Initiative
\$50,000

Columbia College Chicago, Museum of Contemporary Photography
Chicago, Illinois
For Picture Me after-school photography programs in Curie and Juarez high schools, a summer program at the Jane Addams Hull House Center for Arts & Culture in Uptown, and a culminating student exhibition
\$20,000

Congo Square Theatre Company
Chicago, Illinois
For the Ensemble in Action Program in Calumet Academy, Hyde Park Career Academy, and South Shore Academy
\$15,000

Court Theatre
Chicago, Illinois
For the Student Education Program in Chicago public high schools
\$25,000

ETA Creative Arts Foundation
Chicago, Illinois
For the Showfolk Daytime Performance Series and the Arts in Education Programs
\$20,000

Intuit: The Center for Intuitive and Outsider Art
Chicago, Illinois
For the Teacher Fellowship Program to provide professional development for CPS teachers and implement in-school art lessons based on outsider art
\$10,000

Joffrey Ballet
Chicago, Illinois
For Education and Community Engagement Programs
\$50,000

Lifeline Theatre
Chicago, Illinois
For the arts residency at Field Elementary School
\$10,000

Lookingglass Theatre Company
Chicago, Illinois
For Education and Community Programs in Chicago public schools
\$25,000

Luna Negra Dance Theater
Chicago, Illinois
For support of a dance education program in Sabin Elementary Magnet School
\$20,000

Lyric Opera of Chicago
Chicago, Illinois
For Meet the Artist, OperaKids! and Teen Opera Circle programming
\$25,000

Marwen Foundation
Chicago, Illinois
For the Studio Program
\$20,000

Merit School of Music
Chicago, Illinois
In support of the Bridges: Partners in Music Program and the Windows Program
\$40,000

Millennium Park/ The Joan W. and Irving B. Harris Music and Dance Theater
Chicago, Illinois
For the endowment
\$200,000

Museum of Contemporary Art
Chicago, Illinois
To underwrite student and teacher educational programs
\$50,000

Music Institute of Chicago
Winnetka, Illinois
For the Music Integration Project, a series of teacher training workshops, in-school performances, and instruction in eight Chicago public schools
\$15,000

Music of the Baroque
Chicago, Illinois
For choral education in public high schools and the People's Music School
\$15,000

Music Theatre Workshop
Chicago, Illinois
For the Artist Training Program
\$20,000

Pegasus Players
Chicago, Illinois
For the Artists in Residency with Teachers in the Schools (ARTS) Program
\$25,000

People's Music School
Chicago, Illinois
For music instruction programs
\$20,000

The Poetry Center of Chicago
Chicago, Illinois
For the Hands on Stanzas poetry education program in Chicago public schools
\$25,000

Puerto Rican Arts Alliance
Chicago, Illinois
In support of Cuatro and Spanish Guitar after-school classes in Chopin and Lowell elementary schools and Clementé and Kelvyn Park high schools
\$15,000

Raven Theatre
Chicago, Illinois
For the Public School Partnership Program
\$15,000

Ravinia Festival Association
Highland Park, Illinois
In support of Ravinia in the Schools and the Lawndale Community Music Conservatory
\$50,000

Reading In Motion
Chicago, Illinois
For the Benchmarks Initiative
\$50,000

Redmoon Theatre
Chicago, Illinois
For the School Partnership Program in Audubon School
\$15,000

River North Chicago Dance Company
Chicago, Illinois
For the Beat Goes On dance education program in West Park Academy and Daniel Boone Elementary School
\$10,000

Sherwood Conservatory of Music
Chicago, Illinois
For the Tuition Support Program and for the in-school instruction program at Benito Juarez Community Academy
\$18,000

Steppenwolf Theatre Company
Chicago, Illinois
For Steppenwolf for Young Adults, a theater education program
\$25,000

Street-Level Youth Media
Chicago, Illinois
For the Summer Arts Apprenticeship Program
\$20,000

Urban Gateways
Chicago, Illinois
For the Summer Institute, a professional development seminar for Chicago public school teachers
\$20,000

Young Chicago Authors
Chicago, Illinois
For a literary arts program in Lindblom Academy High School
\$20,000

Health

Access Community Health Network
Chicago, Illinois
For the Chronic Disease Care Management Initiative
\$35,000

AIDS Foundation of Chicago
Chicago, Illinois
For the Primary Care Case Management and Disease Management Programs
\$40,000

American Heart Association
Chicago, Illinois
For the Search Your Heart Program
\$20,000

The Ark
Chicago, Illinois
For the Health Center
\$25,000

Asian Health Coalition of Illinois
Chicago, Illinois
For Opening Doors Cultural Competency Training for Healthcare Professionals Program
\$20,000

Beacon Therapeutic Diagnostic & Treatment Center
Chicago, Illinois
For mental health services at Su Casa Shelter
\$15,000

Better Existence with HIV
Evanston, Illinois
For the Healthier Women HIV Prevention Program in Chicago
\$10,000

Carole Robertson Center for Learning
Chicago, Illinois
For the Family Health Education Program
\$35,000

Centro Comunitario Juan Diego
Chicago, Illinois
For the Community Health Promoters Program
\$20,000

Centro San Bonifacio
Chicago, Illinois
For the Multipliers Program, a community health education and referral program
\$20,000

Chicago Children's Advocacy Center
Chicago, Illinois
For salary support for the Medical Advocate position
\$25,000

Chicago Christian Industrial League
Chicago, Illinois
For on-site health care services
\$25,000

Chicago Family Health Center
Chicago, Illinois
For the Health Disparities Initiative
\$30,000

Chicago Women's Health Center
Chicago, Illinois
For the Well-Woman Gynecology Program
\$20,000

The Children's Place Association
Chicago, Illinois
For specialized medical and therapeutic services at the Residential Center
\$20,000

Chinese American Service League
Chicago, Illinois
For the Community Health Program
\$25,000

Deborah's Place
Chicago, Illinois
For the Health Services Program
\$20,000

Erie Family Health Center
Chicago, Illinois
To support mental health services for teens at the Teen Health Center and Pedro Albizu Campos High School
\$35,000

Health and Medicine Policy Research Group
Chicago, Illinois
For the Initiative to Improve the Health of Incarcerated and Recently Released Girls
\$25,000

Howard Brown Health Center
Chicago, Illinois
To provide primary medical care to uninsured clients
\$35,000

Illinois Caucus for Adolescent Health
Chicago, Illinois
For general operating support
\$20,000

Illinois College of Optometry
Chicago, Illinois
For the Vision of Hope Health Alliance
\$35,000

Illinois Poison Center
Chicago, Illinois
For the Latino Outreach Program
\$15,000

Interfaith Council for the Homeless
Chicago, Illinois
For Healthcare Services Program
\$25,000

La Rabida Children's Hospital and Research Center
Chicago, Illinois
For the Community Asthma Program
\$25,000

Lawndale Christian Health Center
Chicago, Illinois
For the Diabetes Component of the Chronic Care Program
\$40,000

Mobile C.A.R.E.
Chicago, Illinois
For the Community Asthma Educator Component
\$50,000

Mount Sinai Hospital Medical Center
Chicago, Illinois
For Project Advantage, a program to improve screening, treatment, and follow-up for children with developmental delays
\$35,000

Near North Health Service Corporation
Chicago, Illinois
For the Asthma Patient Education Program
\$25,000

PCC Community Wellness Center
Oak Park, Illinois
For the Maternal and Child Health Community Services Program in Chicago
\$45,000

Planned Parenthood of the Chicago Area
Chicago, Illinois
For the Healthy Sexuality Program in Chicago public schools
\$20,000

The Research and Education Foundation of the Michael Reese Medical Staff
Chicago, Illinois
For the Family Planning Program, a sex education and pregnancy prevention program
\$20,020

Roseland Christian Health Ministries
Chicago, Illinois
For the Dental Clinic
\$35,000

Rush University Medical Center
Chicago, Illinois
First payment of a two-year \$300,855 grant to partner with Saint Anthony Hospital to improve diabetes care
\$170,514

Saint Anthony Hospital
Chicago, Illinois
For the Primary Prevention Project
\$35,000

Sargent Shriver National Center on Poverty Law
Chicago, Illinois
For the Illinois Health Policy Advocacy Project
\$50,000

SGA Youth & Family Services
Chicago, Illinois
For the Bellas Artes Project, an art therapy program
\$20,000

St. Bernard Hospital and Health Care Center
Chicago, Illinois
For the Pediatric Mobile Health Unit
\$30,000

The University of Chicago Hospitals & Health System
Chicago, Illinois
For the Pediatric Mobile Care Program and the Teen Clinic
\$50,000

Vietnamese Association of Illinois
Chicago, Illinois
For the Family Health Program
\$25,000

Villa Guadalupe Senior Services, Inc.
Chicago, Illinois
For the Health Component of the Vecinos Program
\$15,000

White Crane Wellness Center
Chicago, Illinois
For the Holistic Health Outreach Initiative
\$25,000

The Women's Treatment Center
Chicago, Illinois
For salary support of the pediatric nurse
\$25,000

YWCA of Metropolitan Chicago
Chicago, Illinois
For the RISE Children's Counseling Center
\$25,000

High School Initiative

For the activities of a multi-year initiative to improve student achievement and create lasting improvements in the learning environments at five Chicago public high schools
\$1,182,871

World Relief

CARE, Inc.
Chicago, Illinois
For the Earthquake Relief Fund for Pakistan and India
\$100,000

Church World Service
Elkhart, Indiana
For the Emergency Response to Earthquakes in Pakistan/Kashmir
\$100,000

Doctors Without Borders USA
New York, New York
For the Emergency Relief Fund
\$100,000

Heartland Alliance for Human Needs & Human Rights
Chicago, Illinois
For the resettlement of Hurricane Katrina evacuees in Chicago
\$50,000

Oxfam America
Boston, Massachusetts
For the Humanitarian Response Department
\$100,000

Special Purposes

Asian Americans/Pacific Islanders in Philanthropy
San Francisco, California
For membership dues
\$200

Chicago Council on Foreign Relations
Chicago, Illinois
For the President's Circle
\$250

Council on Foundations
Washington, DC
For membership dues
\$18,480

Donors Forum of Chicago
Chicago, Illinois
For membership dues
\$17,104

Grantmakers for Education
Portland, Oregon
For membership dues
\$1,000

Independent Sector
Washington, DC
For membership dues
\$9,485

John G. Shedd Aquarium
Chicago, Illinois
For general support
\$1,350

Ravinia Festival Association
Highland Park, Illinois
For the CSO performance of the Brandenburg Concertos in the Martin Theater
\$10,000

Other Grants
Grants made to 142 organizations upon the recommendation of the members of the Board of Directors, the Fry family, and the employee matching grants program
\$484,420

Independent Auditors' Report

Board of Directors of Lloyd A. Fry Foundation

We have audited the accompanying statements of financial position of the Lloyd A. Fry Foundation as of June 30, 2006 and 2005, and the related statements of activities and cash flows for the years 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 audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the 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 audits provide 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 the Lloyd A. Fry Foundation as of June 30, 2006 and 2005, and its activities and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.



Altschuler, Melvoin and Glasser LLP
Chicago, Illinois
August 31, 2006

Statements of Financial Position

	June 30, 2006	June 30, 2005
Assets		
Cash and equivalent	\$ 4,420,029	\$ 4,464,790
Accrued dividends and interest receivable	426,190	460,672
Excise tax refund receivable		171,754
Prepaid expenses	8,749	10,516
Investments	170,403,104	164,122,643
Furniture and equipment, net	78,650	101,831
	\$ 175,336,722	\$ 169,332,206
Liabilities and Net Assets		
Accrued expenses	\$ 63,630	\$ 62,100
Excise tax payable	25,410	
Unconditional grants payable	420,341	340,000
Deferred federal excise tax	555,035	267,105
	1,044,416	669,205
Unrestricted net assets	174,292,306	168,663,001
	\$ 175,336,722	\$ 169,332,206

Statements of Activities

	June 30, 2006	June 30, 2005
Revenue		
Fixed income investments	\$ 1,556,989	\$ 1,688,538
Dividends	2,011,683	1,848,896
Distributions from Lloyd A. Fry Trusts	676,906	865,563
	4,245,578	4,402,997
Expenditures		
Grants authorized	7,511,354	7,127,054
Administrative and other expenses	1,450,916	1,471,550
Investment management fees	720,417	696,246
Federal excise tax	555,694	123,162
	10,238,381	9,418,012
Expenditures over revenue	(5,992,803)	(5,015,015)
Net gains on investments		
Realized	11,523,612	9,519,613
Unrealized	98,496	579,972
	11,622,108	10,099,585
Net increase in unrestricted net assets	5,629,305	5,084,570
Unrestricted net assets		
Beginning of year	168,663,001	163,578,431
End of year	\$ 174,292,306	\$ 168,663,001

See accompanying notes.

Statements of Cash Flows

	June 30, 2006	June 30, 2005
Operating activities		
Net increase in unrestricted net assets	\$ 5,629,305	\$ 5,084,570
Depreciation	30,482	42,788
Net realized and unrealized gains on investments	(11,622,108)	(10,099,585)
Changes in		
Accrued dividends and interest receivable	34,482	(103,338)
Excise tax refund receivable	171,754	44,916
Prepaid expenses	1,767	8,775
Accrued expenses	1,530	3,694
Excise tax payable	25,410	
Unconditional grants payable	80,341	(562,045)
Deferred federal excise tax	267,930	6,680
Net cash used in operating activities	(5,379,107)	(5,573,545)
Investing activities		
Additions to furniture and equipment	(7,301)	(20,443)
Proceeds from sales of investments	125,181,991	112,380,845
Purchases of investments	(119,840,344)	(109,336,715)
Net cash provided by investing activities	5,334,346	3,003,687
Decrease in cash and equivalent	(44,761)	(2,569,858)
Cash and equivalent		
Beginning of year	4,464,790	7,034,648
End of year	\$ 4,420,029	\$ 4,464,790

See accompanying notes.

Notes to the Financial Statements

Note 1

Nature of Activities and Significant Accounting Policies

Nature of Activities—Lloyd A. Fry Foundation (the “Foundation”) is a nonprofit private charitable foundation which distributes grants principally to charitable organizations.

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law.

Investments—Investments are stated at market value.

The fair values of investment partnerships are estimated by management based on the fair value of the assets owned by the partnerships (as determined by managing partners of the partnerships) and the liquidity of the Foundation’s investments in those partnerships. The Foundation relies on the underlying investment partnerships’ audited financial statements as of December 31, 2005 to assist in the determination of fair value. The market value of corporate bonds and equity securities traded on national securities exchanges is the last reported sales price. Purchases and sales of securities are accounted for on the trade date. Interest is recorded as earned and dividends are recorded on the exdividend date.

The Foundation invests in various investments. Such investments are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Note 3

Investments

Marketable securities consisted of the following:

	2006		2005	
	Cost	Market	Cost	Market
Domestic common stock	\$ 51,128,804	\$ 62,154,089	\$ 61,885,955	\$ 76,596,037
Foreign common stock			1,849,587	2,252,745
Mutual funds equity	44,501,788	58,855,586	25,610,975	35,677,416
Mutual funds fixed income	5,171,295	4,854,598	5,024,154	4,826,825
U.S. Government bonds	24,150,879	23,632,172	17,594,599	17,679,700
Corporate bonds	4,075,531	3,828,461	10,872,102	10,700,691
Foreign bonds	603,851	581,668	438,592	444,092
Asset backed securities	4,646,764	4,574,075	5,575,580	5,546,511
Limited liability company (hedge funds)	7,000,000	8,853,870	7,000,000	8,281,805
Real estate investment trusts	616,854	809,090	555,654	631,241
Certificate of deposit	1,000,000	1,000,000	1,000,000	1,000,000
Investment partnerships	1,193,875	1,259,495	496,375	485,580
	<u>\$ 144,069,641</u>	<u>\$ 170,403,104</u>	<u>\$ 137,903,573</u>	<u>\$ 164,122,643</u>

Investment partnerships consist of limited partnership interests in venture capital funds, buyout funds, mezzanine and subordinated debt funds, and restructuring and distressed debt and securities funds. The Foundation had open commitments to make additional partnership investments of \$3,806,125 at June 30, 2006 (2005—\$4,503,625).

Cash Equivalents—The Foundation considers all investments purchased with a maturity of three months or less to be cash equivalents. The Foundation maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes that the Foundation is not exposed to any significant credit risk on cash.

Furniture and Equipment—Furniture and equipment are stated at cost. Depreciation is being computed over the estimated useful lives of the assets using the straightline method.

Use of Estimates—The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions affecting the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Note 2

Distributions from Lloyd A. Fry Trusts

The Foundation has a residual interest in several trusts established by the Estate of Lloyd A. Fry.

The Trusts made distributions to the Foundation of \$676,906 during fiscal year 2006 (2005—\$865,563). Future residual amounts to be received by the Foundation cannot be determined.

Note 4

Grant Commitments

Unconditional grants payable at June 30, 2006 are estimated to be distributed in fiscal 2007.

The Foundation had approved grants amounting to approximately \$65,000 at June 30, 2006 (2005—\$300,000) which are subject to the satisfaction of prior conditions by the intended recipients before payments will be made. These conditional grants are not reflected in the financial statements.

Note 5

Other Commitments

The Foundation is required to make the following minimum annual rental payments under a noncancelable lease for office space through 2010:

2007	\$ 139,918
2008	144,149
2009	148,453
2010	<u>88,075</u>
	<u>\$ 520,595</u>

Rental expense (primarily for office space) was approximately \$137,000 for fiscal year 2006 (2005—\$136,000).

Note 6

Federal Excise Taxes

The Foundation is classified as a private foundation pursuant to Section 509(a) of the Internal Revenue Code and, therefore, is subject to an excise tax on net investment income, including realized net gains on sales of securities. A liability for deferred excise taxes is provided on the

unrealized gain on investments and accrued investment income. The tax was provided for at a 2 and 1 percent rate for fiscal year 2006 and 2005, respectively. Private foundations are also required to make minimum annual distributions of grants in accordance with a specified formula. The Foundation met the distribution requirement for fiscal years 2006 and 2005.

Note 7

Grant Distributions

During the current year, grants totaling \$7,456,013 were paid, including Foundation Grants of \$6,157,741, Employee Matching Grants of \$6,920 and payments relating to the High School Initiative of \$1,291,352. Unconditional grants authorized but not distributed as of June 30, 2006 totaled \$420,341. Grant expense for fiscal year 2006 consisted of the following:

Unconditional grants payable at June 30, 2005	\$ (340,000)
Grants distributed from July 1, 2005 to June 30, 2006	7,456,013
Grants returned	(25,000)
Unconditional grants payable at June 30, 2006	<u>420,341</u>
	<u>\$ 7,511,354</u>

Note 8

Employee Benefit Plan

The Foundation maintains a Section 403(b) salary reduction retirement plan. The plan covers all fulltime employees. The plan agreement provides for employer contributions based on a set percentage of salary up to the annual maximum. The Foundation’s contributions for 2006 and 2005 were \$48,295 and \$44,569, respectively.

Grantmaking Programs

The Lloyd A. Fry Foundation supports organizations with the strength and commitment to address persistent problems of urban Chicago resulting from poverty, violence, ignorance, and despair. We seek to build the capacity of individuals and the systems that serve them. Our vision is a Chicago that offers education, prosperity, and hope for all.

The Foundation is interested in programs that improve conditions for low-income, underserved communities in Chicago. We award grants in four major fields: Education, Employment, Arts and Culture, and Health. Within these funding areas, we give priority to:

- Programs with a demonstrated record of high-quality, effective services
- Efforts to improve the quality and effectiveness of programs and services (these might include program design, evaluation or staff development efforts, among others)
- The development of innovative approaches that will contribute valuable examples, information, and knowledge to others working in the field

The Foundation is also interested in policy advocacy efforts that help ensure low-income communities and individuals in Chicago are treated fairly and have access to the services they need and deserve.

Our funding guidelines are described below. For instructions on how to apply for a grant, please see our Grant Application Procedures.

Education

The Education Program has been a cornerstone of our grantmaking since the Foundation's inception. Our interests in education focus on improving public education and expanding educational opportunities in order to increase the academic achievement and college graduation rates of low-income students in Chicago public schools.

Teacher professional development, school leadership development, academic enrichment, and college preparation are among the activities we fund to support this goal. The Foundation also considers grant requests for policy advocacy when the connection to academic achievement is clear.

We give priority to programs that measure improvements to academic achievement, instructional quality, or college enrollment rates. The Foundation encourages proposals that include efforts to enhance the quality of programs. These

efforts might include professional development for program staff, incorporating new program elements, or the development of evaluation tools, among others.

We generally do not fund unsolicited proposals from individual schools. On occasion, the Foundation will solicit proposals from individual schools for programs that demonstrate exemplary success or a promising innovation in one of the Foundation's priority areas. In soliciting proposals from individual schools, we look for: a record of strong academic performance among students; a focus on improving academic achievement; and indicators that the work funded by the grant will contribute valuable lessons and strategies that can be adopted by other schools. After an initial year of funding, schools may be required to develop plans for making the lessons learned under the grant available to other schools.

Employment

Our Employment Program addresses our commitment to helping families and individuals move out of poverty. We support employment programs that help low-income individuals build the knowledge and skills necessary to find and keep jobs. We are particularly interested in programs that help individuals improve their potential to advance to living-wage jobs and careers.

Grants are made to projects that focus on: employment-related literacy and English as a Second Language; employment assistance programs that offer pre-employment, job placement, and job retention services; and vocational training connected to growing industries.

We recognize the need to improve the quality and effectiveness of employment programs. We encourage proposals for efforts to build the capacity of organizations to deliver high-quality employment services. We also welcome proposals for policy advocacy efforts to improve the quality of education and training programs and to increase access to education and training for low-income adults.

Arts and Culture

Our Arts and Culture funding focuses on arts education programs for low-income Chicago youth that use the arts as a means to improve learning and provide life enriching experiences. We are especially interested in arts education programs that provide a rich combination of: arts instruction; performance or exhibition experiences; interaction with professional artists; and training and professional development opportunities for arts educators and classroom teachers. The Foundation gives priority to partnerships between cultural organizations and public schools, as well as to cultural organizations directly serving low-income youth.

Health

The Health Program seeks to improve access to quality care for Chicago's low-income residents. We support programs that target Chicago's underserved neighborhoods and communities with needed primary care (including medical, vision, dental, and mental health care), community outreach and disease prevention programs, and policy advocacy efforts. We give priority to research-based initiatives that: incorporate health education, early disease detection, and treatment interventions for chronic diseases (such as asthma, diabetes, HIV/AIDS, and hypertension); enroll families into government-subsidized health insurance programs (such as All Kids, FamilyCare, Medicaid, and Medicare); include strategic partnerships between a health system and community-based organizations; focus on linguistically and culturally competent programs for limited-English speaking immigrants; and improve knowledge and practice in the health field.

We will consider programs operated by nonprofit community service organizations, community health centers, hospitals, and policy advocacy organizations. Programs must demonstrate the ability to measure improvements in access to care and health status within an accessible, culturally and linguistically competent environment.

What the Foundation Does Not Fund

In general, the Foundation does not make grants to individuals or governmental entities. We also do not provide funding for: general operating expenses for new grantees, capital projects, endowments, fund-raising events, political activities, medical research, or religious purposes.

We rarely fund unsolicited proposals from organizations based outside Chicago. When exceptions are made, we look for organizations with strong local board leaders who are responsible for establishing program priorities and policies in Chicago. In addition, organizations must agree that funds awarded for Chicago-based programs remain in Chicago and are not included in calculations of funds exchanged between local and national offices.

Grant Application Procedures

How to Apply

The Lloyd A. Fry Foundation makes grants in the following program areas: education, employment, arts and culture, and health. We make grants only to tax-exempt organizations and rarely fund organizations outside Chicago. We give priority to proposals for specific projects rather than for general operating support.

Letters of Inquiry

If you are seeking support for the first time or if you are a returning grantee seeking support for a new project, we highly recommend that you send us a letter of inquiry before you submit a full proposal. This would allow us to give you preliminary feedback concerning your request and its potential fit within our funding priorities. Letters of inquiry should include a brief description of the proposed project, a project budget, and other projected sources of support.

Proposal Application Procedures

We do not use a grant application form; we accept proposals of varying length that adhere to the procedures described below. Although we accept the Chicago Area Common Grant Application form distributed by the Donors Forum of Chicago, we consider this application a supplement to, rather than a replacement for, a full proposal.

For new and renewal requests, full proposals should contain the following elements:

- 1 A brief history of the organization, including a general statement of its primary functions and goals.
- 2 A project description which includes:
 - A statement of the need to be addressed and the population to be served
 - A description of how the planned project will address the identified need
 - Clearly stated goals and objectives
 - Plans for assessing and reporting the results and impact of the project's activities (for further information, see the Outcomes and Assessments page of our Web site)
 - A timeline for project activities
- 3 An income and expense budget for the project during the duration of the proposed grant.
- 4 An operating budget for the organization with income and expense projections that pertain to the fiscal year in which the project will take place.

- 5 A list of current and projected funding sources and amounts (government, corporate, and foundation sources) for both the organization and the project for the fiscal year in which the project will take place.
- 6 A copy of the organization’s most recent audited financial report.
- 7 A list of board members and their affiliations.
- 8 A list of professional staff of the organization and resumes of key personnel involved in the project. Proposals for organizational capacity-building activities that involve outside consultants should include a copy of the consultant’s resume and a list of clients.
- 9 A copy of the organization’s 501(c)(3) tax exemption letter from the Internal Revenue Service.
- 10 A copy of the organization’s employment hiring policy.
- 11 Returning grantees must submit a full narrative and financial report on the previous grant before a new request is considered. We ask that final reports and proposals be submitted under separate cover. (For more information, see the Grant Reporting Requirements page of our Web site.)

Renewal Policy

An organization which has received five consecutive years of Fry Foundation funding will be asked to take a year off in seeking support for the following twelve-month period. The Foundation recognizes that there may be unusual circumstances in which support for one additional year may be appropriate. While we wish to be flexible in recognizing the needs of our grantees, there will be few exceptions to this policy.

Following a year off, grantee organizations are welcome to apply for renewed support. These proposals will be evaluated under the Foundation’s grantmaking guidelines. As with all proposals, these should target Chicago residents in financial need.

For further clarification of the Foundation’s grantmaking priorities, please refer to the description of our Grantmaking Programs.

Submission Dates and Board Meetings

The Board of Directors meets quarterly to consider requests for grants. These meetings are held in February, May, August, and November. We must receive your proposal by 5 p.m. on the deadline date in order to review it at the corresponding board meeting:

<i>Proposal Deadline</i>	<i>Board Meeting</i>
December 1	February
March 1	May
June 1	August
September 1	November

In the event that a deadline falls on a weekend or holiday, requests may be submitted by 5 p.m. on the following business day.

Proposals and letters of inquiry should be sent to:

Ms. Unmi Song
 Executive Director
 Lloyd A. Fry Foundation
 120 S. LaSalle Street
 Suite 1950
 Chicago, Illinois 60603-3419

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