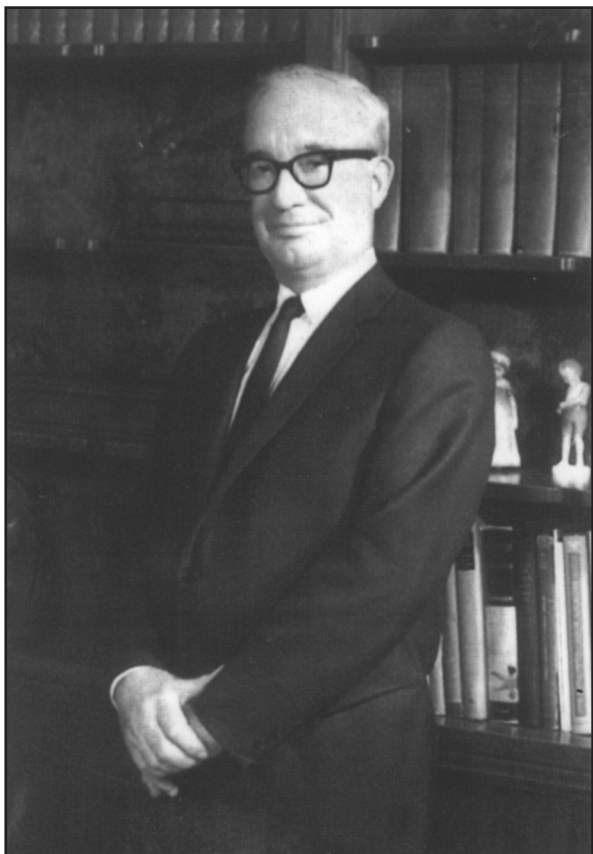


THE ALLEN FOUNDATION INC.



2008 ANNUAL REPORT

www.allenfoundation.org

LETTER FROM THE CHAIR

During 2008, which witnessed the rise of economic challenges worldwide, the Allen Foundation trustees remained grateful for William Allen's legacy that allows continued support of outstanding nutrition projects having the potential to improve the quality of life in many communities. In furthering this goal, the foundation made grants to the University of Tennessee at Knoxville for a program to determine role of vitamin A metabolism in obesity development, Washington University in St. Louis for the development of specialized therapeutic soy foods for treatment of malnutrition, and St. Johns Research Institute in Bangalore for epidemiologic evaluations of anemia amongst tribal women and children.

The foundation funded six grants in the field of nutrition education which is a key to improved nutrition in family diets. A project that provides fresh fruits and vegetables to families in need remains a long-standing grant recipient of Allen Foundation funding. Support for Michigan State University's "Project Fresh" in Bay and Arenac Counties will improve nutrition in significant ways to these areas.

Charles B. Kendall joined the Allen Foundation board of trustees this year. His expertise in the areas of corporate finance and community relations makes him a valuable addition to the board. Heather Kelto joined Anthony Bouwman as a junior apprentice to the board of trustees. The foundation has made a commitment to mentoring qualified young individuals in charitable giving and operations.

It is my privilege and pleasure to serve on the Allen Foundation with such a stellar group of trustees. Deep appreciation is due each one of them for their generous donation of time and talents.



Gail E. Lanphear, Chair

STATEMENT OF FINANCIAL POSITION

Financial Report as of December 31, 2008

Assets

Cash.....	\$ 1,521,366.15
Securities at Market Value.....	7,064,478.98
Total Assets.....	<u>\$8,585,845.13</u>

Revenues

Dividends and Interest.....	\$ 366,708.61
Net Realized Gains (Losses) on Investments.....	(161,920.01)
Net Unrealized Gains (Losses) on Investments.....	(3,496,736.55)
Miscellaneous Revenue.....	110.80

Expenses

Grants.....	\$602,293.00
Less: Unused Portion of Grant returned.....	(253.27) 602,039.73
Professional Fees.....	28,560.80
Administrative Costs.....	25,260.13
Taxes.....	11,558.24

Total Expenses other than Grants.....\$ 65,379.17

Total Grants and Expenses.....\$ 667,418.90

Increase in Unrestricted Assets.....\$(3,959,256.05)

GRANTS MADE BY THE FOUNDATION

ORGANIZATION	TOTAL	2008
American Friends Service Committee	\$ 15,700	
Baptist Child & Family Services	4,475	4,475
Boy Scouts of America - Lake Huron #265	7,000	
Cedar Crest College	2,525,180	50,000
Center for Science in the Public Interest	50,000	
Central Michigan University	259,996	43,530
Children's Hospital of Boston	166,986	
Children's Hospital, Los Angeles	76,304	76,304
Children's Hospital of Michigan	43,720	
Community Partnership - Manistique	3,600	
Delta College	11,267	
Detroit City Rescue Mission	1,000	
Doernbecher Children's Hospital Foundation	80,000	40,000
Eagle Boys Village, Inc.	28,937	
East Dallas Co-op Parish	8,665	
Family Planning Center Inc.	10,000	
Farm Share, Inc.	12,150	
Fast Ice, Inc.	41,860	
Feed the Dream	20,000	10,000
Florence Crittenton Home and Services	28,105	28,105
Food Bank of Eastern Michigan	75,000	
4-H of Houghton and Keweenaw Counties	2,000	2,000
FSP/Vanuatu Country	15,000	
Geisinger Health System	75,000	
Girls Incorporated - St. Louis	5,000	
Gleaners Community Food Bank - Detroit	5,000	
Grace United Methodist Church - Dallas	5,000	
Holy Rosary School	4,090	
Home Gardening Project - Oregon	17,500	
Huntington's Disease Society of America, Inc.	5,000	
Immaculata College	10,000	
Indiana State University	65,107	
International Medical Services for Health	30,875	
La Maestra Family Clinic, Inc., San Diego	150,000	75,000
Le Bonheur Medical Center-Memphis	4,990	
LightHouse of Oakland County, Inc.	1,200	
Loma Linda University	48,379	
Lutheran Social Services - California	300	
Mary's Center for Maternal & Child Care, Inc.	25,000	
Matrix: Midland Festival	8,000	
Memorial Presbyterian Church - Midland, MI	200	
Memorial Sloan Kettering	25,000	
Michigan Council of Foundations	10,500	
Michigan 4H Foundation	80,950	
Michigan State University	281,730	
Michigan State University Extension - 4H	35,891	
Michigan State University Extension - Project FRESH	781,179	46,750
Midland Area Community Foundation	20,000	
Midland Board of Education	570	
Midland Camping Council	26,330	

Midland County [Michigan] Council on Aging	90,000	
Midland County, Michigan	500	
Midland Foundation -- Riverside Place	300,000	
Midland Foundation -- Washington Woods	30,000	
Midland Preschool Centers, Inc	24,700	
MidMichigan Alliance-Clare	8,900	
MidMichigan Regional Medical Center	203,914	3,060
Montessori Children's House - Traverse City	145,000	
Mother Waddles Mission - Detroit	2,000	
Northwest Michigan Human Service Agency	20,000	20,000
Northwestern University Medical School	100,000	
Northwood University	30,700	
Nurses for Newborns Foundation, St. Louis	5,000	
Progress Center	12,000	
Project Concern International	219,671	
Regional Food Bank of Northeastern NY	20,000	20,000
Resources for Child Caring	4,000	
Richland School District, SC	30,000	
Saginaw Valley State University	1,119,311	
Salvation Army -- Eastern Michigan	12,000	
Salvation Army -- Midland	45,850	
Salvation Army -- San Diego	15,000	
Saranac Community Schools	624	
St John's Research Institute, India	61,569	61,569
Scripps Memorial Hospital	5,000	
Share Our Strength - Detroit, MI	10,000	
St Mary's Medical Center - Saginaw	52,800	
State University of New York at Buffalo	45,000	
Still Creek Boys Ranch	16,950	
Syracuse University	474,907	
Texas A&M University	618,200	
Texas Agricultural Extension Service	36,800	
U.S. Committee of UNICEF	34,500	
University of Botswana	81,766	
University of California -- San Diego	99,121	
University of Cincinnati	52,380	
University of Hawaii	79,828	
University of Lancaster	56,221	
University of Minnesota	134,208	
University of Tennessee, Knoxville	50,000	50,000
University of Wisconsin, La Crosse	5,083	
University of Wisconsin, Stout	9,374	
Vanderbilt University Medical Center	72,266	
Wake Forest University Health Sciences	66,000	
Washington University School of Medicine	446,530	71,500
West Midland Family Center	64,758	
West Virginia Hospital Association	40,000	
WIC Program -- Public Health Fdn. Enterprises	21,931	
Woods Hole Marine Biological Laboratory	17,736	
Youth Living Centers - Inkster	10,000	
YWCA of Lincoln	5,175	
Total	\$10,317,009	\$602,293

BOARD OF TRUSTEES

Roberta R. Allen, Trustee Emeritus.....	La Jolla, California
Gail E. Lanphear, Chairman of the Board.....	Cadillac, Michigan
Mark Ostahowski, M.D., President.....	Midland, Michigan
Dale Baum, Ph.D., Secretary.....	College Station, Texas
William Lauderbach, Financial Vice President.....	Midland, Michigan
Laurie Bouwman, Assistant Secretary.....	Interlochen, Michigan
Ann Jay, Trustee.....	Pinconning, Michigan
William J. Allen, Trustee.....	La Jolla, California
Patrick J. Oriel, Ph.D., Trustee.....	Glen Arbor, Michigan
Leslie A. Hildebrandt, Ph.D., Trustee.....	Shepherd, Michigan
Mary M. Neely, Trustee.....	Midland, Michigan
Charles B. Kendall, Trustee.....	Midland, Michigan

Anthony Bouwman, Junior Apprentice.....	Owosso, Michigan
Heather Kelto, Junior Apprentice.....	Interlochen, Michigan
Lucille M. Dougherty, Staff Assistant.....	Midland, Michigan
Jack Li, Webmaster.....	College Station, Texas

GRANT APPLICATION PROCEDURE

The Allen Foundation Inc. operates under the laws of the State of Michigan, with offices in Midland. In order to be considered for an Allen Foundation grant, you must be a non-profit organization, and be able to provide us with a copy of your Federal Internal Revenue Service certification of 501(c)(3) tax-exempt status. Academic research under an Allen Foundation grant should be conducted under the leadership of a principal investigator who is a full-time regular faculty member with tenure or on tenure track. The foundation does not directly administer the programs which it funds. Recipients are asked to submit yearly progress reports and a financial accounting concerning the expenditures of the foundation grant.

Grants are strictly limited under the terms of the charter to projects that benefit programs for human nutrition in the areas of health, education, training, and research. The Allen Foundation requires electronic submission of all unsolicited applications for consideration for possible funding. Please go to <http://www.allenfoundation.org/> and follow the instructions for filing a grant application online. The next "deadline" for submission of proposals is December 31, 2009. This deadline means that any proposal submitted electronically on or after January 1, 2010, will be considered for possible funding in 2011. The decisions of the board of trustees will be posted on the foundation's website in June of each year. Because of the number of proposals received and the limited resources of the foundation, applicants should never view possible declinations to fund their proposals or delays in reviewing their proposals as judgments on the actual merits of their proposals.

ALLEN FOUNDATION INC.

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