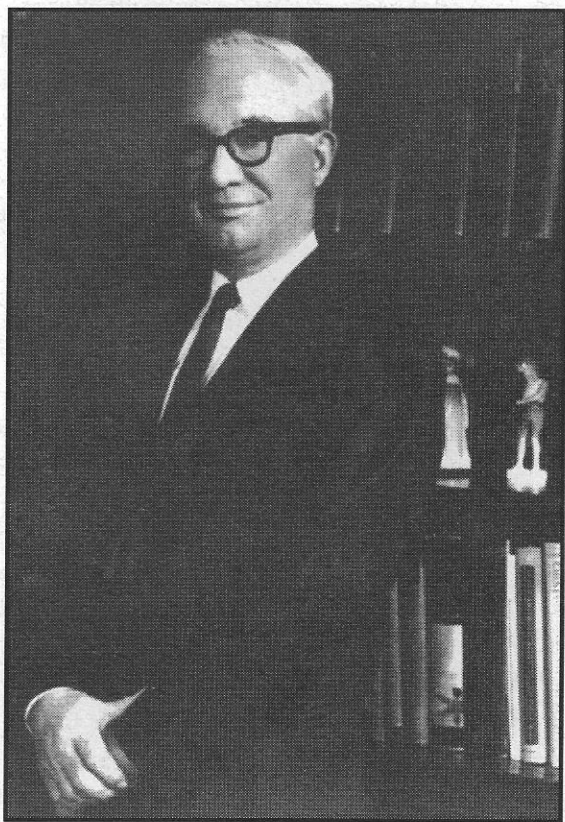


THE ALLEN FOUNDATION INC.

POST OFFICE BOX 1606
MIDLAND, MICHIGAN 48641-1606



2006 ANNUAL REPORT

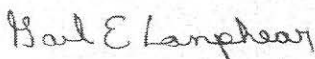
www.allenfoundation.org

LETTER FROM THE CHAIR

The trustees were pleased once again by the opportunities in 2006 to support ten diverse projects furthering the mission of our founder, William W. Allen. The projects funded ranged from those close to the Foundation's roots in Midland, Michigan, to those international in origin. Three Midland-area grants focused on nutritional needs of youth and the elderly. Project Fresh, a state of Michigan program, was again funded because of its unique direct service of providing fresh fruits and vegetables to disadvantaged families. Key research grants also were awarded to Geisinger Health System, Children's Hospital in Boston, and the University of Lancaster in England.

The Allen Foundation also welcomed a new trustee. Mary M. Neely is a nutritionist and prominent community leader - qualifications that represent an important addition to our board. It is an honor and a privilege for each of us as trustees to contribute to the furthering of nutrition education, training, and research.

I would like to express my appreciation to all of the trustees for giving so generously of their time and talents in evaluating the hundreds of proposals received this year.



Gail E. Lanphear, Chair

STATEMENT OF FINANCIAL POSITION

ASSETS AND LIABILITIES as of December 31, 2006

Assets

| | |
|----------------------------|----------------------------|
| Cash..... | \$ 490,781 |
| Securities at market value | |
| Equities | 8,758,366 |
| Bonds | <u>3,276,007</u> |
| <i>Total Assets</i> | <u><u>\$12,525,154</u></u> |

Liabilities

| | |
|--------------------------------------|----------------------------|
| Grant commitments not paid | -0- |
| Unrestricted Net Assets | <u>12,525,154</u> |
| <i>unrestricted net assets</i> | <u><u>\$12,525,154</u></u> |

REVENUES AND EXPENSES as of December 31, 2006

Revenues

| | |
|---|----------------|
| Interest..... | \$160,207 |
| Dividends | 192,004 |
| Miscellaneous Revenue | 19,567 |
| Net realized gains (losses) on investments | <u>393,340</u> |
| <i>Total Receipts</i> | \$ 765,118 |

Expenses

| | |
|---|--------------------------|
| Professional Fees | 32,717 |
| Administrative Costs | 26,208 |
| Taxes | <u>13,555</u> |
| Total Expenses other than Grants | 72,480 |
| Grants | <u>566,724</u> |
| <i>Net Income</i> | \$ 125,914 |
| Net unrealized gains (losses) on investments..... | <u>119,587</u> |
| <i>Increase in unrestricted assets</i> | <u><u>\$ 245,501</u></u> |

GRANTS MADE BY THE FOUNDATION

| <u>ORGANIZATION:</u> | <u>TOTAL:</u> | <u>IN 2006:</u> |
|---|---------------|-----------------|
| American Friends Service Committee | \$ 15,700 | |
| Boy Scouts of America - Lake Huron #265 | 7,000 | |
| Cedar Crest College | 2,425,180 | 50,000 |
| Center for Science in the Public Interest | 50,000 | |
| Central Michigan University | 216,466 | |
| Children's Hospital of Boston | 74,801 | 74,801 |
| Childrens Hospital of Michigan | 43,720 | |
| Community Partnership - Manistique MI | 3,600 | |
| Delta College | 11,267 | |
| Detroit Rescue Mission | 1,000 | |
| Eagle 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 | |
| FSP/Vanuata Country | 15,000 | |
| Geisinger Health System | 75,000 | 75,000 |
| Girls Incorporated of St. Louis | 5,000 | |
| Gleaner's 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 | |
| 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 Area Community Foundation | 20,000 | 20,000 |
| Midland Board of Education | 570 | |
| Midland Camping Council | 26,330 | 4,000 |
| Midland County, Michigan | 500 | |
| Midland County Council on Aging | 90,000 | 90,000 |
| 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 | 95,000 | 50,000 |
| Mother Waddles Mission | 2,000 | |
| MSU Extension - 4H | 35,891 | |
| MSU Extension - Project Fresh | 686,929 | 85,819 |
| Northwestern University Medical School | 100,000 | |
| Northwood University | 30,700 | |
| Progress Center | 12,000 | |
| Project Concern International | 219,671 | 20,000 |
| Public Health Fdn. Enterprises, CA | 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 | |
| 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 Botswana | 81,766 | 40,883 |
| University of California - San Diego | 99,121 | |
| University of Cincinnati | 52,380 | |
| University of Hawaii | 79,828 | |
| University of Lancaster | 56,221 | 56,221 |
| University of Minnesota | 134,208 | |
| University of Wisconsin - La Crosse | 5,083 | |
| University of Wisconsin - Stout | 9,374 | |
| Vanderbilt University Medical Center | 22,266 | |
| Wake Forest University Health Sciences | 66,000 | |
| Washington University | 100,000 | |
| Washington University School of Medicine | 206,830 | |
| West Midland Family Center | 54,208 | |
| West Virginia Hospital Association | 40,000 | |
| Woods Hole Marine Biology Laboratory | 17,736 | |
| Youth Living Centers - Inkster | 10,000 | |
| YWCA of Lincoln | 5,175 | |
| Total | \$9,141,281 | \$566,724 |

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 C. Lauderbach, Financial V.P., Treasurer | Midland, Michigan |
| Laurie Bouwman, Assistant Secretary | Interlochen, Michigan |
| Ann F. Jay, Trustee | Pinconning, Michigan |
| William J. Allen, Trustee | La Jolla, California |
| Patrick J. Oriol, Ph.D., Trustee | Midland, Michigan |
| Leslie A. Hildebrandt, Ph.D., Trustee | Shepherd, Michigan |
| *Mary M. Neely, Trustee | Midland, Michigan |

**elected a trustee, May 20, 2006*

| | |
|------------------------------------|-------------------|
| 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 <http://www.allenfoundation.org/> and follow the instructions for filing a grant application online. The next deadline for submission of proposals is December 31, 2007. This deadline means that any proposal submitted electronically on or after January 1, 2007, will be considered for possible funding in 2008. 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.

Post Office Box 1606 • Midland, Michigan 48641-1606
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