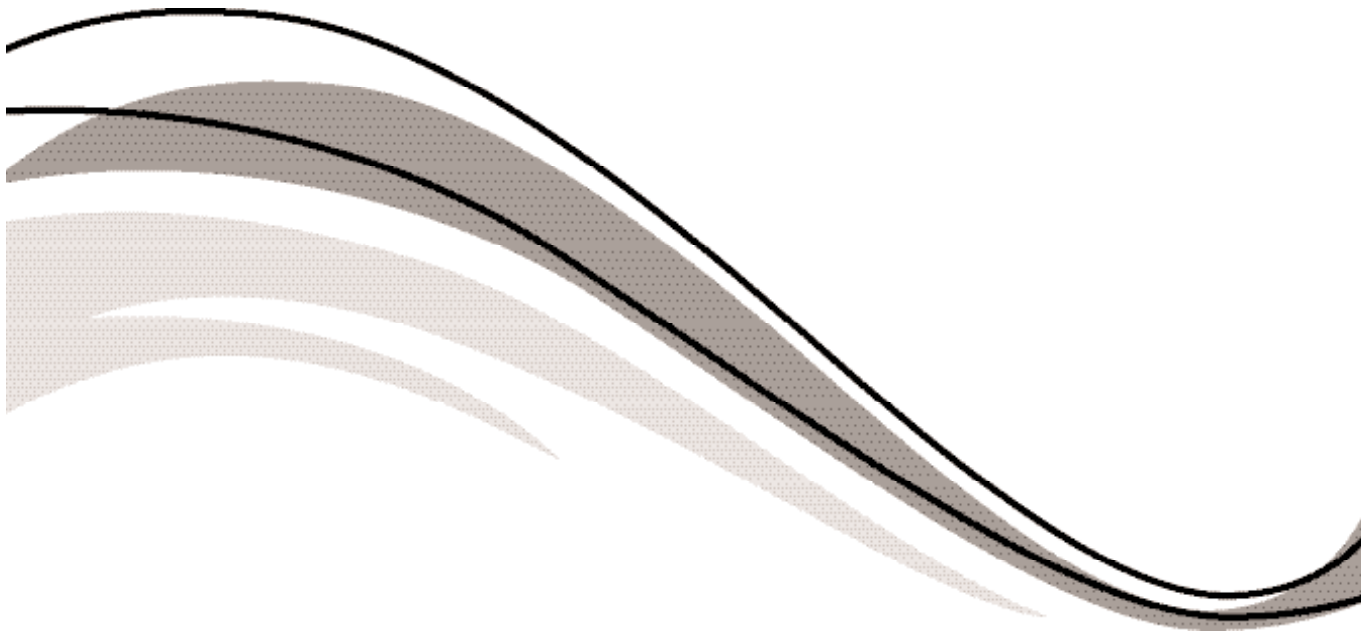




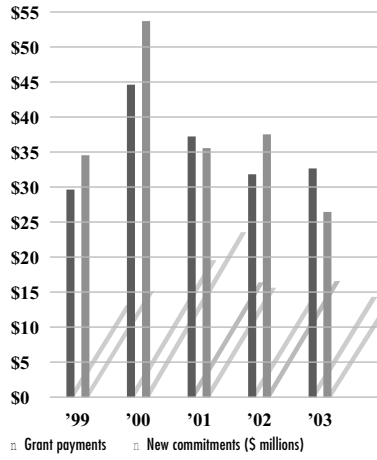
Bush Foundation

Summary of Grants
and Financials

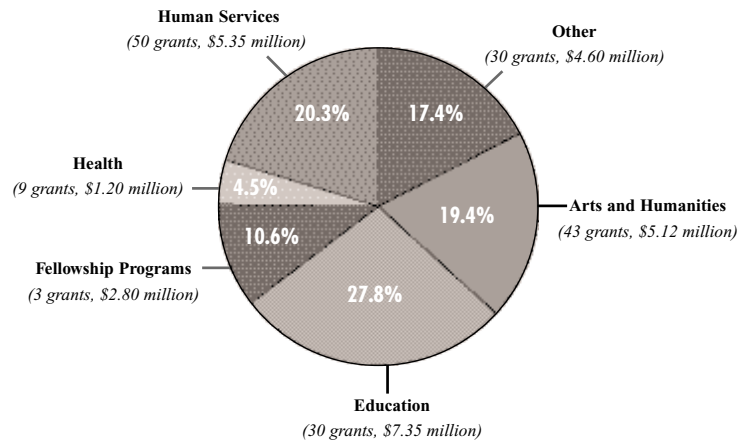
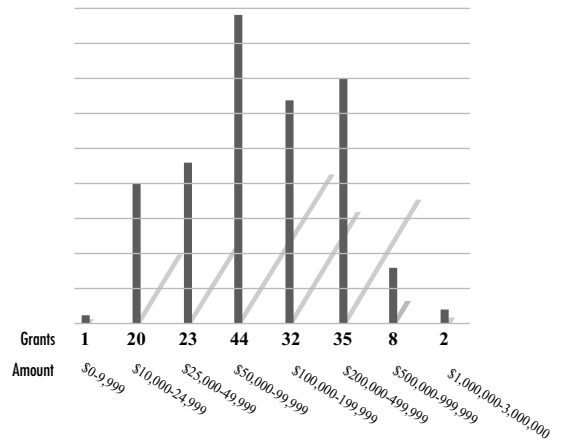
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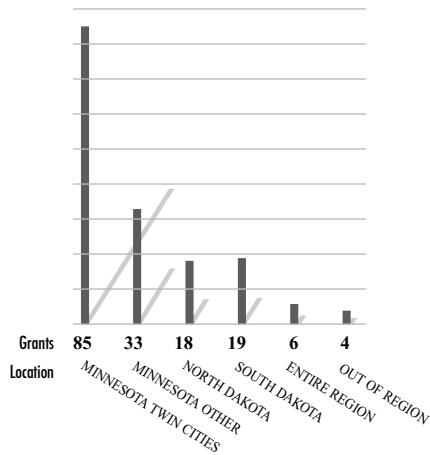
GRANT PAYMENTS AND NEW COMMITMENTS



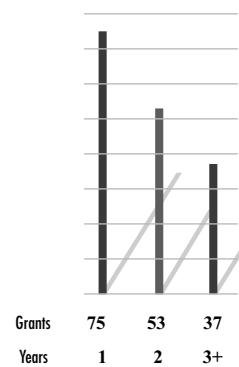
GRANTS CLASSIFIED BY AMOUNT



GRANTS CLASSIFIED BY GEOGRAPHIC AREA



GRANTS CLASSIFIED BY DURATION





Grants List

Arts and Humanities

Dance

Minnesota Dance Theatre and School

Minneapolis, Minnesota

To support the development and production of new and existing works of dance.....\$40,000

Ragamala Music and Dance Theater

Minneapolis, Minnesota

To hire a part-time administrative assistant and to pay stipends for three company dancers.....\$46,000

Humanities

South Dakota Humanities Council

Brookings, South Dakota

To provide staff and internal support to strengthen a statewide program to encourage authorship, literacy and reading.....\$100,000

Literature

Graywolf Press

Saint Paul, Minnesota

For a website redesign effort as part of the organizational effectiveness component of the Regional Arts Development Program.....\$15,000

Loft, Inc.

Minneapolis, Minnesota

To restructure a website and provide for online transactions as part of the organizational effectiveness component of the Regional Arts Development Program.....\$15,000

S.A.S.E.

Minneapolis, Minnesota

To recruit and hire an executive director.....\$39,200

Music

American Composers Forum

Saint Paul, Minnesota

For continued operating support through the Regional Arts Development Program.....\$300,000

To update a national website as part of the organizational effectiveness component of the Regional Arts Development Program.....\$15,000

Bismarck/Mandan Orchestral Association

Bismarck, North Dakota

To develop plans for fundraising and to support initial implementation of the plan.....\$14,786

To establish a new programming assistant position to support work in marketing and fundraising.....\$50,000

Chamber Music Society of Minnesota, Inc.

Saint Paul, Minnesota

To create a development plan\$12,000

Dale Warland Singers

Saint Paul, Minnesota

For continued operating support through the Regional Arts Development Program.....\$60,000

To conduct a series of focus groups with members of the singing ensemble as part of the organizational effectiveness component of the Regional Arts Development Program.....\$4,000

Fargo-Moorhead Orchestral Association

Moorhead, Minnesota

For continued operating support through the Regional Arts Development Program.....\$30,000

Friends of the Minnesota Sinfonia

Minneapolis, Minnesota

For a consultant to provide board fundraising and development capacity.....\$19,000

Greater Twin Cities Youth Symphonies

Minneapolis, Minnesota

For continued operating support through the Regional Arts Development Program.....\$60,000

Saint Paul Chamber Orchestra Society

Saint Paul, Minnesota

Toward visual identity initiatives of a strategic plan as part of the organizational effectiveness component of the Regional Arts Development Program.....\$15,000

Schubert Club

Saint Paul, Minnesota

To create and staff a development office.....\$99,901

Theater

Children's Theatre Company and School

Minneapolis, Minnesota

For continued operating support through the Regional Arts Development Program.....\$175,000

To develop a script licensing program as part of the organizational effectiveness component of the Regional Arts Development Program.....\$15,000

Guthrie Theater Foundation

Minneapolis, Minnesota

To create the Guthrie New Play Program.....\$700,000

Minnesota Jewish Theatre

The Bush Foundation's Board of Directors appropriated the grants listed in this summary in fiscal year 2003, although payment of these grants may occur in future years.

Minnesota Jewish Theatre Company
Saint Paul, Minnesota
 To establish a full-time position of
 associate director for external affairs
\$45,000

Penumbra Theatre Company, Inc.
Saint Paul, Minnesota
 For renewed operating support
 through the Regional Arts
 Development Program.....\$75,000

 For development of a business plan
 as part of the organizational
 effectiveness component of the
 Regional Arts Development Program
\$15,000

Theater Mu, Incorporated
Minneapolis, Minnesota
 To improve the artistic quality of the
 Theater's productions.....\$56,000

Theatre de la Jeune Lune
Minneapolis, Minnesota
 For continued operating support
 through the Regional Arts
 Development Program.....\$210,000

Unclassified Arts and Humanities

Artspace Projects, Inc.
Minneapolis, Minnesota
 For continued operating support
 through the Regional Arts
 Development Program.....\$275,000

Minnesota Children's Museum
Saint Paul, Minnesota
 Toward a capital campaign to build
 a new gallery and to renovate
 permanent galleries.....\$350,000

 For continued operating support
 through the Regional Arts
 Development Program.....\$65,000

 To convert a fundraising database as
 part of the organizational effectiveness
 component of the Regional Arts
 Development Program.....\$10,000

**North Dakota Cowboy Hall of
 Fame, Inc.**
Bismarck, North Dakota
 Toward a capital campaign to
 construct a center of Western heritage
 and history.....\$75,000

Rapid City Fine Arts Council, Inc.
Rapid City, South Dakota
 To fund part-time curators and to
 improve computer technology...\$56,276

Science Museum of Minnesota
Saint Paul, Minnesota
 To implement a museum-wide program
 focused on public understanding of
 current science.....\$555,000

Textile Center of Minnesota
Minneapolis, Minnesota
 To develop a business plan and hire a
 part-time manager for the Textile
 Center Shop.....\$35,000

Visual Arts

Duluth Art Institute Association
Duluth, Minnesota
 For continued operating support
 through the Regional Arts
 Development Program.....\$50,000

Highpoint Center for Printmaking
Minneapolis, Minnesota
 To support staff positions.....\$66,080

Juxtaposition, Inc.
Minneapolis, Minnesota
 To develop a facilities and operating
 plan for a youth-focused visual arts
 center.....\$18,200

North Dakota Museum of Art
Grand Forks, North Dakota
 For continued operating support
 through the Regional Arts
 Development Program.....\$160,000

Northern Clay Center
Minneapolis, Minnesota
 For continued operating support
 through the Regional Arts
 Development Program.....\$300,000

Red Cloud Indian School
Pine Ridge, South Dakota
 To fund the director and curator
 positions for the Heritage Center
\$40,000

Rochester Art Center
Rochester, Minnesota
 For continued operating support
 through the Regional Arts
 Development Program.....\$98,000

To upgrade software, networking and
 customer service applications as part
 of the organizational effectiveness
 component of the Regional Arts
 Development Program.....\$15,000

Walker Art Center
Minneapolis, Minnesota
 To support artistic and educational
 programming and to diversify audience
 participation through a "more than a
 museum" initiative.....\$725,000

TOTAL ARTS AND HUMANITIES
 = \$5,119,443
For comparison:
 2002 = \$2.6 million
 2001 = \$3.6 million



Grants List

Education

Child Development

Minnesota Child Care Resource and Referral Network
Saint Paul, Minnesota
 To continue the Child Development Program for Infants and Toddlers
\$425,000

South Dakota State University
Brookings, South Dakota
 For continued development of the Infant/Toddler Resource Center
\$41,027

State of North Dakota, Department of Human Services
Bismarck, North Dakota
 To support the Child Development Successor Program in North Dakota
\$497,945

State of South Dakota, Department of Social Services
Pierre, South Dakota
 To implement the Child Development Successor Program.....\$501,623

To continue implementation of the Child Development Program for Infants and Toddlers.....\$220,391

Elementary and Secondary

Amherst H. Wilder Foundation
Saint Paul, Minnesota
 For continuing support (Phase II) of Achievement Plus, a school reform effort to increase academic achievement in Saint Paul public schools....\$500,000

La Escuelita
Minneapolis, Minnesota
 To increase Latino families' involvement in the school success of their children.....\$20,000

High School Retention/Graduation

Rapid City Area School District #51-4
Rapid City, South Dakota
 For a program to reduce student dropout rates, increase graduation rates and increase attendance at Central High School.....\$449,490

Todd County School District #66-1
Mission, South Dakota
 To implement a comprehensive high school graduation program...\$300,000

Higher Education

Capital Challenge Grants to Regional Private Colleges

College of Saint Scholastica, Inc.
Duluth, Minnesota
 For a comprehensive capital campaign to increase endowment and enhance campus facilities.....\$750,000

University of Mary
Bismarck, North Dakota
 For a capital campaign.....\$450,000

Faculty Development Planning Grants to Regional Colleges and Universities

Jamestown College, Inc.
Jamestown, North Dakota
 To plan a program to improve teaching effectiveness in order to improve student learning.....\$20,000

Faculty Development Planning Grants to Tribally Controlled Indian Colleges

Deganawidah-Quetzalcoatl University
Davis, California
 To plan a tribal college faculty development program.....\$15,000

Faculty Development Program Grants for Historically Black Private Colleges (in cooperation with The William and Flora Hewlett Foundation)

Clark Atlanta University, Inc.
Atlanta, Georgia
 To renew a faculty development program that emphasizes the scholarship of teaching and learning.....\$150,000

Philander Smith College
Little Rock, Arkansas
 To develop a computer and assessment program for college faculty to improve student learning.....\$50,000

Faculty Development Program Grants for Regional Colleges and Universities

Augsburg College
Minneapolis, Minnesota
 To develop faculty/staff learning communities for implementing and assessing a new core curriculum
\$79,000

Black Hills State University Foundation
Spearfish, South Dakota
 To improve student retention by improving teaching in core general education courses.....\$359,957

Carleton College
Northfield, Minnesota
 For a faculty development program to improve student learning through writing.....**\$235,733**

Dakota Wesleyan University
Mitchell, South Dakota
 To develop a system and culture of assessment of teaching and learning**\$147,000**

Gustavus Adolphus College
Saint Peter, Minnesota
 To support a comprehensive plan for faculty development focused on teaching and learning.....**\$225,000**

Mount Marty College
Yankton, South Dakota
 To help faculty adjust their teaching styles to an increasingly older and diverse student body, reestablish an interdisciplinary honors program, improve course assessment methods and develop joint student/faculty research projects.....**\$150,000**

Northern State University
Aberdeen, South Dakota
 To support the second phase of a six-year effort to analyze the effectiveness of pedagogical strategies and instructional technologies on student learning and retention**\$225,000**

Saint Mary's University of Minnesota
Winona, Minnesota
 To reform the general education curriculum, to improve faculty educational technology skills and to develop a core of faculty to mentor junior faculty leaders.....**\$300,000**

University of North Dakota
Grand Forks, North Dakota
 To renew a faculty development program to engage faculty in assessment as a way to enhance teaching and learning.....**\$337,495**

University of Sioux Falls
Sioux Falls, South Dakota
 For a faculty development program that emphasizes critical thinking**\$150,000**

Valley City State University
Valley City, North Dakota
 To implement an assessment of student learning plan and to strengthen faculty instructional skills and subject matter competencies.....**\$150,000**

Faculty Development Program Grants for Tribally Controlled Indian Colleges

Little Priest Tribal College
Winnebago, Nebraska
 To improve student retention and success rates through the improvement of instruction with a focus on assessment.....**\$90,000**

United Tribes Technical College
Bismarck, North Dakota
 For faculty training in instructional methodology, assessment of learning, advising and Native cultures**\$80,000**

Libraries

Metropolitan State University Foundation
Saint Paul, Minnesota
 For community outreach programs of Metropolitan State University library and Dayton's Bluff, a newly constructed combined public library**\$251,010**

Unclassified Education

American Indian OIC, Inc.
Minneapolis, Minnesota
 Toward a capital campaign to expand a health career training program and increase students served in other training programs.....**\$180,000**

TOTAL EDUCATION = \$7,350,671

*For comparison:
 2002 = \$18.7 million
 2001 = \$10.8 million*



Grants List

Health

Family Health

Chicanos Latinos Unidos En Servicio, Inc.

Saint Paul, Minnesota
To add clinical and administrative staff, which will increase insured Latinos' access to linguistically appropriate and culturally competent mental and chemical health services.....**\$90,000**

Children's Dental Services, Inc.

Minneapolis, Minnesota
To expand services for Somali patients.....**\$70,000**

La Familia Guidance Center, Inc.

Saint Paul, Minnesota
To become a certified functional family therapy site.....**\$210,000**

Minnkota Health Project

Moorhead, Minnesota
To establish educational and social programming for youth who are gay, lesbian, bisexual or transgender**\$25,000**

Upper Midwest American Indian Center

Minneapolis, Minnesota
To hire a mental health director and consultant to increase American Indian mental health services capacity.....**\$63,000**

Health Care Delivery Systems

Bridging the Dental Gap, Inc.

Bismarck, North Dakota
To establish a community dental clinic.....**\$385,271**

Community Healthcare Association, Inc.

Sioux Falls, South Dakota
To provide support for the South Dakota "Covering Kids and Families Initiative".....**\$200,000**

Mental Health Association of Minnesota

Minneapolis, Minnesota
To add a full-time client advocate position.....**\$50,000**

Range Mental Health Center

Virginia, Minnesota
To provide early intervention mental health services, service coordination and case management for displaced workers and families on Minnesota's Iron Range.....**\$104,325**

TOTAL HEALTH = \$1,197,596

For comparison:

2002 = \$1.6 million

2001 = \$.4 million



Grants List

Human Services

Domestic Violence/Sexual Assault

Central Minnesota Task Force on Battered Women
Saint Cloud, Minnesota
 To provide project support while initiating a transition plan for a batterers' education program.....**\$30,000**

Domestic Violence Crisis Center, Inc.
Minot, North Dakota
 For capital to provide program space for battered women.....**\$50,000**

Shelter House, Inc.
Willmar, Minnesota
 Toward a capital campaign to build an emergency shelter and service offices**\$195,000**

South Dakota Network Against Family Violence and Sexual Assault
Sioux Falls, South Dakota
 Toward costs associated with a statewide rural battered women's outreach project in South Dakota**\$36,000**

Working Against Violence, Inc.
Rapid City, South Dakota
 To construct a shelter building for battered women.....**\$250,000**

Young Women's Christian Association of Fargo-Moorhead
Fargo, North Dakota
 Toward the construction of an emergency shelter for women and children experiencing homelessness and domestic violence.....**\$250,000**

Employment Programs

AccessAbility, Inc.
Minneapolis, Minnesota
 To support a document processing job training program for individuals with disabilities, immigrants/refugees and Welfare-to-Work participants**\$35,000**

JOBS NOW Coalition
Saint Paul, Minnesota
 For public policy research and analysis.....**\$59,000**

MMCDC's Team Works, Inc.
Park Rapids, Minnesota
 To expand a pilot job skills development and mentoring program for Native American and other at-risk high school students in rural Minnesota.....**\$50,000**

Project for Pride in Living, Inc.
Minneapolis, Minnesota
 To support costs of merging the Health Careers Institute with the Train to Work program.....**\$60,000**

Project Regina, Inc.
Minneapolis, Minnesota
 To support a combined social worker/program manager position**\$54,625**

United Cambodian Association of Minnesota, Inc.
Saint Paul, Minnesota
 To support an employment program and to complete a transition to a new leader and building.....**\$120,000**

Health and Rehabilitation

Accessible Space, Inc.
Saint Paul, Minnesota
 To create 18 units of accessible, affordable housing in Fargo for very low-income adults with mobility impairments, traumatic brain injuries and severe physical disabilities**\$100,000**

Ain Dah Yung Our Home Shelter
Saint Paul, Minnesota
 For *Oyate Nawajin*, a culturally based mental health counseling and support program.....**\$75,000**

Clare Housing
Saint Paul, Minnesota
 Toward a capital campaign to create 30 units of housing with supportive services for low-income adults living with HIV/AIDS.....**\$140,000**

Enterprise North, Inc.
New Ulm, Minnesota
 To develop a thrift store and warehouse space.....**\$40,000**

Housing

Greater Minnesota Housing Fund
Saint Paul, Minnesota
 To fund community and office space within supportive housing projects in Greater Minnesota.....**\$250,000**

The Supportive Housing and Managed Care Pilot
Minneapolis, Minnesota
 For an evaluation of a pilot project that tests the provision of supportive housing and services to address long-term homelessness.....**\$400,000**

Law and Corrections

Dispute Resolution Center
Saint Paul, Minnesota
To integrate mediation and restorative justice services.....**\$50,000**

Stevens Square Community Organization, Inc.
Minneapolis, Minnesota
To expand the service area of the Central City Neighborhoods Partnership restorative justice program.....**\$50,000**

Rural Family Assistance Programs

Rum River Interfaith Caregivers, Inc.
Princeton, Minnesota
To hire a store manager for the start-up and operations of a thrift store.....**\$30,000**

Unclassified Human Services

Center for Victims of Torture
Minneapolis, Minnesota
For staff and consultant expenses associated with creating a statewide capacity to heal survivors of torture in Minnesota communities.....**\$80,000**

Interact Center for the Visual and Performing Arts
Minneapolis, Minnesota
To hire an executive director**\$120,000**

Pillsbury United Communities
Minneapolis, Minnesota
To support initiatives to increase earned income.....**\$50,500**

Youth and Family Programs

American Indian Housing Corporation
Minneapolis, Minnesota
For technical assistance, training and related organizational development costs.....**\$100,000**

Big Brothers/Big Sisters of the Coulee Region, Inc.
LaCrosse, Wisconsin
To expand the Big Brothers/Big Sisters program in Winona, Minnesota.....**\$30,000**

Boys Club of Detroit Lakes Incorporated Crovisier Park
Detroit Lakes, Minnesota
To expand a targeted academic support program for students academically at risk.....**\$22,000**

Boys Club of Rapid City, Inc.
Rapid City, South Dakota
To broaden the donor base.....**\$25,000**

Confederation of Somali Community in Minnesota
Minneapolis, Minnesota
To complete the transition to an independent organization and for financial planning.....**\$40,000**

Hmong American Mutual Assistance Association, Inc.
Minneapolis, Minnesota
To continue the Academic Barriers Challengers after-school program**\$20,000**

Hmong American Partnership
Saint Paul, Minnesota
To construct the Hmong American Center.....**\$375,000**

Home on the Range
Sentinel Butte, North Dakota
Toward a capital campaign to build a new girls' dormitory and other program space.....**\$240,000**

Hope Community, Inc.
Minneapolis, Minnesota
For planning and organizational development to guide long-term growth.....**\$150,000**

La Oportunidad, Inc.
Saint Paul, Minnesota
To strengthen a volunteer/intern program.....**\$30,000**

Life's Missing Link
Minneapolis, Minnesota
For a staff position to develop a resource database, a network of service providers and a volunteer program to serve truant and homeless youth**\$58,647**

Little Earth Neighborhood Early Learning Center Corporation
Minneapolis, Minnesota
To support administrative staff to continue implementation of the Little Earth Joint Partnership, its vision and long-range plan.....**\$190,000**

Lutheran Social Services of North Dakota
Fargo, North Dakota
To implement a two-year development project to secure permanent funding for the Healthy Families Region IV Program.....**\$170,000**

Merriam Park Community Services
Saint Paul, Minnesota
For a merger of human service organizations.....**\$50,000**

Minnesota African Women's Association
Minneapolis, Minnesota
To hire a full-time executive director and add new staff hours as needed**\$20,000**

Minnesota Youth Intervention Programs Association
Mendota Heights, Minnesota
To expand services to youth intervention programs throughout Minnesota.....**\$100,000**

New Foundations, Inc.
Saint Paul, Minnesota
To expand direct services provided for homeless women in recovery and their children.....**\$180,000**

Oromo Community, Inc. Minneapolis/Saint Paul
Minneapolis, Minnesota
To hire an elders outreach liaison**\$55,688**

Parenting With Purpose
Brooklyn Park, Minnesota
 To hire a new, full-time staff member
\$30,000

Prairie Learning Center, Inc.
Raleigh, North Dakota
 For a capital campaign to renovate
 buildings.....\$100,000

Project for Pride in Living, Inc.
Minneapolis, Minnesota
 Toward a capital campaign
\$350,000

**Relief Association of South Sudan in
 Minnesota, Inc.**
Minneapolis, Minnesota
 To implement direct service programs
 for Sudanese immigrants and
 refugees.....\$15,000

Synergy Residential Academy
Minneapolis, Minnesota
 To expand program staff for a
 voluntary residential academic
 academy that maintains parental
 involvement in the lives of youth who
 are enrolled because of home or
 family crisis that affect their
 academic performance.....\$50,000

Tri-Valley Opportunity Council, Inc.
Crookston, Minnesota
 To develop a database of transit-
 dependent populations and form a
 five-county collaboration to increase
 transit options.....\$66,000

Washburn Child Guidance Center
Minneapolis, Minnesota
 To develop and evaluate a treatment
 model for children with emotional
 and behavioral difficulties.....\$91,000

**Young Women's Christian
 Association of Saint Paul
 Minnesota**
Saint Paul, Minnesota
 For capital renovations for social
 space for programs to support at-risk
 children and teens.....\$218,500

TOTAL HUMAN SERVICES
= \$5,351,960
For comparison:
 2002 = \$ 7.7 million
 2001 = \$11.7 million



Ecological Health

Blue Earth River Basin Initiative
Fairmont, Minnesota
 To implement a third crop strategy in
 the Blue Earth River Basin....\$141,000

**Community Design Center of
 Minnesota**
Saint Paul, Minnesota
 To establish a youth conservation
 corps on Saint Paul's East Side
\$150,000

Dakota Resource Council
Dickinson, North Dakota
 To hire an energy coordinator to
 advance renewable energy efforts in
 North Dakota.....\$80,000

**Environmental Association for
 Great Lakes Education**
Duluth, Minnesota
 To create a statewide network aimed
 at educating the public, promoting
 safer practices and initiating new
 policies regarding children's
 environmental health.....\$42,400

Friends of the Mississippi River
Saint Paul, Minnesota
 To support an initiative to protect
 and improve the Mississippi River
 and its tributaries in the Twin Cities
 metropolitan area.....\$155,000

**The Great Plains Institute for
 Sustainable Development, Inc.**
Minneapolis, Minnesota
 For a program to help position the
 Northern Plains region as the
 continental leader in the energy
 economy of the future.....\$267,698

Great Plains Windustry Project
Minneapolis, Minnesota
 To expand a grassroots network of
 rural landowners to promote wind
 energy.....\$175,500

Grants List
Other

Great River Greening
Saint Paul, Minnesota
 Toward an ecological analysis that
 sets priorities for restoration of
 land in the Twin Cities' river
 valleys.....\$40,000

**Headwaters Foundation for Justice
 f/k/a Headwaters Fund**
Minneapolis, Minnesota
 To develop and implement an
 environmental justice fund for
 grassroots groups from low-income,
 rural and communities of color in
 Minnesota.....\$200,000

**Institute for Agriculture and Trade
 Policy**
Minneapolis, Minnesota
 To address ecological health by
 engaging in coalition-building
 activities in Minnesota and the
 Dakotas.....\$202,500

**Minnesota Center for
 Environmental Advocacy**
Saint Paul, Minnesota
 To hire staff for a public health
 program.....\$144,251

**Minnesota Environmental
 Initiative, Inc.**
Minneapolis, Minnesota
 To start a voluntary ozone reduction
 program to improve air quality in the
 Twin Cities metropolitan region
\$30,000

**Minnesota Institute of Public
 Health**
Mounds View, Minnesota
 To design a plan for reducing
 exposure to pesticides in the Red
 River Valley.....\$74,984

**Minnesotans for an Energy-
 Efficient Economy**
Saint Paul, Minnesota
 To support additional staff and
 associated project development
\$215,000

Mississippi Corridor Neighborhood Coalition

Minneapolis, Minnesota
To conduct a series of public forums on water quality, environmental health and social justice.....\$13,900

National Fish and Wildlife Foundation

Washington, District of Columbia
To engage in outreach and relationship building with tribes in the Bush Foundation region\$50,000

Southeast Como Improvement Association

Minneapolis, Minnesota
To support an environmental coordinator and secure voluntary reductions in air emission from neighborhood industry sources.....\$84,225

Sustainable Farming Association of Minnesota

Aldrich, Minnesota
To hire an executive director\$120,000

Trees, Water and People

Fort Collins, Colorado
To support tree planting, solar installation and environmental outreach efforts on the Pine Ridge Indian Reservation.....\$35,000

White Earth Land Recovery Project

Ponsford, Minnesota
To support the Sustainable Community Capacity Building Program.....\$125,000

Environment

Dakota Rural Action, Inc.

Brookings, South Dakota
To expand the Family Agriculture Really Matters educational campaign on water quality.....\$90,000

Public Broadcasting

Minnesota Public Radio

Saint Paul, Minnesota
For a challenge grant to complete the first phase of a capital campaign to construct a new headquarters and production center in Saint Paul\$1,000,000

Northern Community Radio

Grand Rapids, Minnesota
Toward a capital campaign to build a new radio station.....\$92,000

Twin Cities Public Television, Inc.

Saint Paul, Minnesota
For programming for the Minnesota Collaborative and Channel and to plan marketing and evaluation.\$80,000

Unclassified Other

Friends of the St. Paul Farmers' Market

Saint Paul, Minnesota
To rebuild and expand the St. Paul Farmers' Market.....\$338,000

Metropolitan Alliance of Community Centers

Minneapolis, Minnesota
To establish a centralized management services office to provide more efficient core services for the Alliance membership.....\$80,000

Neighborhood Development Center, Inc.

Saint Paul, Minnesota
To support additional staff costs resulting from a program expansion\$100,000

Organizing Apprenticeship Project

Minneapolis, Minnesota
To develop a program that teaches organizing leadership skills among diverse cultural communities\$115,000

Saint Paul Riverfront Corporation

Saint Paul, Minnesota
Toward a capital campaign to redevelop blighted land into Landmark Plaza.....\$125,000

West Side Citizens Organization

Saint Paul, Minnesota
To strengthen the Jane Addams School for Democracy.....\$230,000

TOTAL OTHER = \$ 4,596,458

For comparison:
2002 = \$3.8 million
2001 = \$5.9 million

TOTAL GRANTS TO ORGANIZATIONS = \$23,616,128

Grants List

Fellowship Programs

Bush Artist Fellows Program

To enable selected writers, choreographers, composers and visual artists in Minnesota, North Dakota, South Dakota and 26 counties in western Wisconsin to set aside a significant period of time for work in their chosen art forms.....\$660,000

Bush Leadership Fellows Program

To provide midcareer study and internship opportunities for selected residents of Minnesota, North Dakota, South Dakota and 26 counties in western Wisconsin.....\$1,407,750

Bush Medical Fellows Program

To provide midcareer opportunities for primary care physicians in Minnesota, North Dakota, South Dakota and 26 counties in western Wisconsin\$732,500

TOTAL GRANTS TO FELLOWSHIP PROGRAMS = \$2,800,250

For comparison:
2002 = \$3.2 million
2001 = \$3.2 million

TOTAL GRANTS TO ORGANIZATIONS = \$23,616,128

GRAND TOTAL = \$26,416,378



Leadership Fellows

Margaret E. Anderson Kelliher
Minneapolis, Minnesota

State Representative, Minnesota House of Representatives

To obtain a master's degree in public administration at Harvard University's John F. Kennedy School of Government

Song L. Anderson
Champlin, Minnesota

Mental Health Therapist, Hmong/Asian Counseling Services

To pursue a doctorate in clinical psychology at Argosy University

Kari Dunn Buron
Saint Paul, Minnesota

Autism Resource Specialist, Otter Lake Elementary School ISD 916

To study Asperger Syndrome and social cognition through a self-directed study program

John W. Dorn
Mankato, Minnesota

English Teacher, East High School, Mankato District 77

To study public policy at Harvard University's John F. Kennedy School of Government

Mary Ann Dressel
Duluth, Minnesota

Counselor 11 Employee Assistance Program, Saint Mary's Duluth Clinic/Miller-Dwan Medical Center

To pursue a doctorate in clinical psychology at Argosy University

Roxanne J. Gould
Minneapolis, Minnesota

Director, American Indian Learning Resource Center, University of Minnesota

To complete a doctorate in educational leadership at the University of Minnesota

Mary A. Jacquart
Saint Paul, Minnesota

System Director for Educational Grant Programs, Minnesota State Colleges and Universities

To study leadership, develop leadership skills and investigate issues related to federal policy and higher education

LuAnn Kolombus
Sarona, Wisconsin

Independent Consultant

To obtain a master's degree in social work from the University of Minnesota Duluth

Martin J. Kooistra
Sioux Falls, South Dakota

Content and Knowledge Manager, U.S., Habitat for Humanity University

To engage in community development and housing policy studies at the Joint Center for Housing Studies and the Social Enterprise Initiative at Harvard University

Harlan W. LaFontaine
Hopkins, Minnesota

Dakota Language Trainee, Shakopee Mdewakanton Sioux Community

To study the Dakota language, culture and spirituality through a self-directed study program

Anil T. Mangla
Woodbury, Minnesota

Research Scientist, MedTox Laboratories

To obtain a master's degree in public health from the University of Minnesota and study the global impact of infectious diseases through an internship at the World Health Organization

David J. Mather
Minneapolis, Minnesota

Archeologist

To complete a Ph.D. in interdisciplinary studies at the University of Minnesota

Julie A. Mathiesen
Sturgis, South Dakota

Art Teacher, Sturgis High School Meade School District

To pursue a doctorate in educational technology at Pepperdine University's Graduate School of Education

Michele Micklewright
Brooklyn Park, Minnesota

Board Certified Chaplain

To study complimentary healing therapies and integrate them into chaplaincy and spiritual care

Alice L. Negratti
Saint Paul, Minnesota

Deputy Ombudsman, Office of the Ombudsman for Older Minnesotans

To complete a doctorate in psychology at the University of Saint Thomas

Ogbiji Victor Okom

Brooklyn Park, Minnesota

Teacher, New Harrison Education Center, Minneapolis Public Schools

To complete a doctorate in educational leadership and administrative licensure at the University of Saint Thomas

Carol L. Pavlish

Prior Lake, Minnesota

Associate Professor, The College of Saint Catherine

To complete a Ph.D. in the Department of Work, Community and Family at the University of Minnesota by studying the health of refugee women in Africa

Ramona S. Scarpace

Plymouth, Minnesota

Director, Program Assessment and Integrity Division, Minnesota Department of Human Services

To attend the Executive Leadership Program at the Center for Creative Leadership

Mary J. Schneider

Fargo, North Dakota

Executive Director, Legal Services of Northwest Minnesota

To obtain a LL.M. degree in international human rights from the Irish Centre for Human Rights at National University

Linda J. Smaller

Saint Paul, Minnesota

School Psychologist, Lincoln School White Bear Lake ISD 624

To obtain a director of special education licensure and a certificate of dispute resolution at Hamline University

Mary B. Sorenson

Warren, Minnesota

Northwest Minnesota 21st Century Community Learning Centers Director, Northwest Service Cooperative

To pursue an administrative specialist degree at Minnesota State University Moorhead

Bea N. VueBenson

Saint Paul, Minnesota

Community Outreach Pastor, Gustavus Adolphus Lutheran Church (ELCA)

To pursue a master's degree in counseling and psychotherapy at the Alfred Adler Institute



Film/Video

Liza Davitch

Minnetonka, Minnesota

Jenny Lion

Saint Paul, Minnesota

David Ryan

Northfield, Minnesota

Literature

Mai Neng Moua

Saint Paul, Minnesota

Lee Ann Roripaugh

Vermillion, South Dakota

David Treuer

Minneapolis, Minnesota

Ka Vang

Saint Paul, Minnesota

Wang Ping

Saint Paul, Minnesota

Artist Fellows

Music Composition

Philip Blackburn

Saint Paul, Minnesota

Tellef Johnson

Brookings, South Dakota

Michelle Kinney

Golden Valley, Minnesota

J.D. Steele

Minneapolis, Minnesota

Scriptworks

Vincent Delaney

Saint Paul, Minnesota

Adelaide MacKenzie Fuss

Black Hawk, South Dakota

Kevin Kling

Minneapolis, Minnesota



Medical Fellows

Denise L. Bonde, M.D.

Rochester, Minnesota

To enhance knowledge and develop new skills in the areas of asthma, allergy, immunology and smoking cessation as well as to obtain a master's in public health focusing on public health practice

Gary Carlson, M.D.

Northfield, Minnesota

To study Adlerian and transpersonal psychology with an emphasis on wellness counseling and body/mind consciousness

Jed Gorlin, M.D.

Hopkins, Minnesota

To gain the business skills, both knowledge and management training, to lead the Memorial Blood Centers to achieve its mission

Christine Hart, M.D.

Sioux Falls, South Dakota

To complete a master's in public administration and to study Insulin Resistance Syndrome in Native Americans

Merle Hillman, M.D.

Saint Louis Park, Minnesota

To develop the personal expertise and administrative skills necessary to be effective as a DMAT team leader and a leader in the community EMS system

Jeff Ho, M.D.

Minneapolis, Minnesota

To become cross-trained and licensed as a physician/peace officer in the State of Minnesota in order to provide full and unrestricted emergency medical care to persons affected within a tactical operation

Kenneth Riff, M.D.

Wayzata, Minnesota

To observe, train and practice in alternative care models, including blended medicine; to integrate "high-tech" interventions with "high-touch" care and to evaluate how a community-wide integrated research program can impact overall community health care

Susan Roe, M.D.

Minneapolis, Minnesota

To develop skills as a cardiovascular pathologist

Kay Schwebke, M.D.

Saint Paul, Minnesota

To become an expert in the management of persons co-infected with HIV/HCV

Christopher Tashjian, M.D.

River Falls, Wisconsin

To develop skills in performing caesarian sections and colonoscopies/endoscopies; to complete the Mini MBA program at the University of Saint Thomas

Kathleen Van De Walle, D.O.

Aberdeen, South Dakota

To develop clinical and interventional skills for managing acute and chronic pain in outpatient and inpatient settings; to develop leadership skills

Parin Winter, M.D.

Plymouth, Minnesota

To study acupuncture to enhance conventional medicine skills in treatment of pain



Program Committees

Leadership Fellows Program

Preliminary Selection Committee

William D. Allen

Eagan, Minnesota
Therapist, Family Therapy Resource Center

John Archabal

Saint Paul, Minnesota
Director, Bush Foundation Leadership Fellows Program

Genie Dixon

Minneapolis, Minnesota
Independent Consultant

Dwight A. Gourneau

Rochester, Minnesota
President, NAMTech, Inc.

Martha Lee

Saint Paul, Minnesota
Assistant Director, Bush Foundation Leadership Fellows Program

Calvin Ryan Mosley

Minnetonka, Minnesota
Special Assistant to the President, The College of Saint Catherine

Final Selection Committee

Diane Berthel

Saint Paul, Minnesota
Principal, Berthel Schutter, LLC

Gary Cunningham

Minneapolis, Minnesota
Director, Pilot City Health Center, Hennepin County

Priscilla A. Day

Duluth, Minnesota
Associate Professor and Chair, Department of Social Work, University of Minnesota Duluth

Dwight A. Gourneau

Rochester, Minnesota
President, NAMTech, Inc.

Kathryn O. Johnson

Rapid City, South Dakota
Owner and Principal Consultant, Johnson Environmental Concepts

Steven W. Laible

New Brighton, Minnesota
Certified Public Accountant

Larry P. Nybladh

Moorhead, Minnesota
Superintendent, Independent School District 152

Catherine V. Piersol

Sioux Falls, South Dakota
Bush Foundation Board Member and Attorney, Piersol Law Firm

Daniel R. Rice

Grand Forks, North Dakota
Dean, College of Education and Human Development, University of North Dakota

Valerie K. Ulstad, M.D.

Minneapolis, Minnesota
Cardiologist, Hennepin County Medical Center

Artists Fellows Program

Preliminary Panelists

Film/Video

Judy Irving

San Francisco, California
Documentary Filmmaker

Laurence Kardish

New York, New York
Senior Curator, Department of Film and Media, Museum of Modern Art

Yvonne Rainer

New York, New York
Film/Videomaker and Choreographer

Preliminary Panelists

Literature

Kimiko Hahn

Flushing, New York
Poet and Professor of English, Queens College/CUNY

Judith Kitchen

Brockport, New York
Fiction and Nonfiction Writer and Writer-In-Residence, SUNY Brockport

Shawn Wong

Seattle, Washington
Fiction Writer and Professor of English, University of Washington

Preliminary Panelists

Music Composition

Anthony Davis
San Diego, California
Composer and Professor of Music,
University of California-San Diego

Janice Giteck
Seattle, Washington
Composer and Professor of Music,
Cornish College of the Arts

Elizabeth Schulze
Williamsport, Maryland
Music Director and Conductor,
Maryland Symphony Orchestra

Preliminary Panelists

Scriptworks

Kathleen Dimmick
New York, New York
Dramaturg and Director

Erik Ehn
Greenbrae, California
Playwright and Theater Faculty,
California Institute of the Arts

Elizabeth Wong
Monterey Park, California
Play and Screen Writer and
Lecturer, University of
California-Santa Barbara

Final Panelists

Anthony Davis
San Diego, California
Composer and Professor of Music,
University of California-San Diego

Erik Ehn
Greenbrae, California
Playwright and Theater Faculty,
California Institute of the Arts

Boo Froebel
New York, New York
Artistic Director, Galapagos Art
Space and Producer, Performance on
42nd at the Whitney Museum of
American Art at Altria

Yvonne Rainer
New York, New York
Film/Videomaker and Choreographer

Shawn Wong
Seattle, Washington
Fiction Writer and Professor of
English, University of Washington

Medical Fellows Program

Policy Board

Rebecca Hafner, M.D.
Avon, Minnesota

Mary Hedges, M.P.A.
Northfield, Minnesota

William Jacott, M.D.
Minneapolis, Minnesota

Mary Jo Kreitzer, Ph.D., R.N.
Minneapolis, Minnesota

Jon Rice, M.D.
West Fargo, North Dakota

Garith Steiner
Viroqua, Wisconsin

Robert Stevens
Waconia, Minnesota

Michele Strachan, M.D.
Saint Louis Park, Minnesota

Jon Wempner, M.D.
Waconia, Minnesota

David Westgard, M.D.
Rochester, Minnesota

Selection Committee

Mark Butterbrodt, M.D.
Pine Ridge, South Dakota
1992 Bush Fellow
Pediatrician, Porcupine Health Clinic

Mary Hedges, M.P.A.
Northfield, Minnesota
Executive Director, Minnesota
Emergency Medical Services
Regulatory Board

Mary Jo Kreitzer, Ph.D., R.N.
Minneapolis, Minnesota
Founder and Director, Center for
Spirituality and Healing, University
of Minnesota

James Lehmann, M.D.
Waconia, Minnesota
1981 Bush Fellow
Medical Director, Nightingale Center

Jon Rice, M.D.
West Fargo, North Dakota
1989 Bush Fellow
Medical Director, Blue Cross and
Blue Shield of North Dakota

Linda Roebke
Waconia, Minnesota
Member, Ridgeview Medical Center
Foundation Board of Directors

Valerie K. Ulstad, M.D.
Minneapolis, Minnesota
1996 Bush Fellow
Cardiologist, Hennepin County
Medical Center

Jon Wempner, M.D.
Waconia, Minnesota
1979 Bush Fellow
Family Physician, Lakeview Clinic



2003 Treasurer's Report

The financial statements of the Foundation appear on the following pages and have been audited by KPMG.

The Bush Foundation's investment objectives and policies are designed to meet long-term goals for investment return and spending as established by the Investment Committee of the Foundation's Board of Directors. The Foundation's long-term investment objective is to achieve a rate of growth sufficient to allow the Foundation to meet its granting requirements (5% of average annual assets) and cover reasonable operating expenses while maintaining the inflation-adjusted principal of the fund.

The oversight, review and implementation of the Foundation's investment policy are the responsibility of the Investment Committee. An effective investment policy is essential in securing a reliable source of funds for the programs of the Foundation. The major responsibilities of the Committee are to determine in which asset classes the Foundation will invest (stocks, bonds, real estate, etc.), how those assets will be allocated and which external investment managers will do the actual investing. The finance staff of the Foundation has daily responsibility for the portfolio. Jeffrey Slocum & Associates, Inc., the Foundation's investment consultant, assists the Committee and the staff by providing information regarding performance evaluation, investment manager selection, asset allocation and other advisory needs.

During the year, the Investment Committee increased the Foundation's allocation to hedge funds from 10% to 20% with a corresponding decrease in large capitalization equities. This decision was made to help protect the portfolio from downside risk that occurred in the equity markets the prior three years and also to maintain a positive return strategy that will enable the Foundation to meet its spending requirements. The Foundation's current asset allocation policy target for equities and equity-like investments is 45%, its allocation to fixed income securities is 15% and the remaining 40% of the portfolio is allocated to alternative investments such as real estate, venture capital and hedge funds.

Total assets of the Foundation were \$651 million at November 30, 2003, compared to \$609 million for the prior fiscal year. The market value of the Foundation's investment portfolio declined steadily through the first quarter and then maintained itself for the next six months before significantly rebounding in the final quarter. This contrasted with the prior year when the portfolio consistently declined from the first quarter to the last. The annualized total investment return for 2003 was 20.1% on a calendar basis.

This was a substantial improvement over the prior three years when the portfolio produced negative returns each year. All segments of the financial markets in which the Foundation was invested ended the year positively, enabling the Foundation to gain the momentum displayed in the fourth quarter.

Investment income for the year, which includes interest, dividends and other income, was \$13.7 million as compared to last year's income of \$16.2 million. Investment and administrative expenses were \$7 million, a decrease from the prior year's expenses of \$7.2 million. The Board approved \$25.6 million in new grant appropriations, net of cancellations, which was lower than the amount appropriated in 2002 of \$36.4 million. These appropriated amounts do not include the effects of discounting, which are reflected in grants payable on the financial statements. Grant payments during the year totaled \$32.9 million, as compared to \$32 million paid in 2002.

We anticipate that economic market conditions will continue producing positive investment returns for the Foundation over time that will more closely mirror long-term historical norms. This will ease our ability to meet our granting requirements and cover our operating expenses. Going forward, we will continue to explore potential avenues of enhancing return without exposing the portfolio to excessive risk and to monitor our operations so that a positive outcome is generated for the Foundation and the region in which it serves.

Kathryn H. Tunheim
Treasurer



Independent Auditors' Report

**Board of Directors
The Bush Foundation:**

We have audited the accompanying statements of financial position of the Bush Foundation (the Foundation) as of November 30, 2003 and 2002 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of November 30, 2003 and 2002 and the change in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP
January 28, 2004



Statements of Financial Position

November 30, 2003 and 2002
(In thousands)

Assets	<u>2003</u>	<u>2002</u>
Cash, interest-bearing deposits, and cash equivalents	\$ 199	\$ 477
Investments, at fair value (note 1):		
Cash equivalents (money market trusts and short-term investment funds)	34,715	37,952
Corporate and U.S. Government debt securities, cost of \$84,399 in 2003 and \$89,796 in 2002	84,466	81,921
Corporate stocks, cost of \$263,141 in 2003 and \$344,242 in 2002	313,430	321,361
Real estate and partnerships, cost of \$74,134 in 2003 and \$62,518 in 2002	75,546	68,282
Hedge funds, cost of \$115,756 in 2003 and \$68,688 in 2002	123,858	69,454
Venture capital investments, cost of \$39,476 in 2003 and \$41,998 in 2002	23,777	26,953
Listed options contracts	(6,755)	—
<i>Total investments</i>	<u>649,037</u>	<u>605,923</u>
Dividends and interest receivable	1,088	1,709
Federal excise and unrelated business income tax receivable	52	268
Furniture, equipment, and other assets	217	271
<i>Total assets</i>	<u>\$ 650,593</u>	<u>\$ 608,648</u>
Liabilities and Net Assets		
Accounts payable	\$ 294	\$ 461
Payable for securities with settlements pending	6,172	5,719
Accrued and other liabilities	434	442
Accrued federal excise taxes - deferred	490	—
Grants payable (notes 1 and 7)	24,521	28,759
<i>Total liabilities</i>	<u>31,911</u>	<u>35,381</u>
Unrestricted net assets	618,682	573,267
<i>Total liabilities and net assets</i>	<u>\$ 650,593</u>	<u>\$ 608,648</u>

See accompanying notes to financial statements.



Statements of Activities

Years ended November 30, 2003 and 2002
(In thousands)

	<u>2003</u>	<u>2002</u>
Revenues, losses, and other support:		
Dividends	\$ 6,609	\$ 6,994
Interest	6,482	7,503
Net realized losses on investment transactions	(16,082)	(61,120)
Unrealized appreciation (depreciation) in fair value of investments, net of deferred federal excise tax expense of \$490 in 2003 and \$0 in 2002	83,238	(14,129)
Other income	601	1,676
	<u>80,848</u>	<u>(59,076)</u>
	<i>Total revenues, losses, and other support</i>	
Expenses:		
Program (note 1):		
Grants, net of cancellations (notes 1 and 7)	(28,455)	(36,482)
Management and general (note 1):		
Investment expenses (note 5)	(2,612)	(3,327)
Administrative expenses (note 5)	(3,650)	(3,779)
Federal excise and unrelated business income tax – current (note 4)	(716)	(107)
	<u>(35,433)</u>	<u>(43,695)</u>
	<i>Total expenses</i>	
	45,415	(102,771)
	<i>Change in unrestricted net assets</i>	
Unrestricted net assets at beginning of year	573,267	676,038
Unrestricted net assets at end of year	<u>\$ 618,682</u>	<u>\$ 573,267</u>

See accompanying notes to financial statements.



Statements of Cash Flows

Years ended November 30, 2003 and 2002
(In thousands)

	<u>2003</u>	<u>2002</u>
Cash flows from operating activities:		
Change in unrestricted net assets	\$ 45,415	\$ (102,771)
Adjustments to reconcile change in unrestricted net assets to net cash used in operating activities:		
Depreciation	24	23
Loss (gain) on disposal of furniture and equipment	(1)	2
Net unrealized (appreciation) depreciation in fair value of investments	(83,238)	14,129
Net realized losses on investment transactions	16,082	61,120
Decrease in dividends and interest receivable	621	203
Decrease in other assets	36	46
Increase (decrease) in payables and accrued and other liabilities	(175)	150
Decrease in federal excise and unrelated business income taxes receivable	216	859
Increase in accrued federal excise taxes deferred	490	—
Increase (decrease) in grants payable	(4,238)	5,120
<i>Net cash used in operating activities</i>	<u>(24,768)</u>	<u>(21,119)</u>
Cash flows from investing activities:		
Purchase of furniture and equipment	(5)	(4)
Increase in payable for securities with settlements pending	453	3,536
Proceeds from sale of investments	746,482	641,949
Purchase of investments	(725,677)	(639,340)
<i>Net cash provided by investing activities</i>	<u>21,253</u>	<u>6,141</u>
Net decrease in cash, interest-bearing deposits, and cash equivalents	(3,515)	(14,978)
Cash, interest-bearing deposits, and cash equivalents at beginning of year	38,429	53,407
Cash, interest-bearing deposits, and cash equivalents at end of year	<u>\$ 34,914</u>	<u>\$ 38,429</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for taxes	\$ 567	\$ 124

See accompanying notes to financial statements.



Notes to Financial Statements

November 30, 2003 and 2002

(In thousands)

1. Significant Accounting Policies

Organization

The Bush Foundation (the Foundation) is an exempt private foundation that provides grant support in the areas of education, humanities and the arts, community and social welfare, health, and leadership development to nonprofit corporations in Minnesota, North Dakota, South Dakota, and western Wisconsin, as well as two nonregional grant programs.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Tax Exempt Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and is a private foundation as defined in Section 509(a) of the Code. The Foundation is subject to applicable state and federal unrelated business income tax and federal excise tax. A provision for unrelated business income tax and excise tax has been made and is included in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Foundation to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses during the year. Actual results could differ from those estimates.

Cash Equivalents

The Foundation considers all interest-bearing deposits and short-term investments purchased with maturities of three months or less to be cash equivalents.

Investments

Investments are carried at fair value, which is determined by the partnerships' general partner for real estate and venture capital investments and quoted market prices for all other investments. Realized and unrealized gains and losses are recognized in the period in which they occur. Realized gains and losses are recorded on a trade-date basis.

Derivative Financial Instruments

The Foundation invests in various stock indices, fixed-income, and foreign currency derivatives. The Foundation uses derivatives with the objectives of reducing portfolio risk and/or lowering investment costs. Derivative uses include managing the duration of the fixed-income portfolio, gaining investment exposure to specific markets, and maintaining investment policy allocation. Derivative instruments are measured at fair value and reported in the statement of financial position. Changes in the fair value are reported in the statement of activities.

The Foundation uses listed options contracts to reduce return volatility and enhance portfolio yield of designated equity holdings (the Option Overlay Program). The Option Overlay Program focuses on the Foundation's exposure to large cap U.S. equity holdings and consists of four separate position phases. Each phase has a term of one year, covers approximately one quarter of the Foundation's large cap U.S. equity exposure, and has an initial price cap target 15% above the quarter-end S&P index level.

The Foundation, in conjunction with its investment manager, has established risk management policies and procedures for the Option Overlay Program which are set forth in the Option Overlay Policy Statement executed between the Foundation and the investment manager. In addition, the Foundation, the investment manager, and its investment advisor apply portfolio management and monitoring techniques to monitor the Foundation's use of derivative instruments under the Option Overlay Program.

Fair Value of Financial Instruments

The carrying value of dividend and interest receivable, payable for securities with settlements pending, and accounts payable are reasonable estimates of their fair value due to the short-term nature of these financial instruments. Investments are stated at fair value. Grants payable have been stated at fair value by discounting multiyear grants.

Grant Appropriations

Grants are recorded as expense when approved by the Foundation's board of directors, except when the grants are conditional as defined by requirements of Statement of Financial Accounting Standards (SFAS) No. 116. Cancellations of grants occur principally when the grantees do not meet the grant terms. Cancellations were \$813 in 2003 and \$1,268 in 2002.

Classification of Expenses

Grants and expenses associated with the Foundation's direct charitable activities are considered to be program expenses, while all other expenses of the Foundation are considered to be management and general expenses.

Reclassification

Certain reclassifications have been made to the 2002 financial statements to conform to the 2003 presentation.

2. Futures Contracts

The Foundation uses financial futures contracts and options to adjust the relative exposure to fixed-income and equity markets. The notional amount of these contracts at November 30, 2003 and 2002 was \$0 and \$21,912, respectively. Realized and unrealized gains and losses related to these contracts are recorded when they occur. These contracts settle daily; therefore, the average fair value of these contracts is established daily and the contract is marked to market. Net trading losses of \$523 and \$4,567 were recognized during fiscal years 2003 and 2002, respectively. The futures contracts are exchange-traded with counterparties with good credit standing.

3. Securities Lending Transactions

Under a securities lending agreement, the Foundation has authorized the lending agent to manage and administer a securities lending program. The lending agent has the responsibility for negotiating the terms of each loan and for collecting the required collateral, which must be in the amount of 102% in the case of securities of United States issuers and 105% in the case of securities of non-United States issuers of the market value of any securities loaned, including any accrued interest. Collateral was invested in a short-term investment trust and was due to the investment borrower in accordance with the terms of the collateral agreement. As of November 30, 2003 and 2002, the securities lending program was temporarily suspended.

4. Federal Excise Taxes and Distribution Requirements

Federal Excise Taxes

The Foundation is subject to a 2% 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). Tax on net investment income is reduced from 2% to 1% for any taxable year in which the Foundation's qualifying distributions meet certain requirements prescribed by Internal Revenue Code Section 4940(e).

The Foundation met these requirements in 2003 and 2002. Accordingly, the current federal excise tax expense is based upon the 1% tax rate. Deferred federal excise taxes are also based on the 1% tax rate and arise from unrealized appreciation in the market value of investments, as well as from differences in the recognition of income from certain investments.

Distribution Requirements

The Foundation is subject to the distribution requirements of the Internal Revenue Code. Accordingly, within one year after the end of each fiscal year, it must distribute 5% of the average market value of its assets as defined in the Internal Revenue Code. The Foundation has complied with distribution requirements through November 30, 2003 and 2002.

5. Investment and Administrative Expenses

The classification of expenses between investment and administrative (grant-related) activities is determined by either specific identification of the expense or by an allocation based on management estimates. The classifications for 2003 and 2002 are as follows:

	2003			2002		
	Investment	Administrative	Total	Investment	Administrative	Total
Salaries and staff benefits	\$ 326	1,575	1,901	\$ 261	1,486	1,747
Investment management	2,093	—	2,093	2,876	—	2,876
Program management	—	716	716	—	733	733
Consulting fees	21	561	582	20	713	733
Other administrative expenses	172	798	970	170	847	1,017
	<u>\$ 2,612</u>	<u>3,650</u>	<u>6,262</u>	<u>\$ 3,327</u>	<u>3,779</u>	<u>7,106</u>

6. Pension Plan

The Foundation has a defined contribution pension plan whereby individual annuity contracts with Teachers Insurance and Annuity Association of America and College Retirement Equities Fund are purchased for all qualified employees. The amount of the contribution is equal to 10% of the employee's salary up to the Social Security income limit and then 15% of the employee's salary up to a maximum of \$200. The expense of the plan for 2003 and 2002 was \$155 and \$140, respectively.

7. Grants Payable

The following table provides the activity within the unpaid grants account:

	2003	2002
Unpaid grants at beginning of year	\$ 28,759	23,639
Grants appropriated, net of cancellations	28,455	36,482
Grants paid	(32,883)	(31,957)
Refunds of previous years' grants	190	595
Unpaid grants at end of year	<u>\$ 24,521</u>	<u>28,759</u>

Grants payable in more than one year are stated at fair value. Fair value is determined as the present value of estimated future cash flows using discount rates of 2.5% and 5.0% as of November 30, 2003 and 2002, respectively. The following is a summary of grants authorized and payable at November 30:

	2003	2002
To be paid in less than one year	\$ 17,997	18,897
To be paid in one to five years	7,211	11,155
	25,208	30,052
Discount	(687)	(1,293)
	<u>\$ 24,521</u>	<u>28,759</u>

Bush Foundation Board

William P. Pierskalla, Chair
Los Angeles, California

Esperanza Guerrero-Anderson,
First Vice Chair
Golden Valley, Minnesota

Ivy S. Bernhardson, Second Vice Chair
Bloomington, Minnesota

Dudley Cocke, Secretary
Norton, Virginia

Kathryn H. Tunheim, Treasurer
Minneapolis, Minnesota

Wilson G. Bradshaw
Saint Paul, Minnesota

Shirley M. Clark
Eugene, Oregon

Roxanne Givens Copeland
Bloomington, Minnesota

L. Steven Goldstein
Minnnetonka, Minnesota

Robert J. Jones
Minneapolis, Minnesota

Diana E. Murphy
Minneapolis, Minnesota

Catherine V. Piersol
Sioux Falls, South Dakota

Gordon M. Sprenger
Chanhassen, Minnesota

W. Richard West
Washington, District of Columbia

Ann Wynia
Saint Paul, Minnesota

Bush Foundation Staff

Anita M. Pampusch
President

Program Staff

John Archabal
Senior Program Officer

Lee-Hoon Benson
Program Officer

Charlene L. Edwards
Senior Program Officer

Nancy H. Fushan
Program Officer

José González
Program Officer

Jane Kretzmann
Senior Program Officer

Business Management

Mary R. Bensman
Communications Officer

Kelly M. Kleppe
Grants Manager

Heather O'Neill
Senior Accountant

Connie S. Thompson
Chief Financial Officer

Staff Services

Vicki L. Bohn
Administrative Assistant

Sharon Hollingsworth
Information Systems
Administrator

Freya Jacobson
Administrative Assistant

Linda M. Kollasch
Assistant Grants Administrator
and Administrative Assistant
to the President

Dianne J. Maki
Receptionist/Secretary

Connie Sangren
Administrative Assistant

Victoria Tirrel
Administrative Assistant

Artist Fellows Program

Julie Gordon Dagleish
Director

Kathi Polley
Program Assistant

Leadership Fellows Program

John Archabal
Director

Martha A. Lee
Assistant Director

Medical Fellows Program

Alice Sanborn
Assistant Director

Michael R. Wilcox, M.D.
Director

Grant Program Consultants

Wilbert H. Ahern
Maggie Arzdorf-Schubbe

Kathryn J. Draeger

John H. Kohring

Susan E. Showalter

Margaret J. Walker

General Counsel

Terence Doyle
Briggs & Morgan