

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE

The Robert R. McCormick Tribune Foundation was established under provisions in the last will and testament of Colonel Robert R. McCormick and is organized under the General Not-For-Profit Corporation Act of Illinois. McCormick Tribune's primary mission is to advance the ideals of a free democratic society by investing in our children, communities, and country. The Foundation focuses on improving the social and economic environment, encouraging free and responsible discussion of issues affecting the nation, enhancing the effectiveness of American education, and stimulating responsible citizenship. McCormick Tribune's operations are supported primarily by investment income and contributions from the general public in support of its communities programs. (See also Statement of Program Service Accomplishments, Form 990, Part III).

Line 54a (990) - Investments - Publicly-Traded Securities

Check one box below to indicate how securities are reported:

Cost

End of year market value (FMV)

Securities at end of year		Number of shares/ face value	Value at time of donation	Beginning balance book value FMV	Ending balance book value FMV
1	Corporate Notes and US Government Agency Bonds			22,460,665	284,741,459
2	Mutual and Index Funds			0	50,256,553
3					
4					0
5					0
6					0
7					0
8					0
9					0
10					0
11					0
12					0
13					0
14					0
15					0
16					0
17					0
18					0
19					0
20					0

Line 54b (990) - Investments - Other Securities

Check one box below to indicate how securities are reported:

Cost

End of year market value (FMV)

Securities at end of year		Number of shares/ face value	Value at time of donation	Beginning balance book value FMV	Ending balance book value FMV
1	Tribune Company Common Stock			1,119,074,958	862,572,195
2					0
3					0
4					0
5					0
6					0
7					0
8					0
9					0
10					0
11					0
12					0
13					0
14					0
15					0
16					0
17					0
18					0
19					0
20					0

Line 57 (990) - Land, Buildings, and Equipment

Land (net of any amortization)		Land (net of any amortization)			
		Beginning		End	
1	.....			
2	.....			
3	.....			
4	.....			
5	.....			
6	Total land (net of any amortization)			0	0

Buildings and equipment		Buildings and equipment		Accumulated depreciation	
		Beginning	End	Beginning	End
7	Furniture and Fixtures	169,057	169,057	132,883	146,189
8	Equipment	6,330	6,330	3,798	5,064
9	Building improvements	1,772,498	1,772,498	895,913	1,002,558
10	Construction in Process	0	3,094	0	0
11	.....			
12	.....			
13	.....			
14	.....			
15	.....			
16	.....			
17	Total buildings and equipment	1,947,885	1,950,979	1,032,594	1,153,811
18	Buildings and equipment (less accumulated depreciation)			915,291	797,168
19	Total land, buildings and equipment			915,291	797,168

Category or Item		Cost/Other Basis	Accumulated Depreciation	Book Value
1	.....		
2	.....		
3	.....		
4	.....		
5	.....		
6	.....		
7	.....		
8	.....		
9	.....		
10	.....		
11	Total	0	0	0

Line 58 (990) - Other Assets

		544,471	538,448
		Beginning	End
1	IAPA Press Institute Inc. - Program-related investment	444,471	438,448
2	South Shore Rehab CD - Program-related investment	100,000	100,000
3			
4			
5			
6			
7			
8			
9			
10			

Robert R. McCormick Tribune Foundation

Statement Pursuant to §1.302-2(b)(2) by Robert R. McCormick Tribune Foundation, EIN 36-3689171, a Significant Holder of Common Stock of Tribune Company, EIN 36-1880355, of Issuing Corporation.

8,958,200 shares of common stock of Tribune Company were redeemed on July 12, 2006 under tender offer sponsored by Tribune Company for cash of \$291,141,500. The cost basis of such shares was \$1,987,823. No other property was received by the Foundation from Tribune Company in consideration for the transfer of such shares.

Line 65 (990) - Other Liabilities

		2,482,719	2,667,805
		Beginning	End
1	Due to Affiliated Organizations	2,482,719	2,667,805
2			
3			
4			
5			
6			
7			
8			
9			
10			

FORM 990, PART V - A - LINE 75b - RELATED OFFICERS, DIRECTORS, AND KEY EMPLOYEES
 FORM 990, PART VI - LINE 80b - RELATED ORGANIZATIONS

THREE OF THE FOUNDATION'S DIRECTORS (FITZSIMONS, HILLER, AND SMITH) ARE CURRENT SENIOR EXECUTIVES OF THE TRIBUNE COMPANY, A NONEXEMPT ORGANIZATION.

ADDITIONALLY, THE FOLLOWING OFFICERS AND DIRECTORS OF THE ROBERT R. MCCORMICK TRIBUNE FOUNDATION ALSO SERVE AS OFFICERS AND DIRECTORS OF THE RELATED EXEMPT FOUNDATIONS LISTED BELOW:

NAME	TITLE
CANTIGNY FOUNDATION - 36-3689172	
J. DOWDLE	DIRECTOR
D. FITZSIMONS	DIRECTOR
D. HILLER	DIRECTOR
J. MADIGAN	DIRECTOR
S. SMITH	DIRECTOR
D. COOKE	SECRETARY
V. DINGES	VICE PRESIDENT
D. GRANGE	PRESIDENT
L. MARSICO	VICE PRESIDENT/TREASURER
CANTIGNY FIRST DIVISION FOUNDATION - 36-2379641	
J. DOWDLE	DIRECTOR
D. FITZSIMONS	DIRECTOR
D. HILLER	DIRECTOR
J. MADIGAN	DIRECTOR
S. SMITH	DIRECTOR
D. COOKE	ASSISTANT SECRETARY
D. GRANGE	PRESIDENT
L. MARSICO	VICE PRESIDENT/TREASURER
MCCORMICK TRIBUNE FREEDOM MUSEUM - 20-1255586	
J. DOWDLE	DIRECTOR
D. FITZSIMONS	DIRECTOR
D. HILLER	DIRECTOR
J. MADIGAN	DIRECTOR
S. SMITH	DIRECTOR
V. DINGES	VICE PRESIDENT
D. GRANGE	PRESIDENT
L. MARSICO	VICE PRESIDENT/TREASURER

FORM 990, PART V - A - LINE 75c - COMPENSATION PROVIDED BY RELATED ORGANIZATIONS

THE FOLLOWING OFFICERS AND DIRECTORS OF THE ROBERT R. MCCORMICK TRIBUNE FOUNDATION ALSO SERVE AS OFFICERS AND DIRECTORS OF THE RELATED EXEMPT FOUNDATIONS LISTED BELOW.

NAME	TITLE AND APPROXIMATE TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
CANTIGNY FOUNDATION - 36-3689172				
J. DOWDLE	DIRECTOR 1 HR/WK	11,924	0	0
D. FITZSIMONS	DIRECTOR 1 HR/WK	11,924	0	0
D. HILLER	DIRECTOR 1 HR/WK	11,924	0	0
J. MADIGAN	DIRECTOR 1 HR/WK	11,924	0	0
S. SMITH	DIRECTOR 1 HR/WK	11,924	0	0
D. COOKE	SECRETARY 1 HR/WK	0	0	0
V. DINGES	VICE PRESIDENT 8 HRS/WK	45,373	16,986	671
D. GRANGE	PRESIDENT 8 HRS/WK	71,407	12,336	22,422
L. MARSICO	VICE PRESIDENT/TREASURER 18 HRS/WK	119,036	26,864	634
CANTIGNY FIRST DIVISION FOUNDATION - 36-2379641				
J. DOWDLE	DIRECTOR 1 HR/WK	4,477	0	0
D. FITZSIMONS	DIRECTOR 1 HR/WK	4,477	0	0
D. HILLER	DIRECTOR 1 HR/WK	4,477	0	0
J. MADIGAN	DIRECTOR 1 HR/WK	4,477	0	0
S. SMITH	DIRECTOR 1 HR/WK	4,477	0	0
D. COOKE	ASSISTANT SECRETARY 1 HR/WK	0	0	0
D. GRANGE	PRESIDENT 4 HRS/WK	35,704	6,168	11,210
L. MARSICO	VICE PRESIDENT/TREASURER 8 HRS/WK	52,905	11,939	282

NAME	TITLE AND APPROXIMATE TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
MCCORMICK TRIBUNE FREEDOM MUSEUM - 20-1255586				
J. DOWDLE	DIRECTOR 1 HR/WK	7,739	0	0
D. FITZSIMONS	DIRECTOR 1 HR/WK	7,739	0	0
D. HILLER	DIRECTOR 1 HR/WK	7,739	0	0
J. MADIGAN	DIRECTOR 1 HR/WK	7,739	0	0
S. SMITH	DIRECTOR 1 HR/WK	7,739	0	0
V. DINGES	VICE PRESIDENT 16 HRS/WK	90,745	33,973	1,342
D. GRANGE	PRESIDENT 4 HRS/WK	35,704	6,168	1,739
L. MARSICO	VICE PRESIDENT/TREASURER 4 HR/WK	26,453	5,970	141

Line 90a (990) - States with Which a Copy of this Return is Filed

- Armed Forces the Americas
- Armed Forces Europe
- Alaska
- Alabama
- Armed Forces Pacific
- Arkansas
- American Samoa
- Arizona
- California
- Colorado
- Connecticut
- District of Columbia
- Delaware
- Florida
- Federated States of Micronesia
- Georgia
- Guam
- Hawaii
- Iowa
- Idaho
- Illinois
- Indiana
- Kansas
- Kentucky

- Louisiana
- Massachusetts
- Maryland
- Maine
- Marshall Islands
- Michigan
- Minnesota
- Missouri
- Commonwealth of the Northern Mariana Islands
- Mississippi
- Montana
- North Carolina
- North Dakota
- Nebraska
- New Hampshire
- New Jersey
- New Mexico
- Nevada
- New York
- Ohio
- Oklahoma
- Oregon
- Pennsylvania
- Puerto Rico

- Palau
- Rhode Island
- South Carolina
- South Dakota
- Tennessee
- Texas
- Utah
- Virginia
- U.S. Virgin Islands
- Vermont
- Washington
- Wisconsin
- West Virginia
- Wyoming

Part III, Line 3a (Sch A (990/990-EZ)) - Fellowships, Scholarships, and Student Loans

Do you make grants for scholarships, fellowships, student loans, etc.? Yes No

If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.

McCormick Tribune Foundation makes grants to other non-profit institutions that
use the funds to provide scholarships for young adults. The selection of the
recipients and awarding of the scholarships is done independently of the
McCormick Tribune Foundation.

Part VII, Line 103 (990) - Other Revenue

	Unrelated business income		Excluded by section 512, 513, or 514		
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	(E) Related or exempt function income
a			01	81,550	
b					
c					
d					
e					
f					
g					
h					
i					
j					
k					
l					
m					
n					
o					
p					
q					
r					
s					
t					
u					
v					
w					
x					
y					
z					

Line 22 (Sch A (990/990-EZ)) - Other Income

Description	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
1 Other Income	6,165	17,084	4,183	324	27,756
2					0
3					0
4					0
5					0
6					0
7					0
8					0
9					0
10					0
Total of Other Income	6,165	17,084	4,183	324	27,756

**FORM 990, SCHEDULE A, PART III, LINE 2a - SALE, EXCHANGE, OR LEASING OF PROPERTY and
FORM 990, SCHEDULE A, PART III, LINE 2c - FURNISHING OF GOODS, SERVICES, OR FACILITIES**

Name of organization furnishing goods, services, or facilities:

Tribune Company

Relationship to the Foundation:

Tribune Company is related to the Foundation through the Foundation's Board of Directors. The Foundation's Board is made up of five directors. Three of these directors are current executives of the Tribune Company (FitzSimons, Hiller, and Smith).

Total Dollar Value of Furnished Services and Facilities:

\$342,150 for rental of Foundation's office space and \$153,033 for related building, office, and direct mail services provided by Tribune Company.

Determination of Dollar Value:

Market value - comparable to fees paid by other unrelated Tribune Tower tenants.

Why Furnished Services and Facilities provided by Tribune Company:

Tribune Company is the current owner of Tribune Tower. Tribune Tower was the Foundation founder's long time headquarters for his philanthropic activities prior to his death. Upon his death, and the resulting creation of the Foundation, the headquarters remained in the Tower to facilitate access by its Board members and to honor the legacy of its founder. The foundation believes the rent and service fees it pays to the Tribune Company are reasonable for the office space and services the Foundation receives.

ROBERT R. MCCORMICK TRIBUNE FOUNDATION

EIN 36-3689171

FORM 990, SCHEDULE A, PART III, LINE 2d - PAYMENT OF COMPENSATION

SEE FORM 990, PART V-A, COMPENSATION AND REIMBURSEMENT PAID TO OFFICERS AND DIRECTORS FOR SERVICES RENDERED.





Department of the Treasury
Internal Revenue Service
OGDEN, UT 84201-0074

For assistance, call:
1-877-829-5500

Notice Number: CP211A
Date: September 10, 2007

Taxpayer Identification Number:
36-3689171
Tax Form: 990
Tax Period: December 31, 2006

ROBERT R MCCORMICK TRIBUNE
FOUNDATION
% JOSEPH KIM
435 N MICHIGAN AVE STE 770
CHICAGO IL 60611-4025951

**APPLICATION FOR EXTENSION OF TIME TO FILE AN EXEMPT
ORGANIZATION RETURN - APPROVED**

We have received your Form 8868, Application for Extension of Time to File an Exempt Organization Return, for the return (form) and tax period identified above.

We have approved your request and have extended the due date to file your return to November 15, 2007.

Please attach a copy of this letter to your return when you file it. It is evidence that we granted an extension of time to file your return. A copy is provided for your records.

If you have any questions, please call us at the number shown above, or you may write us at the address shown at the top left of this letter.

For tax forms, instructions and information visit www.irs.gov. (Access to this site will not provide you with your specific taxpayer account information.)



ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Consolidated Financial Statements and Schedules

December 31, 2006 and 2005

(With Independent Auditors' Report Thereon)



KPMG LLP
303 East Wacker Drive
Chicago, IL 60601-5212

Independent Auditors' Report

The Boards of Directors
Robert R. McCormick Tribune Foundation
Cantigny Foundation
Cantigny First Division
McCormick Tribune Freedom Museum:

We have audited the accompanying consolidated statements of financial position of Robert R. McCormick Tribune Foundations: Robert R. McCormick Tribune Foundation, Cantigny Foundation, Cantigny First Division Foundation, and McCormick Tribune Freedom Museum (the Foundations) as of December 31, 2006 and 2005, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundations' management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundations' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Foundations as of December 31, 2006 and 2005, and the consolidated change in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Schedules I – VII for the years ended December 31, 2006 and 2005 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

KPMG LLP

May 15, 2007

ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Consolidated Statements of Financial Position

December 31, 2006 and 2005

Assets	<u>2006</u>	<u>2005</u>
Cash and cash equivalents	\$ 12,573,834	5,622
Investment securities (note 3):		
Tribune Company common stock	962,884,215	1,249,217,165
Corporate medium term notes and U.S. Government agency bonds	262,524,370	22,460,666
Investments in mutual and index funds	<u>58,451,764</u>	<u>2,542,911</u>
Total investment securities	<u>1,283,860,349</u>	<u>1,274,220,742</u>
Proceeds receivable from sale of investment securities	—	30,439,065
Accounts receivable	2,444,340	283,993
Program-related investments, at contract value	538,448	544,471
Other current assets	465,916	365,315
Land, buildings, equipment, and improvements:		
Land	378,744	378,744
Buildings	22,891,343	22,891,343
Machinery and equipment	2,025,938	1,948,659
Furniture and fixtures	6,481,141	1,086,379
Vehicles	938,182	808,709
Museum buildings	3,187,907	3,187,907
Land improvements	11,955,359	11,643,280
Building improvements	6,873,884	6,847,225
Leasehold improvements	7,246,860	—
Other	3,663,565	3,699,356
Construction in process	<u>500,838</u>	<u>6,700,418</u>
	66,143,761	59,192,020
Less accumulated depreciation	<u>(28,630,299)</u>	<u>(24,749,327)</u>
	<u>37,513,462</u>	<u>34,442,693</u>
Total assets	\$ <u><u>1,337,396,349</u></u>	<u><u>1,340,301,901</u></u>
Liabilities and Net Assets		
Liabilities:		
Grants payable (note 4)	\$ 29,767,338	44,896,117
Accounts payable and accrued expenses	<u>3,483,731</u>	<u>6,252,527</u>
Total liabilities	<u>33,251,069</u>	<u>51,148,644</u>
Net assets:		
Unrestricted (note 6)	1,302,141,504	1,289,153,257
Permanently restricted (note 5)	<u>2,003,776</u>	—
Total net assets	<u>1,304,145,280</u>	<u>1,289,153,257</u>
Total liabilities and net assets	\$ <u><u>1,337,396,349</u></u>	<u><u>1,340,301,901</u></u>

See accompanying notes to consolidated financial statements.

ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Consolidated Statements of Activities

Years ended December 31, 2006 and 2005

	2006	2005
Change in unrestricted net assets:		
Revenue:		
Dividends and interest on invested balances:		
Tribune Company dividends	\$ 26,123,785	30,447,327
Other dividends	494,213	53,504
Interest on fixed income securities	7,510,186	752,077
Interest on bank accounts	440,274	116,144
Contributions (note 6)	23,312,133	49,139,397
Net gain on sales of investments	323,077,459	30,329,937
Golf operations	5,084,600	5,360,876
Park operations	463,806	421,018
Other income	264,508	115,815
Total operating revenue	386,770,964	116,736,095
Expenses:		
Employees' salaries and benefits (note 7)	13,755,331	12,735,640
Fund-raising program expenses	1,101,728	1,846,617
McCormick Tribune Conference Series (note 8)	747,537	1,215,932
Food and retail merchandise	957,611	919,411
Supplies	1,233,808	969,690
Maintenance and repairs	613,911	579,739
Real estate taxes and insurance	517,669	507,266
Professional fees	1,135,680	975,104
Rent and utilities	2,499,204	2,459,257
Outside services	1,081,871	1,021,889
Business meetings and travel	833,094	714,825
Depreciation expense	3,898,953	2,113,876
Programs and exhibits	542,590	395,108
Directors' fees	275,000	274,288
Other expenses	694,149	962,421
Total operating expenses	29,888,136	27,691,063
Operating revenue in excess of expenses	356,882,828	89,045,032
Grants approved	(62,518,862)	(80,919,835)
Excess of revenue over expenses before change in unrealized net loss on investments	294,363,966	8,125,197
Change in unrealized net loss on investments	(281,375,719)	(532,412,302)
Increase (decrease) in unrestricted net assets	12,988,247	(524,287,105)
Permanently restricted contribution (note 5)	2,003,776	—
Change in net assets	14,992,023	(524,287,105)
Net assets, beginning of year	1,289,153,257	1,813,440,362
Net assets, end of year	\$ 1,304,145,280	1,289,153,257

See accompanying notes to consolidated financial statements.

ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Consolidated Statements of Cash Flows

Years ended December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 14,992,023	(524,287,105)
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Net gain on sales of investments	(323,077,459)	(30,329,937)
Change in unrealized net loss on investments	281,375,719	532,412,302
Depreciation	3,898,953	2,113,876
Permanently restricted contribution	(2,003,776)	—
Net amortization of bond discount	1,851,462	(26,182)
Program-related investment converted to grant	—	100,000
Changes in assets and liabilities:		
Decrease (increase) in investment securities sale proceeds receivable	30,439,065	(30,439,065)
Increase in accounts receivable and other current assets	(2,260,948)	(5,594)
Decrease in grants payable	(15,128,779)	(9,001,618)
Increase (decrease) in accounts payable and accrued expenses	(2,768,796)	3,498,014
Net cash used in operating activities	<u>(12,682,536)</u>	<u>(55,965,309)</u>
Cash flows from investing activities:		
Proceeds from disposition of investment securities:		
Fixed income securities	744,946,643	66,121,926
Common stock	327,666,063	30,439,065
Purchases of investment securities:		
Fixed income securities	(988,694,000)	(32,178,268)
Mutual and index funds	(53,708,035)	(87,030)
Repayment of program-related investments	6,023	11,780
Purchases of equipment and improvements	(6,969,722)	(8,348,776)
Net cash provided by investing activities	<u>23,246,972</u>	<u>55,958,697</u>
Cash flows from financing activities:		
Permanently restricted contribution	2,003,776	—
Net increase (decrease) in cash and cash equivalents	12,568,212	(6,612)
Cash and cash equivalents, beginning of year	5,622	12,234
Cash and cash equivalents, end of year	\$ <u>12,573,834</u>	<u>5,622</u>

See accompanying notes to consolidated financial statements.

ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Notes to Consolidated Financial Statements

December 31, 2006 and 2005

(1) Organization

The Robert R. McCormick Tribune Foundations (the Foundations) include the following four foundations:

Robert R. McCormick Tribune Foundation (McCormick Tribune) was established under provisions in the last will and testament of Colonel Robert R. McCormick and is organized under the General Not-for-Profit Corporation Act of Illinois. McCormick Tribune's primary mission is to advance the ideals of a free democratic society by investing in our children, communities, and country. McCormick Tribune's operations are supported primarily by investment income and contributions from the general public in support of its communities programs (see note 6). Grants made by McCormick Tribune to further its stated mission have been, to date, limited to organizations operating within the Western Hemisphere.

Cantigny Foundation (Cantigny) was established by Article Eight of the last will and testament of Colonel Robert R. McCormick and is organized under the General Not-For-Profit Corporation Act of Illinois. The last will and testament provided that Colonel McCormick's former residence and 500 acres of land near Wheaton, Illinois be held in trust in perpetuity as a museum and public park. Cantigny's operations are supported primarily by fees from the general public for use of its facilities, investment income, and grants from McCormick Tribune.

Cantigny First Division Foundation (First Division) is an Illinois corporation organized under the General Not-for-Profit Corporation Act of Illinois. First Division has operational responsibility for the First Division Museum at Cantigny, located on the estate of the late Colonel Robert R. McCormick. The museum facilities are owned by Cantigny and are used primarily for the exhibition of memorabilia of the First Infantry Division of the United States Army. In addition, First Division maintains affiliations with the Society of the First Division and the United States Army for the mutual benefit of all three organizations. First Division's operations are supported primarily by grants from McCormick Tribune.

McCormick Tribune Freedom Museum (Freedom Museum) is an Illinois corporation organized under the General Not-for-Profit Corporation Act of Illinois. Freedom Museum commenced operations in 2006 of a museum at the base of the Tribune Tower on Michigan Avenue in Chicago, Illinois. The Museum honors American Freedoms. In 2006, the Freedom Museum's operations were supported by fees from the general public for admissions and use of its facilities and grants from McCormick Tribune.

Five members of the Board of Directors serve on the Boards of each of the four Foundations. These five members are active or former senior executives of the Tribune Company.

(2) Summary of Significant Accounting Policies

The financial statements of the Foundations have been prepared on the accrual basis of accounting. The more significant accounting policies used by the Foundations are as follows:

(a) *Basis of Presentation*

The Foundations' financial statements have been prepared to focus on the organization as a whole and to present balances and transactions in accordance with the existence or absence of donor-imposed restrictions. The net assets and related activity of the Foundations are classified as unrestricted if they are not subject to donor-imposed restrictions. Net assets and related activity subject to donor-imposed restrictions are classified as either permanently or temporarily restricted,

ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Notes to Consolidated Financial Statements

December 31, 2006 and 2005

based on the donors' stipulations. The Foundations have no temporarily restricted net assets at December 31, 2006 and 2005.

(b) *Investment Securities*

Investment securities are presented in the financial statements at fair value. Fair value of investments is determined based on quoted market prices. Gains or losses on security transactions are accounted for using the first-in, first-out method. Gains or losses on mutual fund transactions are accounted for using the average cost method.

(c) *Revenue*

Revenue is reported as an increase in unrestricted net assets. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets.

Private gifts are recognized in the period received.

Revenue from golf and park operations is recognized as earned when the goods and services are provided to customers.

(d) *Land, Buildings, Equipment, and Improvements*

Significant additions to land, buildings, equipment, and improvements are capitalized and depreciated using the straight-line method over estimated useful lives, which range from three to forty years.

(e) *Grants*

Unconditional grants are expensed when approved by the Board of Directors and designated for specific grantees.

(f) *Use of Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(g) *Publicly Supported Charity Status*

The Internal Revenue Service (IRS) has determined that the Foundations have all met the conditions described in Section 509(a)(1) or 509(a)(2) (publicly supported charity) of the Internal Revenue Code (the Code). The Foundations are deemed tax-exempt charities under Section 501(c)(3) of the Code, and, except for unrelated business income, are not subject to federal excise taxes or minimum distribution requirements. No provision has been made for income taxes in the accompanying financial statements as the Foundations had no significant unrelated business income.

ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Notes to Consolidated Financial Statements

December 31, 2006 and 2005

(h) Cash and Cash Equivalents

The Foundations consider all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

(i) Program-Related Investments

McCormick Tribune makes investments that are related to its philanthropic programs. These investments are anticipated to have a less than fair market value return and are recorded net of appropriate reserves for collectibility.

(j) Collections

The Foundations' permanent collections, which were acquired through purchases and contributions from benefactors since the Foundations' inception, are not recognized as assets on the statement of financial position. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in net assets.

The Foundations' collections are made up of artifacts of historical significance and art objects that are held for educational, research, and curatorial purposes. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their conditions are performed continuously. The collections are subject to the Foundations' policy that allows proceeds from their sales to be used to acquire other items for collections or to be recorded as increases in net assets.

(k) Reclassifications

Certain 2005 amounts have been reclassified in order to provide the financial information on a basis consistent with 2006 presentation.

(3) Investment Securities

The Boards of Directors have approved the investments of the Foundations based upon advice provided by independent investment counselors. The following is a summary of cost and approximate fair values of the investment securities as of December 31, 2006 and 2005:

	2006		2005	
	Fair value	Cost	Fair value	Cost
Tribune Company common stock	\$ 962,884,215	7,182,983	1,249,217,165	9,408,195
Corporate medium term notes and U.S. government agency bonds	262,524,370	262,396,836	22,460,666	22,498,859
Investments in mutual and index funds	58,451,764	55,835,373	2,542,911	2,492,811
	<u>\$ 1,283,860,349</u>	<u>325,415,192</u>	<u>1,274,220,742</u>	<u>34,399,865</u>

ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Notes to Consolidated Financial Statements

December 31, 2006 and 2005

Investments in mutual funds include permanently restricted assets of \$2,003,776 as of December 31, 2006. See note 5 for further explanation.

(4) Commitments

(a) Grant Commitments

The Board of Directors of McCormick Tribune has approved various unconditional grants, which are payable in annual installments. The commitments outstanding at December 31, 2006 are scheduled for payment as follows:

	<u>Amount</u>
Period ending December 31:	
2007	\$ 18,032,338
2008	6,552,000
2009	1,817,000
2010	610,000
2011	521,000
2012	677,000
2013	581,000
2014	751,000
2015	226,000
	<u>\$ 29,767,338</u>

(b) Lease Commitments

Freedom Museum has signed a ten-year operating lease with the Tribune Company for space in the Tribune Tower. The lease includes termination options on February 28, 2009 and February 28, 2012. Annual lease commitments are as follows:

	<u>Amount</u>
Period ending December 31:	
2007	\$ 1,669,579
2008	1,702,971
2009	1,737,030
2010	1,771,770
2011	1,807,206
Thereafter	5,962,074
	<u>\$ 14,650,630</u>

ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Notes to Consolidated Financial Statements

December 31, 2006 and 2005

(5) Permanently Restricted Assets

The last will and testament of Colonel Robert R. McCormick provided that Colonel McCormick's former residence and 500 acres of land near Wheaton, Illinois be held in trust in perpetuity as a museum and public park, thus establishing Cantigny Foundation. The original cost basis of the residence and 500 acres were not recorded when received in 1955 and are not reflected in the financial statements.

In 2006, McCormick Tribune received a permanently restricted endowment from the Frances Bioff Trust in the amount of \$2,003,776. Income from the endowment is to be used for the sole benefit of abandoned and impoverished children.

(6) Communities Programs

During 2006 and 2005, various fund-raising programs were conducted by McCormick Tribune. Current programs are designed to combine the charitable efforts of McCormick Tribune and various corporate entities primarily owned by the Tribune Company. The purpose of each program is to increase local philanthropy in the communities in which these corporate entities operate and, as such, each program is designed to attract contributions from the local general public. The communities programs consisted of 34 active funds (47 in 2005) operating in 23 (32 in 2005) different metropolitan areas throughout the United States as of December 31, 2006. As an incentive to maximize contributions to the programs, challenges are issued by McCormick Tribune to the general public. Matching amounts are transferred to the communities programs from McCormick Tribune based upon the attainment of predetermined goals within a specified period of time.

McCormick Tribune manages the accumulation and investment of outside and communities program contributions. Although there are general purpose limitations on the disposition of contributions received, McCormick Tribune retains complete discretion in determining specific third-party beneficiaries. Undistributed contributions received, including matching amounts transferred to the communities programs, totaling approximately \$23,384,000 and \$35,912,000 are included as a component of unrestricted net assets in the consolidated statements of financial position at December 31, 2006 and 2005, respectively.

(7) Employee Benefits

All eligible employees and their dependents, as defined, of the Foundations are provided medical benefits under one plan. The plan is partially self-funded and the administration is provided through a third-party claims administrator. Claims expenses for the Foundations' employees totaled approximately \$179,000 and \$180,000 for 2006 and 2005, respectively.

The Foundations have established a defined contribution pension plan. Employer contributions calculated and funded quarterly are equal to 8% of each participant's quarterly compensation plus an additional 4% of such compensation in excess of \$16,500 and \$15,800 for 2006 and 2005, respectively. All eligible employees at the date of plan inception became 100% vested. All future participants become vested in equal percentages over a three-year period. Permanent forfeitures, as defined, are used to reduce future employer contributions.

ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Notes to Consolidated Financial Statements

December 31, 2006 and 2005

All eligible employees are also offered retirement benefits under a 403(b)(7) matching plan. Employer contributions calculated and funded quarterly are based on a specified percentage of amounts invested by employees. Employer contributions under the matching plan will not exceed 6% of any employee's annual salary in any plan year. All participants become vested in equal percentages over a three-year period.

Beginning in 2003, eligible highly compensated employees were offered quarterly retirement benefits under a 457(b) deferred compensation plan. Quarterly employer contributions to the plan match on a dollar-for-dollar basis employee investments up to 35% of the applicable 403(b) limit (\$5,250 in 2006). Participants are fully vested in employer contributions that have been paid.

Employer contributions for employees of the Foundations under the defined contribution plan, the 403(b)(7) matching plan, and the 457(b) deferred compensation plan totaled \$1,294,659 and \$982,963 in 2006 and 2005, respectively.

In 2000, Cantigny established an Executive Mutual Fund Option Plan (Option Plan) for certain employees of the Foundations. Under the terms of the Option Plan, the employees forgo salary in return for options on various third-party mutual funds. Cantigny is the writer of these options, which are exercisable at any time between January 1, 2001 and January 9, 2012. Cantigny has completely hedged the economic risk associated with the written options by purchasing shares of the various mutual funds underlying the outstanding options. As of December 31, 2006 and 2005, the fair value of the option liability was approximately \$204,900 and \$299,400, respectively, and is included in accounts payable and accrued expenses in the consolidated statements of financial position.

In 2005, Cantigny entered into deferred compensation agreements with one of its senior executives. Under these agreements, the executive elected to defer approved salary payments secured by his continued employment through January 2, 2006. Net compensation expense associated with the deferred compensation agreements was \$100,000 in 2005 and is included in employees' salaries and benefits in the consolidated statements of activities.

(8) McCormick Tribune Conference Series

The McCormick Tribune Conference Series (Series) provides a forum for the meaningful exchange of ideas to further the charitable purposes of the four Foundations. Series expenses include, but are not limited to, certain outside services and reimbursement to participants for travel, lodging and meals. Prior to 2006, the Series was known as the Cantigny Conference Series.

ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Notes to Consolidated Financial Statements

December 31, 2006 and 2005

(9) Subsequent Event

On April 1, 2007 the Tribune Company ("the Company") entered into an Agreement and Plan of Merger ("the Merger Agreement") with the Tribune Employee Stock Ownership Trust ("the ESOP"), and EGI-TRB, L.L.C., a limited liability company wholly owned by a trust established for the benefit of Samuel Zell and his family ("the Zell entity"), and Samuel Zell. The Merger Agreement, if completed, would result in the Company going private and Tribune shareholders, including the Foundations, receiving \$34 per share. The transaction calls for shareholders to receive their consideration over a two-stage process. The first stage consists of a cash tender offer by the Company for approximately 52% of the outstanding shares of the Company at \$34 per share and would be completed in the second quarter of 2007. As part of the second stage which is scheduled to be completed in the fourth quarter of 2007, the Company as a result of the merger, would acquire the remaining outstanding publicly-held shares at \$34 per share. The Merger Agreement is subject to approvals by shareholders, the SEC, Major League Baseball, and the FCC. The Foundations have created an Advisory Committee made up of its two independent directors to evaluate participation in the Merger Agreement by the McCormick Tribune Foundation and the Cantigny Foundation.

The McCormick Tribune Foundation and the Cantigny Foundation hold 28,023,788 and 3,259,000 shares, respectively, of Tribune stock at December 31, 2006. Full participation by the Foundations in the Merger Agreement would result in a gain of approximately \$100 million.

ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Schedule of Grant Approvals

Year ended December 31, 2006

Program	Number of grants	Total amount of grants approved
Communities programs:		
Advocate/Greenwich Times	7	\$ 40,000
Baltimore Sun Charities	10	75,000
Chicago Tribune Charities	11	1,450,000
Chicago Tribune Holiday Campaign	146	4,362,000
Courant Community Fund	1	30,000
Courant/Fox 61 Children's Holiday	14	62,000
Daily Press Holiday Fund	15	229,000
LA Times Family Fund	124	3,578,707
Lowell Sun Charities	17	201,745
Manhattan Fund	11	253,788
Morning Call	17	169,500
Newsday Charities	29	731,000
North County Times Charities Fund	50	638,700
Orlando Sentinel Family Fund	30	943,000
Orlando Sentinel Holiday	29	1,030,212
Post/News Charities	26	651,000
Post/News Season to Share	56	1,737,000
Sun Sentinel Children's Fund	102	2,608,214
ABC 26/CW 38 Children First	3	350,000
CLTV Kids Charities	2	193,000
CW Cares for Kids	30	1,498,000
CW2 Gives Fund	33	1,793,000
CW33 Kids D & A Fund	24	1,159,700
Fox 17 Charities	5	127,094
Fox 40 Helping Hands Fund	8	357,700
Fox 43 Charities	6	192,300
Fox 59/WB4 Community Fund	9	199,500
Fox 61 Family Fund	11	555,800
KTLA Charities	40	895,000
MYPHL17 Cares	8	285,500
Q-13/CW22 Cares Fund	8	359,000
The Border Fund	4	156,208
Tribune Entertainment	1	3,500
WATL Charities	3	10,128
WB11 Cares for Kids Fund	22	431,000
WB11 Gateway Charities	4	92,712
WB39 Cares for Kids Fund	12	824,800
WB50 Family Fund	5	124,491
WB56 Family First Fund	17	517,181
WGN Radio 720 Neediest Kids Fund	53	1,080,000
WGN-TV Children's Charities	20	1,120,400
Angels Care	6	272,109
Bears Care	27	548,305
Blackhawk Charities	21	1,506,461
Cavaliers Charities	7	1,069,000
Colorado Avalanche Community Fund	52	1,527,852
Colorado Rockies Charity Fund	28	1,039,000
Cubs Care	47	1,199,500
Denver Broncos Charities	13	447,748
Denver Nuggets Community Fund	30	810,123
Mighty Ducks Care	25	422,000
Orlando Magic Youth Foundation	27	454,500
Hurricane Katrina Relief	48	6,540,125
Sun Sentinel Hurricane Wilma	15	299,000
General Fund	135	15,266,259
Total	<u>1,504</u>	<u>\$ 62,518,862</u>

See accompanying independent auditors' report

ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Consolidating Statement of Financial Position - Information

December 31, 2005

Assets	Robert R. McCormick Tribune Foundation	Cantigny Foundation	Cantigny First Division Foundation	McCormick Tribune Freedom Museum	Eliminations	Consolidated Total
Cash and cash equivalents	\$ —	5,622	—	—	—	5,622
Investment securities:						
Tribune Company common stock	1,119,074,957	130,142,208	—	—	—	1,249,217,165
Corporate medium term notes and U.S. government agency bonds	22,460,666	—	—	—	—	22,460,666
Investments in mutual and index funds	—	719,868	1,823,043	—	—	2,542,911
Total investment securities	1,141,535,623	130,862,076	1,823,043	—	—	1,274,220,742
Proceeds receivable from sale of investment securities	30,439,065	—	—	—	—	30,439,065
Accounts receivable	171,680	102,823	9,490	—	—	283,993
Program-related investments, at contract value	544,471	—	—	—	—	544,471
Other current assets	—	341,052	24,263	—	—	365,315
Land, buildings, equipment, and improvements:						
Land	—	378,744	—	—	—	378,744
Buildings	—	22,891,343	—	—	—	22,891,343
Machinery and equipment	6,330	1,942,329	—	—	—	1,948,659
Furniture and fixtures	133,265	915,860	—	37,254	—	1,086,379
Vehicles	—	808,709	—	—	—	808,709
Museum buildings	—	3,187,907	—	—	—	3,187,907
Land improvements	—	11,643,280	—	—	—	11,643,280
Building improvements	1,772,499	5,033,015	41,711	—	—	6,847,225
Other	35,791	3,651,882	11,683	—	—	3,699,356
Construction in process	—	240,297	—	6,460,121	—	6,700,418
Less accumulated depreciation	1,947,885	50,693,366	53,394	6,497,375	—	59,192,020
	(1,032,594)	(23,657,878)	(48,211)	(10,644)	—	(24,749,327)
Due from affiliated organizations	915,291	27,035,488	5,183	6,486,731	—	34,442,693
Total assets	\$ 1,173,606,130	161,916,457	1,861,979	6,486,731	(3,569,396)	1,340,301,901
Liabilities and Net Assets						
Liabilities:						
Grants payable	\$ 44,896,117	—	—	—	—	44,896,117
Accounts payable and accrued expenses	1,750,280	2,426,156	241,951	1,834,140	—	6,252,527
Due to affiliated organizations	2,482,719	—	309,055	777,622	(3,569,396)	—
Total liabilities	49,129,116	2,426,156	551,006	2,611,762	(3,569,396)	51,148,644
Net assets unrestricted	1,124,477,014	159,490,301	1,310,973	3,874,969	—	1,289,153,257
Total liabilities and net assets	\$ 1,173,606,130	161,916,457	1,861,979	6,486,731	(3,569,396)	1,340,301,901

See accompanying independent auditors' report

ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Consolidating Statement of Activities - Information

Year ended December 31, 2006

Robert R.

	McCormick Tribune Foundation	Cantigny Foundation	Cantigny First Division Foundation	McCormick Tribune Freedom Museum	Eliminations	Consolidated Total
Change in unrestricted net assets:						
Revenue:						
Dividends and interest on invested balances:						
Tribune Company dividends	\$ 23,402,257	2,721,528	—	—	—	26,123,785
Other dividends	428,536	40,893	24,784	—	—	494,213
Interest on fixed income securities	6,540,840	969,346	—	—	—	7,510,186
Interest on bank accounts	417,497	22,777	—	—	—	440,274
Contributions	23,312,133	—	—	—	—	23,312,133
Net gain on sales of investments	289,449,125	33,628,334	—	—	—	323,077,459
Golf operations	—	5,084,600	—	—	—	5,084,600
Museum and park operations	—	343,480	37,269	83,057	—	463,806
Other income	81,550	85,585	18,282	79,091	—	264,508
Total operating revenue	343,631,938	42,896,543	80,335	162,148	—	386,770,964
Expenses:						
Employees' salaries and benefits	4,271,055	6,724,641	1,385,558	1,374,077	—	13,755,331
Fund-raising program expenses	1,101,728	—	—	—	—	1,101,728
McCormick Tribune Conference Series	—	747,537	—	—	—	747,537
Food and retail merchandise	—	949,897	7,622	92	—	957,611
Supplies	205,290	875,484	74,132	78,902	—	1,233,808
Maintenance and repairs	102,970	401,817	81,496	27,628	—	613,911
Real estate taxes and insurance	50,924	444,248	10,145	12,352	—	517,669
Professional fees	803,873	144,392	42,521	144,894	—	1,135,680
Rent and utilities	371,677	328,155	68,028	1,731,344	—	2,499,204
Outside services	58,780	334,551	103,112	585,428	—	1,081,871
Business meetings and travel	341,719	87,218	85,164	318,993	—	833,094
Depreciation expense	121,217	1,976,206	2,086	1,799,444	—	3,898,953
Programs and exhibits	—	95,720	188,653	258,217	—	542,590
Directors' fees	154,303	59,620	22,385	38,692	—	275,000
Other expenses	16,660	122,441	5,717	549,331	—	694,149
Total operating expenses	7,600,196	13,291,927	2,076,619	6,919,394	—	29,888,136
Operating revenue in excess (deficiency) of expenses	336,031,742	29,604,616	(1,996,284)	(6,757,246)	—	356,882,828
Grants approved	(81,328,066)	—	—	—	18,809,204	(62,518,862)
Contributions from the Robert R. McCormick Tribune Foundation	—	3,907,762	2,030,683	12,870,759	(18,809,204)	—
Excess of revenue over expenses before change in unrealized net (loss) gain on investments	254,703,676	33,512,378	34,399	6,113,513	—	294,363,966
Change in unrealized net (loss) gain on investments	(252,314,595)	(29,311,686)	250,562	—	—	(281,375,719)
Change in unrestricted net assets	2,389,081	4,200,692	284,961	6,113,513	—	12,988,247
Increase in unrestricted net assets	2,003,776	—	—	—	—	2,003,776
Permanently restricted contribution	4,392,857	4,200,692	284,961	6,113,513	—	14,992,023
Change in net assets	1,124,477,014	159,490,301	1,310,973	3,874,969	—	1,289,153,257
Net assets, beginning of year	1,128,869,871	163,690,993	1,595,934	9,988,482	—	1,304,145,280
Net assets, end of year	\$ 1,128,869,871	\$ 163,690,993	\$ 1,595,934	\$ 9,988,482	\$ —	\$ 1,304,145,280

See accompanying independent auditors' report

ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Consolidating Statement of Activities - Information

Year ended December 31, 2005

	Robert R. McCormick Tribune Foundation	Cantigny Foundation	Cantigny First Division Foundation	McCormick Tribune Freedom Museum	Eliminations	Consolidated Total
Change in unrestricted net assets:						
Revenue:						
Dividends and interest on invested balances:						
Tribune Company dividends	\$ 27,350,751	3,096,576	—	—	—	30,447,327
Other dividends	—	23,094	30,410	—	—	53,504
Interest on fixed income securities	752,077	—	—	—	—	752,077
Interest on bank accounts	116,144	—	—	—	—	116,144
Contributions	49,139,397	—	—	—	—	49,139,397
Net gain (loss) on sales of investments	30,333,522	(3,585)	—	—	—	30,329,937
Golf operations	—	5,360,876	—	—	—	5,360,876
Museum and park operations	—	367,091	53,927	—	—	421,018
Other income	21,697	90,597	3,521	—	—	115,815
Total operating revenue	107,713,588	8,934,649	87,858	—	—	116,736,095
Expenses:						
Employees' salaries and benefits	4,066,328	6,393,523	1,248,161	1,027,628	—	12,735,640
Fund-raising program expenses	1,846,617	—	—	—	—	1,846,617
McCormick Tribune Conference Series	—	1,215,932	—	—	—	1,215,932
Food and retail merchandise	—	908,640	10,771	—	—	919,411
Supplies	86,125	812,502	56,923	14,140	—	969,690
Maintenance and repairs	100,629	392,000	54,513	32,597	—	579,739
Real estate taxes and insurance	53,764	428,448	8,744	16,310	—	507,266
Professional fees	632,892	38,050	18,769	285,393	—	975,104
Rent and utilities	358,567	421,414	70,646	1,608,630	—	2,459,257
Outside services	125,636	311,764	64,948	519,541	—	1,021,889
Business meetings and travel	409,619	97,133	95,775	112,298	—	714,825
Depreciation expense	131,331	1,975,141	2,082	5,322	—	2,113,876
Programs and exhibits	—	66,251	205,388	123,469	—	395,108
Directors' fees	161,215	41,116	19,332	52,425	—	274,288
Other expenses	387,446	140,744	7,364	426,867	—	962,421
Total operating expenses	8,360,169	13,242,658	1,863,616	4,224,620	—	27,691,063
Operating revenue in excess (deficiency) of expenses	99,353,419	(4,308,009)	(1,775,758)	(4,224,620)	—	89,045,032
Grants approved	(95,644,623)	—	—	—	14,724,788	(80,919,835)
Contributions from the Robert R. McCormick Tribune Foundation	—	4,637,433	1,805,749	8,281,606	(14,724,788)	—
Excess of revenue over expenses before change in unrealized net (loss) gain on investments	3,708,796	329,424	29,991	4,056,986	—	8,125,197
Change in unrealized net (loss) gain on investments	(481,392,383)	(51,069,577)	49,658	—	—	(532,412,302)
Change in net assets	(477,683,587)	(50,740,153)	79,649	4,056,986	—	(524,287,105)
Net assets, beginning of year	1,602,160,601	210,230,454	1,231,324	(182,017)	—	1,813,440,362
Net assets, end of year	\$ 1,124,477,014	\$ 159,490,301	\$ 1,310,973	\$ 3,874,969	\$ —	\$ 1,289,153,257

See accompanying independent auditors' report

ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Consolidating Statement of Cash Flows - Information

Year ended December 31, 2006

	Robert R. McCormick Tribune Foundation	Cantigny Foundation	Cantigny First Division Foundation	Tribune Freedom Museum	Eliminations	Consolidated Total
Cash flows from operating activities:						
Increase in net assets	\$ 4,392,857	4,200,692	284,961	6,113,513	—	14,992,023
Adjustments to reconcile increase in net assets to net cash used in operating activities:						
Net gain on sales of investments	(289,449,125)	(33,628,334)	—	—	—	(323,077,459)
Change in unrealized net loss (gain) on investments	252,314,595	29,311,686	(250,562)	—	—	281,375,719
Depreciation	121,217	1,976,206	2,086	1,799,444	—	3,898,953
Permanently restricted contribution	(2,003,776)	—	—	—	—	(2,003,776)
Net amortization of bond discount	1,646,868	204,594	—	—	—	1,851,462
Changes in assets and liabilities:						
Decrease in investment securities sale proceeds receivable	30,439,065	—	—	—	—	30,439,065
Decrease (increase) in accounts receivable and other current assets	(1,887,845)	(309,922)	19,946	(83,127)	—	(2,260,948)
Decrease in grants payable	(15,128,779)	—	—	—	—	(15,128,779)
Increase (decrease) in due from affiliated organizations	—	(130,452)	—	—	130,452	—
Increase (decrease) in due to affiliated organizations	185,086	—	80,599	(135,233)	(130,452)	—
Decrease in accounts payable and accrued expenses	(949,850)	(165,635)	(102,876)	(1,550,435)	—	(2,768,796)
Net cash provided by (used in) operating activities	(20,319,687)	1,458,835	34,154	6,144,162	—	(12,682,536)
Cash flows from investing activities:						
Proceeds from disposition of investment securities:						
Fixed income securities	673,247,063	71,699,580	—	—	—	744,946,643
Common stock	293,439,030	34,227,033	—	—	—	327,666,063
Purchases of investment securities:						
Fixed income securities	(888,769,000)	(99,925,000)	—	—	—	(988,694,000)
Mutual and index funds	(48,207,462)	(5,466,419)	(34,154)	—	—	(53,708,035)
Repayment of program-related investments	6,023	—	—	—	—	6,023
Purchases of equipment and improvements	(3,094)	(823,466)	—	(6,143,162)	—	(6,969,722)
Net cash provided by (used in) investing activities	29,712,560	(288,272)	(34,154)	(6,143,162)	—	23,246,972
Cash flows from financing activities:						
Permanently restricted contribution	2,003,776	—	—	—	—	2,003,776
Net increase in cash and cash equivalents	11,396,649	1,170,563	—	1,000	—	12,568,212
Cash and cash equivalents, beginning of year	—	5,622	—	—	—	5,622
Cash and cash equivalents, end of year	\$ 11,396,649	1,176,185	—	1,000	—	12,573,834

See accompanying independent auditors' report

ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Consolidating Statement of Cash Flows - Information

Year ended December 31, 2005

	Robert R. McCormick Tribune Foundation	Cantigny Foundation	Cantigny First Division Foundation	McCormick Tribune Freedom Museum	Eliminations	Consolidated Total
Cash flows from operating activities:						
(Decrease) increase in net assets	\$ (477,683,587)	(50,740,153)	79,649	4,056,986	—	(524,287,105)
Adjustments to reconcile (decrease) increase in net assets to net cash used in operating activities:						
Net (gain) loss on sales of investments	(30,333,522)	3,585	—	—	—	(30,329,937)
Change in unrealized net loss (gain) on investments	481,392,383	51,069,577	(49,658)	—	—	532,412,302
Depreciation	131,331	1,975,141	2,082	5,322	—	2,113,876
Net amortization of bond discount	(26,182)	—	—	—	—	(26,182)
Program-related investment converted to grant	100,000	—	—	—	—	100,000
Changes in assets and liabilities:						
Increase in investment securities sale proceeds receivable	(30,439,065)	—	—	—	—	(30,439,065)
Decrease (increase) in accounts receivable and other current assets	67,518	(129,183)	56,071	—	—	(5,594)
Decrease in grants payable	(9,001,618)	—	—	—	—	(9,001,618)
Increase (decrease) in due from affiliated organizations	—	(1,223,843)	—	—	1,223,843	—
Increase (decrease) in due to affiliated organizations	647,069	—	40,829	535,945	(1,223,843)	—
Increase (decrease) in accounts payable and accrued expenses	834,612	981,739	(41,943)	1,723,606	—	3,498,014
Net cash provided by (used in) operating activities	(64,311,061)	1,936,863	87,030	6,321,859	—	(55,965,309)
Cash flows from investing activities:						
Proceeds from disposition of investment securities:						
Fixed income securities	66,023,926	98,000	—	—	—	66,121,926
Common stock	30,439,065	—	—	—	—	30,439,065
Purchases of investment securities:						
Fixed income securities	(32,050,000)	(128,268)	—	—	—	(32,178,268)
Mutual and index funds	—	—	(87,030)	—	—	(87,030)
Repayment of program-related investments	11,780	—	—	—	—	11,780
Purchases of equipment and improvements	(113,710)	(1,913,207)	—	(6,321,859)	—	(8,348,776)
Net cash provided by (used in) investing activities	64,311,061	(1,943,475)	(87,030)	(6,321,859)	—	55,958,697
Net decrease in cash and cash equivalents	—	(6,612)	—	—	—	(6,612)
Cash and cash equivalents, beginning of year	—	12,234	—	—	—	12,234
Cash and cash equivalents, end of year	—	5,622	—	—	—	5,622

See accompanying independent auditors' report