

**THE BUSH FOUNDATION**

1970

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A. G. Bush



Mrs. A. G. Bush



# **THE BUSH FOUNDATION**

ANNUAL REPORT  
FOR THE FISCAL YEAR ENDED  
NOVEMBER 30, 1970

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# THE BUSH FOUNDATION

Report for Fiscal Year Ending November 30, 1970

## BOARD OF DIRECTORS

MRS. ARCHIBALD G. BUSH  
Winter Park, Florida  
ELMER L. ANDERSEN  
Saint Paul, Minnesota  
E. G. BANKS  
Winter Park, Florida  
CLARENCE J. BASSLER, JR.  
Chicago, Illinois  
FRANKLIN O. BRIESE  
Saint Paul, Minnesota  
GRANGER COSTIKYAN  
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## OFFICERS

MRS. ARCHIBALD G. BUSH, *Chairman*  
ELMER L. ANDERSEN, *President*  
CECIL C. MARCH, *First Vice President*  
CLARENCE J. BASSLER, JR., *Second Vice President*  
GEORGE D. McCONNELL, *Secretary*  
FRANKLIN O. BRIESE, *Treasurer*  
FRANK HAMMOND, *General Counsel and Assistant Secretary*

During the year ending November 30, 1970 The Bush Foundation offices were located at W-3091 First National Bank Building, Saint Paul, Minnesota 55101 (Telephone 612-224-0500). Subsequently the offices have been moved to W-962 First National Bank Building, Saint Paul, Minnesota 55101 (Telephone: 612-227-0891).

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# THE BUSH FOUNDATION

The Bush Foundation, established by Mr. and Mrs. Archibald G. Bush of Saint Paul, Minnesota, was incorporated February 24, 1953, under the Minnesota Non-Profit Corporation Act, to encourage and promote charitable, scientific, literary and educational efforts. It is a tax-exempt organization under the laws of Minnesota and the United States.

The Foundation has concentrated activity in the areas of education, humanities and the arts, community and social welfare, and medicine. Geographically, the Foundation's grants have been principally in Minnesota, with several grants in Chicago and Florida.

The income available to the Foundation represents the investment yield from assets given the Foundation by Mr. and Mrs. Archibald G. Bush. The Foundation is the residuary legatee of the Estate of the late Archibald G. Bush, from which it has received several distributions of property and cash. The litigation which involved Directors of The Bush Foundation from January 1968 until April 1970 was settled and a final judgment entered by the District Court of Ramsey County on April 10, 1970.

During the fiscal year ending November 30, 1970 The Bush Foundation granted financial assistance to forty-eight projects in the United States and continued to conduct the Bush Leadership Fellows Program. The following sections summarize these activities.



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## THE BUSH LEADERSHIP FELLOWS PROGRAM

Prior to his death in 1966, Archibald G. Bush had envisaged a fellowship program which would bring forward individuals with unusually strong leadership potential and enable them to develop this quality without encountering the financial hardship Bush had experienced in his own early career. Fellowship competitions in 1965, 1966, 1969, and 1970 sought and recognized able young leaders in Minnesota. These individuals came from a wide variety of vocations and brought to the competitions a wide variety of career goals. Fellowship winners in 1969 and 1970 were offered up to nine months of formal education—not necessarily toward an academic degree—at a major university, plus an internship of equal length with an established leader in the Fellow's field of interest. In this way the program tried to help the selected Fellows achieve their career goals more quickly and with significantly broader perspective than might have been possible otherwise.

Sixteen of the 28 award winners since 1965 have received grants continuing for about 18 months. The current monthly stipend rate is \$1,000. The other twelve awards were for shorter duration, each extending for only four months of academic work but at the same stipend rate. Winners came from business, law, government, trade union management, and church or educational administration. Eight winners were chosen in 1970; the sum of \$107,026 was authorized to pay Fellow stipends and administrative expenses of the Program.

The selection process is thorough and demanding. The chief qualities sought in selection are strong mental skills and analytical ability, personal force and integrity, clear personal goals, and, above all, demonstrated ability based on past job performance. Each candidate completes a searching application form and provides references for

the preliminary selection process. From 150 applicants in 1970, approximately 60 were selected for further interviews with members of a local interviewing panel. (The interview panel included six Bush Leadership Fellow Program alumni.) From this remaining candidate group, 20 were invited to participate in a two-day leadership seminar program. The program schedule also provided for final individual selection interviews with the three-man selection panel.

The Bush Leadership Fellows Program is still too new to attempt final judgment of its effectiveness, but many early signs are encouraging. Most of the winners have enrolled in programs at universities which are highly selective in their own admissions and which also were usually more selective than the undergraduate colleges which the Fellows had attended previously. (Five of the 28 Fellows did not have college degrees.) In every instance where such a comparison was possible, the academic performance of the Bush Fellows—measured by grade average—exceeded their undergraduate performance. Since completing their Fellowship study and internship programs, two Fellows have advanced from middle management to vice presidencies of large corporations and three have been elected to public office—one of these as Secretary of State in Minnesota. At least half of the others may well earn similar responsibility and recognition soon. While it is always difficult to isolate cause and effect in a program such as this, and thus prove that the program itself made the significant difference, the evidence available suggests that the early hopes for the Program are being achieved.

D. Donald Peddie  
*Program Director*

## **SUMMARY OF 1970 GRANTS**

### **General Community Welfare and Action Organizations**

The Community Development Corporation of Greater Saint Paul was organized in 1968 to seek methods for improving the quality and quantity of low-income housing and to provide financial and technical assistance to minority individuals who wish to establish business ventures, but who do not qualify for established assistance programs. The Bush Foundation granted the Community Development Corporation \$25,000 to assist in the housing and business programs.

The Bush Foundation granted a total of \$141,000 to programs under the Greater Saint Paul United Fund and Council: \$100,000 for general purposes; \$6,000 to the Recreation Education Anti-Pollution Program to help provide summer jobs for low-income and racial-minority young people; and \$35,000, through the United Fund as fiscal agent, to Granville House, a rehabilitation home for alcoholic women.

The Saint Paul Foundation, a community foundation established to serve the greater Saint Paul metropolitan area, received an unrestricted grant of \$2,000 from The Bush Foundation. The Saint Paul Urban Coalition received a grant of \$10,000 to encourage creation of minority employment opportunities.

A grant of \$10,000 was made to the United Appeal of Orange County, Orlando, Florida.

### **Social Welfare Institutions and Special Services**

Lutheran Social Service in Minneapolis, Minnesota, which provides professional assistance and counseling for unwed mothers, for

couples seeking to adopt children, and for families and children in need, was granted \$11,717, payable over three years, to help provide both coordination of living arrangements and employment for unwed mothers.

The Minnesota Organization for the Blind was granted \$5,000 for general purposes. The Saint Paul Society for the Blind which provides employment and counseling for more than 900 blind and visually-impaired people in the Saint Paul area, received a non-recurring grant of \$50,000 towards the construction cost of new facilities.

Temple Baptist Church, Saint Paul, received \$22,000 to help complete construction of the Marantha Home, a facility for aged persons in Brooklyn Center, Minnesota.

The Saint Paul Union Gospel Mission received \$40,000 to purchase and renovate two homes for its Group Foster Home Program, which provides recreation, education, and home structured living for neglected and delinquent youths who are referred to the program under the general supervision of the Ramsey County Juvenile Court. An additional \$3,300 was granted for the purchase of a vehicle to transport children participating in other mission-sponsored programs.

Planned Parenthood of Minnesota, Saint Paul, Minnesota, was granted \$25,000 to support significant program extension in 1970 for Planned Parenthood of Minneapolis, Planned Parenthood of Saint Paul, and Planned Parenthood of Minnesota. A grant of \$100,000 was made to Planned Parenthood of Saint Paul, payable over a three year period, to establish an Information Center for Family Life and Population Resources in the Saint Paul area.

ACTION for Brain-Injured Children, Osceola, Wisconsin, was granted \$2,500 to help establish an office in Saint Paul, Minnesota which will serve as an information resource for parents, professionals, and other interested persons.

A grant of \$30,000, payable over three years, was made to the Christ Child School for Exceptional Children, Saint Paul, Minnesota, to help pay construction costs of a new building in Saint Paul. The new facilities will make possible the addition of a new program for mentally retarded and brain-injured pre-school children.

The Correctional Service of Minnesota, Minneapolis, Minnesota, was granted \$22,500, payable over a three-year period, to establish an Information and Education Division and Resource Center, to be located in downtown Minneapolis. The Center will make available information on crime, delinquency, law enforcement, courts and corrections.

Youth Research Center, in Minneapolis, Minnesota, received a grant of \$27,000, payable over two years, to further its program of Parent Effectiveness Training which, in weekly group sessions, seeks to teach parents improved ways of communicating with their children.

The Academy of Parish Clergy, of Minneapolis, Minnesota, was granted \$30,000, payable over three years, to continue to develop lay-clergy cooperation for leadership in American churches and synagogues.

The DePugh Nursing Home in Winter Park, Florida, received \$5,000 to assist in patient care.

The Melmark Home, in Berwyn, Pennsylvania, a private facility for mentally retarded and mongoloid persons of all ages, received \$100,000 for further work with the children enrolled.

The Minnesota Historical Society, Saint Paul, Minnesota, was granted \$7,500 towards maintenance of the Historical Society.

#### **Hospitals and Medical Research**

The Children's Hospital of Saint Paul, Minnesota, received \$8,500 for support of its Intern Education Program, which has been supported by the Foundation since 1964.

Anoka State Hospital, Anoka, Minnesota, received a grant of \$750 for purchase of newspapers for patients in the wards. The Hospital has received similar grants in previous years.

A grant of \$300,000, payable in equal installments over the next three years, was made to the Ravenswood Hospital Medical Center, Chicago, Illinois, toward construction costs of its new Medical Pavilion, which will house a new program of comprehensive health care and outpatient service.

A grant of \$100,000, payable over two years, was made to the Winter Park Memorial Hospital, Winter Park, Florida, towards costs of adding a new wing.

The University of Minnesota was awarded a grant of \$157,500, payable over three years, to enable Professor W. G. Kubicek to conduct further research on the cardiovascular system. From this research, Professor Kubicek hopes to obtain results applicable both to the treatment of clinical disorders and to organ transplant procedures.

The Bush Foundation granted \$30,000, payable over three years, to engage guest lecturers for the Wesley W. Spink Lectures on Comparative Medicine at three branches of the University of Minnesota and at Carleton College. Dr. Spink, Regents Professor of Medicine and Professor of Comparative Medicine at the University of Minnesota, is distinguished for his work in the interrelationship of human and animal medicine, especially those animal diseases transmissible to man.

Saint Paul Colostomy and Ileostomy Guild of Saint Paul, Minnesota, received a grant of \$2,500 to aid in patient rehabilitation and research.

#### **Education**

The Minnesota Private College Fund of Minneapolis, Minnesota was granted \$400,000, payable over a two-year period, to assist the Fund to move to a substantially higher level of support for its participating institutions. The fifteen member colleges of the Fund are: Augsburg College, Bethel College, Carleton College, College of Saint Benedict, College of Saint Catherine, College of Saint Scholastica, College of Saint Teresa, College of Saint Thomas, Concordia College, Gustavus Adolphus College, Hamline University, Macalester College, Saint John's University, Saint Mary's College and Saint Olaf College.

A grant of \$75,000, payable over three years, was made to Concordia College, Moorhead, Minnesota, to help pay for construction

of an addition to its Ylvisaker Library, and to serve as a challenge grant in attracting other funds. Golden Valley Lutheran College, Minneapolis, Minnesota, was granted \$30,000 payable over three years, for support of the College library.

Tri-College University in Fargo, North Dakota, and Moorhead, Minnesota, a new consortium which includes Concordia College, Moorhead State College and North Dakota State University, received a grant of \$94,000, payable over three years, to help coordinate the library resources of all three schools. The grant provides for the services of a consortium library coordinator, a teletypewriter exchange service with principal libraries throughout the nation, and administrative and clerical support services.

Granite Falls Independent School District #894 of Granite Falls, Minnesota, was awarded \$7,700 to provide scholarships for teachers. Since 1958, when the program was started, over 80 Granite Falls teachers and administrators have received financial aid to participate in programs to supplement their academic training.

The Alumni Challenge Program of Hamline University, Saint Paul, Minnesota, received \$90,000 from the Foundation in 1970. Mr. Bush started the program in 1958 with a \$15,000 matching gift. Since that time, a total of \$466,567 has been given to this program by Mr. Bush and the Foundation. Hamline University also received \$10,040 for its scholarship program for students from Granite Falls, Minnesota. A total of six students from Granite Falls are now attending Hamline under this program.

In January, 1970, a fire destroyed the administration building at Gustavus Adolphus College, St. Peter, Minnesota. The College received a grant of \$5,000 to help reconstruct records lost in the fire.

The Minnesota Music Teachers Association Education and Charitable Fund of Minneapolis, Minnesota, received \$12,350 to compile and publish the first standardized curriculum for pre-college piano learning in Minnesota.

The Minnesota Messenia Expedition, sponsored by the University of Minnesota and Macalester College, is an interdisciplinary educational effort, using modern implements for searching areas of potential archaeological importance in the southwestern Peloponnese. A



grant of \$30,000, payable over three years, was made by The Bush Foundation to provide necessary equipment, to process each summer's findings, and to help support graduate students.

In 1959, the A. G. Bush Library of Management, Organization, and Industrial Relations was established at the University of Chicago. It is located on the third floor of the Charles Stewart Mott Building at the Industrial Relations Center of the University. Under the directorship of Dr. Robert K. Burns, the library serves the staff in developing programs and in gathering information in the fields of business, economics, political science, journalism, and human development. A grant of \$141,250 was awarded the Center for support of the Bush Library.

A grant of \$90,000, payable over three years, was made to the Erikson Institute for Early Education, for support of the Institute's program of graduate-level training for pre-school teachers.

Three-Prong Television Productions, Inc., in Chicago, Illinois, was granted \$30,000 to help support the first year of viewing of unusually worthwhile television programs with social studies curricula in the Chicago area. The project will be evaluated at Northwestern University, and, if successful, will be expanded to other areas.

### **Environment**

Near Chaska, Minnesota, the Minnesota Landscape Arboretum provides a natural laboratory for the horticultural sciences, as well as an opportunity for visitors to enjoy an educational outdoor environment. The University of Minnesota Foundation, custodian for the Arboretum's funds, was awarded \$150,000, to be paid in equal amounts over three years, to help pay construction costs of a new Education and Research Building. Another grant of \$96,349 was made to the Arboretum, payable over the next three years, to enable the Arboretum to complete payments for additional land purchases.

Minnesota Environmental Sciences Foundation, Inc. of Minneapolis, Minnesota, was granted \$10,000 a year for each of three years to carry on research, development and implementation of the en-

vironmental education programs of its Environmental Science Center.

To assist its efforts to compile a Uniform Wholesome Environment Code, \$20,000 was granted over a four-year period to the National Conference of Commissioners on Uniform State Laws. The Conference hopes to present its proposed Code to state legislatures in 1974.

#### **Fine Arts and Performing Arts**

The Minnesota Orchestra was founded in 1903 as the Minneapolis Symphony Orchestra of Minneapolis, Minnesota. In 1968 the name of the Orchestra was changed to the Minnesota Orchestra to express the Orchestra Association's desire to serve a broader constituency. The Bush Foundation granted \$100,000 a year for two years to the Minnesota Orchestra to help extend its season from 31 to 45 weeks; to enlarge its performing group from 87 to 98 members, to help increase its salaries, and to increase the number of regional concerts offered outside the Twin Cities area.

The Minnesota Theatre Company of Minneapolis received \$50,000 for current operating needs of the Guthrie Theatre. Michael Langham joined the seven-year old theatre company as Artistic Director on July 1, 1970. Langham had worked with Sir Tyrone Guthrie, founder of the theatre, and succeeded him as Artistic Director of the National Theatre of Canada at Stratford, Ontario.

The University of Minnesota at Minneapolis, Minnesota, has been granted the sum of \$204,300—\$68,100 per year over a three-year period—to provide fellowships for selected artist-scholars, who, during their two years in residence, would work for advanced degrees at the University of Minnesota and would also gain professional experience at the Guthrie Theatre. Approximately twenty-two students will be in residence under the program, which is under the direction of Professor Frank M. Whiting. The Bush program represents a continuation of the McKnight Fellowship Program, which is to be concluded in 1971.

The Saint Paul Council of Arts and Sciences, Saint Paul, Minne-

sota, received \$100,000 towards support of the operating budget for the Council and its member agencies for the fiscal year 1970-71. Participating members of the Saint Paul Council of Arts and Sciences are the Minnesota Museum of Art, the Science Museum, Saint Paul Philharmonic Society, The Schubert Club and the Saint Paul Opera Association. This is the second year the Foundation has supported the activities of the Council of Arts and Sciences and its agencies. During the period of this support, the Council developed new relationships with the public schools of Saint Paul and Minneapolis and the Minnesota State College System; it expanded the professional staff of the Science Museum; it began a new theater program, and it has entered into an agreement with KSJN-FM of Saint John's University to provide studio space in the Arts and Science Center for new broadcast facilities.

## REPORT OF THE TREASURER

A statement of net assets, together with income and expenditures for the year are presented on the succeeding pages.

The Foundation has previously reported its investments at approximate market value on the date received as gifts (stated value) or, in the case of purchases, at amortized cost. Accordingly, the November 30, 1969 financial statements have been restated to reflect investments at the approximate current market value as of that date. This restatement resulted in unrealized appreciation to total assets of \$62,227,748 at November 30, 1969.

Contained in the Last Will and Testament of A. G. Bush is a provision naming The Bush Foundation as the residuary legatee of the Estate of A. G. Bush. In this connection, the Foundation received distributions during the year from the Estate of A. G. Bush having an aggregate value of \$3,507,067. As of November 30, 1970, the remaining assets in the Estate of A. G. Bush approximate \$36,315,891 and \$6,200 accumulated income to date also remaining.

Also contained in the Last Will and Testament of A. G. Bush is a provision naming The Bush Foundation as the residuary legatee of the assets of Minnie G. Bush Trust upon her death. The Bush Foundation received a distribution of the remaining assets of the Minnie G. Bush Trust totaling \$174,797 in November, 1970.

The Bush Foundation received income on its holdings amounting to \$3,287,664 representing an increase from \$2,149,173 of the preceding year. The increase is mainly attributable to the changes made in the Foundation portfolio to reduce sharply the substantial holdings of Minnesota Mining and Manufacturing stock.

The books and records of The Bush Foundation were kept on an accrual basis in 1970. The Foundation now has commitments extending over a four year period. At year end \$2,698,848 has been

committed by The Bush Foundation in excess of its income less expenses.

On July 29, 1970 the Internal Revenue issued to The Bush Foundation a ruling that any amounts distributed to the Foundation which were deducted by the Estate of Archibald G. Bush under Section 642 (c) of the 1954 Internal Revenue Code, will be disregarded in determining the reasonableness of any accumulation of income for purposes of Section 504 of the Code.

ARTHUR ANDERSEN & CO.

MINNEAPOLIS, MINNESOTA

To the Board of Directors of  
The Bush Foundation:

We have examined the balance sheet of THE BUSH FOUNDATION (a Minnesota corporation, not for profit) as of November 30, 1970 and 1969, and the related statements of income fund (deficit) and source and application of cash for the two years then ended and the supplementary statements (Exhibits 1 and 2). Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of The Bush Foundation as of November 30, 1970 and 1969, and the income fund (deficit) and the source and application of cash for the two years then ended, and the supplementary statements present fairly the information set forth therein, all in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, after giving retroactive effect to the change in method of recording investments, as explained in Note 1 to the financial statements.

*Arthur Andersen & Co.*

Minneapolis, Minnesota,  
December 31, 1970.

# THE BUSH FOUNDATION

BALANCE SHEET—NOVEMBER 30, 1970 AND 1969 (NOTE 1)

ASSETS	<u>1970</u>	<u>1969</u>
CASH	\$ 15,423	\$ 30,588
INVESTMENTS, at market value or at cost which approximates market value (Exhibit 1 and Note 1):		
Certificates of deposit	\$ 60,493,810	\$ 28,306
U. S. Treasury Bills and note	8,001,671	54,397
Commercial paper	1,750,000	6,900,000
Corporation notes, bonds and debentures, amortized cost of \$8,354,415 in 1970 and \$143,353 in 1969	8,508,490	146,320
Municipal bonds, stated value of \$265,738 in 1970 and \$304,650 in 1969	221,950	259,850
Common stocks, cost or stated value of \$37,235,364 in 1970 and \$91,600,743 in 1969	51,495,908	153,852,658
Preferred stocks, cost or stated value of \$181,584 in 1970 and \$165,995 in 1969	131,523	183,662
Notes and mortgages receivable, at amortized stated value	1,029,758	1,137,455
Real estate, at market value on the date of gift, net of accumulated depreciation of \$45,686	<u>336,014</u>	<u>—</u>
Total investments	\$131,969,124	\$162,562,648
DIVIDENDS AND INTEREST RECEIVABLE	931,344	694,574
OTHER ASSETS, net	12,369	6,070
	<u>\$132,928,260</u>	<u>\$163,293,880</u>

LIABILITIES AND FUND BALANCES	<u>1970</u>	<u>1969</u>
ACCOUNTS PAYABLE	\$ 12,134	\$ 974
UNPAID GRANTS (Exhibit 2)	<u>3,639,826</u>	<u>3,348,083</u>
FUND BALANCES:		
Principal fund—		
Balance, beginning of year	\$100,345,294	\$ 57,078,873
Distributions received from the Estate of A. G. Bush (Note 2)	3,507,067	43,060,925
Distribution received from the Minnie G. Bush Trust (Note 3)	174,797	—
Reinvested gain on security transactions	<u>13,627,220</u>	<u>205,496</u>
Balance, end of year	\$117,654,378	\$100,345,294
Unrealized appreciation of investments (Exhibit 1 and Note 1)	<u>14,320,770</u>	<u>62,227,748</u>
Total principal fund	\$131,975,148	\$162,573,042
Income fund (deficit), per accompanying statement	<u>(2,698,848)</u>	<u>(2,628,219)</u>
Total fund balances	<u>\$129,276,300</u>	<u>\$159,944,823</u>
	<u>\$132,928,260</u>	<u>\$163,293,880</u>

The accompanying notes to financial statements are an integral part of this balance sheet.



# THE BUSH FOUNDATION

## STATEMENT OF INCOME FUND (DEFICIT) FOR THE YEARS ENDED NOVEMBER 30, 1970 AND 1969

	1970	1969
BALANCE, beginning of year (deficit)	<u>\$(2,628,219)</u>	<u>\$ (524,392)</u>
ADD—Excess of income over expenses:		
Income—		
Dividends	\$ 2,134,198	\$ 1,867,540
Interest	1,116,673	281,633
Rent and other	36,793	—
Total income	<u>\$ 3,287,664</u>	<u>\$ 2,149,173</u>
Expense—		
Professional services	\$ 46,648	\$ 10,268
Salaries	14,850	9,055
Depreciation	13,301	—
Rent	8,337	3,789
Membership dues and subscriptions	8,595	1,135
Directors' fees and expenses	5,042	4,347
Stationery and supplies	3,860	2,687
Repairs and maintenance	7,309	—
Insurance	2,203	1,682
Telephone	1,074	388
Real estate taxes	2,458	307
Parking	1,693	—
Other	4,131	2,192
Total expense	<u>\$ 119,501</u>	<u>\$ 35,850</u>
Excess of income over expenses	<u>\$ 3,168,163</u>	<u>\$ 2,113,323</u>
Refunds of unexpended grants	2,990	—
(DEDUCT)—Grants appropriated during year (Exhibit 2)	<u>(3,241,782)</u>	<u>(4,217,150)</u>
BALANCE, end of year (deficit)	<u><u>\$(2,698,848)</u></u>	<u><u>\$(2,628,219)</u></u>

The accompanying notes to financial statements are an integral part of this statement.

# THE BUSH FOUNDATION

## SOURCE AND APPLICATION OF CASH FOR THE YEARS ENDED NOVEMBER 30, 1970 AND 1969

	1970	1969
CASH BALANCE, beginning of year	\$ 30,588	\$ 40,493
Income cash transactions:		
Source—		
Receipts from dividends, interest and rent	\$ 3,052,561	\$ 1,790,297
Less disbursements for expenses	(100,829)	(38,794)
Cash available for grants	\$ 2,951,732	\$ 1,751,503
Application—		
Grants paid	(2,950,039)	(1,821,920)
Increase (decrease) from income cash transactions	\$ 1,693	\$ (70,417)
Principal cash transactions:		
Source—		
Distribution received from the Minnie G. Bush Trust	\$ 16,918	\$ —
Distributions received from the Estate of A. G. Bush	2,552,610	7,120,871
Sales and maturities of investments	106,972,982	8,218,523
Cash available for investment	\$109,542,510	\$15,339,394
Application—		
Investment in securities	(109,559,368)	(15,278,882)
Increase (decrease) from principal cash transactions	\$ (16,858)	\$ 60,512
CASH BALANCE, end of year	\$ 15,423	\$ 30,588

The accompanying notes to financial statements are an integral part of this statement.

## NOTES TO FINANCIAL STATEMENTS

(1) *Basis of Financial Reporting—*

The investments in the accompanying financial statements have been reflected at the approximate current market value as of November 30, 1970, resulting in unrealized appreciation to total assets of \$14,320,770. The Foundation had previously reported its investments at approximate market value on the date received as gifts (stated value) or, in the case of purchases, at amortized cost. Accordingly, the November 30, 1969, financial statements have been restated to reflect investments at the approximate current market value as of that date. This restatement resulted in unrealized appreciation to total assets of \$62,227,748 at November 30, 1969.

(2) *Estate of A. G. Bush—*

Contained in the Last Will and Testament of A. G. Bush is a provision naming The Bush Foundation as the residuary legatee of the Estate of A. G. Bush. In this connection, the Foundation received distributions during the year in December, 1969 and July and November, 1970 from the Estate of A. G. Bush having an aggregate value of \$3,507,067. Subject to any amounts that may ultimately be paid from the estate for additional executors', fiscal agent's, attorneys' fees etc. (not presently determinable), the remaining assets in the Estate of A. G. Bush as of November 30, 1970, approximated:

Principal	\$36,315,891
Remaining accumulated income to date	6,200
Total	\$36,322,091

Subsequently, in December, 1970, the Foundation received a distribution from the Estate of A. G. Bush in the amount of \$220,000.

(3) *Minnie G. Bush Trust—*

Contained in the Last Will and Testament of A. G. Bush is a provision naming The Bush Foundation as the residuary legatee of the assets of Minnie G. Bush Trust upon her death. The Foundation received a distribution of the remaining assets of the Minnie G. Bush Trust totaling \$174,797 in November, 1970.

(4) *Event Subsequent to Date of Auditors' Report—*

On October 12, 1971, just as this report went to the printer, the guardians of the estate of Edyth Bush filed a renunciation of the Will of Archibald G. Bush claiming her statutory share (one-half) of the decedent's estate. The inventory of the Estate of A. G. Bush was approximately \$127,000,000, of which approximately \$83,000,000 has been distributed to the Foundation.

The Bush Foundation is the residuary legatee under the Will of A. G. Bush. Edyth Bush entered into a settlement on August 27, 1966, which provided, among other things, her consent to the Will of A. G. Bush.

At this time, it is the opinion of the Foundation's counsel that the attempted renunciation is without substance.

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# THE BUSH FOUNDATION

## INVESTMENTS HELD AT NOVEMBER 30, 1970

<u>Description</u>	<u>Number of Shares or Principal Amount</u>	<u>Cost or Stated Value</u>	<u>Market Value</u>
<i>Certificates of Deposit—</i>			
Northwestern National Bank of Minneapolis:			
6.35%, due April 15, 1971	\$10,000,000	\$ 10,000,000	\$ 10,000,000
7.05%, due January 5, 1971	8,652,164	8,652,164	8,652,164
5.65%, due February 24, 1971	4,610,000	4,610,000	4,610,000
5.75%, due February 24, 1971	4,000,000	4,000,000	4,000,000
5.50%, due March 1, 1971	840,000	840,000	840,000
Morgan Guaranty Trust Co.,			
6.50%, due June 15, 1971	10,000,000	10,000,000	10,000,000
First National Bank of St. Paul:			
7.70%, due December 7, 1970	8,453,236	8,453,236	8,453,236
5.00%, due July 5, 1971	28,306	28,306	28,306
Manufacturers Hanover Trust Co.,			
6.125%, due March 15, 1971	7,600,000	7,600,000	7,600,000
Wells Fargo Bank National Association,			
7.50%, due March 17, 1971	5,000,000	5,020,104	5,020,104
First National Bank of Minneapolis,			
7.05%, due December 29, 1970	1,290,000	1,290,000	1,290,000
Total certificates of deposit	<u>\$60,473,706</u>	<u>\$ 60,493,810</u>	<u>\$ 60,493,810</u>

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
<i>U. S. Treasury Bills, due—</i>			
December 24, 1970	\$ 5,910,000	\$ 5,821,054	\$ 5,821,054
December 24, 1970	90,000	88,711	88,711
February 4, 1971	20,000	19,753	19,753
February 18, 1971	20,000	19,785	19,785
February 18, 1971	10,000	9,868	9,868
October 31, 1971	2,100,000	2,032,500	2,032,500
 <i>U. S. Treasury Note,</i>			
7.75%, due February 15, 1971	10,000	10,000	10,000
Total Treasury Bills and notes	<u>\$ 8,160,000</u>	<u>\$ 8,001,671</u>	<u>\$ 8,001,671</u>
 <i>Commercial Paper—</i>			
Burlington Northern Inc., 7.25%, due December 23, 1970	<u>\$ 1,750,000</u>	<u>\$ 1,750,000</u>	<u>\$ 1,750,000</u>
 <i>Corporate Notes, Bonds and Debentures—</i>			
Appalachian Power Company, First Mortgage, 8.625% Registered Bond, due October 1, 1975-76	\$ 1,000,000	\$ 1,023,415	\$ 1,050,000
American Brands Incorporated, 8.875% Registered Note, due May 15, 1975	1,000,000	1,044,167	1,061,250
Burroughs Corporation, 4.625% Convertible Sub- ordinated Registered Debenture, due May 1, 1994	124,000	142,560	112,840
Burroughs Corporation, 9% Registered Debenture, due May 1, 1975	1,000,000	1,044,167	1,052,500
Commonwealth Edison Company, First Mortgage Serial 21, Registered 7.75% Bond, due October 1, 1976	1,000,000	1,013,556	1,037,500

<u>Description</u>	<u>Number of Shares or Principal Amount</u>	<u>Cost or Stated Value</u>	<u>Market Value</u>
<i>Corporate Notes, Bonds and Debentures (continued)—</i>			
Household Finance Corporation, 7.60% Registered Note, due July 1, 1974	\$ 15,000	\$ 15,150	\$ 14,400
International Telephone & Telegraph Corporation, 8.30% Registered Note, due October 1, 1975	1,000,000	1,014,746	1,030,000
Sears Roebuck & Company, 8.125% Registered Notes, due May 1, 1975-76	1,000,000	1,027,083	1,067,500
Union Oil Company of California, 8.25% Registered Debenture, due May 30, 1975-76	1,000,000	1,012,316	1,042,500
Weyerhaeuser Company, 8.125% Registered Note, due October 1, 1976	1,000,000	1,017,255	1,040,000
Total corporate notes, bonds and debentures	<u>\$ 8,139,000</u>	<u>\$ 8,354,415</u>	<u>\$ 8,508,490</u>
<i>Municipal Bonds—</i>			
East St. Louis, Illinois, 3.75%, due January 1, 1985	\$ 50,000	\$ 48,537	\$ 17,500
Granite Falls, Minnesota, 2.7%, due June 1, 1972 to 1974 in amounts of \$5,000	15,000	14,595	13,425
Hennepin County, Minnesota 2.25%, due January 1, 1973,	5,000	4,835	4,625
Winter Park, Florida, 3%, due October 1, 1971 to 1975 in amounts of \$40,000	200,000	197,771	186,400
Total municipal bonds	<u>\$ 270,000</u>	<u>\$ 265,738</u>	<u>\$ 221,950</u>



## EXHIBIT 1 (Continued)

<u>Description</u>	<u>Number of Shares or Principal Amount</u>	<u>Cost or Stated Value</u>	<u>Market Value</u>
<i>Common Stocks—</i>			
American Cyanamid Company	200	\$ 7,274	\$ 6,150
American Telephone & Telegraph Company	2,300	121,607	104,362
Armco Steel Corporation	2,000	58,030	39,500
Borg-Warner Corporation	2,000	49,312	52,000
Burlington Northern, Inc.	3,800	129,472	114,000
Caterpillar Tractor Company	200	7,475	7,750
Chase Manhattan Corporation	225	8,181	10,575
Cross Company	1,500	45,375	51,375
Dayton Power & Light Company	331	9,247	7,820
First Bank System, Inc.	2,000	105,700	121,500
First Charter Financial Corporation	1,754	27,477	71,695
Ford Motor Company	2,000	65,267	103,750
General Mills, Inc.	200	5,970	6,475
General Motors Corporation	4,100	150,165	314,162
Gillette Company	3,000	41,836	128,625
Inland Steel Company	2,000	68,113	51,750
International Business Machines Corporation	22	3,718	6,760
International Paper Company	250	6,934	8,031
Investors Diversified Services, Inc.	2,700	114,946	91,125
Kennecott Copper Corporation	4,200	111,078	155,400
Maytag Company	4,000	33,204	125,500

<u>Description</u>	<u>Number of Shares or Principal Amount</u>	<u>Cost or Stated Value</u>	<u>Market Value</u>
<i>Common Stocks (continued)—</i>			
Minnesota Mining & Manufacturing Company	534,185	\$34,481,411	\$48,009,876
Mobil Oil Corporation	2,000	48,868	114,000
Munsingwear, Inc.	1,837	25,135	28,703
National Lead Company	300	8,869	5,138
New England Gas & Electric Association	400	7,350	8,800
Northern States Power Company	214	6,748	5,297
Phelps Dodge Corporation	1,600	31,778	62,200
R. J. Reynolds Industries, Inc.	2,000	86,201	101,500
Southern Railway Company	1,500	62,752	87,750
Standard Oil Company of New Jersey	4,604	287,406	333,215
Stauffer Chemical Company	200	7,978	5,875
Summit Groves, Incorporated	638	475,000	475,000
Texaco, Inc.	200	6,771	6,750
Union Pacific Corporation	5,000	153,790	223,750
Western Bancorporation	200	5,716	6,800
Westinghouse Electric Corporation	150	7,013	9,769
Whirlpool Corporation	3,496	140,780	218,500
Winter Park Telephone Company	4,440	131,350	130,980
F. W. Woolworth Company	2,400	90,067	83,700
Total common stocks		<u>\$ 37,235,364</u>	<u>\$ 51,495,908</u>

<u>Description</u>	<u>Number of Shares or Principal Amount</u>	<u>Cost or Stated Value</u>	<u>Market Value</u>
<i>Preferred Stocks—</i>			
Atlantic Richfield Company, \$2.80 Cumulative Convertible	1,420	\$ 87,590	\$ 70,823
Burlington Northern, Inc., 5.50%	1,900	11,589	12,825
Lykes-Youngstown Corporation \$2.50 Series A Cumulative Convertible	2,700	78,405	43,875
Warrens Incorporated	400	4,000	4,000
Total preferred stocks	<u>          </u>	<u>\$ 181,584</u>	<u>\$ 131,523</u>
<i>Notes, Mortgages and Debentures Receivable—</i>			
Milton H. and Leona W. Lindback, noninterest bearing mortgage note	\$ 12,000	\$ 8,205	\$ 8,205
Robin F. McBride, M.D., 4% promissory note	725	725	725
Hi-Acres, Inc., 5% mortgage note	803,571	803,571	803,571
Gerald V. and Vivian W. Blessing, 4% promissory note	25,000	24,936	24,936
Herschel S. Arrowood, non- interest bearing promissory note	39,000	26,094	26,094
White Bear Yacht Club, 3% promissory note	1,000	966	966
Daniel J. O'Sullivan, non- interest bearing promissory note	10,000	10,000	10,000
Quade Company, 6.5% contract for deed	95,909	95,909	95,909
Plews Oiler, Incorporated, 3% mortgage notes	<u>63,334</u>	<u>59,352</u>	<u>59,352</u>
Total notes, mortgages and debentures receivable		<u>\$ 1,029,758</u>	<u>\$ 1,029,758</u>

<u>Description</u>	<u>Number of Shares or Principal Amount</u>	<u>Cost or Stated Value</u>	<u>Market Value</u>
<i>Real Estate—</i>			
3611 Pennsylvania Avenue, St. Louis Park, Minnesota			
Land		\$ 8,770	\$ 8,770
Building, net of accumulated depreciation of \$1,427		3,003	3,003
3604 Oregon Avenue, St. Louis Park, Minnesota		6,300	6,300
3615 Pennsylvania Avenue St. Louis Park, Minnesota			
Land		3,000	3,000
Building, net of accumulated depreciation of \$1,675		3,525	3,525
7401 Walker Street, St. Louis Park, Minnesota			
Land		107,400	107,400
Building, net of accumulated depreciation of \$42,584		204,016	204,016
Total real estate		<u>\$ 336,014</u>	<u>\$ 336,014</u>
Total investments		<u>\$117,648,354</u>	<u>\$131,969,124</u>
Unrealized appreciation of investments		14,320,770	
		<u>\$131,969,124</u>	

# THE BUSH FOUNDATION

## STATEMENT OF GRANTS FOR THE YEAR ENDED NOVEMBER 30, 1970

	Unpaid Balance 1969
CHARITABLE:	
Community—	
▷ Community Development Corporation—St. Paul	\$ —
▷ Greater St. Paul United Fund and Council—	
Building for Youth Fund	250,000
General contribution	75,000
Granville House	—
REAP Program	—
Residential Center for Emotionally Disturbed	150,000
▷ St. Paul Council of Arts & Sciences Center	200,000
▷ St. Paul Foundation	—
▷ St. Paul Urban Coalition	—
▷ United Appeal of Orange County	—
Welfare—	
▷ DePugh Nursing Home	—
▷ Lutheran Social Service of Minnesota	—
▷ Minnesota Organization for the Blind	—
▷ Minnesota Society for Crippled Children and Adults, Inc.	25,000
▷ St. Paul Society for the Blind	—
▷ Temple Baptist Church — Marantha Home	—
▷ Union Gospel Mission	—
General—	
▷ Anoka State Hospital	—
▷ Guthrie Theater Foundation	—
▷ The Melmark Homes, Inc.	75,000
▷ Minnesota Orchestra	250,000
▷ Planned Parenthood	—
▷ Ravenswood Hospital Medical Center	—
▷ Winter Park Memorial Hospital	—
▷ Youth Leadership — Minnesota	30,000
▷ Youth Research Center	5,000
Total Charitable	<u>\$1,060,000</u>
EDUCATIONAL:	
▷ A Better Chance — Independent Schools Talent Search	\$ 30,000
▷ Academy of Parish Clergy, Inc.	—
▷ ACTION for Brain-Injured Children	—
▷ Augsburg College — Library	50,000

<u>Appropriated</u>	<u>Amount Paid</u>	<u>Unpaid Balance 1970</u>	<u>Terms</u>
\$ 25,000	\$ 25,000	\$ —	
—	100,000	150,000	Due in 1971
100,000	75,000	100,000	Due in 1971
35,000	35,000	—	
6,000	6,000	—	
—	75,000	75,000	Due in 1971
100,000	200,000	100,000	Due in 1970
2,000	2,000	—	
10,000	—	10,000	Due in 1971
10,000	—	10,000	Due in 1971
5,000	5,000	—	
11,717	3,540	8,177	\$3,894 due in 1971 and \$4,283 due in 1972
5,000	5,000	—	
—	25,000	—	
50,000	—	50,000	Due in 1971
22,000	22,000	—	
43,300	43,300	—	
750	750	—	
50,000	50,000	—	
100,000	75,000	100,000	\$75,000 due in 1971 and \$25,000 due in 1972
200,000	250,000	200,000	\$100,000 annually beginning in 1970
125,000	65,000	60,000	\$30,000 annually beginning in 1971
300,000	—	300,000	\$100,000 annually beginning in 1971
100,000	—	100,000	\$50,000 annually beginning in 1971
—	10,000	20,000	\$10,000 annually beginning in 1971
27,000	20,000	12,000	Due in 1971
<u>\$1,327,767</u>	<u>\$1,092,590</u>	<u>\$1,295,177</u>	
\$ —	\$ 10,000	\$ 20,000	\$10,000 annually to 1972
30,000	—	30,000	\$15,000 due in 1971, \$10,000 due in 1972 and \$5,000 due in 1973
2,500	2,500	—	
—	25,000	25,000	Due in 1971

	Unpaid Balance <u>1969</u>
EDUCATIONAL (continued):	
F Bush Leadership Fellows and Management Scholars programs- Fellows' stipends to provide scholarships for experienced men training for leadership in business, government, and the professions	\$ 65,333
Administrative expenses for consultants' services, etc.	—
C Children's Hospital	—
D Christ Child School	—
B Concordia College— Language camps	100,000
Library	—
E Correctional Service of Minnesota	—
B Erickson Institute for Early Education	—
D Friends of Hearing Handicapped Children, Independent School District #625	7,500
B Golden Valley Lutheran College	—
B Granite Falls Independent School District #894	—
B Gustavus Adolphus College	—
B Hamline University— Alumni Challenge Fund	—
Bush Memorial Library	600,000
Granite Falls scholarships	9,000
New building program	550,000
B Institute for Ecumenical & Cultural Research	50,000
B Minnesota Environmental Sciences Foundation, Inc.	—
B Minnesota Higher Education Coordinating Commission	35,000
A Minnesota Historical Society— Architectural Study	40,000
General contribution	—
B Minnesota Music Teachers — Education Fund	—
B Minnesota Private College Fund	—
E National Conference of Commissioners on Uniform State Laws	—
C Presbyterian — St. Luke's Hospital, Chicago, Illinois — Endocrinology Research	150,000
B Rollins College, Winter Park, Florida— A. G. Bush Science Chair	200,000
Library supplies and equipment	65,000

<u>Appropriated</u>	<u>Amount Paid</u>	<u>Unpaid Balance 1970</u>	<u>Terms</u>
\$ 88,000	\$ 73,333	\$ 80,000	Due in 1971
19,026	19,026	—	
8,500	8,500	—	
30,000	10,000	20,000	\$10,000 annually to 1972
—	50,000	50,000	Due in 1971
75,000	25,000	50,000	\$25,000 annually to 1972
22,500	7,500	15,000	\$7,500 annually to 1972
90,000	—	90,000	\$30,000 annually to 1973
—	7,500	—	
30,000	10,000	20,000	\$10,000 annually to 1972
7,700	7,700	—	
5,000	5,000	—	
90,000	90,000	—	
—	100,000	500,000	\$200,000 due in 1970 and \$300,000 due in 1971
10,040	19,040	—	
—	550,000	—	
—	25,000	25,000	Due in 1971
30,000	—	30,000	\$10,000 annually to 1973
—	35,000	—	
—	40,000	—	
7,500	7,500	—	
12,350	12,350	—	
400,000	—	400,000	\$200,000 annually beginning in 1971
20,000	—	20,000	\$5,000 annually beginning in 1971
—	50,000	100,000	\$50,000 annually to 1972
—	200,000	—	
—	35,000	30,000	Due in 1971



EXHIBIT 2 (Continued)

	Unpaid Balance <u>1969</u>
EDUCATIONAL (continued):	
B St. John's University — Bush Clergy Program	\$ 150,000
C St. Paul Colostomy & Ileostomy Guild, Inc.	—
E Three Prong TV Productions Inc. (PTST Program)	—
B Tri-College University	—
B University of Chicago — support and maintenance of A. G. Bush Library of Management, Organization and Industrial Relations	61,250
B University of Minnesota— Cardiovascular Research	—
Theater Fellowship Program	—
B University of Minnesota Foundation— Landscape Arboretum	125,000
Minnesota Messenia Expedition	—
Spink — Lectures and seminars	—
Total educational	<u>\$2,288,083</u>
Total grants	<u><u>\$3,348,083</u></u>

<u>Appropriated</u>	<u>Amount Paid</u>	<u>Unpaid Balance 1970</u>	<u>Terms</u>
\$ —	\$ 50,000	\$ 100,000	\$50,000 annually to 1972
2,500	2,500	—	
30,000	—	30,000	Due in 1971
94,000	—	94,000	\$31,983 due in 1971, \$30,571 due in 1972, and \$31,446 due in 1973
141,250	135,000	67,500	Due in 1971
157,500	50,000	107,500	\$52,500 due in 1971 and \$55,000 due in 1972
204,300	—	204,300	\$68,100 due annually to 1973
246,349	175,000	196,349	\$79,306 due in 1971, \$95,843 due in 1972, and \$21,200 due in 1973
30,000	10,000	20,000	\$10,000 annually to 1972
30,000	10,000	20,000	\$10,000 annually to 1972
<u>\$1,914,015</u>	<u>\$1,857,449</u>	<u>\$2,344,649</u>	
<u>\$3,241,782</u>	<u>\$2,950,039</u>	<u>\$3,639,826</u>	