

THE SCHERMAN FOUNDATION, INC.

Annual Report 2004



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Incorporated 1941

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STATEMENT OF POLICY

The Scherman Foundation was founded in 1941 by Harry Scherman, founder of the Book-of-the-Month Club, as a small family foundation. From a modest giving program, averaging about one hundred thousand dollars a year, the Scherman Foundation has grown and broadened its interests. To date, it has made more than 6,400 grants, totaling over 100 million dollars.

The giving program of the Foundation emphasizes general support, reflecting the Directors' commitment to sustained support for current grantees, and the belief that strong nonprofit leaders who are closest to the issues can best decide on the most effective use of grant funds.

The main areas of interest of the Scherman Foundation are the environment, human rights and liberties, peace and security, reproductive rights and services, the arts, and social welfare. In the last two areas particularly, priority is given to organizations in New York City. The Foundation does not fund colleges, universities or professional schools. No grants are made for medical, science or engineering research, nor does the Foundation make grants to capital campaigns, individuals, or in support of conferences, specific media or arts productions.

APPLICATION PROCEDURES

Grants are made only to tax-exempt 501(c)(3) organizations.

Applications which fall within the scope of interests of the Foundation are considered and acted upon by the Board of Directors at its meetings held four times a year. Meeting dates are flexible.

Requests for support should be made in a brief letter to the President outlining the purpose for which funds are sought. In addition to a brief program description, helpful information to include with your inquiry:

- Board of Directors and key personnel lists
- Current year budget
- Present sources of support, including other foundation funders
- Evidence of tax status
- Most recent audited financial statement

If additional information or a meeting is required, it will be requested.

Applicants will generally be advised within eight weeks if a proposal has been declined or is under consideration.

The Foundation does not accept proposals via fax or the Internet. Do not submit video or audio cassettes or CD's, unless requested to do so.

The Foundation does not maintain a mailing list, nor does it produce publications other than an Annual Report, which may be downloaded from the Foundation's Website.

THE SCHERMAN FOUNDATION, INC.

STAFF

Sandra Silverman	President and Executive Director
Mike Pratt	Treasurer and Program Officer
Jason Childers	Administrator
Nikki Ortolani	Administrative Assistant
Steven Wachel	Administrative Assistant

DIRECTORS

Karen R. Sollins	Chair and Director
Susanna Bergtold	Secretary and Director
Hillary Brown	Director
David R. Jones	Director
Gordon N. Litwin	Director
John J. O'Neil	Director
Anthony M. Schulte	Director
Marcia Thompson	Director
John Wroclawski	Director
Axel G. Rosin	Chair Emeritus and Director (Retired)
Katharine S. Rosin	Director (Retired)

Grants

For the year ended December 31, 2004
Summary

The Arts	\$ 568,000
Environment	830,000
Human Rights and Liberties	490,000
Peace and Security	270,000
Reproductive Rights and Services	460,000
Social Welfare	1,472,500
Miscellaneous	<u>248,500</u>
Total	\$ 4,339,000

Unless otherwise indicated, grants are for general support

*Represents a two-year grant

THE ARTS

Alliance of Resident Theatres/New York New York, NY	\$ 20,000*
Ballet Hispanico of New York New York, NY	20,000*
Bronx Council on the Arts Bronx, NY	20,000*
The Bronx Opera Company Bronx, NY	20,000*
Brooklyn Academy of Music Brooklyn, NY	50,000*
Brooklyn Arts Exchange Brooklyn, NY	20,000*
Brooklyn Museum Brooklyn, NY	30,000*
Classic Stage Company New York, NY	20,000*
The Culture Project New York, NY	10,000
Ensemble Studio Theatre New York, NY	12,500
Great Small Works New York, NY	20,000*
Harlem School of the Arts New York, NY	35,000*
The Joyce Theater Foundation New York, NY	30,000*
Lincoln Center Theater New York, NY	30,000*
Midori & Friends New York, NY	20,000*
National Dance Institute New York, NY	25,000*
New Dramatists New York, NY	25,000*
New York City Ballet New York, NY	20,000*
New York City Center New York, NY	20,000*

THE ARTS (continued)

The 92nd Street Y - Tisch Center for the Arts New York, NY	30,000*
Orchestra of St. Luke's/St. Luke's Chamber Ensemble New York, NY	25,000*
Orpheon, Inc./The Little Orchestra Society New York, NY	15,000
Symphony Space New York, NY	30,000*
Society of the Third Street Music School Settlement New York, NY	500
<i>Performance honorarium</i>	
Vineyard Theatre New York, NY	20,000*
Total, The Arts	\$ 568,000

In 2003, the following organizations received two-year grants (for 2003 and 2004) in the Arts Program:

Aaron Davis Hall	New York City Opera
Alvin Ailey Dance Foundation	New York Festival of Song
Atlantic Theater Company	New York Foundation for the Arts
Bronx Museum of the Arts	New York Theatre Workshop
Brooklyn Philharmonic Symphony Orchestra	New York Youth Symphony
Brooklyn Youth Chorus	Performance Space 122
Center for Traditional Music and Dance	Playwrights Horizons
City Lore	School of American Ballet
Classical Theatre of Harlem	Second Stage Theatre
Dance Theater Workshop	Society of the Third Street Music School Settlement
HOME for Contemporary Theatre and Art/HERE	Studio Museum in Harlem
Jamaica Center for Arts and Learning	Theatre for a New Audience
Manhattan Graphics Center	
Music-Theater Group	

ENVIRONMENT

Clean Water Fund Washington, DC	25,000
<i>Environmental Citizenship programs</i>	
Conservation Law Foundation Boston, MA	40,000
Earthjustice Oakland, CA	65,000*
Earthworks Washington, DC	30,000*
Environmental Advocates Albany, NY	25,000
Environmental Defense New York, NY	50,000*
Environmental Grantmakers Association New York, NY	10,000
Environmental Support Center Washington, DC	35,000
<i>Support for environmental advocacy organizations</i>	
Green Guerillas New York, NY	35,000*
League of Conservation Voters Education Fund Washington, DC	60,000*
Military Toxics Project Lewiston, ME	20,000

ENVIRONMENT (continued)

Natural Resources Defense Council New York, NY		80,000*
NYPIRG Fund New York, NY		60,000
	<i>Straphangers Campaign</i>	25,000
	<i>Clean Drinking Water Coalition</i>	35,000
	<i>(NYPIRG)</i>	19,250
	<i>Riverkeeper</i>	7,000
	<i>Catskill Center</i>	8,750
The Ocean Conservancy Washington, DC		40,000*
The Partnership Project, Inc. Washington, DC	<i>Collaborative Environment Campaign</i>	65,000
Public Employees for Environmental Responsibility Washington, DC		30,000*
Trees New York New York, NY		20,000*
Tri-State Transportation Campaign New York, NY	<i>New York City Projects</i>	50,000*
Trustees for Alaska Anchorage, AK		40,000*
U. S. Public Interest Research Group Education Fund New York, NY	<i>Environmental Defense Campaign</i>	<u>50,000*</u>
Total, Environment		\$ 830,000

In 2003, the following organizations received two-year grants (for 2003 and 2004) in the Environment Program:

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|--|---|
| Alaska Conservation Foundation | Land Trust Alliance |
| American Littoral Society | National Environmental Trust |
| City Parks Foundation | New Yorkers for Parks |
| Consumer Policy Institute/Consumers Union of the U.S. | Prospect Park Alliance |
| Friends of the Earth | Residents' Committee to Protect the Adirondacks |
| Green Corps | Southern Environmental Law Center |
| Greenpeace Fund | Trust for Public Land |
| Healthy Schools Network | Western Environmental Law Center |
| INFORM, Inc. | Western Resource Advocates |
| International Council for Local Environmental Initiatives-US | |

HUMAN RIGHTS AND LIBERTIES

Asian American Legal Defense and Education Fund New York, NY		45,000*
Center for Constitutional Rights New York, NY		50,000*
Human Rights First New York, NY		40,000*
Human Rights Watch New York, NY		60,000*
The National Academies Washington, DC	<i>Committee on Human Rights</i>	20,000
New Israel Fund Washington, DC		20,000
New York Civil Liberties Union Foundation New York, NY		55,000
	<i>General Support</i>	45,000*
	<i>Protecting Protest Project</i>	10,000

HUMAN RIGHTS AND LIBERTIES (continued)

New York Immigration Coalition New York, NY		60,000*
People for the American Way Foundation Washington, DC		90,000
	<i>General Operating</i>	<i>40,000*</i>
	<i>Voting is Power</i>	<i>25,000</i>
	<i>Election Protection</i>	<i>25,000</i>
Puerto Rican Legal Defense and Education Fund New York, NY		25,000
William J. Brennan, Jr. Center for Justice Inc. New York, NY		25,000
	<i>Help America Vote Act project</i>	
Total, Human Rights and Liberties		\$ 490,000

In 2003, the following organizations received two-year grants (for 2003 and 2004) in the Human Rights and Liberties Program:

American Civil Liberties Union Foundation	The Legal Aid Society
Electronic Privacy Information Center	NAACP Legal Defense and Educational Fund
Global Fund for Women	William J. Brennan, Jr. Center for Justice Inc.

PEACE AND SECURITY

Educators for Social Responsibility/Metropolitan Area New York, NY		30,000*
Government Accountability Project Washington, DC		40,000*
Institute for Science and International Security (ISIS) Washington, DC		45,000*
Monterey Institute of International Studies Monterey, CA	<i>Center for Nonproliferation Studies</i>	35,000*
Peace Action Education Fund Washington, DC		25,000*
Physicians for Social Responsibility Washington, DC		50,000*
Ploughshares Fund San Francisco, CA	<i>Peace and Security Funders Group</i>	5,000
Project on Government Oversight Washington, DC		40,000*
Total, Peace and Security		\$ 270,000

In 2003, the following organizations received two-year grants (for 2003 and 2004) in the Peace and Security Program:

Center for Arms Control and Non-Proliferation	Public Education Center
The Henry L. Stimson Center	Union of Concerned Scientists

REPRODUCTIVE RIGHTS AND SERVICES

Catholics for a Free Choice Washington, DC		40,000*
The Center for Reproductive Rights New York, NY		100,000*
Choice USA Washington, DC		20,000*
Community Healthcare Network New York, NY		40,000*

REPRODUCTIVE RIGHTS AND SERVICES (continued)

Feminist Majority Foundation Arlington, VA		50,000
	<i>General Support</i>	<i>40,000*</i>
	<i>Get Out Her Vote campaign</i>	<i>10,000</i>
International Planned Parenthood Federation/Western Hemisphere Region New York, NY		30,000*
Medical Students for Choice Berkeley, CA		35,000*
National Abortion Federation Washington, DC		40,000*
National Family Planning & Reproductive Health Association Washington, DC		50,000*
Planned Parenthood Federation of America New York, NY		<u>55,000*</u>
Total, Reproductive Rights and Services	\$	460,000

In 2003, the following organizations received two-year grants (for 2003 and 2004) in the Reproductive Rights and Services Program:

Advocates for Youth	Planned Parenthood of New York City
Centre for Development and Population Activities	Population Action International
EngenderHealth	Population Communications International
International Women's Health Coalition	Population Connection
Ipas	Religious Coalition for Reproductive Choice Education Fund
Ms. Foundation for Women	Reproductive Freedom Project/ACLU
New York State NARAL Foundation	Sexuality Information & Education Council of the U.S.
Pathfinder International	
Physicians for Reproductive Choice and Health	

SOCIAL SERVICES

Binding Together, Inc. New York, NY		20,000*
Brooklyn Legal Services Corporation A Brooklyn, NY		35,000*
The Brotherhood/Sister Sol New York, NY		30,000*
Center for Alternative Sentencing and Employment Services New York, NY		35,000*
Center for Community Change Washington, DC		60,000*
The City Project New York, NY		25,000*
City-Wide Task Force on Housing Court New York, NY		40,000
	<i>General Support</i>	<i>30,000*</i>
	<i>Matched Grant</i>	<i>10,000</i>
Community Resource Exchange New York, NY		30,000*
Community Voices Heard New York, NY		35,000*
Correctional Association of New York New York, NY		25,000*
Court Appointed Special Advocates New York, NY		30,000*
The Door - A Center of Alternatives New York, NY		40,000*
East Harlem Tutorial Program New York, NY		30,000*

SOCIAL SERVICES (continued)

Educational Priorities Panel New York, NY	30,000*
Federation of Protestant Welfare Agencies New York, NY	35,000*
Fifth Avenue Committee Brooklyn, NY	50,000*
Fresh Youth Initiatives New York, NY	40,000*
InMotion, Inc. New York, NY	30,000*
Lawyers Alliance for New York New York, NY	30,000*
MFY Legal Services New York, NY	45,000*
National Lawyers Guild Foundation New York, NY	10,000
<i>Mass Defense Committee/NY Chapter/Protecting Protest Project</i>	
New York ACORN New York, NY	40,000*
New York City Coalition Against Hunger New York, NY	45,000*
New York State Tenant & Neighborhood Information Service New York, NY	15,000
Nontraditional Employment for Women New York, NY	40,000*
The Osborne Association New York, NY	70,000*
The Point Community Development Corporation Bronx, NY	20,000
Pratt Institute Brooklyn, NY	70,000*
<i>Center for Community & Environmental Development</i>	
Project Greenhope Services for Women New York, NY	17,500
SCAN New York New York, NY	30,000*
The Tides Center/A Better Way San Francisco, CA	50,000
<i>National Voice</i>	
Trickle Up Program New York, NY	30,000*
UJA-Federation of Jewish Philanthropies of New York New York, NY	100,000
<i>New York programs</i>	
United Neighborhood Houses New York, NY	80,000*
Vocational Foundation Brooklyn, NY	25,000*
Volunteers of Legal Service New York, NY	25,000*
Women's Housing and Economic Development Corporation New York, NY	50,000*
Youth Communication/New York Center New York, NY	20,000
Youth Ministries for Peace and Justice Bronx, NY	40,000*
Total, Social Welfare	\$ 1,472,500

SOCIAL SERVICES (continued)

In 2003, the following organizations received two-year grants (for 2003 and 2004) in the Social Welfare Program:

Abyssinian Development Corporation	Lawyers for Children
Andrew Glover Youth Program	Make the Road by Walking
Association for Neighborhood & Housing Development	National Women's Law Center
Bedford Stuyvesant Restoration Corporation	Neighborhood Family Services Coalition
Brooklyn Workforce Innovations	New York City Employment & Training Coalition
Center for Court Innovation	New York Lawyers for the Public Interest
Chess-In-the-Schools	Northwest Bronx Community & Clergy Coalition
Citizens' Committee for Children of New York	Project Hospitality
Citizens for NYC	St. Christopher's, Inc.
City Harvest	Sanctuary for Families
City Limits Community Information Service	Settlement Housing Fund
Common Cents New York	Sustainable South Bronx
Common Ground Community HDFC	UPROSE
Community Food Resource Center	Welfare Law Center
Community Legal Resource Network/CUNY School of Law	Women in Need
Food For Survival	Women's Advocate Ministry
Good Old Lower East Side	

MISCELLANEOUS

Center for Investigative Reporting San Francisco, CA	30,000*
Center for Public Integrity Washington, DC	15,000
Co-op America Foundation Inc. Norwalk, CT <i>MinutemanMedia.org</i>	7,500
Focus Project, Inc. Washington, DC <i>OMB Watch</i>	35,000*
International Rescue Committee New York, NY	50,000*
Lower East Side Tenement Museum New York, NY	25,000*
New York Botanical Garden Bronx, NY	20,000*
New York Regional Association of Grantmakers New York, NY	6,000
New Yorkers Against Gun Violence New York, NY	5,000
Taxpayers for Common Sense Washington, DC	15,000
Women's Leadership Fund New York, NY <i>Vote, Run, Lead</i>	20,000
WNYC Foundation New York, NY	20,000*
Total, Miscellaneous	\$ 248,500
Total Contributions	\$ 4,339,000

In 2003, the following organizations received two-year grants (for 2003 and 2004) in the Miscellaneous category:

Alliance for Justice	Demos: A Network for Ideas and Actions
American Museum of Natural History	The Foundation Center
Center for Policy Alternatives	New York Public Library

**Summary of Financial Activities for the Year Ended
December 31, 2004**

Changes in unrestricted net assets

Revenues

Interest	\$ 718,471	
Dividends	<u>1,115,635</u>	
Total revenues		\$ 1,834,106

Expenses

Contributions	\$ 4,339,000	
Investment expense	573,016	
General and administrative	<u>703,997</u>	
Total expenses		<u>\$ 5,616,013</u>

Decrease in unrestricted net assets before net change in marketable securities	(3,781,907)
Net change in marketable securities	<u>5,783,852</u>
Increase in unrestricted net assets	2,001,945
Unrestricted net assets, beginning of year	<u>76,375,384</u>
Unrestricted net assets, end of year	<u>\$ 78,377,329</u>

Statement of Assets at December 31, 2004

Cash	\$ 4,061,873	
Investments	68,716,647	
Other	<u>5,598,809</u>	
Total assets		<u>\$ 78,377,329</u>