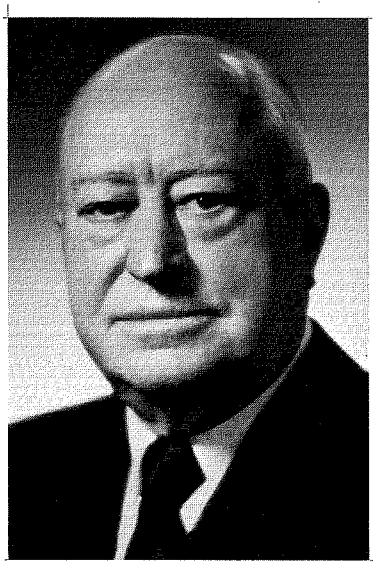
1971

The BUSH FOUNDATION

The Bush Foundation 1971



A. G. BUSH

MRS. A. G. BUSH

THE BUSH FOUNDATION

Annual Report for the Fiscal Year Ended November 30, 1971

The Bush Foundation

REPORT FOR THE FISCAL YEAR ENDING NOVEMBER 30, 1971

During the year ending November 30, 1971, The Bush Foundation offices were located at W-962 First National Bank Building, Saint Paul, Minnesota 55101 (Telephone: 612-227-0891).

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.

During the fiscal year ending November 30, 1971 The Bush Foundation granted financial assistance to sixty-seven projects in the United States and continued to conduct the Bush Leadership Fellows Program. The following sections summarize these activities. At the end of the section entitled "Summary of 1971 Grants" are three tables which summarize the Foundation's grantmaking activity in the years 1969, 1970, and 1971.

Report of the President

THE year 1971 was one of increased and promising activity for The Bush Foundation. Hardest to measure, and yet probably most noteworthy, was the energetic and intelligent service which the individual Members and Directors of the Foundation continued to render. They carried out the customary responsibilities of trusteeship with unusual care. They also gave large amounts of their time to assist a small office staff with the necessary day-to-day work of the Foundation. Without this extra contribution, the significant progress achieved by the Foundation would have been impossible. The Members and Directors who also served as officers of the Foundation during 1970 continued in the same capacities during 1971. In addition, John A. McHugh was elected Assistant Treasurer in 1971.

The Foundation in 1971 made grants totaling $8,624,861, compared with $3,222,757 in 1970. On April 13, 1971, the Board adopted the following interim guidelines for making grants.

1. The Foundation is interested in education at all levels and seeks to support promising new learning programs and new approaches to structural change (such as the design of consortia, or of methods of student financing, or of ways to broaden educational opportunity). The Foundation ordinarily will not commit support to capital projects for construction, to operating

budgets of institutions, or to basic research within established academic disciplines.

2. The Foundation seeks to support innovative projects which may help demonstrate ways to resolve contemporary social problems, such as providing greater opportunity for minority groups, protecting the environment, and improving the quality of life.
3. The Foundation has a special current interest in programs designed to increase the effectiveness of medical manpower, to deliver high quality medical care (at reasonable cost to recipients and to society), and to provide better medical care in areas which now are under-served. In stating our interest in the delivery of medical care, however, we are aware that certain approaches remain beyond the Foundation's financial capacity and others exceed our present technical competence (such as the ability to make discriminating appraisal of basic medical research proposals).
4. The Foundation accepts special regional responsibility in the humanities, including support for music, theater, dance, art and for the general preservation of our cultural heritage.
5. The development of leadership potential was a particular interest to the founder of The Bush Foundation, and will continue to command its interest and resources.
6. Initially, the Foundation will tend to concentrate its major interest to projects originating in, or of special value to Minnesota, with Chicago and Florida as areas of secondary interest, and others less so. Applications for projects outside the United States ordinarily will not be considered.
7. The Bush Foundation ordinarily will not contribute to other foundations, but this shall not preclude its joining with one or more foundations in a common effort.

Following the enlargement and reorganization of the Board in 1970, the Foundation took steps to seek additional full-time personnel. In August 1971 the Foundation's first Executive Director, Humphrey Doermann, joined the staff. The following new staff members also came to the Foundation then: Harold V. Neece, Business Manager; Stanley Shepard, Program Associate; Emily Galusha, Administrative Assistant; and Gloria Mooney and Kathleen Youngren, sec-

retaries. Continuing their loyal service on the Foundation's staff were Margie M. Prosser, Administrative Assistant, and Audrey G. Markoe, Bookkeeper.

The Foundation offices were moved from W-3091 First National Bank Building to W-962 First National Bank Building in Saint Paul.

In May, 1971, the President of the Foundation was selected to serve as a Director of the Council on Foundations in New York City; it is hoped this service will offer The Bush Foundation an additional opportunity to participate broadly in discussion of questions affecting the general future of private philanthropy in the United States.

Much remains to be done if The Bush Foundation is to reach and sustain optimum performance in spending its growing income for the greatest public good. Meanwhile, in retrospect, 1971 was a year of significant progress towards that end.

ELMER L. ANDERSEN
President

The Bush Leadership Fellows Program

INCREASED applicant interest in the Bush Leadership Fellows Program, a midcareer education and internship program, and encouraging results from the Program's first four groups of Fellows, led The Bush Foundation Board of Directors in 1971 to expand the Program. The number of Fellows chosen each year was increased from eight to ten.

The five top awards will provide $18,000 each for nine months of academic work—not necessarily towards a formal degree—and nine months of internship with an acknowledged leader in the Fellow's field of interest. The other five awards each provide $4,000 for four months of training at a university.

By the end of the 1971 Bush Leadership Fellows competition, a total of 38 persons had been named winners. The Program started in 1965 at the wish of Archibald G. Bush. He envisaged a program which would locate individuals with strong leadership qualities, and enable them to develop those qualities without the financial hardship he encountered in his own early business career. Five groups of Fellows have been selected since the Program began: in 1965, 1966, 1969, 1970 and 1971.

Winners have come from careers in business, law, government, trade union management, and church and education administration. Applicants must be at least 28 years old and ordinarily not more

than 43, and have at least a year's residence or employment in Minnesota immediately prior to application. A college degree is not a prerequisite to application or final selection. In 1971 ten winners were chosen from 187 applicants, in a selection process which is both thorough and demanding. Nine Bush Leadership Fellows alumni now serve in a group of 25 interviewers who help screen applicants in the early part of the selection process. Possible finalists complete a series of tests administered by a local firm of consulting psychologists. Roughly 20 finalists are selected each spring for a two-day live-in seminar, where the final judges become closely acquainted with them at meetings, in interviews, and through appraisal of their written material. Major criteria for final selection include mental skills, integrity, personal characteristics, personal career goals, and abilities demonstrated by past job performance.

The sum of $98,000 was authorized in 1971 to pay stipends and tuition grants for the Fellows selected in that year.

D. Donald Peddie
Program Director

Summary of 1971 Grants

Performing Arts and Humanities

THEATRES

The Guthrie Theater Foundation, Minneapolis, received $100,000 to meet the operating costs of the Guthrie Theater for the 1970–71 season. A second grant of $50,000 was made to support operations for the 1971–72 season.

A grant of $15,000 was awarded to The Phoenix Theatre Corporation, Minneapolis, to reestablish the Cricket Theatre for the 1971–72 season.

MUSIC AND OPERA

The Center Opera Company of Minneapolis, was granted $20,000 to help retire its 1970–71 operating deficit.

The Minnesota Orchestra, Minneapolis, received $300,000 in general support from The Bush Foundation. This grant, together with a $200,000 commitment in 1970, make up a total grant of $500,000 to the Minnesota Orchestra, payable over five years beginning with the 1970–71 season. The first payment of $100,000 was in the form of a matching grant to the National Endowment for the Arts in Washington, D.C. for the benefit of the Minnesota Orchestra.

Grants have been classified according to the major activity of the institution to which the grant was made.

The Orchestral Association, Chicago, received $150,000, payable over five years, for the establishment of a permanent endowment fund to be named after The Bush Foundation.

OTHER PERFORMING ARTS AND HUMANITIES GRANTS

The Minneapolis Society of Fine Arts received $1,000,000, payable over five years, from The Bush Foundation in support of the Society's $26,000,000 Heritage Fund campaign. The grant will be used to support both programs and construction for the Institute of Arts, the College of Art and Design, the Arts Opportunity Program, and the Children's Theatre.

A grant of $30,000, payable over three years, was made to the Minnesota Historical Society, Saint Paul, for the purchase of rare books and manuscripts.

The Saint Paul Council of Arts and Sciences received $50,000 to support the program of the Saint Paul Philharmonic Society. The Council was also granted $200,000 in general support of its 1971–72 operations, half of this amount to be given on a one-for-one matching basis for all monies above $500,000 raised from other sources by the Council in 1971.

Education

PRIVATE ELEMENTARY AND SECONDARY EDUCATION

Project Discovery, Saint Paul, was awarded a grant of $200,000, payable over three years. Project Discovery is an individualized, inner-city educational program involving elementary and secondary school children in the Archdiocesan school system.

PUBLIC ELEMENTARY AND SECONDARY EDUCATION

Independent School District #894, Granite Falls, Minnesota, received a grant of $8,650 for scholarships and incentive grants to teachers and administrators. An additional grant of $267,500 was made to the district to construct an addition to the Area Vocational School. This new building will be named in honor of Archibald G. Bush.

PRIVATE HIGHER EDUCATION

Augsburg College, Minneapolis, was granted $30,000, payable over two years, to help plan and develop its Urban Studies program.

Hamline University, Saint Paul, received several grants from The Bush Foundation in 1971: $1,208,000, payable over three years, was awarded on a matching basis for construction of a new Learning Center on the Hamline campus; the Hamline University Alumni Challenge Program received a $100,000 matching grant; and the University also received $20,390 for scholarships for high school graduates from Granite Falls. The Foundation also granted $16,035 to help purchase a gallery organ for the Hamline Methodist Church.

Tulane University, New Orleans, Louisiana, received $180,000, payable over three years, to support a program in Biomedical Engineering and Research. This program combines the talents of educators in the biological and medical sciences with those of engineeers to work on a broad range of problems related to human health.

The Foundation granted $135,000 to the University of Chicago, Chicago, Illinois, in support of the operation of the A. G. Bush Library in the University's Industrial Relations Center.

A grant of $50,000 was made to the University of Miami, Coral Gables, Florida, in support of the Neo-Natal Infant Special Care Center at the University's School of Medicine.

PUBLIC HIGHER EDUCATION

The Coast Guard Academy Foundation, New London, Connecticut, received $50,000 for construction of a new cadet recreation area and social complex.

The Minnesota State College System was granted $35,000 for the study of fundamental curricular change in the system.

The Southwest Minnesota College Foundation in Marshall, Minnesota, received $50,000 for support of a Bush Memorial Scholarship program at Southwest Minnesota State College for students from Chippewa and Yellow Medicine counties in Minnesota.

A grant of $180,000, payable over three years, was awarded to the University of Minnesota, Minneapolis, in support of the Center for Youth Development and Research. The Center, under the direction of Dr. Gisela Konopka, helps to develop and evaluate innovative action projects which involve young people.

The University of Minnesota also received a grant of $80,443, payable over two years, for the development of a human organ preservation system under the direction of Dr. John S. Najarian.

A grant of $80,000 was made to the University of Minnesota Foundation, Minneapolis, for use by the Minnesota Landscape Arboretum to purchase thirty-three acres of adjacent land.

The University of Minnesota Foundation also received a grant of $300,000, payable over three years, to support leukemia research at the University's School of Medicine. This research program is under the direction of Dr. Robert A. Good.

OTHER EDUCATION GRANTS

The Freshwater Biological Research Foundation in Minneapolis, was awarded a grant of $300,000, payable over three years, to help build, equip, and staff the Freshwater Biological Institute. The Institute will develop programs in research and training on the problem of freshwater pollution, and will become an information center for freshwater knowledge. The Institute will eventually be part of the University of Minnesota's College of Biological Sciences.

The Minnesota State Council on Economic Education, Minneapolis, sponsors programs designed to improve the teaching of economics. A grant of $34,700, payable over three years, was made to the Council to support a qualitative evaluation of these educational programs.

A grant of $20,000 was made to the North Star Research and Development Institute, Minneapolis, to underwrite preliminary planning costs for new systems of education in the Minnesota Experimental City, a new city of 250,000 projected for development in northern Minnesota.

Health

HOSPITALS AND NURSING HOMES

The Foundation granted $798 to Anoka State Hospital, Anoka, Minnesota, for the purchase of newspapers for patients in the wards.

The Associated Capital Hospitals, Inc., Saint Paul, whose membership includes Children's, Charles T. Miller, St. Joseph's, St. Luke's,

and Riverview Hospitals, was granted $20,000 by The Bush Foundation to finance a study for the development of a coordinated plan for shared hospital services.

The Foundation awarded $10,000 to the Children's Hospital, Inc., Saint Paul, to support its intern education program in pediatric medical care.

A matching grant of $150,000, payable over three years, was made to the Washburn Child Guidance Center, Minneapolis. The Center provides diagnosis and treatment of emotionally disturbed and mentally retarded children, and offers counseling services to the parents of these children.

MEDICAL EDUCATION

The Mayo Foundation in Rochester, Minnesota, received a grant of $1,000,000, payable over five years, toward the development of a new undergraduate medical school at the Mayo Clinic.

OTHER HEALTH GRANTS

A grant of $100,000 was made to the Psychoanalytic Foundation of Minnesota for the establishment in the Minneapolis-Saint Paul area of a branch institute of the Chicago Psychoanalytic Institute. The purpose of the new Minnesota institute is to further the development of mental health professional staff and services in Minnesota.

Welfare and Social Services

YOUTH AND FAMILY SERVICES

The Bush Foundation granted $100,000 to the Allendale School, a residential school for emotionally disturbed boys located in Lake Villa, Illinois. The grant should make possible the establishment of a new boys' residence, and is contingent upon the school's ability to raise the remainder of its $172,000 campaign.

The Central Baptist Children's Home, Lake Villa, Illinois, was awarded $50,000 to build and operate for one year a group home for adolescent girls.

The Indianhead Council of the Boy Scouts of America, Saint Paul, received $51,700 to support its 1971 programs.

HEALTH AND REHABILITATION

The Cedar Valley Rehabilitation Workshop in Austin, Minnesota, received $5,000 for the construction of additional space in which to carry on its vocational services for the handicapped.

The Foundation granted $71,000, payable over two years, to the Melmark Home, Inc., for handicapped children in Berwyn, Pennsylvania. The money will be used to retire the mortgage on the Home.

A matching grant of $60,000 was made to the Minneapolis Society for the Blind, Inc., Minneapolis, for construction of new facilities for work training programs.

The Minnesota Society for Crippled Children and Adults, Inc., Minneapolis, received a grant of $250,000, payable over three years, for construction of Courage Center, a rehabilitation facility for the severely handicapped.

A grant of $5,000 for operating support for the 1971–72 school year was made to the Opportunity School for Handicapped Children in Fargo, North Dakota.

A three-year grant totaling $75,000 was made to the Range Center, Inc., Chisholm, Minnesota, for construction of a residential training facility for mentally-retarded persons.

A grant of $100,000 was made to Saint Paul Goodwill Industries, Inc., for the purchase and refurbishing of new facilities for that organization. The Foundation also agreed to provide another $125,000 on a matching basis.

The Saint Paul Hearing and Speech Center, Saint Paul, received an $18,000 matching grant to support its program for pre-school children with hearing impairments.

A matching grant of $25,600 was made to the Saint Paul Opportunities Industrialization Center to support counseling services in its methadone rehabilitation program.

A grant of $46,000, payable over two years, was made to the Union Gospel Mission of Saint Paul, to support private school scholarships for low-income children.

UNITED FUNDS

The Greater Saint Paul United Fund and Council, Inc., received a grant of $125,000 in support of the Fund's 1971–72 programs.

An additional grant of $10,000 was made to this organization for its Summer Youth Employment Program.

The United Appeal of Orange County, Inc., Orlando, Florida, was granted $10,000 for its 1971 Annual Fund Drive.

The Bush Foundation granted $110,000, payable over three years, to the United Fund of Duluth in support of the Lakeshore Lutheran Home of Duluth. The money will be used to provide home nursing care, home meal deliveries, and home day care services for elderly people.

OTHER WELFARE AND SOCIAL SERVICES GRANTS

The Community Design Center of Minnesota, Minneapolis, provides planning and design services to individuals and organizations which would not otherwise have access to the professional assistance of architects and designers. A matching grant of $45,000, payable over three years, was made in support of the Center's operations.

The Saint Paul Foundation, Saint Paul, was granted $50,000 to fund the activities of the Ramsey County Welfare Department Study Committee. This committee intends to study the operating procedures and organizational structure of the Welfare Department.

The Newman Center, Winter Park, Florida, received a grant of $10,000 to provide care and services for the poor and minority groups in central Florida.

Other Grant Areas

ENVIRONMENT

A grant of $150,000, payable over three years, was awarded to the Nature Conservancy, Arlington, Virginia, to aid in the purchase of Shell Point, which then became part of the Rookery Bay Sanctuary near Naples, Florida.

The Minnesota Parks Foundation, Saint Paul, received a matching grant of $30,660 for the acquisition of the Frederick Manfred House in Blue Mounds State Park in Rock County, Minnesota.

COMMUNICATIONS

A matching grant of $110,000, payable over three years, was made to Minnesota Educational Radio, Inc., Saint Paul, to help strengthen

the financial base for the network and to enable it to receive a major grant from the Corporation for Public Broadcasting to establish a news and public affairs production center.

Three-Prong Television Productions, Inc., Chicago, Illinois, received $50,000 in support of its Prime Time School Television program. Prime Time School Television is encouraging midwestern city

SUMMARY OF GRANTS AWARDED IN FISCAL YEARS 1969, 1970, AND 1971 CLASSIFIED BY TYPE OF INSTITUTION TO WHICH FUNDS WERE GRANTED

Type of Institution	1969	1970	1971	3-Year Total
A. *Humanities and Performing Arts*	$ 675,500 (7) 16.1%	$ 357,500 (4) 11.1%	$1,915,000 (10) 22.2%	$ 2,948,000 (21) 18.4%
B. *Education* (including research in colleges and universities)	2,306,650 (14) 55.0%	1,377,140 (15) 42.7%	3,265,718 (20) 37.8%	6,949,508 (49) 43.3%
C. *Health*	226,748 (7) 5.4%	419,250 (7) 13.0%	1,280,798 (6) 14.9%	1,926,796 (20) 12.0%
D. *Welfare and Social Services*	508,000 (15) 12.1%	482,017 (16) 15.0%	1,342,300 (20) 15.6%	2,332,317 (51) 14.5%
E. *Miscellaneous* (including environment, corrections and law, communications, and others not included above)	390,000 (6) 9.3%	498,849 (9) 15.4%	581,545 (10) 6.7%	1,470,394 (25) 9.2%
F. *Bush Leadership Fellows Stipends*	88,000 (1) 2.1%	88,000 (1) 2.8%	239,500 (2) 2.8%	415,500 (4) 2.6%
Totals	$4,194,898 (50) 100.0%	$3,222,756 (52) 100.0%	$8,624,861 (68) 100.0%	$16,042,515 (170) 100.0%

NOTE: In each cell, the dollar figure represents the total amount granted, and figure next below in parenthesis shows the number of grants made, and the bottom figure shows the percentage of all grant dollars awarded during that fiscal year.

school systems to make more effective curriculum use of evening television programming and to develop better prime time television programs that will meet school needs which currently are not met adequately.

A grant of $78,600 was awarded to the Twin City Area Television Corporation, Saint Paul, Minnesota, to support the cost of placing TV antennae on a tall tower in the Twin City area. This expansion is expected to increase the potential audience of the two Twin City educational TV channels by 500,000 people.

LAW AND CORRECTIONS

Amicus, Inc., was granted $15,000 which, with the help of the State Department of Corrections, will be used to coordinate the volunteer efforts of former state prison inmates and other interested citizens to rehabilitate newly-released parolees.

Several grants totaling $47,285 were made to the Correctional Service of Minnesota, Minneapolis, to purchase films for its information center, to conduct prison art classes in cooperation with the Walker Art Center, and to produce educational film units on the criminal justice system in Minnesota.

The Foundation awarded $20,000 to the National Conference of Commissioners on Uniform State Laws, Chicago, Illinois, to support the development of a Uniform Probate Code. The grant was made contingent upon the Commissioners receiving the balance of the money needed for the project.

SIZE AND DURATION OF GRANTS AWARDED FISCAL YEARS 1969 THROUGH 1971

Duration of Grants	Number of Grants Awarded 1969–1971
1 year	103
2 years	26
3 years	38
4 years	. . .
5 years	3
Total	170

Size of Grants	Number of Grants Awarded 1969–1971
$ 0–$ 9,999	25
10,000– 24,999	29
25,000– 49,999	34
50,000– 99,999	34
100,000– 199,999	28
200,000– 499,999	15
500,000– 999,999	2
1,000,000 and over	3
Total	170

Report of the Treasurer

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

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 $993,525. As of November 30, 1971, the current market value of remaining assets in the hands of the Executors of the Estate of A. G. Bush was $62,481,902, and included 500,000 shares of Minnesota Mining and Manufacturing Company common stock; the Estate's appraised value of these remaining assets was $36,310,028.

The Bush Foundation received investment income of $6,075,534 representing an increase of $2,787,870 over the preceding year. The increase is mainly attributable to changes made in the Foundation portfolio: the sharp reduction of the substantial holdings of Minnesota Mining and Manufacturing Company stock and the diversification within the portfolio. Administrative expenses were $181,728 and investment expenses $221,602, a total of $403,330.

On February 1, 1971, the Foundation placed a large block of assets in the hands of four investment advisors: the United States Trust Company, New York; Northern Trust Company, Chicago;

Northwestern National Bank of Minneapolis and Brown Brothers Harriman & Co., New York. The Foundation itself retained physical possession of 534,185 shares of Minnesota Mining and Manufacturing Company common stock and other miscellaneous assets. During the fiscal year the Foundation sold 500,000 shares of Minnesota Mining and Manufacturing Company common stock leaving 34,185 still owned at November 30, 1971. Proceeds resulting from such sales were distributed in equal amounts to the four investment advisors. Uniform performance measurements are being established in order that performance of each investment advisor may be compared with the other three and with certain well known investment performance data. Investment advisors submit detailed monthly reports and representatives of each advisor make appearances before the Foundation Board from time to time.

At the end of the fiscal year Foundation assets at market value totaled $149,072,670.

The Foundation now has unpaid grant commitments extending over a five year period. At year end, $7,376,284 had been committed by The Bush Foundation for payment in future years.

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, 1971 and 1970, and the related statements of income fund and changes in financial position 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, 1971 and 1970, and the changes in income fund and financial position 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 consistently applied during the periods.

Arthur Andersen & Co.

ARTHUR ANDERSEN & CO.

Minneapolis, Minnesota,
January 10, 1972.

BALANCE SHEET—NOVEMBER 30, 1971 AND 1970

ASSETS

	1971	1970
CASH	$ 1,029,580	$ 15,423
INVESTMENTS, at quoted market value or at cost which approximates market value (Exhibit 1 and Note 1):		
Certificates of deposit	$ 350,000	$ 60,493,810
U.S. Treasury Bills	20,319,838	8,001,671
Commercial paper	34,046,305	1,750,000
Corporation notes, bonds and debentures, amortized cost of $17,884,624 in 1971 and $8,354,415 in 1970	18,515,776	8,508,490
Municipal bonds, stated value of $48,641 in 1971 and $265,738 in 1970	15,000	221,950
Common stocks, cost or stated value of $71,639,747 in 1971 and $37,235,364 in 1970	72,046,758	51,495,908
Preferred stock, cost or stated value of $87,590 in 1971 and $181,584 in 1970	68,160	131,523
Notes and mortgages receivable, at amortized stated value	802,436	1,029,758
Real estate, at market value on the date of gift, net of accumulated depreciation of $58,363 in 1971 and $45,686 in 1970	323,337	336,014
Total investments	$146,487,610	$131,969,124
DIVIDENDS AND INTEREST RECEIVABLE	1,533,283	931,344
OTHER ASSETS, net	22,197	12,369
	$149,072,670	$132,928,260

LIABILITIES AND FUND BALANCES

	1971	1970
ACCOUNTS PAYABLE	$ 189,811	$ 12,134
RESERVE FOR EXCISE TAXES (Note 5)	418,000	. . . . .
UNPAID GRANTS SCHEDULED FOR PAYMENT IN FISCAL YEAR (Exhibit 2)—		
1971	$	$ 2,328,783
1972	3,840,163	975,297
1973	2,065,221	310,746
1974	745,900	25,000
1975 and thereafter	725,000	. . . . .
	$ 7,376,284	$ 3,639,826
FUND BALANCES:		
Principal fund—		
Balance, beginning of year	$117,654,378	$100,345,294
Distributions received, principally from the Estate of A. G. Bush (Note 2)	993,578	3,681,864
Principal transferred to income fund (Note 3)	(3,767,615)	. . . . .
Reinvested gain on security transactions	27,525,032	13,627,220
Balance, end of year	$142,405,373	$117,654,378
Unrealized appreciation of investments (Exhibit 1 and Note 1)—		
Balance, beginning of year	$ 14,320,770	$ 62,227,748
Appreciation (depreciation) of market value of investments	14,189,354	(34,279,758)
Realized gains on security transactions	(27,525,032)	(13,627,220)
Balance, end of year	$ 985,092	$ 14,320,770
Income fund, per accompanying statement	(2,301,890)	(2,698,848)
Total fund balances	$141,088,575	$129,276,300
	$149,072,670	$132,928,260

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

STATEMENT OF INCOME FUND FOR THE YEARS ENDED NOVEMBER 30, 1971 AND 1970

	1971	1970
BALANCE, beginning of year (deficit)	$(2,698,848)	$(2,628,219)
ADD—Excess of income over expenses:		
Income—		
Dividends	$ 1,327,626	$ 2,134,198
Interest	4,663,190	1,116,673
Rent and other	84,718	36,793
Total income	$6,075,534	$ 3,287,664
Expense—		
Investment management	$ 119,972	$ . . . .
Legal	58,137	21,852
Accounting	16,453	15,865
Bush Memorial Services Building consultation	25,000	. . . .
Salaries	51,352	14,850
Depreciation	14,811	13,301
Rent	11,736	8,337
Membership dues and subscriptions	7,948	8,595
Directors' fees and expenses	18,845	5,042
Stationery and supplies	7,231	3,860
Repairs and maintenance	10,172	7,309
Bush Leadership Fellows Program administrative expenses	24,981	19,025
Insurance	4,519	2,203
Telephone	3,763	1,074
Real estate taxes	2,212	2,458
Parking and automobile	4,200	1,693
Employment fees and expenses	8,578	8,931
Annual Report	4,658	. . . .
Other	8,762	4,131
Total expenses	$ 403,330	$ 138,526
Excess of income over expenses before provision for excise taxes	$ 5,672,204	$ 3,149,138
Provision for excise taxes (Note 5)	418,000	. . . .
Excess of income over expenses	$ 5,254,204	$ 3,149,138
Transferred from principal fund (Note 3)	3,767,615	. . . .
Refunds of unexpended grants	. . . .	2,990
Total additions to income fund	$ 9,021,819	$ 3,152,128
DEDUCT—Grants appropriated during year (Exhibit 2)	(8,624,861)	(3,222,757)
BALANCE, end of year (deficit)	$(2,301,890)	$(2,698,848)

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

STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEARS ENDED NOVEMBER 30, 1971 AND 1970

	1971	1970
CASH BALANCE, beginning of year	$ 15,423	$ 30,588
Income and grant transactions:		
Source—		
Receipts from dividends, interest and rent	$ 5,494,846	$ 3,052,561
Less disbursements for expenses	(356,814)	(100,829)
Cash available for grants	$ 5,138,032	$ 2,951,732
Application—		
Grants paid (Exhibit 2)	(4,888,403)	(2,950,039)
Increase in cash from income and grant transactions	$ 249,629	$ 1,693
Principal transactions:		
Source—		
Distributions received principally from the Estate of A. G. Bush (Note 2)	$ 993,578	$ 2,569,528
Sales and maturities of investments	482,871,404	106,972,982
Cash available for investment	$483,864,982	$109,542,510
Application—		
Investment in securities	(483,100,454)	(109,559,368)
Increase (decrease) in cash from principal transactions	$ 764,528	$ (16,858)
CASH BALANCE, end of year	$ 1,029,580	$ 15,423

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 quoted market value or at cost which approximates market value as of November 30, 1971 and 1970, resulting in unrealized appreciation to total assets of $985,092 in 1971 and $14,320,770 in 1970.

(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, 1970, and

March, June and September, 1971, from the Estate of A. G. Bush having an aggregate value of $993,525. The remaining assets in the Estate of A. G. Bush as of November 30, 1971, approximated:

Principal	$34,952,191
Reserve	1,357,837
	$36,310,028

The above reserve represents principal assets of the Estate plus income earned on those assets which is being held in reserve for administrative expenses, additional executors', fiscal agents' and attorneys' fees which the Estate may ultimately be ordered to pay by the Probate Court. Certain fees are being contested and it is the opinion of counsel that the Foundation will be successful in preventing the allowance of any unreasonable fees.

Subsequently, in December, 1971, the Foundation received a distribution from the Estate of A. G. Bush in the amount of $231,250.

(3) Description of Funds—

The principal fund represents funds which are invested in income producing assets and ordinarily are not available for distribution. The income fund principally represents income earned on invested principal which is available for distribution as grants. In this connection the Board of Directors has approved and directed that all funds received from the Estate of A. G. Bush after July 31, 1969, representing income earned by the Estate, be transferred from the principal fund to the income fund of the Foundation for grant appropriation. As a result, $3,767,615 has been transferred from the principal fund to the income fund during the year ended November 30, 1971.

(4) Pending Litigation—

Renunciation of Will:

On October 12, 1971, 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. It is the opinion of counsel that the purported renunciation will not be validated by the court.

Board of Directors Suit:

On January 6, 1972, certain directors of the Foundation were named in a lawsuit, initiated by two directors of the Foundation, seeking damages totaling $39,750,000 as well as injunctive relief, on behalf of the Foundation for alleged stock manipulations and conflicts of interest. It is the opinion of counsel that this suit has no substantial effect on the financial condition of the Foundation and if successful it would add to the assets of the Foundation.

(5) Excise Taxes—

Under the Tax Reform Act of 1969, the Foundation is now subject to a 4 percent excise tax on its taxable investment income. Accordingly, a provision for excise taxes of $418,000 has been provided for the year ended November 30, 1971.

(6) *Events Subsequent to Date of Auditors' Report—*

On February 24, 1972, the Ramsey County Probate Court ruled the renunciation of the Will, as discussed in Note 4 above, not valid. Also on March 31, 1972, the above lawsuit against certain directors was dismissed without prejudice by the plaintiffs.

On April 5, 1972, The Bush Foundation was named a codefendant in a $100,000,000 lawsuit filed in behalf of Mrs. Edyth Bush by the guardians of her estate. Among other things, the suit seeks to rescind the August 27, 1966 agreement (further discussed in Note 4 above) and to void the April 10, 1970 judgment of the District Court of Ramsey County, Minnesota, entered pursuant to a September 17, 1969 stipulation which, among other things, established the present Board of Directors. It is the opinion of counsel that this lawsuit is without merit.

EXHIBIT 1

The Bush Foundation

INVESTMENTS HELD AT NOVEMBER 30, 1971

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Certificates of Deposit—			
First National Bank of St. Paul:			
4.375%, due December 16, 1971	$ 200,000	$ 200,000	$ 200,000
4.375%, due December 20, 1971	150,000	150,000	150,000
Total certificates of deposit	$ 350,000	$ 350,000	$ 350,000
U. S. Treasury Bills, due—			
December 2, 1971	$ 155,000	$ 153,264	$ 153,264
December 9, 1971	890,000	879,786	879,786
December 9, 1971	700,000	694,732	694,732
December 9, 1971	1,400,000	1,389,873	1,389,873
December 16, 1971	100,000	99,631	99,631
December 16, 1971	100,000	99,660	99,660
December 16, 1971	25,000	24,976	24,976
December 30, 1971	1,800,000	1,780,295	1,780,295
December 30, 1971	1,880,000	1,829,842	1,829,842
January 6, 1972	1,375,000	1,360,246	1,360,246
January 6, 1972	2,320,000	2,254,158	2,254,158
January 20, 1972	755,000	733,887	733,887
March 16, 1972	1,435,000	1,398,106	1,398,106
March 23, 1972	4,120,000	4,016,011	4,016,011
April 6, 1972	610,000	595,372	595,372
April 13, 1972	440,000	429,779	429,779
April 20, 1972	980,000	957,039	957,039
May 25, 1972	1,660,000	1,623,181	1,623,181
Total U.S. Treasury Bills	$20,745,000	$ 20,319,838	$20,319,838
Commercial Paper—			
Ford Motor Credit Company, 5.375% note, due December 3, 1971	$ 2,279,396	$ 2,279,396	$ 2,279,396
General Motors Acceptance Corporation, 4.865% note #1	2,726,000	2,726,000	2,726,000
General Motors Acceptance Corporation, 4.87% Promissory note, dated February 20, 1969, due on demand	155,000	155,000	155,000

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Commercial Paper (continued)—			
W. T. Grant Financial Corporation, 3.50% note, due December 1, 1971	400,000	400,000	400,000
Honeywell Finance, Incorporated, 4.87% Promissory note Agreement, dated November 17, 1969, due on demand	2,766,000	2,766,000	2,766,000
Honeywell Finance, Incorporated, 5.65% Promissory note	482,000	482,000	482,000
International Harvester Credit Corporation, 4.87% Promissory note, dated March 18, 1968, due on demand	3,150,000	3,150,000	3,150,000
Montgomery Ward Credit Corporation, 5.35% note, due January 5, 1972	1,352,577	1,352,577	1,352,577
J. C. Penney Credit Corporation, 5.65% Promissory note	1,541,000	1,541,000	1,541,000
Sears Roebuck Acceptance Corporation, 5.6% Promissory notes	10,825,000	10,825,000	10,825,000
Sears Roebuck Acceptance Corporation, 5.375% note, due January 5, 1972	2,116,177	2,116,177	2,116,177
Sears Roebuck Acceptance Corporation, 5.25% note, due January 11, 1972	2,664,562	2,664,562	2,664,562
Sears Roebuck Acceptance Corporation, 4.50% note, due December 22, 1971	1,544,187	1,544,187	1,544,187
Sears Roebuck Acceptance Corporation, 4.11% note, due December 1, 1971	850,000	850,000	850,000
Singer Credit Corporation, 4.51% note, due December 1, 1971	400,000	400,000	400,000
Singer Credit Corporation, 4.66% note, due December 31, 1971	90,000	90,000	90,000
Westinghouse Credit Corporation, 5.375% note, due January 4, 1972	704,406	704,406	704,406
Total Commercial Paper	$34,046,305	$ 34,046,305	$ 34,046,305

EXHIBIT 1 (Continued)

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Corporate Notes, Bonds and Debentures—			
Amerada Hess Corp., 6.75% Subordinated Debenture, due March 15, 1996	$ 250,000	$ 210,458	$ 222,813
American Brands, Inc., 8.875% Registered note, due May 15, 1975	1,000,000	1,034,167	1,070,000
American Telephone & Telegraph Company, 7.75% Registered note, due December 1, 1977	2,000,000	2,027,858	2,137,500
Appalachian Power Company, First Mortgage, 8.625% Registered Bond, due October 1, 1975–76	1,000,000	1,019,401	1,060,000
Atlantic Richfield Company, 7.70% Registered Debenture Bond, due December 15, 2000	500,000	500,000	510,000
Burlington Northern, Incorporated Construction Mortgage, Series C, 8.50%, due May 1, 1996	250,000	250,000	257,500
Burroughs Corporation, 9.00% Registered Debenture, due May 1, 1975	1,000,000	1,034,167	1,088,750
Cabot, Cabot & Forbes Land, 6.75% Convertible Debenture, due March 15, 1991	250,000	267,159	308,750
Dart Industries, Incorporated, 7.50% Sinking Fund Debenture, due April 1, 1996	250,000	248,783	247,500
Detroit Edison Company, First Mortgage, 8.125% Registered Bond, due June 15, 2001	500,000	497,535	522,500
Dow Chemical Company, 8.90% Registered Debenture Bond, due November 1, 2000	500,000	539,657	549,375
Farmers Home Administration, 7.78%, due June 30, 1981	502,000	502,000	530,000
Florida Power and Light Company, 7.625% Debenture, due January 1, 2001	250,000	250,000	249,375

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Corporate Notes, Bonds and Debentures (continued)			
General Motors Acceptance Corporation, 7.75% Registered Debenture Bond, due October 1, 1994	500,000	508,066	512,500
Household Finance Corporation, 7.60% Registered note, due July 1, 1974	15,000	15,108	15,150
Kennecott Copper Corporation, 7.875% Registered Debenture, due May 1, 2001	500,000	488,940	506,250
Kennecott Copper Corporation, 7.875% Debenture, due May 1, 2001	250,000	242,646	253,125
Michigan Bell Telephone Company, 7.75% Registered Debenture, due June 1, 2011	500,000	491,287	510,000
Mobil Oil Corporation, 7.375% Registered Debenture Bond, due October 1, 2001	1,000,000	1,000,000	1,018,750
National Cash Register Company, 7.70% Registered Sinking Fund Debenture Bond, due July 15, 1994	500,000	488,994	513,750
National Steel Corporation, 8.00% First Mortgage Debenture, due December 1, 1995	250,000	257,474	257,500
Ohio Power Company, 7.75% First Mortgage, due March 1, 1999	250,000	250,000	245,938
Outboard Marine Corporation, 7.75% Sinking Fund Debenture, due February 1, 1996	250,000	247,567	238,750
Pacific Telephone and Telegraph Company, 7.80%, due March 1, 2007	500,000	494,401	515,000
Pennzoil United, Incorporated, 8.375% Debenture, due March 1, 1996	250,000	250,608	255,000
R. J. Reynolds Tobacco Company, 7.875% Registered Debenture, due September 1, 1994	500,000	498,166	512,500

EXHIBIT 1 (Continued)

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Corporate Notes, Bonds and Debentures (continued)			
Seaboard Coast Line Railroad Company, Construction Mortgage, Series A, 8.35%, due March 15, 1996	250,000	250,000	255,000
Southern Natural Gas Company, 7.70% Sinking Fund Debenture, due April 1, 1991	250,000	250,000	253,125
Standard Oil Company of Ohio, 7.60% Registered Sinking Fund Debenture Bond, due July 1, 1999	500,000	490,059	507,500
Texaco, Incorporated, 7.75% Registered Debenture Bond, due June 1, 2001	500,000	500,000	521,250
Texas Eastern Transmission Corporation, First Mortgage, 8.70% due October 1, 1989	250,000	254,499	258,125
Union Oil Company of California, 8.25% Registered Debenture, due June 30, 1975–76	1,000,000	1,010,111	1,045,000
United States Plywood Corporation, 8.00% Debenture, due March 1, 1996	250,000	251,217	251,250
Western Union Telegraph Company, 8.45% Sinking Fund Debenture, due March 15, 1996	250,000	250,000	255,000
Weyerhaeuser Company, 8.125% Registered Note, due October 1, 1976	1,000,000	1,014,296	1,061,250
Total Corporate Notes, Bonds and Debentures	$17,767,000	$ 17,884,624	$ 18,515,776
Municipal Bond—			
East St. Louis, Illinois, 3.75%, due January 1, 1985	$ 50,000	$ 48,641	$ 15,000
Common Stocks—			
Aetna Life & Casualty	8,600	$ 505,800	$ 513,850
Air Products & Chemicals, Inc.	9,300	504,392	451,050
American Cyanamid Company	33,000	1,161,434	985,875
American Express Company	8,100	786,138	949,725
American Greetings Corporation	7,500	489,350	523,000
American Home Products Corporation	4,500	337,309	375,750
American Metal Climax, Inc.	11,500	403,573	309,063

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Common Stocks (continued)—			
American Standard, Inc.	42,000	962,218	535,500
American Telephone & Telegraph Company	2,300	121,607	96,025
Bendix Corporation	27,000	1,147,690	1,083,375
Betz Laboratories, Inc.	10,000	438,675	520,000
Black & Decker Manufacturing Company	10,000	717,951	690,000
Burroughs Corporation	10,100	1,261,243	1,373,600
Caterpillar Tractor Company	20,000	858,496	835,000
Chase Manhattan Corporation	22,500	1,250,040	1,296,563
Coca-Cola Bottling Company of New York, Inc.	20,000	816,030	825,000
Connecticut General Life Insurance Company	9,900	600,188	700,425
Dart Industries, Inc.	13,000	508,912	581,750
Deere & Company	25,000	1,077,145	1,087,500
De Soto, Inc.	30,000	647,202	630,000
Dow Chemical Company	3,750	218,125	266,250
Dun & Bradstreet, Inc.	7,000	423,410	413,000
DuPont de Nemours & Company	5,000	698,950	698,750
Eastman Kodak Company	17,000	1,331,315	1,510,875
Emerson Electric Company	11,000	777,140	793,375
Engelhard Minerals & Chemicals Corporation	27,000	823,077	590,625
Fedders Corporation	15,000	658,617	605,625
Federated Department Stores, Inc.	24,000	1,116,404	1,155,000
First Bank System, Inc.	4,000	105,700	149,500
First National City Corporation	11,500	444,500	518,938
General American Transportation Corporation	5,000	241,144	230,000
General Mills, Inc.	5,000	169,526	177,500
General Motors Corporation	17,100	1,245,006	1,333,800
Gillette Company	3,000	41,836	111,000
Goodyear Tire & Rubber Company	34,000	1,113,468	964,750
W. W. Grainger, Inc.	14,000	402,328	488,250
Great Northern Nekoosa Corporation	20,000	1,018,128	777,500
Gulf State Utilities Company	20,000	435,562	400,000
Halliburton Company	7,500	513,816	515,625
H. J. Heinz Company	20,000	827,103	800,000
Heublein, Inc.	5,000	224,965	238,125
Hewlett-Packard Company	19,500	833,432	816,563
Honeywell, Inc.	7,000	719,786	809,375
Houston Lighting & Power Company	5,000	233,177	229,375
International Business Machine Corporation	9,622	3,209,319	2,939,521
International Flavors & Fragrance, Inc.	11.000	765,846	820,875

EXHIBIT 1 (Continued)

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Common Stocks (continued)—			
International Telephone & Telegraph Corporation	9,400	515,182	500,550
ITE Imperial Corporation	5,400	176,234	175,500
Jewel Companies, Inc.	6,600	407,064	364,650
Johns-Manville Corporation	30,000	1,213,215	1,136,250
Johnson & Johnson	6,000	462,413	565,500
Jonathan Logan, Inc.	9,000	518,388	513,000
Kaufman & Broad, Inc.	18,000	507,853	672,750
Kinney National Services, Inc.	14,600	502,598	401,500
Lincoln National Corporation	7,500	609,130	637,500
Marcor, Inc.	22,000	757,113	643,500
Marlennan Corporation	20,100	1,281,980	1,165,800
May Department Stores Company	12,000	505,886	576,000
Maytag Company	17,000	497,418	675,750
Minnesota Mining & Manufacturing Company	34,185	2,374,810	4,170,570
Mobil Oil Corporation	2,000	48,868	99,750
J. P. Morgan & Company	6,000	414,554	417,750
Motorola, Inc.	6,000	532,962	454,500
Norton Simon, Inc.	10,000	522,211	597,500
J. C. Penney Company, Inc.,	10,000	639,562	670,000
Pennsylvania Life Company	23,000	779,000	779,125
Pennzoil United, Inc.	36,000	1,162,408	724,500
Pfizer, Inc.	13,000	506,498	484,250
Phillips Petroleum Company	23,000	714,214	672,750
Pillsbury Company	15,000	710,180	684,375
Pinkerton's, Inc.	7,300	530,138	536,550
Polaroid Corporation	11,000	1,095,692	973,500
Procter & Gamble Company	8,000	503,695	573,000
Reynolds, R. J. Industries, Inc.	2,000	86,201	109,000
Rorer-Amchem, Inc.	26,000	854,713	854,750
Schering Plough Corporation	14,500	1,080,115	1,227,063
Schlumberger, Ltd.	4,400	508,217	587,950
Sears, Roebuck & Company	11,500	971,693	1,070,938
SEDCO, Inc.	15,000	524,818	555,000
Seven-Up Company	12,500	763,000	762,500
Simmons Company	20,000	681,760	657,500
Southern Company	10,000	251,956	196,250
Southern Natural Gas Company	15,000	781,951	596,250
Sperry Rand Corporation	44,000	1,454,153	1,226,500
Squibb Corporation	7,800	645,918	598,650
Standard Brands, Inc.	1,500	72,565	62,063
Standard Oil Company of California	15,000	850,967	791,250
Standard Oil Company (Ohio)	10,000	800,248	775,000
Summit Groves, Inc.	638	475,000	475,000
Superior Oil Company	4,500	870,773	657,000

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Common Stocks (continued)—			
Texas Utilities Company	10,000	591,462	595,000
Trane Company	8,000	571,057	566,000
Union Oil Company of California	35,000	1,330,897	1,115,625
United States Gypsum Company	18,000	1,158,703	1,116,000
VCA Corporation	20,000	471,757	350,000
Westinghouse Electric Corporation	7,200	608,625	601,200
Weyerhaeuser Company	7,300	412,279	330,325
Whirlpool Corporation	3,496	140,780	314,640
Winter Park Telephone Company	4,440	131,350	149,850
F. W. Woolworth Company	2,400	90,068	114,600
Xerox Corporation	19,600	2,174,544	2,187,861
Yellow Freight System, Inc.	15,000	607,838	819,375
Total common stock		$ 71,639,747	$ 72,046,758
Preferred Stock—			
Atlantic Richfield Company $2.80 Cumulative Convertible	1,420	$ 87,590	$ 68,160
Notes and Mortgages Receivable—			
Hi-Acres, Inc., 5% Mortgage Note	$ 642,857	$ 642,857	$ 642,857
Milton H. and Leona W. Lindback, noninterest bearing Mortgage Note	7,519	7,519	7,519
Warren's, Inc.	5,500	5,500	5,500
Herschel S. Arrowood, noninterest bearing Promissory Note	36,000	24,106	24,106
White Bear Yacht Club, 3% Promissory Note	1,000	970	970
Quade Company, 6.5% Contract for Deed	80,790	80,790	80,790
Plews Oiler, Incorporated 3% Mortgage Notes	43,334	40,694	40,694
Total notes and mortgages receivable		$ 802,436	$ 802,436
Real Estate—			
3611 Pennsylvania Avenue, St. Louis Park, Minnesota		$ 11,773	$ 11,773
3604 Oregon Avenue, St. Louis Park, Minnesota		6,300	6,300
3615 Pennsylvania Avenue, St. Louis Park, Minnesota		6,178	6,178
7401 Walker Street, St. Louis Park, Minnesota		299,086	299,086
Total real estate		$ 323,337	$ 323,337
Total investments		$145,502,518	$146,487,610
Unrealized appreciation of investments		985,092	
		$146,487,610	

EXHIBIT 2

STATEMENT OF GRANTS FOR THE YEAR ENDED NOVEMBER 30, 1971

	Unpaid Balance 1970	Appropriated 1971	Amount Paid 1971	Unpaid Balance 1971
Bush Leadership Fellows Program:				
1969 program	$ 17,000	$	$ 13,000	$ 4,000
1970 program	63,000	2,500	50,500	15,000
1971 program	. . . .	98,000	22,925	75,075
1972 program	. . . .	139,000	. . . .	139,000
Performing Arts and Humanities:				
Theatres—				
Guthrie Theater Foundation:				
1970–71 Grant	. . . .	100,000	100,000	. . . .
1971–72 Grant	. . . .	50,000	50,000	. . . .
Phoenix Theatre Corporation	. . . .	15,000	. . . .	15,000
Music and Opera—				
Center Opera Company	. . . .	20,000	20,000	. . . .
Minnesota Orchestra	200,000	300,000	200,000	300,000
Orchestral Association Chicago	. . . .	150,000	50,000	100,000
Other Performing Arts and Humanities—				
Minneapolis Society of Fine Arts	. . . .	1,000,000	200,000	800,000
Minnesota Historical Society	. . . .	30,000	10,000	20,000
St. Paul Council of Arts and Sciences:				
1971 Grant	100,000	. . . .	100,000	. . . .
1972 Grant	. . . .	200,000	100,000	100,000
Saint Paul Philharmonic Society	. . . .	50,000	50,000	. . . .

EXHIBIT 2 (Continued)

	Unpaid Balance 1970	Appropriated 1971	Amount Paid 1971	Unpaid Balance 1971
Education:				
Private Elementary and Secondary Education—				
A Better Chance	20,000	. . . .	10,000	10,000
Project Discovery	. . . .	200,000	67,000	133,000
Independent School District #894, Granite Falls:				
Teacher Scholarships	. . . .	8,650	8,650	. . . .
Building	. . . .	267,500	. . . .	267,500
Private Higher Education—				
Augsburg College:				
Library	25,000	. . . .	25,000	. . . .
Urban Studies	. . . .	30,000	. . . .	30,000
Concordia College, Moorhead, Minnesota:				
Language Program	50,000	. . . .	50,000	. . . .
Library	50,000	. . . .	25,000	25,000
Erikson Institute for Early Education	90,000	. . . .	30,000	60,000
Golden Valley Lutheran College	20,000	. . . .	10,000	10,000
Hamline University:				
Alumni Challenge, 1972	$	$ 100,000	$ 100,000	$ . . . .
Learning Center	. . . .	1,208,000	360,000	848,000
Bush Library	500,000	. . . .	500,000	. . . .
Pipe Organ	. . . .	16,035	16,035	. . . .
Scholarships	. . . .	20,390	13,690	6,700
Minnesota Private College Fund	400,000	. . . .	200,000	200,000
Rollins College	30,000	. . . .	30,000	. . . .
St. John's University	100,000	. . . .	50,000	50,000
Tulane University	. . . .	180,000	60,000	120,000
University of Chicago	67,500	135,000	135,000	67,500
University of Miami (Florida)	. . . .	50,000	50,000	. . . .
Public Higher Education—				
Coast Guard Academy Foundation	. . . .	50,000	50,000	. . . .
Minnesota State College System	. . . .	35,000	. . . .	35,000
Southwest Minnesota College Foundation	. . . .	50,000	50,000	. . . .

EXHIBIT 2 (Continued)

	Unpaid Balance 1970	Appropriated 1971	Amount Paid 1971	Unpaid Balance 1971
Public Higher Education (continued)—				
Tri-College University	94,000	. . . .	31,983	62,017
University of Minnesota:				
Cardiovascular Research	107,500	. . . .	52,500	55,000
Center for Youth Development	. . . .	180,000	60,000	120,000
Organ Preservation	. . . .	80,443	40,222	40,221
Theater Fellowships	204,300	. . . .	68,100	136,200
University of Minnesota Foundation:				
Arboretum—Property	96,349	. . . .	29,306	67,043
Arboretum—Property	. . . .	80,000	80,000	. . . .
Arboretum—Education Building	100,000	. . . .	50,000	50,000
Leukemia Research	. . . .	300,000	25,000	275,000
Minnesota Messenia Expedition	20,000	. . . .	10,000	10,000
Wesley Spink Lectures	20,000	. . . .	10,000	10,000
Other Education—				
Freshwater Biological Research Foundation	. . . .	300,000	100,000	200,000
Institute for Ecumenical and Cultural Research	25,000	. . . .	25,000	. . . .
Minnesota State Council on Economic Education	. . . .	34,700	. . . .	34,700
North Star Research and Development Institute (Minnesota Experimental City)	. . . .	20,000	. . . .	20,000
Health:				
Hospitals and Nursing Homes—				
Anoka State Hospital	. . . .	798	798	. . . .
Associated Capital Hospitals, Inc.	. . . .	20,000	20,000	. . . .
The Children's Hospital, Inc.	. . . .	10,000	10,000	. . . .
Presbyterian—St. Luke's Medical Center	100,000	. . . .	50,000	50,000
Ravenswood Hospital—Medical Center	300,000	. . . .	100,000	200,000
Washburn Child Guidance Center	. . . .	150,000	. . . .	150,000

EXHIBIT 2 (Continued)

	Unpaid Balance 1970	Appropriated 1971	Amount Paid 1971	Unpaid Balance 1971
Health (continued)—				
Winter Park Memorial Hospital	100,000	. . . .	50,000	50,000
Medical Education—				
Mayo Foundation	. . . .	1,000,000	. . . .	1,000,000
Other Health Grants—				
Psychoanalytic Foundation of Minnesota	. . . .	100,000	. . . .	100,000
Welfare and Social Services:				
Community Action Program—				
St. Paul Urban Coalition	10,000	. . . .	10,000	. . . .
Youth and Family Services—				
Allendale School for Boys	. . . .	100,000	. . . .	100,000
Central Baptist Children's Home	. . . .	50,000	50,000	. . . .
Indianhead Council Boy Scouts of America	. . . .	51,700	51,700	. . . .
Youth Research Center	12,000	. . . .	12,000	. . . .
Health and Rehabilitation—				
Cedar Valley Rehabilitation Workshop	. . . .	5,000	5,000	. . . .
Melmark Home, Inc.	100,000	71,000	96,000	75,000
Minneapolis Society for the Blind, Inc.	. . . .	60,000	. . . .	60,000
Minneapolis Society for Crippled Children and Adults, Inc.	. . . .	250,000	100,000	150,000
Opportunity School for Handicapped Children	. . . .	5,000	. . . .	5,000
Range Center, Inc.	. . . .	75,000	25,000	50,000
St. Paul Goodwill Industries, Inc.	. . . .	225,000	100,000	125,000
St. Paul Hearing and Speech Center	. . . .	18,000	. . . .	18,000
St. Paul Opportunities Industrialization Center	. . . .	25,600	. . . .	25,600
St. Paul Society for the Blind	50,000	. . . .	50,000	. . . .
St. Paul Union Gospel Mission	. . . .	46,000	23,000	23,000
Churches and Church Organizations—				
Academy of Parish Clergy	30,000	. . . .	15,000	15,000

EXHIBIT 2 (Continued)

	Unpaid Balance 1970	Appropriated 1971	Amount Paid 1971	Unpaid Balance 1971
Churches and Church Organizations (continued)—				
Christ Child School for Exceptional Children	20,000	. . . .	20,000	. . . .
Lutheran Social Services of Minnesota	8,177	. . . .	3,894	4,283
Youth Leadership, Minnesota	20,000	. . . .	20,000	. . . .
United Funds—				
Greater St. Paul United Fund and Council, Inc:				
1971	100,000	. . . .	100,000	. . . .
1972	. . . .	125,000	. . . .	125,000
Jobs for Youth—REAP	. . . .	10,000	10,000	. . . .
Youth Building	225,000	. . . .	225,000	. . . .
United Appeal of Orange County, Inc. (Fla.):				
1971	10,000	. . . .	10,000	. . . .
1972	. . . .	10,000	10,000	. . . .
United Fund of Duluth	. . . .	110,000	70,000	40,000
Other Welfare and Social Services—				
Community Design Center of Minnesota	. . . .	45,000	. . . .	45,000
St. Paul Foundation	. . . .	50,000	6,000	44,000
Newman Center	. . . .	10,000	10,000	. . . .
Other:				
Environment—				
Nature Conservancy, Inc.	. . . .	150,000	50,000	100,000
Minnesota Environmental Sciences Foundation	30,000	. . . .	10,000	20,000
Minnesota Parks Foundation	. . . .	30,660	. . . .	30,660
Communications—				
Minnesota Educational Radio, Inc.	. . . .	110,000	. . . .	110,000
Three Prong Television Productions, Inc.:				
Prime Time School Television, 1970	30,000	. . . .	30,000	. . . .
Prime Time School Television, 1971	. . . .	50,000	50,000	. . . .

EXHIBIT 2 (Continued)

	Unpaid Balance 1970	Appropriated 1971	Amount Paid 1971	Unpaid Balance 1971
Communications (continued)—				
Twin City Area Television Corporation	. . . .	78,600	78,600	. . . .
Law and Corrections—				
Amicus, Inc.	. . . .	15,000	15,000	. . . .
Correctional Service of Minnesota:				
Film Production	. . . .	35,900	. . . .	35,900
Film Purchase	. . . .	10,000	. . . .	10,000
Information Center	15,000	. . . .	7,500	7,500
Prison Art Project	. . . .	1,385	. . . .	1,385
National Conference of Commissioners on Uniform State Laws:				
Uniform Environmental Code	20,000	. . . .	5,000	15,000
Uniform Probate Code	. . . .	20,000	. . . .	20,000
Miscellaneous—				
Planned Parenthood of Minnesota	60,000	. . . .	. . . .	60,000
	$3,639,826	$8,624,861	$4,888,403	$7,376,284