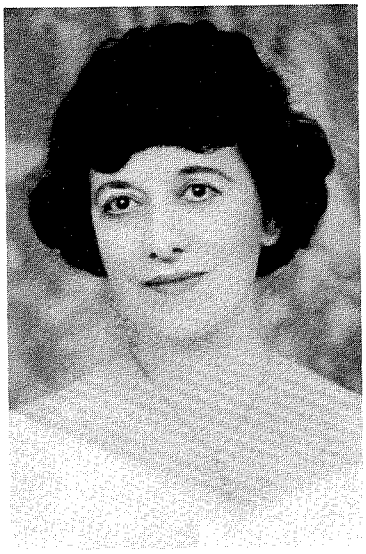
1976

# *The* BUSH FOUNDATION

*The* BUSH FOUNDATION 1976

Archibald Granville Bush



Mrs. Archibald Granville Bush

# THE BUSH FOUNDATION

*Annual Report for the Fiscal Year Ended November 30, 1976*

## *BOARD OF DIRECTORS*

# *The Bush Foundation*

## REPORT FOR THE FISCAL YEAR ENDING NOVEMBER 30, 1976

**OFFICERS**

Elmer L. Andersen, *President*
Waverly G. Smith, *First Vice President*
Thomas J. Clifford, *Second Vice President*
George C. Power, Jr., *Secretary*
John A. McHugh, *Treasurer*
Frank Hammond, *Assistant Secretary and General Counsel*

**STAFF**

Humphrey Doermann, *Executive Director*

Grant Program Activity:
Stanley Shepard, Senior Program Associate. Emily Galusha, Program Associate. John Archabal, Program Associate.

Business Management:
Harold V. Neece, Business Manager. Marie B. Lampe, Bookkeeper.

Staff Services:
Kathleen Y. Muske, *Executive Secretary*. Patricia L. Collis, *Secretary*. Linda M. Young, *Secretary*.

*Address:* 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 Granville Bush of Saint Paul, Minnesota, was incorporated February 24, 1953, under the Minnesota Non-Profit 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, North Dakota and South Dakota, 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 Granville 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, 1976, The Bush Foundation granted financial assistance to eighty-eight projects in the United States. The sections which follow the Report of the President outline the Foundation's major grantmaking interests, describe the Foundation's grantmaking policies and procedures, and list the Foundation's grants in 1976.

# REPORT OF THE PRESIDENT

The most significant change in The Bush Foundation during 1976 was the unusually large number of replacements which occurred in the membership of its Board of Directors. Fifteen Directors serve on the Board. Six were replaced this year. With the exception of the Assistant Secretary and General Counsel, all the officers of the Board also changed during the year.

There were other important developments in 1976. The Foundation's assets increased with a major transfer of assets from the Estate of Archibald G. Bush. Although the total amount actually paid to grantees in 1976 was slightly lower than in 1975, the amount of future grant appropriations voted in 1976 was significantly higher. The Foundation developed program initiatives in child development and in business economics programs in secondary schools, began to provide capital grants for private colleges in Minnesota and the Dakotas, and provided unrestricted matching grants for a limited number of predominantly black four-year private colleges in the southern states. As part of a continuing effort to obtain outside review of the Foundation's activities, the Foundation held a public meeting attended by 400 people who were invited to question and comment on the Foundation's programs and procedures.

## BOARD CHANGES

The Foundation's Bylaws state that Directors reaching age 70 cannot afterwards be reelected to the Board. Reuel D. Harmon, who served as a Director since 1969 and as President of the Foundation from 1973 until February, 1976, and Franklin O. Briese, who served as a Director, as Treasurer, and as Chairman of the Investment Committee since 1970, both completed their final terms as Directors on May 1, 1976. Their energetic and clear-minded contribution will be missed, and merits a particular note of gratitude here.

The Foundation's three Bush Family Members were also replaced. Closing their terms of service were Clarence J. Bassler, Jr., a nephew of Mrs. Edyth Bush, and H. Clifford Lee and E. G. Banks. Bassler had served as a

Director since 1966 and as Second Vice President of the Foundation since 1968. Lee served as a Director since 1966 and Banks since 1970.

Finally, Cecil C. March died in June after an illness of several weeks. At its July meeting, the Board of Directors approved the following resolution in memory of his contribution to the development of The Bush Foundation, and his career in business and community service:

"Cecil C. March served The Bush Foundation for 22 years as a member and director, and at various times as President, First Vice President and Chairman of its Grants Committee. He was for many years a close business associate and friend of Archibald G. Bush, and recently was the sole remaining Bush Foundation Board member who originally had been nominated by Mr. Bush. Following Mr. Bush's death in 1966, Cec March was responsible, more than any other single person, for seeing the Foundation through a difficult period of court disputes which finally has achieved for the Foundation a single-board governing structure and freedom from litigation. He maintained close contact with the daily work of the Foundation. He was a strong, independent-minded advisor and also a friendly and encouraging one. The Bush Foundation's future will always owe a great debt to his judgment and concern and perseverance.

"His business career in Saint Paul was distinguished. He joined Minnesota Mining and Manufacturing Company in 1933 as a laboratory technician, and retired from the Company in 1967 as vice president for the coated abrasives, adhesives, building services and chemical group. He was a member of the Company's Board of Directors, and also served on the boards of the First Trust Company of Saint Paul, and of the Virginia Chemicals Company (Portsmouth, Virginia).

"His career in community service was equally significant, particularly for the development of health care in Minnesota. He served on the Boards of Saint Paul-Ramsey Hospital, Miller Hospital, the Minnesota Medical Foundation, the Saint Paul Foundation, and the Greater Saint Paul United Fund and Council. He served on the advisory committee which preceded the founding of the Mayo Medical School. He was a member of the Governor's Health Manpower Commission and of other public advisory boards.

"He also had strong interests in the arts, and in developments at the University of Minnesota, from which he was graduated in 1932. He was a vice president of the Saint Paul Arts and Science Council and a board member of the Minnesota Orchestral Association. He was a member of the University of Minnesota Alumni Association Board of Directors and also personally and generously supported projects of the University of Minnesota Foundation, including provision of a classroom in the new education building at the Minnesota Landscape Arboretum and funds for archaeological expeditions in Greece, Egypt and Guatemala.

"Cec March died on June 26, 1976. We mourn his death and extend our deep sympathy to his family, along with this expression of gratitude for the sustained service he gave to The Bush Foundation."

Joining the Board of Directors are the following new members:

Ellen Z. Fifer, M.D., Saint Paul, Assistant Commissioner, Minnesota Department of Health.

Hess Kline, Saint Paul, Chairman of the Board of Kline Oldsmobile, Inc., and Kline Volvo, Inc. and Director of the First Security State Bank of Saint Paul.

Harriet Bush Medlin, Vista, California and Granite Falls, Minnesota, a niece of Archibald Granville Bush, and a Regent of Saint Olaf College.

John F. Nash, Saint Paul, financial consultant and former President of the American National Bank and Trust Company, Trustee of the Saint Paul Foundation, and member of the Advisory Council, University of Notre Dame.

George C. Power, Jr., President of Mairs and Power, Inc., President of Mairs and Power Growth Fund and Mairs and Power Income Fund, and Chairman of the Board of United Hospitals.

Frank B. Wilderson, Jr., Minneapolis, Vice President for Student Affairs and Professor of Educational Psychology at the University of Minnesota, and member of the Board of Governors of the Council for Exceptional Children.

The Board also selected new leadership during 1976. I was elected President in February 1976, following the expiration of Reuel Harmon's term. John A. McHugh was elected Treasurer, replacing Franklin Briese. Because of the subsequent changes in Board membership, other new officers were elected in October. Waverly G. Smith, Saint Paul, President of the Saint Paul Fire and Marine Insurance Company, became First Vice President of the Foundation. Thomas J. Clifford, Grand Forks, North Dakota, President of the University of North Dakota, became Second Vice President. George C. Power, Jr., was elected Secretary.

The Bush Foundation 1975 Annual Report described the termination of the major litigation which had involved the Foundation since 1971. The closing of this difficult period and the departure of six Directors combine to end a chapter of our history and to begin a new one.

## INCREASED FOUNDATION ASSETS

Following the end of litigation, the Ramsey County Probate Court approved the transfer of most of the remaining assets in the Estate of Archibald G. Bush to The Bush Foundation, which was the residuary legatee. This transfer was accomplished in 1976. Securities with a market value of approximately $64 million dollars were added to the Foundation's assets. Most of the securities were common shares of Minnesota Mining & Manufacturing Company. All but 100,000 shares were sold subsequently, and the proceeds reinvested in diversified holdings by our three professional financial advisors, Brown Brothers Harriman & Co., New York; the Northern Trust Company, Chicago; and The United States Trust Company, New York.

## NEW DIRECTIONS IN GRANTMAKING

The total amount of future grant commitments appropriated during 1976 was $8,313,227, an increase of 77 per cent over the total amount appropriated in 1975 and an amount exceeded by the Foundation only in 1971 and 1974. The Schedule of Grants on page 37 summarizes the Foundation's grantmaking activity during 1976.

Highlights of this work include the inauguration of a series of challenge grants for capital purposes for four year private colleges in Minnesota and the Dakotas, and a limited series of annual challenge grants to stimulate alumni giving in predominantly black four year private colleges in the southern states. The Foundation also made six grants totaling $512,669 to increase understanding of business economics on the part of elementary and secondary school students, and continued to explore and make experimental grants in the field of child development.

## PUBLIC REVIEW OF FOUNDATION PROGRAMS AND PROCEDURES

On October 5th, The Bush Foundation held a public meeting in the auditorium of the Saint Paul YWCA to outline the Foundation's current grantmaking program and internal processes, and to invite questions and suggestions from those present. About 6,000 announcements were circulated to citizens of the Twin Cities prior to the meeting. Metropolitan newspapers also carried advance notice. More than 400 people attended, approximately half of whom represented previous Bush grant applicants or recipients. The others had not been directly involved with us that way. One half hour of the meeting was devoted to a description of the Foundation's role and practices, while the remaining hour was devoted to audience questions and comments.

The Foundation Board and staff made new acquaintances and renewed old ones. They heard fresh ideas and comment, as well as other questions they had anticipated. They were reminded that a large and varied community cares about what the Foundation is doing, and that in many ways these observers can provide helpful and intelligent criticism. The Council on Foundations, New York, reports that this experiment is the first known one of its kind for a private foundation, although at least two community foundations have held public meetings. One of these, the Lincoln (Nebraska) Foundation, has conducted its regular business in public meetings for 22 years.

The Bush Foundation's public meeting is one of several continuing efforts, both experimental and traditional, to try to make the Foundation accessible to people and open to ideas and criticism. New grant authorizations are reported quickly to newspapers and radio and television stations, as well

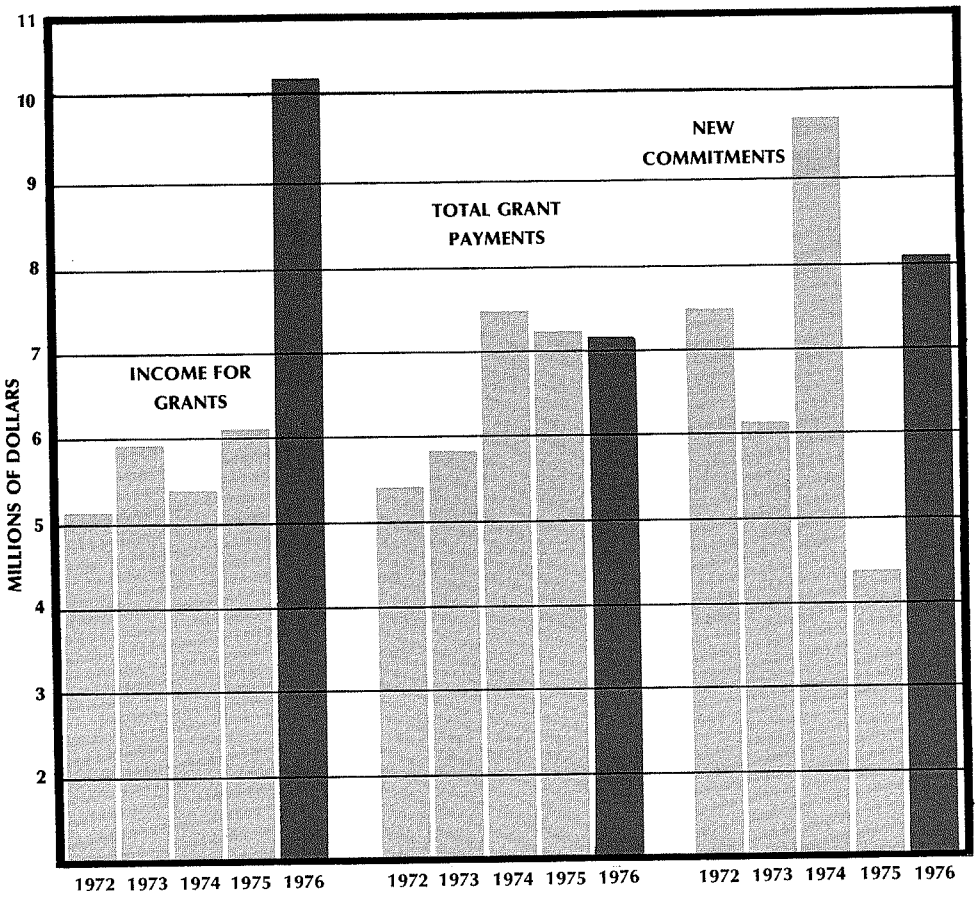
as to The Foundation Center's public computer data bank in New York. The Board encourages the Foundation's staff to make frequent use of consultants and informal advisors in the preliminary appraisal of grant proposals, and in determining what happened later as a result of grants which were approved. Consultants and advisors regularly help the Foundation decide whether and how it should enter new fields of activity. The Board every other year makes a formal review of the Foundation's total pattern of grantmaking. At these times, the Board also asks outside consultants to begin the proceedings by summarizing what they find the Foundation's important strengths and weaknesses to be, and what significant changes in process or program they believe should be considered seriously.

We have not achieved any final formula for this kind of activity and probably never should. It takes time and sometimes is uncomfortable. That also is probably as it should be.

ELMER L. ANDERSEN
*President*

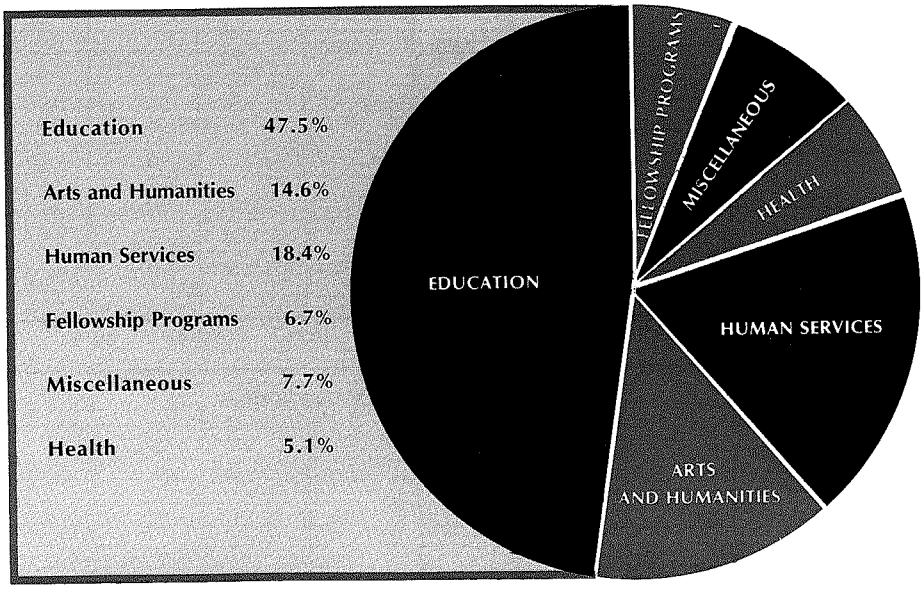
## INCOME FOR GRANTS* COMPARED WITH GRANT PAYMENTS AND NEW COMMITMENTS 1971–1976

| Year | Income For Grants | Total Grant Payments | New Commitments |
|---|---|---|---|
| 1972 | $ 5,070,342 | $5,405,016 | $7,498,128 |
| 1973 | 5,932,269 | 5,882,972 | 6,097,495 |
| 1974 | 5,412,363 | 7,408,700 | 9,707,597 |
| 1975 | 6,042,075 | 7,285,999 | 4,466,726 |
| 1976 | 10,364,613 | 7,101,108 | 8,165,316 |

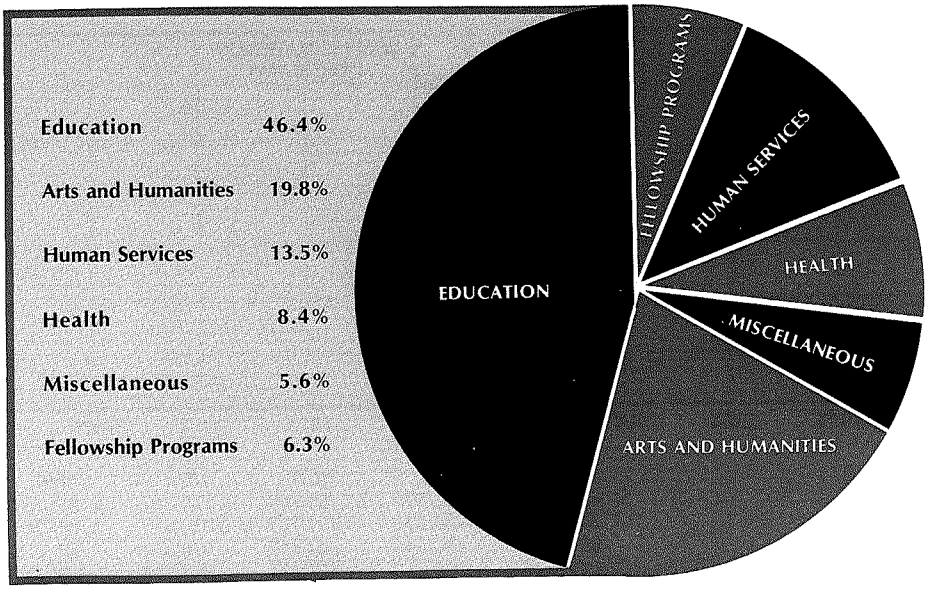



* Income for grants is the greater of net income or minimum investment return as defined by the Tax Reform Act of 1969, less excise taxes, administrative expenses, and investment expenses.

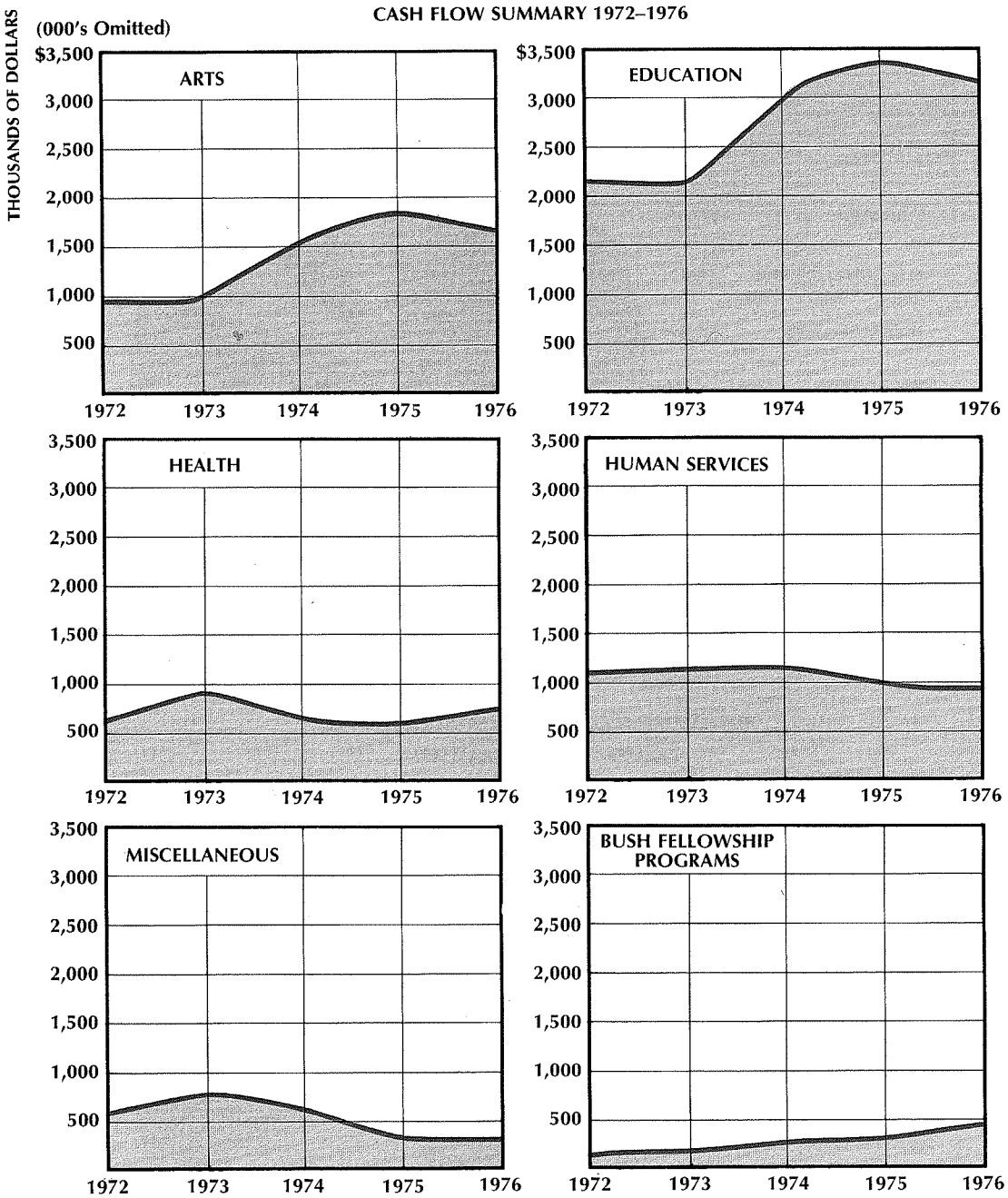
DISTRIBUTION OF 1976 FOUNDATION GRANT
APPROPRIATIONS BY PROGRAM AREA




DISTRIBUTION OF 1976 FOUNDATION GRANT
PAYMENTS BY PROGRAM AREA



## CASH FLOW SUMMARY 1972–1976




| | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|---|---|---|---|---|
| Arts | $ 806,900 | $ 834,193 | $1,558,790 | $1,705,567 | $1,407,550 |
| Education | 2,259,352 | 2,188,514 | 3,191,755 | 3,433,917 | 3,295,844 |
| Health | 606,202 | 856,230 | 602,617 | 540,412 | 595,778 |
| Human Services | 1,012,917 | 1,066,212 | 1,177,234 | 941,268 | 957,735 |
| Miscellaneous | 623,010 | 779,843 | 655,412 | 393,687 | 394,370 |
| Bush Fellowship Programs | 96,635 | 157,980 | 222,892 | 271,149 | 449,831 |
| TOTALS | $5,405,016 | $5,882,972 | $7,408,700 | $7,228,999 | $7,101,108 |

# PROGRAM NOTES

## EDUCATION

Almost half The Bush Foundation's grant payments in 1976 went to schools, colleges and universities — not counting payments for medical education and for the Foundation's own fellowship programs. Four changing patterns are most noteworthy within the Foundation's education activity. First, our program of alumni fund challenge grants to Minnesota four year private colleges has produced sufficiently good results so that as these began their predicted phasing down in 1976, the program was started in six North and South Dakota private colleges and also in three southern, predominantly black colleges. Second, the Board of Directors has announced a temporary shift of emphasis in grants to private colleges in Minnesota and the Dakotas, to permit the beginning of a seven year program of major challenge grants for their capital fund drives. If the program operates as now estimated, approximately half the Foundation's grants within this group of 25 private colleges would support endowment and improvement of physical plant, rather than going as at present almost exclusively to support operating projects and expenses. Third, the Foundation continued to develop its interest in the fields of child development and parent education. Finally the Foundation enlarged its program of grants to encourage better understanding of business and economics among secondary school students.

## ALUMNI CHALLENGE GRANTS IN MINNESOTA AND THE DAKOTAS

Twelve of Minnesota's four year private colleges have been testing whether, as a group, they can double within four years the amount of annual unrestricted alumni gifts made to them, and can also double the number of alumni donors. The table below summarizes the change in performance thus far in the participating alumni funds for the participating colleges. Compared with the base year for each college immediately preceding its first Bush challenge grant, the aggregate increase in alumni fund contributions by 1976 was $889,699, or an increase of 92 per cent. These colleges

together have added 17,178 new donors, an increase of 75 per cent. The average length of involvement for these colleges in the program was less than three years as of September, 1976. By the end of 1976–77 it appears likely that the aggregate dollar receipts will have more than doubled, that the increase in numbers of donors will not quite have doubled, and that the Foundation will have invested about $1,800,000 to help achieve these results. This series of Minnesota alumni challenge grants is tapering down, and for most of the participating colleges will be completed by the end of the 1977–78 academic year.

**ALUMNI FUND PERFORMANCE SUMMARY (THROUGH 1975–76) FOR 12 MINNESOTA PRIVATE COLLEGES WHICH PARTICIPATED AT LEAST ONE YEAR IN BUSH ALUMNI FUND CHALLENGE GRANTS**

| College | Number of Completed Years Of Participation In This Series Of Bush Challenges (Through 1975–76) | Percentage Increase In Dollar Receipts Since Beginning Bush Challenge Series | Percentage Increase In Alumni Donors Since Beginning Bush Challenge Series |
|---|---|---|---|
| College of Saint Thomas | 4 | 135% | 155% |
| Macalester College | 4 | 217% | 81% |
| Augsburg College | 3 | 185% | 142% |
| Saint John's University | 3 | 89% | 107% |
| Carleton College* | 2 | 56% | 64% |
| College of Saint Benedict | 2 | 116% | 99% |
| College of Saint Catherine | 2 | 60% | 22% |
| College of Saint Scholastica* | 2 | 60% | 44% |
| College of Saint Teresa | 2 | 127% | 109% |
| Hamline University* | 2 | 20% | 9% |
| Saint Mary's College | 2 | 79% | 129% |
| Bethel College | 1 | 75% | 120% |

*These colleges terminated their participation in the challenge series after 1974–75. Data reported for them is as of July 1975.

For each participating private college, a series of annual Bush alumni challenge grants usually lasts from two to five years, ceasing when the Foundation matching incentives finally lose their capacity to provide significant gains in alumni fund performance.

In each series of challenge grants, the Foundation provides dollar-for-dollar matching against increases in receipts to the alumni fund, compared with the prior year's receipts. A separate incentive also stimulates net increases in the number of alumni who give. The Foundation reviews each year's results, and agrees with applicants on new incentive and performance targets. In most instances, the largest performance gains and the largest Foundation grants are made in the first year of the series.

The September/October 1975 issue of *The Foundation News* published a report which describes in more detail the design and operation of these

challenge grants, and the particular circumstances in which they seem to work most effectively. Copies of the article are available from The Bush Foundation on request.

In 1974 The Board of Directors added North Dakota and South Dakota to the Foundation's region of primary geographic emphasis. Eight four-year accredited private colleges are located in these states. In 1976 the Foundation approved initial alumni challenge grants of approximately $40,000 each for the following six colleges.

**South Dakota**
Dakota Wesleyan University
Huron College
Sioux Falls College
Yankton College

**North Dakota**
Jamestown College
Mary College (challenge not restricted to alumni giving)

## ALUMNI CHALLENGE GRANTS TO HISTORICALLY BLACK COLLEGES

In July 1976 the Board of Directors also approved initial alumni challenge grants at Paine College, Augusta, Georgia; Tougaloo College, Tougaloo, Mississippi; and Xavier University of Louisiana, New Orleans. All three are predominantly black, accredited private colleges. There are 42 such four year colleges, most of which are located in the southeastern and southern states. When it approved those grants, the Bush Board also indicated its intent to add up to five more of these colleges to this program each year in 1977 and 1978 if this seemed desirable to the colleges and if it appeared that our approach might work effectively for them.

While the Foundation has made occasional grants outside its areas of geographic emphasis, this is the first Bush Foundation program designed to operate wholly outside those areas. In approving these three initial challenge grants the Board did not intend to signal a fundamental change of purpose, but rather to recognize what appeared to be a special opportunity.

The historically black private colleges form a network of respected, minority-led institutions with an unusually significant record of service to the nation. They need additional funds, preferably in ways that will help create greater financial independence in the long run. The governing boards of these colleges are devoting increasing attention to alumni giving, and several believe that major improvement can be achieved.

Our Minnesota alumni challenge grants brought added funds to participating colleges and strengthened their own patterns of annual unrestricted giving. In several colleges the grants also stimulated the organizing of graduates to solicit gifts, to interview prospective students, and to counsel already-enrolled students about particular future careers. Our attempt to

work in a similar way with colleges at a much greater distance where we are not as well acquainted may turn out to be too ambitious. But the attempt appears to be within our financial means, timely, and if successful would make a worthwhile contribution to the near term future of a number of these colleges.

## CHALLENGE GRANTS FOR CAPITAL FUND DRIVES

In April 1976 the Board of Directors approved a matching grant of $800,000 to Carleton College, Northfield, Minnesota. The Bush funds will be used to endow the purchase of books. The grant will also stimulate the completion of the college's $19.5 million capital fund drive. At the time the grant was approved, Carleton had received $12.9 million in cash and pledges. The funds from this effort will be used for endowment, building refurbishment, a new science building, and for operation of selected programs.

In order to receive payment of the Bush funds, Carleton must raise an additional $800,000 towards the final goal from within five groups: alumni, trustees, faculty, parents and former parents, and other individuals who have contributed to Carleton in the recent past. Excluded from matching eligibility are government funds, grants from foundations and corporations, and the amount of any individual gift in excess of $250,000.

The Bush Board also indicated its willingness to consider similar proposals for matching capital grants from other four year private colleges in Minnesota and the Dakotas during the next seven years. Such requests ordinarily will not be considered until a college has completed at least half the final goal of its announced fund drive. Requests for this purpose will be considered on a case by case basis, giving particular attention to the underlying quality of planning in each instance. Individual grants probably will range in size from $200,000 to $800,000, depending on the total size of the fund drive involved, the estimated availability of matching funds from other sources, and the nature of the plan the college is attempting to complete.

The background for this Bush Board decision includes an assessment of coming enrollment and financial pressures in private colleges, and of judgments their presidents are making about the future. Most observers predict that the 1980's will be a time of unusual budget stringency for private colleges. The Minnesota Higher Education Coordinating Commission in 1974 projected that the number of Minnesota high school graduates will reach an historic peak of about 75,000 in 1979, then average only about 60,000 during the 1980's with a low of about 50,000 by the end of the decade, and then will rise again during the 1990's back towards the present levels. Projections for North and South Dakota appear equally severe. Some private colleges in the region may be able to maintain their present enrollment levels despite the shrinkage in their basic student market, but others probably will not. Future

prediction is always difficult. It may be doubly so in this instance because, if correct, the population trends appear to signal the first prolonged shrinkage of college enrollments in the nation's history. How the recruitment and enrollment patterns may shift in different regions and different kinds of colleges has not been tested under this new kind of pressure.

In November 1975 the Foundation staff informally surveyed the future plans of 16 Minnesota private college presidents. All had considered the available population projections. Most expect their colleges will encounter serious pressures in their operating budgets during the 1980's. Accordingly, they expect the 1980's will be unusually difficult years to seek major capital funds. If they are to improve significantly the condition of endowment and physical plant during the next 15 or 20 years, the majority believes that the late 1970's is the time to try.

The survey responses and discussions, taken together, appear to signal a significant temporary shift in immediate fundraising priorities for these colleges. They anticipate seeking a total of about $170 million during the next seven years, half for endowment and most of the remainder for physical plant improvement. Nearly half the desired funds for physical plant would help renovate existing buildings; the rest mainly would go towards special purpose new construction: library additions, music and art facilities, and improvements in athletics and physical education. None of the colleges plans new construction for expanded enrollment.

The Bush Board's intended shift in grantmaking for private colleges in this region thus attempts to parallel the apparent shift in the most important financial needs of many of them. The new Bush program also seeks to build on the Foundation's recent experience in stimulating self-help within the colleges' already-developed constituencies.

## CHILD DEVELOPMENT

In 1976 the Foundation continued to place increasing emphasis on the field of child development. Particular attention was given to programs in leadership training, especially those which attempt to provide increased knowledge about child development to people from different disciplines, such as psychologists, educators, social workers, pediatricians, and lawyers. For this purpose, the Foundation approved a grant of $203,440 to the Center for Early Education and Development at the University of Minnesota, to support a three-year series of interdisciplinary seminars. These seminars will attempt to bring together researchers in child development and child-care practitioners from various disciplines to discuss latest research results on one hand and the needs of practitioners on the other. The seminar program will be under the direction of Professor Shirley G. Moore. The Foundation staff in 1977 will continue to explore new approaches to leadership training and also parent education.

## ECONOMICS EDUCATION

Over the past two years, the Foundation has increased its grantmaking in economics education to encourage better understanding of business economics on the part of secondary school students. During 1976, the Board appropriated $512,669 for this purpose. The Minneapolis Public Schools received a three year grant of $165,725 to support the development of case studies of local small businesses for use in junior and senior high schools. The Graduate School of Business at the University of Minnesota will assist public school personnel in writing the case studies and also in training social studies teachers in the case method of instruction.

A grant of $115,125 over three years was made to the Saint Paul Chamber of Commerce Foundation to support summer corporate internships for local public school teachers. A one-week orientation session on business economics is offered to the teachers prior to the internship session. The program attempts to provide high school teachers with first-hand knowledge and experience in corporate economics which can be helpful in later classroom instruction. The Saint Paul Chamber of Commerce hopes that local corporations will underwrite the full cost of this program when The Bush Foundation grant expires in 1979.

During 1976, the Foundation also continued its support of teacher training programs in economics sponsored by the Minnesota and North Dakota chapters of the Joint Council on Economic Education in New York.

## HEALTH

Since 1974 the Foundation has worked to define more precisely its grantmaking interests in health. In 1976 the Foundation continued this work with discussions of various alternatives for emphasis in health among Foundation Board, staff, and consultants. These discussions will conitnue in 1977.

Consultants have recommended consistently that the Foundation focus its attention on proposals from regional health manpower training institutions which seek to develop programs to train health professionals for unfilled and new kinds of health care positions within the region. Consultants also have recommended that the Foundation seek opportunities to improve minority access to health careers, and to support the development of new kinds of training programs and practice models, or the extension of existing programs and models, which seem likely to improve the availability and quality of medical services in rural and other underserved areas within the region.

In order to achieve good results with limited amounts of money, these consultants have recommended that the Foundation concentrate its funds in its highest priority fields, and avoid grantmaking in other health fields which, though important, are relatively expensive and which have other

sources of support. They recommend that the Foundation not make grants in the following fields: construction and equipment purchase projects of major hospitals and medical centers; operating support for traditional programs which provide health services; established continuing education programs for health professionals; and biomedical research.

Those recommendations now represent the most probable direction of the Foundation's health grantmaking in the near future. However, they still require further discussion inside and outside the Foundation before definition and approval by the Bush Board of Directors. While these discussions are proceeding, the Foundation will attempt to appraise each grant proposal on its merits. The single major exception is the area of biomedical research. In 1974 the Board of Directors voted to cease granting funds for project research in the biomedical and health sciences.

## FELLOWSHIP PROGRAMS

### BUSH LEADERSHIP FELLOWS PROGRAM

The Bush Leadership Fellows Program was started at the wish of Archibald Granville Bush. He envisioned a program which would locate individuals with strong leadership qualities in a variety of fields, and enable them to develop those qualities without the kind of financial hardship he encountered in his own business career. Recipients of these awards gain the opportunity for full-time study and internship anywhere within the United States for varying periods of time up to a maximum of eighteen months. Major criteria for selection have included mental skills, integrity and character, clear career goals, and demonstrated competence in past work experience. In 1973, the Foundation added a new program of Bush Summer Fellowships to the regular Bush Leadership Fellows Program. The summer program offers study opportunities ranging from three to eight weeks in length, compared with four to eighteen months in the regular program.

In 1974 The Bush Foundation Board voted to expand the program beyond Minnesota, to include also candidates from North Dakota, South Dakota and twenty-six counties in western Wisconsin.* The Board authorized expenditure of $506,000 for stipends and fellows' expenses for those receiving 1976 Fellowships.

Nineteen individuals received 1976 Bush Leadership Fellowships and thirty received Bush Summer Fellowships. The Fellows represent the fields of business, government, social work, the judiciary, law, theology, the administration of arts, education, farming, journalism, and health — continuing the diversity of career backgrounds which has characterized the pro-

*These counties in Wisconsin are: Ashland, Barron, Bayfield, Buffalo, Burnett, Chippewa, Douglas, Dunn, Eau Claire, Florence, Forest, Iron, LaCrosse, Lincoln, Oneida, Pepin, Pierce, Polk, Price, Rusk, St. Croix, Sawyer, Taylor, Trempealeau, Vilas, and Washburn.

gram since it began in 1965. A growing majority of the selected Fellows emphasizes work in aspects of management and administration during their study and internships.

The Program is unusual in design, and appears to be producing worthwhile results. These observations come from the Foundation's own evaluations of the Program and from meetings with representatives of other leading mid-career development programs across the country.

Following is a list of the individuals selected in 1976 to receive Bush Leadership Fellows and Bush Summer Fellows awards.

## 1976 BUSH LEADERSHIP FELLOWS

| Name and Residence | Employment at the Time of Selection for Fellowship (1976–77 Study Site in Parentheses) |
|---|---|
| Kenneth W. Aitchison<br>Grand Forks, ND | Administrator, Rehabilitation Hospital, University of North Dakota, Grand Forks<br>(University of Michigan) |
| David F. Berg<br>Minneapolis, MN | Social Studies teacher, South High School, Minneapolis<br>(Luther Seminary) |
| Daniel J. Donahue<br>Minneapolis, MN | Agent, Community Relations Division<br>City of New Hope Police Dept.<br>(Syracuse University) |
| Katherine E. Egan<br>Minneapolis, MN | Principal, Academy of the Holy Angels, Minneapolis<br>(Syracuse University, University of Toronto, Rutgers University) |
| Clifford W. Erickson<br>Minnetonka, MN | Senior Principal Scientist, Honeywell, Inc., Minneapolis<br>(Harvard University) |
| Milton L. Harrison<br>Minneapolis, MN | Vice-President for Management Services, YMCA, Minneapolis<br>(Columbia University) |
| Marilyn J. Hill<br>Huron, SD | Sociology Instructor, Huron College, Huron<br>(University of Minnesota) |
| Douglas R. Hoelscher<br>Golden Valley, MN | Manager, Manufacturing Engineering and Corporate Facilities Planning, Tennant Company, Minneapolis<br>(Harvard University) |
| Sharon K. Imes<br>La Crosse, WI | City Councilwoman, La Crosse<br>(University of Wisconsin-Madison) |
| T. Terry Johnson<br>Wayzata, MN | Vice-President, Industrial Relations, American Hoist and Derrick Company, Saint Paul<br>(Harvard University) |
| Barbara H. Knudson<br>Minneapolis, MN | Dean, University College, University of Minnesota, Minneapolis<br>(Harvard University) |
| William R. Nachatilo<br>Westbrook, MN | Superintendent of Schools, Westbrook<br>(University of North Dakota) |
| Steven L. Sandness<br>Eden Prairie, MN | Director, Systems Development, National Car Rental Systems, Inc., Bloomington<br>(Deferred) |
| Larry G. Selland<br>Bismarck, ND | Assistant Vocational Director, North Dakota State Board of Vocational Education, Bismarck<br>(Colorado State University) |

| Name and Residence | Employment at the Time of Selection for Fellowship (1976 Study Site in Parentheses) |
|---|---|
| R. Craig Shulstad<br>Chanhassen, MN | Product Manager, General Mills, Inc., Minneapolis<br>(Harvard University) |
| W. Robert Sorensen<br>Grand Forks, ND | Campus Pastor, Christus Rex Lutheran Ministry, University of North Dakota, Grand Forks<br>(University of Iowa) |
| Edward F. Stevens<br>Sioux Falls, SD | Director of Development, Sioux Falls College, Sioux Falls<br>(University of Minnesota) |
| Catherine A. Tisinger<br>Marshall, MN | Vice-President for Academic Affairs, Southwest State University, Marshall<br>(Deferred) |
| David L. Wicklund<br>Saint Peter, MN | Registrar, Gustavus Adolphus College, Saint Peter<br>(University of Hawaii) |
| | **1976 Bush Summer Fellows** |
| Sr. Mary Madonna Ashton<br>Minneapolis, MN | President and Chief Executive Officer, Saint Mary's Hospital, Minneapolis<br>(Harvard University) |
| Floyd W. Askim<br>Minot, ND | Alcohol-Drug Consultant, Minot Area Social Service Center, Minot<br>(Rutgers University, New Brunswick, NJ; Johnson Institute, Minneapolis; and Heartview Foundation, Mandan, ND) |
| Rodney E. Bell<br>Brookings, SD | Assistant Professor of History, South Dakota State University, Brookings<br>(University of Wisconsin-Madison) |
| Roger V. Blomquist<br>Saint Paul, MN | Vice-President, National Biocentric, Inc., Saint Paul<br>(Cornell University) |
| Earl W. Bowman, Jr.<br>Minneapolis, MN | Dean of Students, Macalester College, Saint Paul<br>(Harvard University) |
| Marie M. Bristol<br>Fargo, ND | Assistant Director, Children-Adolescent Services, Southeast Mental Health and Retardation Center, Fargo<br>(Center for Creative Leadership, Greensboro, NC; and University of North Carolina) |
| Linda S. Coffey<br>Minneapolis, MN | Administrative Intern, Minneapolis Institute of Arts<br>(Harvard University) |
| Raymond J. Cossette<br>Brainerd, MN | Chaplain, Brainerd State Hospital, Brainerd<br>(Hazelden Institute, Center City, MN) |
| Allen L. Curtis<br>Eau Claire, WI | Assistant Professor of English, University of Wisconsin-Eau Claire<br>(University of Minnesota) |
| Cathleen A. Dalglish<br>Minneapolis, MN | Public Communications Coordinator<br>Minneapolis Public Schools<br>(Columbia College, Chicago, IL) |
| Bert L. Ehrmann, Jr.<br>Wayzata, MN | Regional Manager, North American Life and Casualty Company, Minneapolis<br>(Columbia University) |
| Meridel D. Fahsl<br>Minneapolis, MN | Project Director, Health, Education and Day Care, Mechanic Arts High School, Saint Paul<br>(Bemidji State University, University of Minnesota, and University of Wisconsin-Madison) |
| James B. Field<br>Minneapolis, MN | Director of Community Services, Metropolitan Community College, Minneapolis<br>(University of Wisconsin-Madison) |

| Name and Residence | Employment at the Time of Selection for Fellowship (1976 Study Site in Parentheses) |
|---|---|
| Maxine D. Gaiber<br>Minneapolis, MN | Supervisor, School and Curriculum Services, Minneapolis Institute of Arts<br>(Harvard University) |
| Bruce A. Gray<br>Saint Peter, MN | Coordinator of Student Services, Gustavus Adolphus College, Saint Peter<br>(Harvard University) |
| G. K. Haukebo<br>Moorhead, MN | Director of University Relations, Moorhead State University<br>(CASE Summer Institutes) |
| Marian E. Havlik<br>La Crosse, WI | Staff Nurse, Saint Francis Hospital, La Crosse<br>(Ohio State University) |
| Melvin K. Hendrix<br>Pelican Rapids, MN | Chairperson, Minority Group Studies Department, Moorhead State University, Moorhead<br>(University of Indiana) |
| Paul D. Ims<br>Echo, MN | Farmer, Echo, MN<br>(Center for Creative Leadership, Greensboro, NC) |
| Jeanette K. Kron<br>Saint Cloud, MN | Administrative Assistant, International Union of Operating Engineers and International Association of Machinists, Saint Cloud<br>(Harvard University) |
| Vincent R. Lindstrom<br>Fargo, ND | Cultural Resources Coordinator, Fargo Public Schools<br>(Harvard University) |
| Janet C. T. Lund<br>Minneapolis, MN | Administrative Assistant, Minnesota State Senate, Saint Paul<br>(University of Minnesota and Georgetown University) |
| Gary J. Marsden<br>Saint Cloud, MN | President, Marco Business Products, Saint Cloud<br>(Deferred) |
| Donna R. McCrea<br>Aberdeen, SD | Livestock Specialist, North Plains Corporation, Aberdeen<br>(University of South Dakota) |
| James H. McMerty<br>Fargo, ND | President, McMerty & Holtgrewe, Ltd., Fargo<br>(Deferred) |
| M. Raymond Miller<br>Bloomington, MN | Coordinator, Medical District #18, Veterans Administration Hospital, Minneapolis<br>(Harvard University) |
| Marvin O. Mutzenberger<br>Minot, ND | Pastor, Zion Lutheran Church, Minot<br>(California Family Study Center, American Institute of Family Relations, Institute for Reality Therapy, and the La Jolla Program, all in California) |
| Joanne M. Schlattman<br>Saint Paul, MN | Office Manager, Community Program in the Arts and Sciences, Saint Paul<br>(Harvard University, deferred) |
| George W. Schubert<br>Grand Forks, ND | Associate Professor of Speech Pathology and Audiology, University of North Dakota, Grand Forks<br>(University of Washington) |
| Lester A. Wanninger, Jr.<br>Edina, MN | Manager, Math and Operations Analysis, General Mills, Inc., Minneapolis<br>(Harvard University) |
| Frederick W. Zuercher<br>Vermillion, SD | Associate Professor of Political Science, University of South Dakota, Vermillion<br>(Harvard University and University of Wisconsin-Madison) |

## BUSH FOUNDATION FELLOWSHIPS FOR ARTISTS

The Bush Foundation Fellowships for Artists enables selected individuals to set aside concentrated time for their work, and, it is hoped, to increase the quality and pace of individual career development. Short-term Bush Foundation support can be used to complete an artistic project, to meet an artistic goal, or to advance generally a professional artistic career.

The first group of six Artist Fellowship holders was selected from 148 original applicants in January 1976. The artists selected are:

Carole G. Fisher, sculpture and painting, Minneapolis
Alvin D. Greenberg, fiction, Saint Paul
Gary Hallman, photography, Minneapolis
Thomas M. McGrath, poetry, Moorhead
James M. Moore, poetry, Saint Paul
Stephanie B. Torbert, photography, Minneapolis

Candidates are chosen from two professional groups: creative writers (poets and writers of fiction), and visual artists (painters, sculptors, graphic artists and still photographers). Candidates must be at least 25 years old and be residents of Minnesota. Major criteria for final selection are demonstrated artistic performance and the estimated importance of the applicant's Fellowship plan to his or her growth as a creative artist.

Stipends are $833 per month for up to twelve months, or a total award of $10,000 for a 12 to 18 month Fellowship period. The program also provides limited funds for travel and project costs which must be met by Fellowship holders in connection with their work. The total amount of stipends and projects costs authorized for the first six Fellowships was $72,000.

The Foundation appropriated $72,000 for a second group of Fellowships for six artists to be selected in 1977 and $96,000 for eight artists to be selected in 1978. For the first time, in 1978, applications also will be accepted from film and video artists. Other application and selection criteria will remain unchanged.

Inquiries about the program should be directed to The Bush Foundation Fellowships for Artists, W-962 First National Bank Building, Saint Paul, Minnesota, 55101.

## BUSH PUBLIC SCHOOL EXECUTIVE FELLOWS PROGRAM

The first group of 25 Bush Public School Executive Fellows was selected in May, 1976 to enter this new training program.

The program is designed to provide a varied but intensive six week course for experienced public school superintendents and assistant superintendents in Minnesota, to improve their leadership and financial management capacity. The six weeks of their participation is spread over 18 months, and includes the following segments: an 11-day opening session

emphasizing case study and discussion; three five-day sessions of small task force work on specific study projects; and a four-day final session. Participants also spend approximately two weeks of independent work on task force projects.

The curriculum emphasizes management skills, labor relations, and long range planning for school districts. Professor John J. Mauriel of the University of Minnesota Graduate School of Business Administration supervised the design of the program, which is administered by the Minnesota Association of School Administrators.

Inquiries concerning the program may be directed to the Minnesota Association of School Administrators, 480 Cedar Street, Saint Paul, Minnesota, 55101.

## PUBLIC BROADCASTING

In April, 1976 the Board considered a report on "The Role of The Bush Foundation in Telecommunications" prepared by John P. Witherspoon, President of the Public Service Satellite Consortium. The report provided brief summaries of major developments in public telecommunications in the United States and in public broadcasting in the Foundation's areas of geographic interest. The Board decided that for the immediate future The Bush Foundation would concentrate its interest in public broadcasting in a series of matching grants for unrestricted operating support to public radio and television stations in Minnesota, North Dakota and South Dakota. The Board also expressed interest in providing limited programming support for selected programs in the areas of parenting, early childhood development, economics education and the arts.

The Foundation approved two challenge grants to public broadcasting services in 1976. Minnesota Public Radio, Saint Paul, was awarded up to $74,000 to match income from new members in 1977. South Dakota Friends of Public Broadcasting, Brookings, South Dakota, was granted $79,000 toward the costs of hiring a full-time development staff and to match increased membership contributions.

# GRANTMAKING POLICIES AND PROCEDURES

## MAJOR CURRENT INTERESTS

1. The Bush Foundation is predominantly a regional grantmaking foundation, with broad interests in education, human services, health, arts and humanities, and in the development of leadership.
2. The Foundation is interested in education at all levels, with major emphasis in higher education. A majority of its recent grants in education have been awarded to public and private colleges and universities. Two major purposes served by the Foundation's recent grants in public higher education are to improve quality and efficiency of administration and to help these institutions work with surrounding communities and regions on problems of mutual interest. Underlying the Foundation's support for private colleges is the view that long-run financial health is a crucial current and future need. Accordingly, the Foundation encourages efforts to recruit students from groups previously underserved by private colleges, to stimulate improved management, and to help colleges try to develop new sources of unrestricted income. A new program of matching capital grants for private colleges in Minnesota and the Dakotas is described in the "Program Notes" section of this report. The grants to elementary and secondary schools are either for public school districts seeking to experiment with new learning programs and new approaches to teaching and administration or to improve the teaching of economics. Developing areas of the Foundation's interest are training programs for child development personnel and programs in parent education.
3. The Foundation seeks to support projects which may help demonstrate and evaluate ways to lessen, prevent or resolve contemporary social problems. Those projects which involve the elements of relatively early intervention and reasonable cost are of particular interest.
4. The Foundation is interested in encouraging the delivery of good medical care — at reasonable cost to recipients and to society —

particularly in areas which now are underserved. In the near future the Foundation hopes to concentrate on those education and training efforts which seem most likely to affect the distribution, quality and efficiency of medical care.

5. Within its geographic region of major interest, the Foundation accepts special responsibility in the arts and humanities, including support for music, theater, dance, visual arts, and the general preservation of our cultural heritage.
6. The development of leadership potential was of particular interest to the founder of The Bush Foundation, and will continue to command its interest and resources.

## RESTRICTIONS AND AREAS OF HIGH SELECTIVITY

1. The Foundation recently has concentrated its major interest on projects originating in, or of special value to Minnesota, North Dakota, and South Dakota, with Chicago and central Florida as areas of secondary interest and others less so. The Bush Leadership Fellows Program includes coverage of Minnesota, North and South Dakota, and the counties of Western Wisconsin which are part of the Ninth Federal Reserve District. Proposals for projects outside the United States ordinarily will not be approved.
2. The Bush Foundation ordinarily will not contribute to other private foundations, but this shall not preclude its joining with one or more foundations in a common effort of special interest.
3. The Foundation does not make direct grants to individuals except through established, defined programs such as the Bush Leadership Fellows Program. Ordinarily, the Foundation's grants are made only to non-profit, tax-exempt organizations.
4. Although the Foundation seeks to appraise each grant proposal on its merits, the following kinds of grant proposals are less likely to be approved than others:
   a. Proposals for building construction in medicine.
   b. Proposals requesting endowment funds.
   c. Proposals requesting support to cover past operating deficits.
   d. Proposals seeking general and continuing operating support.
5. The Foundation for some time has been reluctant to provide funds for basic scholarly research within established academic disciplines. In September, 1974 the Board of Directors voted to cease granting funds for project research in the biomedical and health sciences. While acknowledging the general importance of biomedical research, the Board reasoned that excellent foundation grantmaking performance in this area probably requires a larger continuing investment of funds, a surer sense as to which specific research areas

would be significantly improved if more money were made available, and greater specialization of the Foundation's staff than seems possible or desirable for The Bush Foundation to attempt at this time.

## GRANTMAKING PROCEDURES

### Responsibility for Decisions

All commitments of grant funds are made by the Board of Directors. The Board meets at least quarterly, but rarely at intervals of less than two months. The Grants Committee, a six-member subcommittee of the Board, discusses all grants prior to final Board action, and makes recommendations of final action to the Board.

All grant proposals to be considered by the Grants Committee and the Board are first investigated by the Foundation's staff. The results of these investigations are made available to the Grants Committee and the Board.

### Time Required for Decisions

Grant proposals should be submitted to the Executive Director of the Foundation three months prior to the Board meeting at which consideration of the proposal is desired. This normally is a minimum time needed to complete the steps required for consideration. But if the proposal is highly specialized, if it requires the review of outside consultants, or if additional information is needed before serious consideration is possible, the process of consideration usually takes longer.

The Board has approved additional preliminary screening procedures for University of Minnesota proposals, and for requests seeking construction funds for major hospitals and medical centers. The Foundation staff will explain these steps to anyone wishing further information about them.

Ordinarily one member of the Foundation's program staff is assigned to work on a specific proposal when it is received by the Foundation. This staff member will suggest further discussion with the author of the proposal if it seems necessary, and may also seek other opinions and background information. This staff member will also be responsible for presenting the proposal, the results of the related investigation, and the staff's composite recommendation to the Grants Committee and to the Board.

### Preliminary Inquiries

The Foundation staff welcomes brief preliminary letters inquiring about possible interest of the Foundation in providing funds for a particular project. The staff also is pleased to answer written or telephone inquiries concerning application procedures, desired documentation, timing problems, and so on.

In answering questions about the possible future Foundation action on a proposal idea, the staff replies will usually range from "possible" to "unlikely". These staff appraisals never signal quick, optimistic encouragement as to final outcome. At the same time, they rarely are so discouraging as to prohibit finally any further consideration. However, recent staff estimates suggesting that proposal ideas seemed "unlikely" to command Board interest and final approval have almost always proven correct, even though the estimates in no way commit or limit later Board action. During the past three years, the Foundation has had sufficient funds to grant only about one third of the completed requests submitted.

### Exploration of Other Sources of Support

Grant applicants ordinarly should explore all other possible sources of support in addition to The Bush Foundation. This exploration does not hurt the chances for a favorable decision by The Bush Foundation, but may improve the chances that the project will find support somewhere. In the event other sources do provide partial or full support, The Bush Foundation should be notified promptly, so that the staff may revise the amount requested in line with up-to-date and realistic needs.

## GRANT PROPOSALS

### Form of Presentation

There is no special form for applying for a grant. The proposals made to the Foundation vary widely as to purpose, and hence vary also as to the documentation needed for fair consideration. Plans which have been worked out thoughtfully and described concisely are always welcomed. Expensive brochures and extra packaging generally seems wasteful.

### Desired Contents

A detailed list of "Application Requirements" is available at the Foundation office, and should be requested before drafting a final proposal. Following is a summary of the information which ordinarily should be provided in a completed proposal for a new project:

1. A clear description of the project, what it may be expected to achieve, and why it is important to undertake.
2. A detailed expense budget for the project, showing how the requested funds would be spent and during what time periods. The budget should make clear how the major elements of expense were estimated. Applicants should specify when the grant payment is desired, and in what amount; if more than one payment is requested under the grant, a suggested schedule of payments should be provided.

3. A statement of other possible sources of support, public or private, which have been or will be solicited concerning the project, including a statement of funds which have been received or pledged.
4. If the project is to be conitnued after the period for which support has been requested, an explanation of how continuation of the project is to be financed.
5. The procedure and criteria by which effectiveness of the grant should be judged after the grant funds have been expended.
6. Information concerning the organization and the responsible officers who intend to carry out the project:
   a. A brief description of the organization making the proposal.
   b. The names and primary affilications of the organization's directors or trustees.
   c. The name(s) and qualifications of the person(s) who would administer the grant.
   d. An audited balance sheet and income statement, if available, for the organization's previous fiscal year.
7. A copy of the organization's most recent tax-exempt ruling from the Internal Revenue Service, along with either a statement as to any revisions which may be pending, or a statement that there has been no change and none is pending.
8. If the request comes from a department or individual in an organization, the request also should be endorsed by the administrative head of the organization. If possible, the endorsement also should comment upon the relative priority of the request compared with other needs which The Bush Foundation may be asked to support.
9. For demonstration projects, research studies, and experiments, a description of similar work which has been carried out previously by other agencies would be helpful, along with an estimate of the significance of this prior work to the proposed project.
10. Proposals seeking funds for basic scholarly research should be written so that the project and its importance may be understood by non-specialists, and also so that the specific work plan may be understood and reviewed by consultants in the specific discipline involved. The Foundation has been extremely selective in approving grants for basic scholarly research of all kinds.

## APPROVED GRANTS

### Notification of Approval

The Bush Foundation will send written notice to applicants concerning all Board decisions to approve or deny grant proposals, usually within ten days following the Board meeting involved. During this period, the Founda-

tion notifies newspapers in Minnesota and the Dakotas, and radio and television stations of grants which have been approved. The Foundation Center in New York City is also notified of approved grants so that its central data file may be kept current.

### Reports to the Foundation

The Foundation will require progress reports at least annually stating what has been accomplished by expenditures of the grant funds, along with appropriate financial reports as to how the funds were spent. Grant funds may be spent only for the purposes granted. Uncommitted funds at the end of the grant period must be returned to the Foundation unless other arrangements have been proposed beforehand and approved formally by the Foundation's Board of Directors. Following the end of the period for which funds were granted, the grantee must provide the Foundation with a final financial accounting for the grant funds, and an evaluation and summary of the results obtained.

### Foundation Self-Evaluation

In addition to receiving reports from grantee organizations concerning the impact of the funds granted, the Foundation asks both its own full-time staff and also outside evaluators to review the experience of the Foundation's grantmaking procedures. The principal purpose of the survey review activity is to ensure that the Foundation periodically evaluates its own performance, and not to appraise the worthiness of individual grant recipients for possible future grants. The thoughtful assistance which recipients of Bush grants since 1970 have given to this self-evaluation work for the Foundation has been invaluable. The Foundation expects that it will continue to need this kind of help from its grant recipients in the future.

### Summary Statistics for Recent Grants

The following tables summarize The Bush Foundation's recent grants, classified by the type of institution to which funds were granted, by size and duration of grants, and by the geographic location of the grantees.

**Summary of Grants Approved in Fiscal Year 1976**
**Classified by Size, Duration and**
**Geographic Location of Grantees**

| Classification of Grants | | Number of Grants Approved |
|---|---|---|
| I. Size | $ 0–9,999 | 6 |
| | 10,000–24,999 | 7 |
| | 25,000–49,999 | 26 |
| | 50,000–99,999 | 25 |
| | 100,000–199,999 | 13 |
| | 200,000–499,999 | 10 |
| | 500,000–1,000,000 | 1 |
| | | Total 88 |
| II. Duration | 1 Year | 50 |
| | 2 Years | 19 |
| | 3 Years | 17 |
| | 4 Years | 2 |
| | | Total 88 |
| III. Geographic Location | Minnesota | 65 |
| | North Dakota | 6 |
| | South Dakota | 7 |
| | Illinois | 5 |
| | Other | 5 |
| | | Total 88 |

**Summary of Grants Approved in Fiscal Years 1974, 1975 and 1976**
**Classified by Type of Institution to Which Funds Were Granted[1]**

| Type of Institution | 1974 | 1975 | 1976 | 3-Year Total |
|---|---|---|---|---|
| A. Humanities and Performing Arts | $2,110,152 | $1,289,000 | $1,212,500 | $ 4,611,652 |
| | (13) | (10) | (12) | (35) |
| | 21.6% | 27.5% | 14.6% | 20.3% |
| B. Education (including research in colleges and universities) | 4,835,706 | 1,520,304 | 3,956,054 | 10,312,064 |
| | (30) | (26) | (35) | (91) |
| | 49.5% | 32.4% | 47.5% | 45.3% |
| C. Health | 323,446 | 265,000 | 422,861 | 1,011,307 |
| | (4) | (4) | (3) | (10) |
| | 3.3% | 5.7% | 5.1% | 4.4% |
| D. Human Services[2] | 962,500 | 743,360 | 1,530,542 | 3,236,402 |
| | (18) | (12) | (28) | (58) |
| | 9.9% | 15.9% | 18.4% | 14.2% |
| E. Miscellaneous (including environment, corrections and law, communications, and others not included above)[2] | 1,059,521 | 330,500 | 636,270 | 2,026,291 |
| | (10) | (8) | (8) | (26) |
| | 10.9% | 7.0% | 7.7% | 8.9% |
| F. Fellowship Program Stipends | 471,400 | 539,800 | 555,000 | 1,566,200 |
| | (1) | (2) | (2) | (5) |
| | 4.8% | 11.5% | 6.7% | 6.9% |
| TOTALS | $9,762,725 | $4,687,964 | $8,313,227 | $22,763,916 |
| | (76) | (62) | (88) | (226) |
| | 100.0% | 100.0% | 100.0% | 100.0% |

***NOTES***: [1] In each cell, the dollar figure represents the total amount granted, the figure next below in parentheses shows the number of grants made, and the bottom figure shows the percentage of all grant dollars awarded during that fiscal year.
[2] For 1976 only, grants in corrections and law are included under Human Services.

# STATEMENT OF GRANTS FOR YEAR ENDED NOVEMBER 30, 1976

| Organization and Purpose | Initial Grant | Unpaid Balance 1975 | Appro-priated 1976 | Amount Paid 1976 | Unpaid Balance 1976 |
|---|---|---|---|---|---|
| **A. PERFORMING ARTS AND HUMANITIES** | | | | | |
| **Museums** | | | | | |
| Walker Art Center, Inc. Minneapolis | | | | | |
| to support Center-sponsored dance programs | | | | | |
| 1974 grant | $ 67,900 | $ 36,700 | . . . . | $ 24,700 | $ 12,000 |
| To support the Center' special exhibition program | | | | | |
| 1973 grant | 200,000 | 20,000 | . . . . | 20,000 | . . . . |
| 1976 grant | 90,000 | . . . . | $ 90,000 | . . . . | 90,000 |
| **Theater** | | | | | |
| Chimera Theatre Company, Saint Paul | | | | | |
| To purchase and renovate Edyth Bush Theatre and to support maintenance costs for one year | 112,500 | . . . . | 112,500 | 112,500 | . . . . |
| Cricket Theatre Corporation, Minneapolis | | | | | |
| Toward operating expenses for 1976–77 season | 10,000 | . . . . | 10,000 | . . . . | 10,000 |
| Guthrie Theater Foundation | | | | | |
| Toward operating expenses for 1976–77 season | 70,000 | . . . . | 70,000 | 70,000 | . . . . |
| **Music and Opera** | | | | | |
| Greater Twin Cities Youth Symphonies, Minneapolis | | | | | |
| Toward operating expenses | 15,000 | 5,000 | . . . . | 5,000 | . . . . |
| Lyric Opera of Chicago | | | | | |
| Toward operating expenses of the 1974 and 1975 seasons | 50,000 | 25,000 | . . . . | 25,000 | . . . . |
| Minnesota Opera Company, Minneapolis | | | | | |
| Toward operating expenses of the 1976–77 season and to match increased earned income | 45,000 | . . . . | 45,000 | 20,000 | 25,000 |

| Organization and Purpose | Initial Grant | Unpaid Balance 1975 | Appro-priated 1976 | Amount Paid 1976 | Unpaid Balance 1976 |
|---|---|---|---|---|---|
| Minnesota Orchestral Association, Minneapolis | | | | | |
| Toward costs of a new symphony hall in Minneapolis | | | | | |
| 1972 grant | 750,000 | 350,000 | . . . . | 200,000 | 150,000 |
| 1973 grant | 250,000 | 250,000 | . . . . | . . . . | 250,000 |
| To match increases in Guaranty Fund contributions (operating expenses) | | | | | |
| 1975 grant | 135,000 | 135,000 | . . . . | . . . . | 135,000 |
| 1976 grant | 125,000 | . . . . | 125,000 | . . . . | 125,000 |
| Saint Paul Chamber Orchestra Society | | | | | |
| To match increased earned and unearned income and to support operating costs of the 1975–76 and 1976–77 seasons | 220,000 | 220,000 | . . . . | 120,000 | 100,000 |
| **Other** | | | | | |
| Guild of Performing Arts, Minneapolis | | | | | |
| Toward operating expenses for Nancy Hauser Dance Company for two years | 25,000 | . . . . | 25,000 | 15,000 | 10,000 |
| Metropolitan Cultural Arts Center, Minneapolis | | | | | |
| Toward operating expenses for 1976 | 5,000 | . . . . | 5,000 | 5,000 | . . . . |
| Minnesota Historical Society, Saint Paul | | | | | |
| To purchase rare books and works of art | 45,000 | 15,000 | . . . . | 15,000 | . . . . |
| Toward costs of microfilming the Society's collection of Minnesota newspapers | 83,900 | 41,950 | . . . . | 41,950 | . . . . |
| Minnesota Landmarks, Saint Paul | | | | | |
| Unpaid balance on earlier grant to Saint Paul-Ramsey Arts and Science Council toward renovation of Old Federal Courts Building; balance was transferred in 1976 to Minnesota Landmarks for the same purpose | 500,000 | 250,000 | . . . . | 125,000 | 125,000 |
| 1976 grant | 250,000 | . . . . | 250,000 | . . . . | 250,000 |
| Newberry Library, Chicago | | | | | |
| Challenge grant to increase annual membership | | | | | |
| 1975 grant | 45,000 | 45,000 | (4,600) | 40,400 | . . . . |
| 1976 grant | 30,000 | . . . . | 30,000 | . . . . | 30,000 |
| St. Louis County Heritage and Arts Center, Duluth | | | | | |
| Toward construction costs of new performing arts center | 150,000 | . . . . | 150,000 | . . . . | 150,000 |
| Saint Paul-Ramsey Arts and Science Council | | | | | |

| Organization and Purpose | Initial Grant | Unpaid Balance 1975 | Appropriated 1976 | Amount Paid 1976 | Unpaid Balance 1976 |
|---|---|---|---|---|---|
| To support expansion of the Science Museum of Minnesota | 500,000 | 250,000 | . . . . | 125,000 | 125,000 |
| To assist the 1975 Annual Fund Drive | 230,000 | 65,000 | . . . . | 65,000 | . . . . |
| To match increased contributions and to provide outright support to Annual Fund Drive | | | | | |
| 1975 grant | 300,000 | 300,000 | . . . . | 300,000 | . . . . |
| 1976 grant | 300,000 | . . . . | 300,000 | . . . . | 300,000 |
| Spring Hill Conference Center, Wayzata, Minnesota | | | | | |
| To support Center-sponsored programs | 30,000 | 10,000 | . . . . | 10,000 | . . . . |
| Twin Cities Metropolitan Arts Alliance, Minneapolis | | | | | |
| To support a performing arts ticket voucher program | 199,000 | 125,500 | . . . . | 68,000 | 57,500 |
| TOTAL-ARTS | | $2,144,150 | $1,207,900 | $1,407,550 | $ 1,944,500 |
| **B. EDUCATION** | | | | | |
| **Private Elementary and Secondary Education** | | | | | |
| Project Discovery, Saint Paul | | | | | |
| To support inner-city educational program in the Archdiocesan Schools of Saint Paul | $ 128,000 | $ 18,000 | . . . . | $ 18,000 | . . . . |
| **Public Elementary and Secondary Education** | | | | | |
| Independent School District #625, Saint Paul | | | | | |
| Toward development of an alternative program for emotionally disturbed high-school students | 194,000 | 50,000 | . . . . | 50,000 | . . . . |
| Toward expansion of a special program for junior-high school students with severe behavioral problems | 118,000 | . . . . | $ 118,000 | 58,000 | $ 60,000 |
| Minnesota Association of School Administrators, Saint Paul | | | | | |
| Toward final program planning, start-up, and operational costs for management training program for public school superintendents in Minnesota | 338,400 | . . . . | 338,400 | 140,400 | 198,000 |
| Special School District #1, Minneapolis Public Schools | | | | | |
| To support development of | | | | | |

| Organization and Purpose | Initial Grant | Unpaid Balance 1975 | Appro-priated 1976 | Amount Paid 1976 | Unpaid Balance 1976 |
|---|---|---|---|---|---|
| pilot program for American Indian students in Minneapolis Public Schools | | | | | |
| 1975 grant | 70,000 | 40,000 | . . . . | 40,000 | . . . . |
| 1976 grant | 66,254 | . . . . | 66,254 | 42,434 | 23,820 |
| **Private Higher Education** | | | | | |
| Alumni Challenge Grants To increase both unrestricted dollar receipts and the number of donors, through matching incentives, in the alumni and alumnae funds of Minnesota private colleges | | | | | |
| Augsburg College, Minneapolis | | | | | |
| Second renewal, 1975–76 | 60,000 | 60,000 | (10,000) | 50,000 | . . . . |
| Third renewal, 1976–77 | 70,000 | . . . . | 70,000 | . . . . | 70,000 |
| Bethel College and Seminary, Saint Paul | | | | | |
| Initial grant, 1975–76 | 62,000 | 62,000 | . . . . | 62,000 | . . . . |
| First renewal, 1976–77 | 55,000 | . . . . | 55,000 | . . . . | 55,000 |
| College of Saint Benedict, Saint Joseph, Minnesota | | | | | |
| First renewal, 1975–76 | 43,000 | 43,000 | . . . . | 43,000 | . . . . |
| Second renewal, 1976–77 | 39,000 | . . . . | 39,000 | . . . . | 39,000 |
| College of Saint Catherine, Saint Paul | | | | | |
| First renewal, 1975–76 | 46,000 | 46,000 | (21,642) | 24,358 | . . . . |
| College of Saint Teresa, Winona, Minnesota | | | | | |
| First renewal, 1975–76 | 50,000 | 50,000 | . . . . | 50,000 | . . . . |
| Second renewal, 1976–77 | 40,000 | . . . . | 40,000 | . . . . | 40,000 |
| College of Saint Thomas, Saint Paul | | | | | |
| Third renewal, 1975–76 | 60,000 | 60,000 | . . . . | 60,000 | . . . . |
| Dakota Wesleyan University, Mitchell, South Dakota | | | | | |
| Initial grant, 1976–77 | 42,000 | . . . . | 42,000 | . . . . | 42,000 |
| Huron College, Huron, South Dakota | | | | | |
| Initial grant, 1976–77 | 42,000 | . . . . | 42,000 | . . . . | 42,000 |
| Jamestown College, Jamestown, North Dakota | | | | | |
| Initial grant, 1976–77 | 42,000 | . . . . | 42,000 | . . . . | 42,000 |
| Macalester College, Saint Paul | | | | | |
| Third renewal, 1975–76 | 40,000 | 40,000 | . . . . | 40,000 | . . . . |
| Fourth renewal, 1976–77 | 50,000 | . . . . | 50,000 | . . . . | 50,000 |
| Mary College, Bismarck, North Dakota (challenge not restricted to alumni giving) | | | | | |
| Initial grant, 1976–77 | 35,000 | . . . . | 35,000 | . . . . | 35,000 |
| Paine College, Augusta, Georgia | | | | | |
| Initial grant, 1976–77 | 15,000 | . . . . | 15,000 | . . . . | 15,000 |
| Saint John's University, | | | | | |

| Organization and Purpose | Initial Grant | Unpaid Balance 1975 | Appro-priated 1976 | Amount Paid 1976 | Unpaid Balance 1976 |
|---|---|---|---|---|---|
| Collegeville, Minnesota | | | | | |
| Second renewal, 1975–76 | 63,500 | 63,500 | (6,500) | 57,000 | . . . . |
| Third renewal, 1976–77 | 56,000 | . . . . | 56,000 | . . . . | 56,000 |
| Saint Mary's College, Winona, Minnesota | | | | | |
| First renewal, 1975–76 | 50,000 | 50,000 | . . . . | 50,000 | . . . . |
| Second renewal, 1976–77 | 45,000 | . . . . | 45,000 | . . . . | 45,000 |
| Sioux Falls College, Sioux Falls, South Dakota | | | | | |
| Initial grant, 1976–77 | 38,000 | . . . . | 38,000 | . . . . | 38,000 |
| Tougaloo College, Tougaloo, Mississippi | | | | | |
| Initial grant, 1976–77 | 62,000 | . . . . | 62,000 | . . . . | 62,000 |
| Xavier University of Louisiana, New Orleans | | | | | |
| Initial grant, 1976–77 | 55,000 | . . . . | 55,000 | . . . . | 55,000 |
| Yankton College, Yankton, South Dakota | | | | | |
| Initial grant, 1976–77 | 38,000 | . . . . | 38,000 | . . . . | 38,000 |
| Bush Opportunity Grants | | | | | |
| To provide scholarships based on financial need but not exceeding $1,000 each for graduates of Minnesota community and junior colleges who transfer to a four-year Minnesota private college | | | | | |
| 1972 grant | 1,224,000 | 204,362 | . . . . | . . . . | . . . . |
| 1974 grant | 670,000 | 670,000 | . . . . | . . . . | 450,560 |
| Augsburg College, Minneapolis | . . . . | . . . . | . . . . | 79,489 | . . . . |
| Bethel College, Saint Paul | . . . . | . . . . | . . . . | 20,900 | . . . . |
| Carleton College, Northfield, Minnesota | . . . . | . . . . | . . . . | 1,500 | . . . . |
| College of Saint Benedict, Saint Joseph, Minnesota | . . . . | . . . . | . . . . | 6,612 | . . . . |
| College of Saint Catherine, Saint Paul | . . . . | . . . . | . . . . | 26,600 | . . . . |
| College of Saint Scholastica, Duluth, Minnesota | . . . . | . . . . | . . . . | 15,775 | . . . . |
| College of Saint Teresa, Winona, Minnesota | . . . . | . . . . | . . . . | 2,300 | . . . . |
| College of Saint Thomas, Saint Paul | . . . . | . . . . | . . . . | 76,656 | . . . . |
| Concordia College, Moorhead, Minnesota | . . . . | . . . . | . . . . | 32,160 | . . . . |
| Concordia College, Saint Paul | . . . . | . . . . | . . . . | 15,805 | . . . . |
| Gustavus Adolphus College, Saint Peter, Minnesota | . . . . | . . . . | . . . . | 13,400 | . . . . |
| Hamline University, Saint Paul | . . . . | . . . . | . . . . | 83,965 | . . . . |
| Macalester College, Saint Paul | . . . . | . . . . | . . . . | 10,500 | . . . . |
| Minneapolis College of Art and Design, Minneapolis | . . . . | . . . . | . . . . | 12,000 | . . . . |
| Saint John's University, Collegeville, Minnesota | . . . . | . . . . | . . . . | 11,050 | . . . . |

| Organization and Purpose | Initial Grant | Unpaid Balance 1975 | Appro-priated 1976 | Amount Paid 1976 | Unpaid Balance 1976 |
|---|---|---|---|---|---|
| Saint Mary's College, Winona, Minnesota | . . . . | . . . . | . . . . | 2,550 | . . . . |
| Saint Olaf College, Northfield, Minnesota | . . . . | . . . . | . . . . | 12,540 | . . . . |
| Carleton College, Northfield, Minnesota | | | | | |
| Endowment of book purchases for Carleton library | 800,000 | . . . . | 800,000 | . . . . | 800,000 |
| Concordia College, Moorhead, Minnesota | | | | | |
| To support college-wide extension of a pilot curriculum evaluation system | 83,613 | 47,113 | . . . . | 27,800 | 19,313 |
| Concordia College, Saint Paul | | | | | |
| To support full-year teacher training program in Saint Paul Public Schools | 16,250 | . . . . | 16,250 | 16,250 | . . . . |
| Hamline University, Saint Paul | | | | | |
| Scholarship support for one student from Granite Falls for 1975–76 | 4,100 | . . . . | 4,100 | 4,100 | . . . . |
| Higher Education Consortium for Urban Affairs, Inc., Saint Paul | | | | | |
| To expand urban studies programs among nine private colleges in Minnesota, South Dakota and the University of Minnesota | 54,000 | 27,000 | . . . . | 18,000 | 9,000 |
| Minnesota Private College Fund, Minneapolis | | | | | |
| For support of programs selected by the presidents at the fifteen member colleges | | | | | |
| 1974 grant | 400,000 | 200,000 | . . . . | 200,000 | . . . . |
| 1976 grant | 400,000 | . . . . | 400,000 | . . . . | 400,000 |
| Saint John's University, Collegeville, Minnesota | | | | | |
| To construct a new building for the Monastic Manuscript Microfilm Library | 540,000 | 80,000 | . . . . | 80,000 | . . . . |
| Tougaloo College, Tougaloo, Mississippi | | | | | |
| To support a three-college conference on alumni giving (Paine College, Tougaloo College and Xavier University of Louisiana) | 3,500 | . . . . | 3,500 | 3,500 | . . . . |
| Tulane University, New Orleans, Louisiana | | | | | |
| To help build patient care and teaching facilities at the Tulane Medical Center | 500,000 | 200,000 | . . . . | 100,000 | 100,000 |
| The University of Chicago | | | | | |
| Continued operating support for the A. G. Bush Library at | | | | | |

| Organization and Purpose | Initial Grant | Unpaid Balance 1975 | Appro-priated 1976 | Amount Paid 1976 | Unpaid Balance 1976 |
|---|---|---|---|---|---|
| the University's Industrial Relations Center | | | | | |
| 1975 grant | 225,000 | 175,000 | . . . . | 87,500 | 87,500 |
| University of Miami, Coral Gables, Florida | | | | | |
| To support the 1976 Alumni Loyalty Fund | 25,000 | 25,000 | . . . . | 25,000 | . . . . |
| **Public Higher Education** | | | | | |
| University of Minnesota, Minneapolis | | | | | |
| Diabetes Research | | | | | |
| To support investigation by Dr. Frederick C. Goetz as to whether kidney disease in diabetic patients is genetically determined or results from chemical changes in the body which are produced by diabetes | 204,926 | 88,078 | . . . . | 42,854 | 45,224 |
| Duluth Medical School | | | | | |
| To help develop a program in allied health sciences at the University (Duluth), the College of Saint Scholastica (Duluth), and the University of Wisconsin at Superior | 215,028 | 125,761 | . . . . | 62,341 | 63,420 |
| Graduate School Evaluation | | | | | |
| To support external evaluation of the University's Graduate School departments in conjunction with internal evaluations which the University is conducting | 115,000 | 23,000 | . . . . | 23,000 | . . . . |
| Graduate School Fellowships | | | | | |
| Fellowships for graduate students in M.A. and Ph.D. programs under the administration of the Graduate School | | | | | |
| 1974 grant | 2,000,000 | 1,100,000 | . . . . | 575,000 | 525,000 |
| 1976 grant | 375,000 | . . . . | 375,000 | . . . . | 375,000 |
| Program in Human Sexuality | | | | | |
| To support a Medical School program for professional education, therapy, and research in human sexuality | | | | | |
| 1975 grant | 86,400 | 43,200 | . . . . | 43,200 | . . . . |
| University of Minnesota Foundation, Minneapolis | | | | | |
| Leukemia Research Fund | | | | | |
| To support Leukemia research | 60,000 | 30,000 | . . . . | 30,000 | . . . . |

| Organization and Purpose | Initial Grant | Unpaid Balance 1975 | Appro-priated 1976 | Amount Paid 1976 | Unpaid Balance 1976 |
|---|---|---|---|---|---|
| **Child Development** | | | | | |
| Erikson Institute for Early Education, Chicago | | | | | |
| To support the Institute's program of graduate level training for teachers of pre-school children | | | | | |
| 1975 grant | 130,000 | 65,000 | . . . . | 65,000 | . . . . |
| Minnesota Early Learning Design, Minneapolis | | | | | |
| Toward costs of demonstration project in parent education | 75,000 | 50,000 | . . . . | 25,000 | 25,000 |
| The University of Chicago | | | | | |
| To support research of Dr. Alison Clarke-Stewart to assess effects of different child-care arrangements on the behavior of children age 2-5 | 93,260 | 49,165 | . . . . | 49,165 | . . . . |
| University of Minnesota, Minneapolis | | | | | |
| Center for Early Education and Development | | | | | |
| To support a three-year series of leadership training institutes for professionals in the field of early childhood education | 203,440 | . . . . | 203,440 | 65,810 | 137,630 |
| **Economic Education** | | | | | |
| Junior Achievement, Inc., Stamford, Connecticut | | | | | |
| To help expand Saint Paul program in business education for high school students | 10,000 | 4,600 | . . . . | 4,600 | . . . . |
| Toward purchase of new production and office equipment for the Saint Paul program | 44,495 | . . . . | 44,495 | 44,495 | . . . . |
| Minnesota State Council on Economic Education, Minneapolis | | | | | |
| To support three-year training program in economic education for Saint Paul public school teachers | 120,314 | . . . . | 120,314 | 44,830 | 75,484 |
| North Dakota Council on Economic Education, Grand Forks, North Dakota | | | | | |
| To expand statewide program in economics for elementary and secondary school teachers in North Dakota public schools | 63,685 | . . . . | 63,685 | 23,052 | 40,633 |
| Saint Paul Chamber of Commerce Foundation, | | | | | |

| Organization and Purpose | Initial Grant | Unpaid Balance 1975 | Appro-priated 1976 | Amount Paid 1976 | Unpaid Balance 1976 |
|---|---|---|---|---|---|
| Saint Paul | | | | | |
| To support training program in business economics and summer internships in local corporations for elementary and secondary school teachers | 93,500 | . . . . | (14,215) 93,500 | 32,285 | 47,000 |
| Special School District #1, Minneapolis Public Schools | | | | | |
| Toward development of a case study program in economic education | | | | | |
| 1976 grant (planning) | 3,325 | . . . . | 3,325 | 3,325 | . . . . |
| 1976 grant | 165,725 | . . . . | 165,725 | 56,512 | 109,213 |
| **Other Education** | | | | | |
| Film in the Cities, Saint Paul | | | | | |
| Toward two years' operating costs for providing training and technical assistance for filmmakers | 60,000 | . . . . | 60,000 | 40,000 | 20,000 |
| The Minneapolis Foundation (fiscal agent for Citizens' Scholarship Foundation of America, Inc., Concord, New Hampshire) | | | | | |
| Toward costs to establish Minnesota regional office, develop additional local CSFA chapters, and initiate scholarsihp "fund finder" service for Minnesota students | 140,000 | . . . . | 140,000 | 100,000 | 40,000 |
| Minnesota Higher Education Coordinating Board, Saint Paul | | | | | |
| Toward purchase and installation of equipment to computerize the cataloging of books in 31 libraries in Minnesota and 61 libraries in North Dakota | 216,066 | . . . . | 216,066 | 170,759 | 45,307 |
| Minnesota Literacy Council, Saint Paul | | | | | |
| To support adult literacy courses taught by volunteer tutors to individual students | 11,755 | 3,835 | . . . . | 3,835 | . . . . |
| Youth for Understanding, Ann Arbor, Michigan | | | | | |
| Toward administrative costs of a Minnesota office for an international high-school student exchange program | 54,821 | 33,419 | . . . . | 19,637 | 13,782 |
| TOTAL-EDUCATION | | $3,827,033 | $3,903,697 | $3,295,844 | $ 4,434,886 |
| **C. HEALTH** | | | | | |
| Childbirth Education Association of Greater Minneapolis-Saint | | | | | |

| Organization and Purpose | Initial Grant | Unpaid Balance 1975 | Appro-priated 1976 | Amount Paid 1976 | Unpaid Balance 1976 |
|---|---|---|---|---|---|
| Paul, Inc., Saint Paul<br>To support childbirth preparation program for unwed mothers and clinic patients<br>1975 grant | $ 30,000 | $ 30,000 | . . . . | $ 30,000 | . . . |
| Indian Health Board of Minneapolis<br>To support two additional doctors who will work at the Indian Health Clinic as part of their resident medical training | 178,446 | 27,917 | . . . . | 27,917 | . . . . |
| Mayo Foundation, Rochester, Minnesota<br>To help develop and operate a new undergraduate medical school at the Mayo Clinic | 1,000,000 | 300,000 | . . . . | 200,000 | $ 100,000 |
| Metro Area Community Health, Minneapolis<br>Toward operating costs of this consortium of community health clinics | 30,000 | 10,000 | . . . . | 10,000 | . . . . |
| Minnesota Hospital Research and Education Trust Fund, Minneapolis<br>Toward costs of developing training programs for trustees of hospitals and nursing homes | 52,861 | . . . . | $ 52,861 | 52,861 | . . . . |
| Onamia Hospital Incorporated, Onamia, Minnesota<br>Toward costs of installing ventilation of air-exchange system required by Health Department regulations | 70,000 | . . . . | 70,000 | 70,000 | . . . . |
| Psychoanalytic Foundation of Minnesota, Inc., Minneapolis<br>For program development<br>1974 grant | 60,000 | 55,000 | . . . . | 5,000 | 50,000 |
| Rush-Presbyterian-Saint Luke's Medical Center, Chicago<br>To support further development of graduate programs in the new College of Nursing | 300,000 | . . . . | 300,000 | 160,000 | 140,000 |
| Washburn Child Guidance Center, Minneapolis<br>Contribution to annual fund drive for operating support | 40,000 | 40,000 | . . . . | 25,000 | 15,000 |
| The Constance Bultman Wilson Center for Education and Psychiatry, Faribault, Minnesota<br>Toward operating expenses of a residential treatment center and school for emotionally-disturbed adolescents<br>1974 grant | 45,000 | 15,000 | . . . . | 15,000 | . . . . |
| TOTAL-HEALTH | | $ 477,917 | $ 422,861 | $ 595,778 | $ 305,000 |

| Organization and Purpose | Initial Grant | Unpaid Balance 1975 | Appro-priated 1976 | Amount Paid 1976 | Unpaid Balance 1976 |
|---|---|---|---|---|---|
| | D. HUMAN SERVICES | | | | |
| **Health and Rehabilitation** | | | | | |
| Christian Action Ministry, Chicago<br>Toward construction of a minority-operated nursing home, medical clinic, and child-care facility; also to support program development costs | $ 100,000 | . . . . | $ 100,000 | $ 50,000 | $ 50,000 |
| Education for Learning Disabilities, Inc., Minneapolis<br>Support for a reading and math clinic for learning-disabled children and adults | 32,000 | . . . . | 32,000 | 17,000 | 15,000 |
| Hands, Inc., Winthrop, Minnesota<br>Toward capital improvements and purchase of building in Hutchinson, Minnesota | 50,000 | . . . . | 50,000 | 50,000 | . . . . |
| The Johnson Institute, Minneapolis<br>To help start the Family Care Program | 50,000 | . . . . | 50,000 | 50,000 | . . . . |
| Lake Region Rehabilitation Industries, Inc., Fergus Falls, Minnesota<br>Toward construction costs of a new sheltered workshop for handicapped persons | 50,000 | $ 50,000 | . . . . | 50,000 | . . . . |
| Mankato Rehabilitation Center, Inc., Mankato, Minnesota<br>Toward construction costs of a new sheltered workshop for handicapped persons | 75,000 | . . . . | 75,000 | 75,000 | . . . . |
| Opportunity Workshop, Inc., Minneapolis<br>Toward construction costs of a new sheltered workshop for handicapped persons | 160,000 | . . . . | 160,000 | . . . . | 160,000 |
| The Phoenix Residence, Inc., Saint Paul<br>Toward start-up expenses for a residential treatment program for adults with multiple handicaps | 100,000 | . . . . | 100,000 | . . . . | 100,000 |
| Reverence for Life and Concern for People, Inc., Granite Falls, Minnesota<br>To help furnish a new building for a comprehensive chemical dependency treatment center | 19,727 | . . . . | 19,727 | 19,727 | . . . . |
| Union Gospel Mission Association, Saint Paul<br>To assist moving the Mission's adult facilities to a new site | 500,000 | 400,000 | . . . . | . . . . | 400,000 |

| Organization and Purpose | Initial Grant | Unpaid Balance 1975 | Appro-priated 1976 | Amount Paid 1976 | Unpaid Balance 1976 |
|---|---|---|---|---|---|
| **United Funds** | | | | | |
| United Way of the Saint Paul Area, Inc. | | | | | |
| For the 1976 Annual Campaign | 185,000 | 185,000 | . . . . | 185,000 | . . . . |
| For the 1977 Annual Campaign | 205,000 | . . . . | 205,000 | . . . . | 205,000 |
| **Youth and Family Services** | | | | | |
| Boys' Club of Rapid City, Inc., Rapid City, South Dakota | | | | | |
| To help construct a new Boys' Club facility in Rapid City | 25,000 | . . . . | 25,000 | 25,000 | . . . . |
| Charles Cruse Memorial Boys' Club, Fort Totten, North Dakota | | | | | |
| To train four Indian young men to operate the Boys' Club | 40,800 | . . . . | 40,800 | 20,400 | 20,400 |
| Children's Home Society of Minnesota, Saint Paul | | | | | |
| To support development of a post-legal adoption counseling and education program | 61,860 | 35,746 | . . . . | 20,673 | 15,073 |
| Dakota Boys Ranch Association, Minot, North Dakota | | | | | |
| Toward construction of a new gymnasium and craft area for residential program for delinquent boys | 40,000 | . . . . | 40,000 | . . . . | 40,000 |
| Directions for Youth, Inc., Saint Paul | | | | | |
| To purchase a twelve-passenger van and to retire debt incurred during start-up phase of this residential treatment center for pre-delinquent minority youth | 19,400 | . . . . | 19,400 | 19,400 | . . . . |
| Enablers, Inc., Minneapolis | | | | | |
| Continued support for a program that provides technical assistance to youth service programs in the Twin Cities metropolitan area | 40,000 | . . . . | 40,000 | 15,000 | 25,000 |
| Hennepin County Family Day Care Association, Minneapolis | | | | | |
| Toward costs of purchasing toys and equipment for a toy lending library | 5,000 | . . . . | 5,000 | 5,000 | . . . . |
| Hospitality House, Inc., Minneapolis | | | | | |
| Toward construction costs of a new facility for minority youth program | 40,000 | . . . . | 40,000 | . . . . | 40,000 |
| The Minnesota Sheriffs Ranches, Inc., Austin, Minnesota | | | | | |
| Toward start-up costs for a new residential treatment center for delinquent adolescent girls | 30,000 | . . . . | 30,000 | 30,000 | . . . . |

| Organization and Purpose | Initial Grant | Unpaid Balance 1975 | Appro-priated 1976 | Amount Paid 1976 | Unpaid Balance 1976 |
|---|---|---|---|---|---|
| Northside Child Development Center, Inc., Minneapolis | | | | | |
| Toward construction costs of a new day-care facility | 30,000 | . . . . | 30,000 | . . . . | 30,000 |
| **Service for the Aged** | | | | | |
| Little Sisters of the Poor, Saint Paul | | | | | |
| To help build a home for the aged poor | 150,000 | 100,000 | . . . . | . . . . | 100,000 |
| Mary Lee DePugh Nursing Home Association, Winter Park, Florida | | | | | |
| To help build an addition to its residence facility | 100,000 | 100,000 | . . . . | 100,000 | . . . . |
| The Presbyterian Homes of Minnesota, Inc., Saint Paul | | | | | |
| Toward construction costs for a new geriatric care center that will include community outreach programs | 150,000 | . . . . | 150,000 | . . . . | 150,000 |
| **Law and Corrections** | | | | | |
| Amicus, Inc., Minneapolis | | | | | |
| To support a volunteer program which assists prison inmates and ex-offenders | 10,000 | . . . . | 10,000 | 10,000 | . . . . |
| Correctional Service of Minnesota, Minneapolis | | | | | |
| To help support a training program on the criminal justice system for Minnesota public school teachers | 37,000 | 27,000 | . . . . | 14,000 | 13,000 |
| To strengthen the research and planning division | 90,000 | . . . . | 90,000 | 40,000 | 50,000 |
| Legal Assistance of Ramsey County, Saint Paul | | | | | |
| Toward operating costs of new civil commitment advocacy project | 37,246 | . . . . | 37,246 | 17,666 | 19,580 |
| National Association of Women Helping Offenders, Bloomington, Minnesota | | | | | |
| Toward operating costs to establish community corrections programs for women throughout the United States | 12,000 | . . . . | 12,000 | 12,000 | . . . . |
| National Conference of Commissioners on Uniform State Laws, Chicago | | | | | |
| To support costs of developing a uniform health profession licensing code | 60,000 | 60,000 | . . . . | . . . . | 60,000 |
| Safer Foundation, Chicago | | | | | |
| To support program providing volunteers to work with ex-prison inmates | 30,000 | . . . . | 30,000 | 30,000 | . . . . |

| Organization and Purpose | Initial Grant | Unpaid Balance 1975 | Appro-priated 1976 | Amount Paid 1976 | Unpaid Balance 1976 |
|---|---|---|---|---|---|
| Stillwater Data Processing Systems, Inc., Stillwater, Minnesota | | | | | |
| Toward costs of establishing a private industry work and training program in the Minnesota State Prison | 38,000 | . . . . | 38,000 | 18,000 | 20,000 |
| **Other Human Services** | | | | | |
| Community Design Center of Minnesota, Minneapolis | | | | | |
| To support free design and planning services for low-income individuals and non-profit organizations | | | | | |
| 1974 grant | 25,000 | 7,500 | . . . . | 2,500 | 5,000 |
| Community Development Corporation of Greater Saint Paul | | | | | |
| Toward operating costs for Community Housing Corporation, for program to rehabilitate substandard housing | 33,000 | . . . . | 33,000 | 33,000 | . . . . |
| Northwest Economic Development, Inc., Crookston, Minnesota | | | | | |
| To support design and marketing services for low-income people who produce handcrafts | 50,000 | . . . . | 50,000 | 30,000 | 20,000 |
| Seward West Redesign, Minneapolis | | | | | |
| To support administration costs of neighborhood housing program in an urban renewal district of south Minneapolis | 18,369 | . . . . | 18,369 | 18,369 | . . . . |
| TOTAL-HUMAN SERVICES | | $ 965,246 | $1,530,542 | $ 957,735 | $ 1,538,053 |
| **E. OTHER** | | | | | |
| **Communications** | | | | | |
| Community Film Workshop of Chicago | | | | | |
| Toward costs of purchasing equipment for minority training program in film and television | $ 55,000 | . . . | $ 55,000 | $ 25,000 | $ 30,000 |
| Minnesota Public Radio, Saint Paul | | | | | |
| To match increased membership income | | | | | |
| 1975 grant | 127,000 | $ 54,000 | . . . . | 54,000 | . . . . |
| 1976 grant | 74,000 | . . . . | 74,000 | 20,000 | 54,000 |
| Prime Time School Television, Chicago | | | | | |

| Organization and Purpose | Initial Grant | Unpaid Balance 1975 | Appro-priated 1976 | Amount Paid 1976 | Unpaid Balance 1976 |
|---|---|---|---|---|---|
| Toward operating costs of this program which informs teachers about particularly worthwhile educational television programs scheduled for commercial stations | 100,000 | . . . . | 100,000 | 50,000 | 50,000 |
| South Dakota Friends of Public Broadcasting, Brookings, South Dakota | | | | | |
| Toward costs of establishing a development office and to match increased membership income | 79,000 | . . . . | 79,000 | . . . . | 79,000 |
| **Environment** | | | | | |
| Minnesota Geographic Society, Minneapolis | | | | | |
| To support publication of the Minnesota Earth Journal and other Society programs | 46,750 | 13,600 | . . . . | 13,600 | . . . . |
| The Nature Conservancy, Arlington, Virginia | | | | | |
| To help acquire three natural prairie tracts in eastern South Dakota and to renovate a research station near Aberdeen, South Dakota | 103,270 | . . . . | 103,270 | 41,770 | 61,500 |
| **Miscellaneous** | | | | | |
| Council on Foundations, New York | | | | | |
| Toward the cost of the Council's Public Affairs and Education programs | 75,000 | 15,000 | . . . . | 15,000 | . . . . |
| Foundation Center, Inc., New York | | | | | |
| To help support the Foundation Resource Center | 75,000 | . . . . | 75,000 | 25,000 | 50,000 |
| Metropolitan Economic Development Association, Minneapolis | | | | | |
| To help provide management and financial services for minority businesses | 75,000 | 25,000 | . . . . | 25,000 | . . . . |
| Minnesota Zoological Garden, Saint Paul | | | | | |
| For development of a state zoo | 785,000 | 785,000 | (75,000) | . . . . | 710,000 |
| Minnesota Zoological Garden Foundation, Saint Paul | | | | | |
| For start-up expenses for new fund-raising organization to support the new state zoo | 75,000 | . . . . | 75,000 | 75,000 | . . . . . |
| Upper Midwest Council, Minneapolis | | | | | |
| Toward operating costs for | | | | | |

| Organization and Purpose | Initial Grant | Unpaid Balance 1975 | Appro-priated 1976 | Amount Paid 1976 | Unpaid Balance 1976 |
|---|---|---|---|---|---|
| Public Source Options, an experimental program to expand choices available to government for providing services | 75,000 | . . . . | 75,000 | 50,000 | 25,000 |
| TOTAL-OTHER | | $ 892,600 | $ 561,270 | $ 394,370 | $ 1,059,500 |

## F. FELLOWSHIP PROGRAMS

| | | | | | |
|---|---|---|---|---|---|
| Bush Leadership Fellows and Summer Fellows Program | | | | | |
| To provide mid-career study and internship opportunities for selected residents of Minnesota, North Dakota, South Dakota and western Wisconsin | | | | | |
| 1972 program | $ 139,000 | $ 2,000 | . . . . | $ 2,000 | . . . . |
| 1973 program | 191,100 | 16,267 | $ (8,696) | 2,571 | $ 5,000 |
| 1974 program | 232,100 | 19,053 | (7,258) | 8,645 | 3,150 |
| 1975 program | 443,800 | 279,476 | . . . . | 209,375 | 70,101 |
| 1976 program | 467,800 | 467,800 | . . . . | 200,986 | 266,814 |
| 1977 program | 483,000 | . . . . | 483,000 | . . . . | 483,000 |
| TOTAL-BUSH LEADERSHIP FELLOWS PROGRAM | | $ 784,596 | $ 467,046 | $ 423,577 | $ 828,065 |
| Bush Foundation Fellowships for Artists | | | | | |
| To enable selected writers and visual artists in Minnesota to set aside time to complete a specific project, to achieve a specified artistic goal, and generally to advance their professional careers | | | | | |
| 1976 program | $ 72,000 | $ 72,000 | $. . . . | $ 26,254 | $ 45,746 |
| 1977 program | 72,000 | . . . . | 72,000 | . . . . | 72,000 |
| TOTAL-BUSH FOUNDATION FELLOWSHIPS FOR ARTISTS | | $ 72,000 | $ 72,000 | $ 26,254 | $ 117,746 |
| TOTAL | | $9,163,542 | $8,165,316* | $7,101,108 | $10,227,750 |

*This figure is the net total appropriated during the 1976 fiscal year. It represents gross appropriations of $8,313,227, less cancellations and returns of ($147,911).

# REPORT OF THE TREASURER

The transfer of most of the remaining assets in the Estate of A. G. Bush with a market value of $63,212,243 when received, together with the increase in the market value of assets of $12,996,243, brought the total market value of the assets of the Foundation to $204,583,984 as of November 30, 1976.

Investment performance in fiscal 1976 did not meet the very high levels achieved in the prior year. The total return on investments (dividends, interest and appreciation) for 1975–1976 was 13.4%. Total return on equities was 13.5% compared with 16.0% for the S & P 500 stocks and 14.5% for the Dow Jones Industrials. Fixed income investments had a total return of 14.2% compared with Moody's Corporate Bond Average of 21.9%.

Income from investments was $10,136,076 for the year. This represented an increase of $3,341,612 over income earned in fiscal 1975. Investment expenses were $276,275, an increase of $46,887, largely due to the fact that more investments were managed by the Foundation's three advisors.

The Board approved grants totaling $8,313,227 during the year and $147,911 in grants previously voted were cancelled. Thus, the net total of new grant commitments was $8,165,316. As of November 30, 1976, grants comitted but not paid were $10,227,750. The Tax Reform Act of 1969 requires the Foundation to distribute for 1975–76 the greater of adjusted net investment income or 6% of the average market value of the Foundation's assets. The distribution must be made by the end of the 1976–77 fiscal year.

Administrative expenses for grant-related purposes were $437,853, an increase of $27,593 over the prior year. The Federal Excise Tax is estimated at $575,000 as compared with $246,000 for fiscal 1975. The sharp increase in the Excise Tax is due to the tax on the gains on the Minnesota Mining and Manufacturing Company stock received from the Bush Estate which was sold.

John A. McHugh
Treasurer

ARTHUR ANDERSEN & CO.
SAINT PAUL, MINNESOTA

To the Board of Directors of
The Bush Foundation:

We have examined the balance sheets of THE BUSH FOUNDATION (a Minnesota corporation, not for profit) as of November 30, 1976 and November 30, 1975, and the related statements of changes in principal fund, income fund and cash balances for the years then ended, and the supplementary statement (Exhibit 1). 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, 1976 and November 30, 1975, and the changes in principal fund, income fund and cash balances for the years then ended, and the supplementary statement presents fairly the information set forth therein, all in conformity with generally accepted accounting principles consistently applied during the years.

Arthur Andersen & Co.
ARTHUR ANDERSEN & CO.

January 7, 1977.

## BALANCE SHEETS — NOVEMBER 30, 1976 AND 1975

### ASSETS

| | 1976 | 1975 |
|---|---|---|
| CASH, including $133,398 in 1976 and $60,290 in 1975 held by fiscal agents for investment (Note 4) | $ 482,034 | $ 895,759 |
| INVESTMENTS, principally at quoted market value (Exhibit 1 and Note 4): | | |
| U.S. Treasury Bills and commercial paper | $ 16,533,483 | $ 10,172,881 |
| Corporate, Foreign and U.S. Government Agency bonds and notes, amortized cost of $86,362,815 in 1976 and $55,836,493 in 1975 | 88,929,168 | 53,909,734 |
| Common stocks, cost of $90,073,075 in 1976 and $63,705,494 in 1975 | 95,656,408 | 60,858,589 |
| Notes and mortgages receivable | 227,428 | 241,692 |
| Total investments | $201,346,487 | $125,182,896 |
| DIVIDENDS AND INTEREST RECEIVABLE | 2,744,186 | 1,695,244 |
| DUE FROM FISCAL AGENT FOR SECURITIES WITH SETTLEMENT PENDING | . . . . | 587,593 |
| OTHER ASSETS | 11,277 | 14,006 |
| | $204,583,984 | $128,375,498 |

## LIABILITIES AND FUND BALANCES

| | 1976 | 1975 |
|---|---|---|
| ACCOUNTS PAYABLE, including $1,000,000 in 1976 payable by fiscal agent for securities with settlement pending | $ 1,070,403 | $ 41,230 |
| ACCRUED DIRECTORS' INDEMNIFICATION EXPENSE, paid in 1976 (Note 5) | . . . . | 710,498 |
| ACCRUED FEDERAL EXCISE TAXES (Note 3): | | |
| Current | 575,944 | 237,372 |
| Deferred | 250,000 | . . . . |
| UNPAID GRANTS SCHEDULED FOR PAYMENT IN FISCAL YEAR: | | |
| 1976 | $ . . . . | $ 5,838,568 |
| 1977 | 7,223,034 | 2,812,077 |
| 1978 | 2,761,546 | 512,897 |
| 1979 | 168,170 | . . . . |
| 1980 | 75,000 | . . . . |
| Total unpaid grants | $ 10,227,750 | $ 9,163,542 |
| FUND BALANCES (Note 2): | | |
| Principal fund | $201,480,061 | $127,924,662 |
| Income fund (deficit) | (9,020,174) | (9,701,806) |
| Total fund balances | $192,459,887 | $118,222,856 |
| | $204,583,984 | $128,375,498 |

The accompanying notes to financial statements are an integral part of these balance sheets

## STATEMENTS OF CHANGES IN PRINCIPAL FUND FOR THE YEARS ENDED NOVEMBER 30, 1976 AND 1975

| | 1976 | 1975 |
|---|---|---|
| STATED VALUE OF ASSETS RECEIVED, PRINCIPALLY FROM ESTATE OF A. G. BUSH: | | |
| Balance, beginning of year | $100,431,126 | $100,451,468 |
| Distributions received (Note 2) | 38,726,974 | . . . . |
| Interest received on assets held by the Estate (Note 2) | 41,022 | . . . . |
| Legal fees | (2,628) | (20,342) |
| Balance, end of year | $139,196,494 | $100,431,126 |
| UNREALIZED APPRECIATION (DEPRECIATION) IN MARKET VALUE OF INVESTMENTS (Exhibit 1): | | |
| Balance, beginning of year | $ (4,773,665) | $ (26,892,549) |
| Net appreciation in market value of investments (Note 2) | 35,040,031 | 18,486,868 |
| Deferred Federal excise taxes in 1976 (Note 3) | (250,000) | . . . . |
| Net loss (gain) realized on security transactions during the year | (22,116,680) | 3,632,016 |
| Balance, end of year | $ 7,899,686 | $ (4,773,665) |
| REINVESTED GAINS ON SECURITY TRANSACTIONS: | | |
| Balance, beginning of year | $ 32,267,201 | $ 35,899,217 |
| Net gain on sale of assets received from the Estate in 1976 (Note 2) | $ 22,402,002 | $ . . . . |
| Net loss realized on other security transactions during the year | (285,322) | (3,632,016) |
| Net gain (loss) realized | $ 22,116,680 | $ (3,632,016) |
| Balance, end of year | $ 54,383,881 | $ 32,267,201 |
| Total principal fund balance (Note 2) | $201,480,061 | $127,924,662 |

The accompanying notes to financial statements are an integral part of these statements

## STATEMENTS OF CHANGES IN INCOME FUND FOR THE YEARS ENDED NOVEMBER 30, 1976 AND 1975

| | 1976 | 1975 |
|---|---|---|
| INVESTMENT INCOME: | | |
| Dividends | $ 3,161,350 | $ 2,255,111 |
| Interest | 6,957,836 | 4,448,665 |
| Other income | 16,890 | 90,688 |
| Less — | | |
| Investment expenses (Note 1) | (276,275) | (229,388) |
| Provision for Federal excise tax (Note 3) | (575,000) | (246,000) |
| Net investment income | $ 9,284,801 | $ 6,319,076 |
| ADMINISTRATIVE EXPENSE: | | |
| Salaries and staff benefits | $ 249,143 | $ 227,449 |
| Investment management | 168,001 | 121,421 |
| Program management | 75,837 | 64,749 |
| Consulting fees | 23,989 | 30,111 |
| Other administrative expenses | 197,158 | 195,918 |
| Less allocation to investments (Note 1) | (276,275) | (229,388) |
| Net administrative expense | $ 437,853 | $ 410,260 |
| INCOME AVAILABLE FOR GRANT APPROPRIATION | $ 8,846,948 | $ 5,908,816 |
| DEDUCT — Grants appropriated during year | (8,165,316) | (4,466,726) |
| Net increase in income fund before special charge | $ 681,632 | $ 1,442,090 |
| SPECIAL CHARGE — Indemnification of directors' legal expenses, net of benefit for Federal excise tax of $28,420 (Note 5) | . . . . | (682,078) |
| Net increase in income fund | $ 681,632 | $ 760,012 |
| BALANCE, beginning of year (deficit) | (9,701,806) | (10,461,818) |
| BALANCE, end of year (deficit), representing grants payable in future periods in excess of accumulated income presently available | $(9,020,174) | $ (9,701,806) |

The accompanying notes to financial statements are an integral part of these statements

## STATEMENTS OF CHANGES IN CASH BALANCES FOR THE YEARS ENDED NOVEMBER 30, 1976 AND 1975

| | 1976 | 1975 |
|---|---|---|
| CASH BALANCE, beginning of year | $ 895,759 | $ 248,807 |
| Income and grant transactions: | | |
| Source — | | |
| Receipts from dividends, interest and other | $ 9,221,458 | $ 6,474,340 |
| Less disbursements for investment and administrative expenses, Federal excise taxes, and other expenditures | (921,285) | (870,370) |
| Cash available for grants | $ 8,300,173 | $ 5,603,970 |
| Application — | | |
| Grants paid | (7,101,108) | (7,285,999) |
| Increase (decrease) in cash from income and grant transactions | $ 1,199,065 | $(1,682,029) |
| Net proceeds from (payments for) investment transactions | $ (902,292) | $ 2,328,981 |
| Payment of directors' legal expenses (Note 5) | (710,498) | . . . . |
| CASH BALANCE, end of year | $ 482,034 | $ 895,759 |

The accompanying notes to financial statements are an integral part of these statements

## NOTES TO FINANCIAL STATEMENTS

(1) *Accounting Policies:*

The financial statements have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles. The more significant accounting policies are as follows —

Description of Funds:

The principal fund represents assets which are invested in income-producing securities. The fund is not available for distribution unless authorized by the Board of Directors. Legal fees incurred for the protection of principal are charged to the principal fund balance.

The income fund primarily represents income earned on invested principal which is available for distribution as grants.

Investments:

The investments in the accompanying financial statements have been reflected at quoted market values or at costs which approximate market values. Realized and unrealized gains and losses on investment transactions are accounted for in the principal fund.

Property:

In 1975 the Foundation adopted for financial reporting purposes the method allowed by Internal Revenue Service regulations of allocating the cost of property (principally office furniture and office equipment) between income-producing and grant-making activities. The cost of income-producing assets is capitalized and depreciated over the property's useful life; the cost of assets allocated to grant-making activities is charged to operations in the year of acquisition. During 1975, $35,061, representing the undepreciated cost of property acquired in 1975 and prior years and considered to be used in grant-making activities, was charged to the income fund. Such charges to the income fund were $3,678 in 1976.

Grant Appropriations:

Grants are recorded when approved by the Foundation's Board of Directors. Cancellations of grants arise when the grantees do not meet the terms under which the grants were awarded. Grants appropriated as reported in the accompanying statement of changes in income fund are net of cancellations of $147,911 in 1976 and $221,238 in 1975.

Allocation of Expenses:

The allocation of expenditures between investment and administrative (grant-related) expenses reflected in the statements of changes in income fund has been based primarily on mangement estimates.

(2) *Estate of A. G. Bush:*

During 1976 the Ramsey County Probate Court ordered the Estate of A. G. Bush to distribute to the Foundation assets with an assigned value of $38,726,974. These assets consisted primarily of $4,500,000 in U. S. Treasury Bills and 980,834 shares of Minnesota Mining and Manufacturing Company common stock with a market value at the date received of $61,600,000. Substantially all of these assets were sold during 1976 by the Foundation; a gain of $22,402,002 was realized and recorded in the principal fund.

The remaining assets of the Estate, with a market value of approximately $900,000, will be retained by the Estate pending final settlement of claims against it, which is expected to occur in fiscal 1977. The income from these assets is periodically distributed to the Foundation and recorded in the principal fund. Income of $41,022 was received on such assets in 1976.

(3) *Federal Excise Taxes and Distribution Requirements:*

Federal Excise Taxes —

Under the Tax Reform Act of 1969 (the Act), the Foundation is subject to a four percent excise tax on its taxable investment income which principally includes income from investments plus net realized capital gains (net capital losses, however, are not deductible). The provision for Federal excise taxes in 1975 has been reduced by a refund of prior years' excise taxes paid of $14,767.

Accrued Federal excise taxes at November 30, 1976 include $250,000 of deferred Federal excise taxes resulting from recorded unrealized appreciation on investments.

Distribution Requirements —

The Foundation is subject to the minimum investment return distribution requirement of the Act. Accordingly, it must distribute an amount which is the higher of defined adjusted net income or a defined percentage of the fair market value of its assets. The Foundation has complied with these distribution requirements as of November 30, 1976 and 1975.

(4) *Restricted Assets:*

During 1973, certain real estate held by the Foundation was sold. As a condition to the release of a Federal estate tax lien on this property, the Internal Revenue Service has required that the net proceeds from this sale be held as a fund subject to the liens and claims of the Service. During 1976, the United States Tax Court determined that all tax payments had been properly made and these assets were released from restriction.

(5) *Settlement of Litigation:*

In December, 1975, the United States District Court ordered the Foundation to indemnify ten directors of the Foundation in the amount of $710,498 for attorney fees and expenses incurred by them in connection with an unsuccessful lawsuit, initiated by two other directors, claiming stock manipulation and conflict of interest. This amount, which was paid in 1976, was charged against the income fund and reported as a liability as of November 30, 1975. The two directors who brought the suit were not reelected to the Foundation's Board when their terms expired.

EXHIBIT 1

## INVESTMENTS HELD AT NOVEMBER 30, 1976

| Description | Number of Shares or Principal Amount | Cost or Stated Value | Market Value |
|---|---|---|---|
| **U.S. Treasury Bills and Commercial Paper:** | | | |
| U.S. Treasury Bills | $ 4,295,000 | $ 4,261,202 | $ 4,261,202 |
| Allstate Financial Corporation, Promissory Note | 1,739,000 | 1,739,000 | 1,739,000 |
| American Express Company, Promissory Note | 115,000 | 115,000 | 115,000 |
| Ford Motor Credit Corporation, Promissory Note | 96,000 | 96,000 | 96,000 |
| General Electric Company, Promissory Note | 1,389,000 | 1,389,000 | 1,389,000 |
| General Electric Credit Corporation, Promissory Note | 1,177,000 | 1,177,000 | 1,177,000 |
| General Motors Acceptance Corporation, Promissory Note | 4,775,000 | 4,775,000 | 4,775,000 |
| General Telephone & Electronics Corporation, Demand Note | 244,000 | 244,000 | 244,000 |
| Montgomery Ward Credit Corporation, Promissory Note | 2,500,000 | 2,463,281 | 2,463,281 |
| Sears Roebuck Acceptance Corporation, Promissory Note | 274,000 | 274,000 | 274,000 |
| Total U.S. Treasury Bills and Commercial Paper | $ 16,604,000 | $ 16,533,483 | $ 16,533,483 |
| **Corporate, Foreign and U.S. Government Agency Bonds and Notes:** | | | |
| Abbott Laboratories, 9.20% Registered Debentures, due October 15, 1999 | $ 500,000 | $ 500,000 | $ 540,000 |
| American Brands, Inc., 9.625% Registered Note, due September 1, 1979 | 500,000 | 522,505 | 540,000 |
| American Telephone & Telegraph Co., 8.625% Registered Debentures, due February 1, 2007 | 1,500,000 | 1,565,252 | 1,597,500 |
| American Telephone & Telegraph Co., 3.25% Debentures, due September 15, 1984 | 1,000,000 | 775,451 | 785,000 |
| Anheuser-Busch, Inc., 6% Registered Debentures, due July 1, 1992 | 500,000 | 436,309 | 432,500 |
| Arco Pipe Line Co., 8% Guaranteed Note, due January 15, 1982 | 1,000,000 | 1,002,326 | 1,045,000 |
| Bankamerica Corporation, 6.625% Registered Note, due February 1, 1980, optional August 1, 1979 | 1,000,000 | 998,145 | 991,250 |
| Caterpillar Tractor Company, 8.60% Registered Debenture, due May 1, 1999 | 1,750,000 | 1,744,214 | 1,815,625 |
| Commonwealth Edison Co., 9% Registered First Mortgage, Series 28 Bond, due June 15, 1979 | 1,000,000 | 1,004,438 | 1,058,750 |

EXHIBIT 1

| Description | Number of Shares or Principal Amount | Cost or Stated Value | Market Value |
|---|---|---|---|
| Commonwealth Edison Co., 8.75% Registered First Mortgage, Series 30 Bond, due March 1, 2005 | $ 1,000,000 | $ 1,006,765 | $ 1,050,000 |
| Commonwealth Edison Co., 6.75% Registered First Mortgage, Series 15 Bond, due July 1, 1998 | 500,000 | 456,619 | 431,875 |
| John Deere Credit Co., 8.75% Registered Debenture, due October 31, 1982 | 1,000,000 | 998,134 | 1,036,250 |
| Dow Chemical Company, 8.90% Registered Debentures, due November 1, 2000 | 496,000 | 528,547 | 522,660 |
| DuPont (E. I.) deNemours & Co., 8.45% Registered Debentures, due November 15, 2004 | 750,000 | 760,447 | 795,000 |
| Federated Department Stores, Inc., 8.375% Registered Sinking Fund Debentures, due September 15, 1995 | 500,000 | 531,945 | 515,000 |
| Florida Power & Light Co., 7.625% Registered First Mortgage Bond, due January 1, 2001 | 250,000 | 250,000 | 227,813 |
| Florida Power & Light Co., 8.125% Registered First Mortgage Bond, due August 1, 1980 | 500,000 | 501,676 | 513,750 |
| Ford Motor Co., 9.25% Registered Debentures, due July 15, 1994 | 500,000 | 532,180 | 538,750 |
| Ford Motor Credit Co., 8.625% Registered Debentures, due June 1, 1986 | 1,000,000 | 1,000,000 | 1,050,000 |
| Ford Motor Credit Co., 9.125% Registered Sinking Fund Debentures, due June 1, 2001, optional 1981 | 1,000,000 | 997,552 | 1,034,380 |
| General Electric Credit Corp., 8.60% Registered Notes, due April 1, 1985 | 500,000 | 500,000 | 522,500 |
| General Motors Acceptance Corporation, 8.875% Registered Debentures, due June 1, 1999 | 1,000,000 | 1,000,000 | 1,067,500 |
| General Motors Acceptance Corporation, 7.125% Registered Debenture, due September 1, 1992 | 1,100,000 | 965,214 | 1,021,625 |
| General Motors Acceptance Corporation, 8.125% Registered Debenture, due June 15, 1986 | 1,000,000 | 997,621 | 1,042,500 |
| General Motors Corporation, 8.625% Registered Debentures, due April 1, 2005 | 750,000 | 786,418 | 795,937 |
| General Motors Corporation, 8.05% Registered Note, due April 1, 1985, optional 1982 | 1,000,000 | 1,000,000 | 1,052,500 |
| Gulf States Utilities Co., 8.625% Registered First Mortgage Bond, due March 1, 2004 | 500,000 | 500,000 | 518,750 |
| Halliburton Co., 8.25% Registered Note, due November 15, 1981 | 500,000 | 501,329 | 520,000 |
| Household Finance Corporation, 7.50% Registered Debenture, Series IF, due August 1, 1995, optional 1977 | 1,000,000 | 920,958 | 950,000 |
| International Paper Company, 4.25% Convertible Subordinated Debenture, due November 1, 1996 | 1,000,000 | 889,784 | 650,000 |

**EXHIBIT 1**

| Description | Number of Shares or Principal Amount | Cost or Stated Value | Market Value |
|---|---|---|---|
| Kerr-McGee Corporation, 8.50% Registered Debentures, due June 1, 2006 | $ 750,000 | $ 754,072 | $ 750,938 |
| Kraftco Corp., 8.375% Registered Debentures, due April 15, 2004 | 500,000 | 484,685 | 520,000 |
| Mallinkrodt, Inc., 5.75% Convertible Subordinated Debentures, due November 1, 2000 | 500,000 | 506,009 | 525,000 |
| Minneapolis Gas Co., 7.875% Registered Sinking Fund Debentures, due December 1, 1996 | 350,000 | 350,000 | 259,875 |
| Mobil Alaska Pipe Line, 8.45% Guaranteed Debenture, due March 1, 2005 | 750,000 | 748,147 | 773,438 |
| Mountain States Telephone & Telegraph Co., 7.75% Registered Debentures, due June 1, 2013 | 500,000 | 500,000 | 487,500 |
| National Steel Corp., 8% Registered First Mortgage, due December 1, 1995 | 250,000 | 255,919 | 248,437 |
| New Jersey Bell Telephone Co., 7.375% Registered Debentures, due June 1, 2012 | 1,000,000 | 910,926 | 942,500 |
| Northern Indiana Public Service, 8.125% Registered First Mortgage, Series U, due July 15, 2003 | 500,000 | 499,778 | 494,375 |
| Northern States Power Co., 8.375% Registered First Mortgage, Sinking Fund, due January 1, 2004 | 1,000,000 | 964,258 | 1,010,000 |
| Northwestern Bell Telephone Co., 8.625% Registered Debenture, due June 15, 2012 | 1,000,000 | 974,465 | 1,053,750 |
| Ontario Province, Canada, 9.25% Registered Debentures, due November 15, 2005 | 500,000 | 514,384 | 535,000 |
| Ontario Province, Canada, 9.125% Registered Debentures, due June 15, 2005 | 1,000,000 | 990,467 | 1,058,750 |
| Pacific Gas & Electric Co., 9.85% Registered First and Refunding Mortgage, due June 1, 1982 | 1,000,000 | 1,000,000 | 1,097,500 |
| Pacific Gas & Electric Co., 8% Registered First and Refunding Mortgage, Series WW, due June 1, 2003 | 500,000 | 471,408 | 483,750 |
| Pepsico, Inc., 8.25% Registered Note, due January 15, 1985 | 1,000,000 | 1,002,241 | 1,040,000 |
| Pittson Co., 4% Registered Convertible Subordinated Debenture, due July 1, 1997 | 1,000,000 | 786,385 | 591,250 |
| Public Service of Indiana, Inc., 9.625% Registered First Mortgage, Series U, due August 1, 1981 | 1,000,000 | 998,324 | 1,083,750 |
| Sears Roebuck Acceptance Corporation, 4.625% Debentures, due May 1, 1977 | 150,000 | 148,604 | 148,968 |
| Sears Roebuck & Company, 7.75% Registered Debentures, due March 1, 1985 | 1,000,000 | 975,094 | 1,041,250 |
| Sinclair Oil Corp., 4.60% Registered Sinking Fund Debentures, due December 15, 1988 | 500,000 | 396,977 | 398,125 |
| Sohio/BP Transalaska Pipeline Finance, Inc., 8.625% Registered Note, due February 1, 1983 | 1,000,000 | 997,234 | 1,041,250 |
| South Central Bell Telephone Co., 9.20% Registered Debenture, due April 1, 2010 | 1,000,000 | 1,031,611 | 1,080,000 |

EXHIBIT 1

| Description | Number of Shares or Principal Amount | Cost or Stated Value | Market Value |
|---|---|---|---|
| South Central Bell Telephone Co., 8.20% Registered Notes, due April 1, 1983 | $ 500,000 | $ 500,000 | $ 521,875 |
| Southern Natural Gas Company, 7.70% Sinking Fund Debentures, due April 1, 1991 | 250,000 | 250,000 | 234,063 |
| Southern Pacific Transportation Co., 7.75% Equipment Trust, Series 62, due October 15, 1986 | 500,000 | 500,000 | 495,000 |
| Southwestern Bell Telephone Co., 8.20% Registered Note, due January 15, 1982 | 1,000,000 | 1,000,000 | 1,046,250 |
| Southwestern Bell Telephone Co., 8.25% Registered Debentures, due March 1, 2014 | 500,000 | 478,037 | 510,625 |
| Texaco, Inc., 7.75% Registered Debentures, due June 1, 2001 | 750,000 | 742,746 | 735,937 |
| Union Carbide Corp., 8.50% Registered Debentures, due January 15, 2005 | 750,000 | 751,231 | 787,500 |
| Union Oil of California, 8.375% Registered Debentures, due December 1, 1982 | 500,000 | 500,000 | 528,750 |
| U.S. Steel Corp., 5.75% Convertible Subordinated Debentures, due July 1, 2001 | 1,000,000 | 1,000,000 | 923,750 |
| Upjohn Co., 8.125% Registered Notes, due March 15, 1985 | 1,500,000 | 1,517,692 | 1,563,750 |
| Washington Metropolitan Area Transit Authority, 7.35% Registered Sinking Fund Bonds, Series B, due July 1, 2012 | 1,000,000 | 963,489 | 940,000 |
| Western Electric, Inc., 8.375% Registered Sinking Fund Debentures, due October 1, 1995 | 500,000 | 534,583 | 517,500 |
| Weyerhaeuser Company, 8.90% Registered Sinking Fund Debentures, due November 15, 2004 | 500,000 | 507,578 | 532,500 |
| Weyerhaeuser Company, 8% Registered Notes, due January 15, 1985 | 500,000 | 503,590 | 527,500 |
| Xerox Corporation, 8.20% Registered Notes, due November 1, 1982 | 500,000 | 500,000 | 530,000 |
| Xerox Corporation, 8.625% Registered Debentures, due November 1, 1999 | 750,000 | 776,069 | 777,188 |
| Federal Home Loan Banks, 8.10% Consolidated, due November 25, 1985 | 1,000,000 | 1,020,719 | 1,058,750 |
| Federal Home Loan Banks, 7.20% due February 25, 1977 | 500,000 | 500,140 | 502,500 |
| Federal Home Loan Banks, 9.10% Consolidated, Series B, due November 27, 1978 | 500,000 | 500,000 | 531,875 |
| Federal Home Loan Banks, 8.625%, due February 25, 1982 | 500,000 | 500,000 | 541,250 |
| Twelve Federal Land Banks, 6.60% Consolidated Federal Farm Loans, Series E, due October 20, 1977 | 1,000,000 | 1,000,000 | 1,011,880 |
| Twelve Federal Land Banks, 9.15% Consolidated Federal Farm Loans, Series C, due July 20, 1978 | 500,000 | 499,621 | 527,500 |

**EXHIBIT 1**

| Description | Number of Shares or Principal Amount | Cost or Stated Value | Market Value |
|---|---|---|---|
| Twelve Federal Land Banks, 7.50% Consolidated Federal Farm Loans, Series B, due July 21, 1980 | $ 500,000 | $ 498,210 | $ 520,625 |
| Twelve Federal Land Banks, 8.10% Consolidated Federal Farm Loans, due July 22, 1985 | 1,000,000 | 1,000,000 | 1,058,750 |
| Twelve Federal Land Banks, 7.95%, due April 22, 1991 | 750,000 | 750,000 | 779,062 |
| Federal National Mortgage Association, 8.50%, due October 10, 1979 | 500,000 | 514,041 | 532,500 |
| Federal National Mortgage Association, 6.45%, due December 10, 1981 | 1,000,000 | 1,000,000 | 1,000,000 |
| Federal National Mortgage Association, 8.10%, due June 10, 1983 | 750,000 | 758,108 | 799,687 |
| Federal National Mortgage Association, 8%, due December 12, 1983 | 1,000,000 | 971,414 | 1,062,500 |
| Federal National Mortgage Association, 7.95%, due July 10, 1986 | 1,000,000 | 1,000,000 | 1,048,750 |
| Federal National Mortgage Association, 7.90%, due September 10, 1986 | 750,000 | 750,000 | 785,625 |
| International Bank for Reconstruction and Redevelopment, 8.60% Registered Note, due July 15, 1985 | 500,000 | 498,517 | 525,000 |
| Farmers Home Administration, 7.875% Registered Insured Note, due June 30, 1981 | 501,780 | 501,780 | 521,851 |
| U.S. Treasury Note, 8%, due February 15, 1983 | 200,000 | 200,000 | 215,000 |
| U.S. Treasury Note, 6.625%, due November 30, 1977 | 2,000,000 | 2,008,824 | 2,030,620 |
| U.S. Treasury Note, 7.875%, due May 15, 1986 | 4,500,000 | 4,564,971 | 4,774,230 |
| U.S. Treasury Note, 7.625%, due August 15, 1981 | 1,500,000 | 1,505,551 | 1,592,340 |
| U.S. Treasury Note, 6.875%, due July 31, 1978 | 2,000,000 | 2,006,540 | 2,047,500 |
| U.S. Treasury Note, 8%, due August 15, 1986 | 300,000 | 300,000 | 321,189 |
| U.S. Treasury Note, 7.25%, due December 31, 1977 | 1,000,000 | 999,513 | 1,022,810 |
| U.S. Treasury Note, 7.50%, due December 31, 1979 | 1,000,000 | 1,011,737 | 1,049,690 |
| U.S. Treasury Note, 8.125%, due August 15, 1982 | 500,000 | 498,355 | 540,315 |
| U.S. Treasury Note, 7.875%, due May 15, 1978 | 1,000,000 | 999,595 | 1,035,940 |
| U.S. Treasury Note, 8%, due May 15, 1982 | 1,000,000 | 1,006,799 | 1,075,940 |
| U.S. Treasury Note, 6%, due November 15, 1978 | 1,000,000 | 987,997 | 1,010,630 |
| U.S. Treasury Note, 8.75%, due August 15, 1978 | 500,000 | 500,000 | 526,720 |
| U.S. Treasury Bond, 8.25%, due May 15, 1990 | 1,000,000 | 995,552 | 1,086,880 |
| U.S. Treasury Bond, 7.875%, due February 15, 2000 | 1,000,000 | 1,008,276 | 1,038,750 |
| U.S. Treasury Bond, 8.25%, due May 15, 2005 | 2,000,000 | 2,038,698 | 2,152,500 |
| U.S. Treasury Bond, 8%, due August 15, 2001 | 2,000,000 | 2,008,025 | 2,100,000 |
| Total corporate, foreign and U.S. Government Agency bonds and notes | $87,097,780 | $86,362,815 | $ 88,929,168 |

EXHIBIT 1

| Description | Number of Shares or Principal Amount | Cost or Stated Value | Market Value |
|---|---|---|---|
| **Common Stocks:** | | | |
| Aetna Life & Casualty Company | 25,000 | $ 839,550 | $ 853,125 |
| Air Products & Chemicals, Inc. | 28,076 | 382,632 | 884,394 |
| American Express Company | 55,000 | 1,934,887 | 2,268,750 |
| American Hospital Supply Corporation | 23,500 | 1,002,038 | 722,625 |
| American Reserve Corporation | 25,000 | 898,444 | 137,500 |
| American Telephone & Telegraph Company | 50,000 | 2,389,910 | 3,093,750 |
| Anheuser-Busch, Inc. | 30,000 | 888,050 | 682,500 |
| Becton, Dickinson & Company | 18,000 | 841,475 | 639,000 |
| Betz Laboratories, Inc. | 25,000 | 627,925 | 750,000 |
| Bristol Myers Company | 12,000 | 856,197 | 760,500 |
| Burroughs Corporation | 8,200 | 524,842 | 741,075 |
| Capital Holding Corporation | 48,400 | 1,036,907 | 961,950 |
| Caterpillar Tractor Company | 18,000 | 484,843 | 1,032,750 |
| Connecticut General Insurance Corporation | 25,000 | 1,284,750 | 1,375,000 |
| Continental Oil Company | 60,000 | 1,939,516 | 2,190,000 |
| Data General Corporation | 20,000 | 917,885 | 935,000 |
| Deere & Company | 30,000 | 344,816 | 892,500 |
| Dow Chemical Company | 20,000 | 527,623 | 780,000 |
| Duke Power Company | 50,000 | 959,853 | 1,100,000 |
| Dun & Bradstreet Companies, Inc. | 35,000 | 872,166 | 966,875 |
| DuPont (I. E.) deNemours & Co. | 5,000 | 771,963 | 614,375 |
| Eastman Kodak Company | 6,000 | 770,745 | 511,500 |
| Emerson Electric Company | 30,000 | 1,121,202 | 1,083,750 |
| Engelhard Minerals & Chemicals Corporation | 25,000 | 727,875 | 815,625 |
| Exxon Corporation | 36,000 | 1,611,796 | 1,840,500 |
| First Bank System, Inc. | 21,000 | 885,262 | 808,500 |
| Fischbach & Moore, Inc. | 25,000 | 1,089,306 | 668,750 |
| Freeport Minerals Company | 27,200 | 827,992 | 788,800 |
| General Electric Company | 20,000 | 1,090,900 | 1,012,500 |
| General Motors Corporation | 30,000 | 2,262,103 | 2,141,250 |
| General Telephone & Electronics Corporation | 35,000 | 904,750 | 1,050,000 |
| Georgia Pacific Corporation | 40,000 | 1,365,200 | 1,415,000 |
| W. W. Grainger, Inc. | 32,000 | 522,649 | 992,000 |
| Halliburton Company | 22,000 | 1,163,937 | 1,438,250 |
| Harris Bankcorporation, Inc. | 10,000 | 271,625 | 345,000 |
| Honeywell, Inc. | 12,000 | 926,049 | 526,500 |
| Houston Lighting & Power Company | 70,000 | 1,725,812 | 2,222,500 |
| Houston Natural Gas Corporation | 50,000 | 556,988 | 1,506,250 |
| Ingersoll Rand Company | 10,000 | 950,275 | 736,250 |
| International Business Machines Corporation | 18,313 | 5,122,772 | 4,962,823 |
| International Telephone & Telegraph Corporation | 36,000 | 1,496,199 | 1,143,000 |
| Jonathan Logan, Inc. | 10,700 | 621,069 | 151,138 |
| Kellogg Company | 50,000 | 755,090 | 1,325,000 |
| S. S. Kresge Company | 30,000 | 1,111,962 | 1,248,750 |
| Marsh & McLennan Companies, Inc. | 27,000 | 1,504,818 | 1,552,500 |
| Maryland National Corporation | 15,000 | 417,250 | 266,250 |
| May Department Stores Company | 61,050 | 1,738,007 | 2,159,644 |

**EXHIBIT 1**

| Description | Number of Shares or Principal Amount | Cost or Stated Value | Market Value |
|---|---|---|---|
| Maytag Company | 20,000 | $ 677,280 | $ 705,000 |
| Minnesota Mining and Manufacturing Company | 100,000 | 3,482,810 | 5,700,000 |
| Mobil Corporation | 20,000 | 1,040,707 | 1,197,500 |
| J. P. Morgan & Company, Inc. | 33,000 | 1,730,431 | 1,744,875 |
| Nalco Chemical Company | 27,000 | 755,670 | 870,750 |
| Northern States Power Company | 60,000 | 1,551,884 | 1,725,000 |
| Owens-Illinois, Inc. | 15,000 | 888,520 | 780,000 |
| Parker-Hannifin Corporation | 12,000 | 353,089 | 408,000 |
| Pennzoil Company | 40,000 | 1,081,862 | 1,260,000 |
| Perkin Elmer Corporation | 25,000 | 684,027 | 534,375 |
| Pfizer, Inc. | 30,000 | 881,625 | 787,500 |
| Phillips Petroleum Company | 33,000 | 1,448,074 | 2,021,250 |
| Pillsbury Company | 20,000 | 477,222 | 797,500 |
| Pinkertons, Inc. — Class B | 15,000 | 708,650 | 442,500 |
| Procter & Gamble Company | 10,000 | 989,999 | 936,250 |
| Pullman, Inc. | 27,750 | 1,122,761 | 825,562 |
| RCA Corporation | 35,000 | 974,750 | 883,750 |
| Revco, D. S., Inc. | 24,000 | 582,327 | 555,000 |
| R. J. Reynolds Industries, Inc. | 20,000 | 924,053 | 1,315,000 |
| Rollins, Inc. | 17,000 | 391,295 | 365,500 |
| Ryan Homes, Inc. | 20,000 | 382,463 | 425,000 |
| Schlumberger, Ltd. | 15,300 | 396,243 | 1,474,537 |
| Sears Roebuck & Company | 7,000 | 597,725 | 486,500 |
| Smithkline Corporation | 12,000 | 960,175 | 927,000 |
| Southern Natural Resources, Inc. | 25,000 | 1,277,266 | 1,225,000 |
| Southern Railway Company | 20,000 | 1,185,492 | 1,175,000 |
| Standard Oil Company of California | 35,000 | 1,024,891 | 1,268,750 |
| Sterling Drug, Inc. | 65,000 | 1,680,458 | 999,375 |
| TRW, Inc. | 30,000 | 1,023,000 | 975,000 |
| Tampax, Inc. | 8,000 | 742,500 | 280,000 |
| Union Camp Corporation | 18,000 | 774,957 | 1,102,500 |
| Union Carbide Corporation | 15,000 | 792,279 | 853,125 |
| Union Oil Company of California | 30,000 | 1,165,751 | 1,627,500 |
| Upjohn Company | 20,000 | 1,296,635 | 727,500 |
| Winter Park Telephone Company, Florida | 17,760 | 131,350 | 139,860 |
| Xerox Corporation | 36,000 | 3,078,298 | 2,119,500 |
| Zenith Radio Corporation | 35,000 | 948,651 | 901,250 |
| Total common stocks | | $ 90,073,075 | $ 95,656,408 |
| **Notes and Mortgages Receivable:** | | | |
| Park Properties, Inc., 7% Mortgage Note | $ 226,928 | $ 226,928 | $ 226,928 |
| Kenneth Sullivan Note, noninterest bearing | 250 | 250 | 250 |
| Warren Sullivan Note, noninterest bearing | 250 | 250 | 250 |
| Total notes and mortgages receivable | $ 227,428 | $ 227,428 | $ 227,428 |
| Total investments held at November 30, 1976 | | $193,196,801 | $201,346,487 |