

THE ALLEN FOUNDATION INC.

**POST OFFICE BOX 1606
MIDLAND, MICHIGAN 48641-1606**



2004 ANNUAL REPORT

www.allenfoundation.org

LETTER FROM THE CHAIR

The year 2004 was a most productive one for The Allen Foundation. The trustees welcomed the expertise of two new trustees, Dr. Leslie A. Hildebrandt of Central Michigan University, and Dr. Patrick J. Oriel of Midland.

Dr. Hildebrandt's expertise is in nutrition science and Dr. Oriel is a microbiologist. Both have impressive resumes and bring to the Board of Trustees an enhanced ability to evaluate research grants. The board is grateful for their willingness to serve the cause of improving human nutrition.

Our second year of online grant submission has been very successful. Thanks to webmaster, Venkatram Gurumurthi, trustees are able to read and grade grant proposals in a more efficient manner than previously was possible.

The Allen Foundation became a member of the Council of Michigan Foundations by unanimous vote at the May meeting. The board is pleased to be a part of this key body of Michigan foundations.

Twenty-six grant proposals out of hundreds received reached the recommendation stage for consideration for possible funding. Nine proposals were funded, including the continuation of a past commitment to Michigan State University's Project Fresh, which makes fresh fruits and vegetables available to families in need, and new funding for a nutritional consultant for the snack bar at the Midland Ice Skating Complex.

I salute and commend our trustees for their donation of priceless time, energy and expertise to the efforts of the Allen Foundation. The Foundation reviews each year many hundreds of proposals for consideration for funding. The Foundation would like to be in a financial position to assist all of the excellent grant requests that it receives, but its resources are unfortunately limited and in many cases have already been committed. Consequently, applicants should never view possible refusals to fund proposals by the Foundation as judgments on the actual merits of their proposals.

Gail E. Lanphear

Gail E. Lanphear, Chair

STATEMENT OF FINANCIAL POSITION

Twelve Months Ended
December 31, 2004

ASSETS AND LIABILITIES

as of December 31, 2004

| | | |
|--|----|------------------|
| Cash | \$ | 267,523 |
| Marketable Securities at fair market value | | |
| Corporate Stock Dow Chemical Co | | |
| 64,000 shares | | 3,168,640 |
| Corporate Stock Chemical Financial | | |
| 15,443 shares | | 658,644 |
| Stock | | 4,952,339 |
| Corporate Bonds | | 1,562,670 |
| Government Bonds | | <u>2,173,659</u> |

Total Assets

| | | |
|--|--|----------------------------|
| | | <u>\$12,783,475</u> |
|--|--|----------------------------|

Liabilities

| | |
|----------------------------------|-------------------|
| Grant commitments not paid | 37,190 |
| Unrestricted Net Assets | <u>12,746,285</u> |

Total liabilities and unrestricted net assets **\$12,783,475**

REVENUES AND EXPENSES

Revenues

| | |
|---|------------------|
| Interest | \$143,286 |
| Dividends | 188,461 |
| Net realized gains on investments | 314,984 |
| Net unrealized gains on investments | <u>1,020,252</u> |

Total Receipts

| | |
|--|--------------------|
| | \$1,666,983 |
|--|--------------------|

Expenses

| | |
|--|---------------|
| Grants | \$359,562 |
| Other Expenses | |
| Professional Fees | 32,405 |
| Administrative | <u>14,698</u> |
| Total Expenses other than Grants | <u>47,103</u> |

Total Grants and Expenses

| | |
|--|------------------|
| | \$406,665 |
|--|------------------|

Increase in Unrestricted Assets

| | |
|--|---------------------------|
| | <u>\$1,260,318</u> |
|--|---------------------------|

GRANTS MADE BY THE FOUNDATION

| <u>ORGANIZATION:</u> | <u>TOTAL:</u> | <u>IN 2004:</u> |
|---|---------------|-----------------|
| American Friends Service Committee | \$ 15,700 | |
| Boy Scouts of America - Lake Huron #265 | 7,000 | |
| Cedar Crest College | 2,375,180 | |
| Center for Science in the Public Interest | 50,000 | |
| Central Michigan University | 216,466 | 33,000 |
| Childrens Hospital of Michigan | 43,720 | |
| Community Partnership - Manistique MI | 3,600 | |
| Delta College | 11,267 | |
| Detroit Rescue Mission | 1,000 | |
| Eagle Boy's Village | 28,937 | |
| East Dallas Co-op Parish | 8,665 | |
| Family Planning Center, Inc. | 10,000 | |
| Farm Share, Inc. | 12,150 | |
| Fast Ice, Inc. | 15,000 | 15,000 |
| FSP/Vanuata County | 15,000 | |
| Girls Incorporated of St. Louis | 5,000 | |
| Gleaner's Community Food Bank - Detroit | 5,000 | |
| Grace 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 | 30,875 |
| 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 Sloan Kettering | 25,000 | |
| Michigan 4-H Foundation | 80,950 | |
| Michigan Council of Foundations | 10,500 | |
| Michigan State University | 281,730 | |
| MidMichigan Alliance - Clare | 8,900 | |
| MidMichigan Regional Medical Center | 200,854 | |
| Midland Board of Education | 570 | |
| Midland Camping Council | 22,330 | |
| Midland County, Michigan | 500 | |
| Midland Foundation - Riverside Place | 300,000 | |
| Midland Foundation - Washington Woods | 30,000 | |
| Midland Presbyterian Church | 200 | |

| | | |
|--|--------------------|------------------|
| Midland Preschool Center | 24,700 | |
| Montessori Children's House | 45,000 | |
| Mother Waddles Mission | 2,000 | |
| MSU Extension - 4H | 35,891 | 2,800 |
| MSU Extension - Project Fresh | 526,110 | 85,210 |
| Northwestern University Medical School | 100,000 | |
| Northwood University | 30,700 | |
| Progress Center | 12,000 | |
| Project Concern International | 199,671 | |
| Public Health Fnd. Enterprises Calif. | 21,931 | |
| 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 | 624 |
| Scripps Memorial Hospital | 5,000 | |
| Share Our Strength - Detroit | 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 for UNICEF | 34,500 | |
| University of California - San Diego | 99,121 | |
| University of Cincinnati | 52,380 | |
| University of Minnesota | 134,208 | 74,177 |
| University of Wisconsin - La Crosse | 5,083 | |
| University of Wisconsin - Stout | 9,374 | |
| Vanderbilt University Medical Center | 22,266 | |
| Wake Forest University Health Sciences | 44,000 | 22,000 |
| Washington University | 100,000 | |
| Washington University School of Medicine | 128,950 | 62,950 |
| West Midland Family Center | 39,018 | 15,190 |
| West Virginia Hospital Association | 40,000 | |
| Woods Hole Marine Biology Laboratory | 17,736 | 17,736 |
| Youth Living Centers - Inkster | 10,000 | |
| YWCA of Lincoln | 5,175 | |
| Total | \$8,236,916 | \$359,562 |

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 |
| W. Brock Neely, Ph.D., Treasurer | Midland, Michigan |
| William Lauderbach, Financial Vice President | Midland, Michigan |
| Dale Baum, Ph.D., Secretary | College Station, Texas |
| Laurie Bouwman, Assitant Secretary | Interlochen, Michigan |
| Ann Jay, Trustee | Pinconning, Michigan |
| William J. Allen, Trustee | La Jolla, California |
| Patrick J. Oriel, Ph.D., Trustee | Midland, Michigan |
| Leslie A. Hildebrandt, Ph.D., Trustee | Shepherd, Michigan |
| Lucille Dougherty, Staff Assistant | Midland, Michigan |

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 tract. 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 now requires electronic submission of all unsolicited applications for consideration for possible funding. Please go to the foundation website and follow the instructions for filing a grant application online. The next "deadline" for submission of proposals is December 31, 2005. This deadline means that any proposal submitted electronically on or after January 1, 2006, will be considered for review in 2007. The decisions of the board of trustees will be announced 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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