

THE SCHERMAN FOUNDATION, INC.

Annual Report 2005



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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 6,500 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.

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 and Director Emeritus
Katharine S. Rosin	Director Emeritus

STAFF

Sandra Silverman	President and Executive Director
Mitchell C. Pratt	Treasurer and Program Officer
Jason Childers	Administrator
Nikki Ortolani	Administrative Assistant

GRANTS

For the year ended December 31, 2005

Summary

The Arts	\$ 657,500
Environment	1,070,000
Human Rights and Liberties	310,000
Peace and Security	97,500
Reproductive Rights and Services	685,000
Social Welfare	1,112,000
Miscellaneous	<u>310,200</u>
Total	\$ 4,242,200

Unless otherwise indicated, grants are for general support

*Represents a two-year grant

THE ARTS

Aaron Davis Hall New York, NY	\$ 25,000*
Alvin Ailey Dance Foundation New York, NY	20,000
Atlantic Theater Company New York, NY	20,000*
The Bronx Museum of the Arts Bronx, NY	25,000*
Brooklyn Philharmonic Brooklyn, NY	25,000*
Brooklyn Youth Chorus Academy Brooklyn, NY	25,000*
Center for Traditional Music and Dance New York, NY	25,000*
City Lore New York, NY	25,000*
The Classical Theatre of Harlem New York, NY	20,000*
The Culture Project New York, N	20,000*
Dance Theater Workshop New York, NY	30,000*
The Ensemble Studio Theatre New York, NY	10,000
The Harlem School of the Arts New York, NY	500
HOME for Contemporary Theater and Art New York, NY	20,000*
Jamaica Center for Arts and Learning Queens, NY	20,000
Manhattan Graphics Center New York, NY	20,000*
Music-Theatre Group New York, NY	20,000*
New York City Opera New York, NY	40,000*
New York Festival of Song New York, NY	20,000*
New York Foundation for the Arts New York, NY	30,000*

THE ARTS (continued)

New York Theatre Workshop New York, NY	20,000*
New York Youth Symphony New York, NY	20,000*
Performance Space 122 New York, NY	10,000
Playwrights Horizons New York, NY	30,000*
School of American Ballet New York, NY	25,000*
Second Stage Theatre New York, NY	20,000*
Sphinx Organization Detroit, MI	10,000
The Studio Museum in Harlem New York, NY	25,000*
Symphony Space New York, NY	7,000
Theatre for a New Audience New York, NY	25,000*
Third Street Music School Settlement New York, NY	25,000*
Total, The Arts	\$ 657,500

In 2004, the following organizations received two-year grants (for 2004 and 2005) in the Arts Program:

92nd Street Y – Tisch Center for the Arts	The Joyce Theater Foundation
Alliance of Resident Theatres/New York	Lincoln Center Theater
Ballet Hispanico of New York	Midori & Friends
Bronx Council on the Arts	National Dance Institute
The Bronx Opera Company	New Dramatists
Brooklyn Academy of Music	New York City Ballet
Brooklyn Arts Exchange	New York City Center
Brooklyn Museum	Orchestra of St. Luke's/St. Luke's Chamber Ensemble
Classic Stage Company	Symphony Space
Great Small Works	Vineyard Theatre
The Harlem School of the Arts	

ENVIRONMENT

Alaska Conservation Foundation Anchorage, AK	25,000
American Littoral Society Highlands, NJ	30,000*
The Center for a New American Dream Takoma Park, MD	15,000
Chesapeake Climate Action Network Takoma Park, MD	15,000
City Parks Foundation New York, NY	40,000*
<i>General Support</i>	25,000*
<i>Partnerships for Parks</i>	15,000*
Conservation Law Foundation Boston, MA	65,000*
Consumers Union of the United States Washington, DC	15,000
<i>Zero Waste Campaign</i>	
Environmental Advocates Albany, NY	45,000*
Environmental Grantmakers Association New York, NY	10,000
Friends of the Earth Washington, DC	45,000*

ENVIRONMENT (continued)

Green Corps Boston, MA	40,000*
Greenpeace Fund Washington, DC	55,000*
<i>Global warming and renewable energy</i>	
Healthy Schools Network Albany, NY	40,000*
INFORM New York, NY	15,000
International Council for Local Environmental Initiatives-U.S. Berkeley, CA	15,000
<i>Cities for Climate Protection Campaign</i>	
Land Trust Alliance Washington, DC	20,000*
<i>Northeast Program</i>	
Edmund S. Muskie Foundation Bethesda, MD	15,000
<i>National Caucus of Environmental Legislators</i>	
National Environmental Trust Washington, DC	65,000*
<i>Global Warming Public Education Campaign</i>	
New York City Environmental Justice Alliance New York, NY	15,000
New Yorkers for Parks New York, NY	30,000*
NYPIRG Fund New York, NY	80,000
<i>Clean Drinking Water Coalition 35,000</i>	
<i>Straphangers Campaign 45,000*</i>	
The Partnership Project Washington, DC	55,000
<i>Collaborative Environment Campaigns</i>	
Prospect Park Alliance Brooklyn, NY	25,000*
<i>Community Affairs Department</i>	
Residents' Committee to Protect the Adirondacks North Creek, NY	20,000*
Rocking the Boat Bronx, NY	15,000
The Sierra Club Foundation San Francisco, CA	50,000*
<i>Building Environmental Community Campaign</i>	
Southern Environmental Law Center Charlottesville, VA	55,000*
The Trust for Public Land New York, NY	35,000*
<i>New York City program</i>	
Union of Concerned Scientists Cambridge, MA	40,000*
<i>Northeast Climate Campaign</i>	
Western Environmental Law Center Eugene, OR	40,000*
Western Resource Advocates Boulder, CO	40,000*

Total, Environment **\$ 1,070,000**

In 2004, the following organizations received two-year grants (for 2004 and 2005) in the Environment Program:

- | | |
|--|---|
| Earthjustice | The Ocean Conservancy |
| Earthworks | Public Employees for Environmental Responsibility |
| Environmental Defense | Trees New York |
| Green Guerillas | Tri-State Transportation Campaign |
| League of Conservation Voters Education Fund | Trustees for Alaska |
| Natural Resources Defense Council | U. S. Public Interest Research Group Education Fund |

HUMAN RIGHTS AND LIBERTIES

American Civil Liberties Union Foundation New York, NY	60,000*
Electronic Privacy Information Center Washington, DC	40,000*
Global Fund for Women Palo Alto, CA	55,000*
NAACP Legal Defense and Educational Fund New York, NY	70,000*
New Israel Fund Washington, DC	25,000
Puerto Rican Legal Defense and Education Fund New York, NY	20,000
William J. Brennan Jr. Center for Justice New York, NY	40,000*
<i>Economic Justice Project in New York City</i>	

Total, Human Rights and Liberties **\$ 310,000**

In 2004, the following organizations received two-year grants (for 2004 and 2005) in the Human Rights and Liberties Program:

Asian American Legal Defense and Education Fund	New York Civil Liberties Union Foundation
Center for Constitutional Rights	New York Immigration Coalition
Human Rights First	People for the American Way Foundation
Human Rights Watch	

PEACE AND SECURITY

Center for Arms Control & Non-Proliferation Washington, DC	40,000*
The Henry L. Stimson Center Washington, DC	12,500
<i>Security for a New Century project</i>	
Nuclear Policy Research Institute Washington, DC	5,000
Ploughshares Fund Sturbridge, MA	5,000
<i>Peace and Security Funders Group</i>	
Public Education Center Washington, DC	20,000*
<i>National Security News Service</i>	
Women's Action for New Direction Education Fund Arlington, MA	15,000

Total, Peace and Security **\$ 97,500**

In 2004, the following organizations received two-year grants (for 2004 and 2005) in the Peace and Security Program:

Educators for Social Responsibility/Metropolitan Area Government Accountability Project	Peace Action Education Fund
Institute for Science and International Security (ISIS)	Physicians for Social Responsibility
MIIIS/Center for Nonproliferation Studies	Project on Government Oversight

REPRODUCTIVE RIGHTS AND SERVICES

Advocates for Youth Washington, DC	45,000*
American Civil Liberties Union Foundation New York, NY	45,000*
<i>Reproductive Freedom Project</i>	
Centre for Development & Population Activities Washington, DC	35,000*
EngenderHealth New York, N	35,000
Funders Network on Population, Reproductive Health and Rights Takoma Park, MD	5,000
Institute for Reproductive Health Access New York, NY	50,000*

REPRODUCTIVE RIGHTS AND SERVICES (continued)

International Women's Health Coalition New York, NY	50,000*
Ipas Chapel Hill, NC	45,000*
Ms. Foundation for Women New York, NY	60,000*
<i>Reproductive Rights Coalition Fund</i>	
Pathfinder International Watertown, MA	40,000*
Physicians for Reproductive Choice and Health New York, NY	40,000*
Planned Parenthood of New York City New York, NY	60,000*
Population Action International Washington, DC	35,000*
Population Communications International New York, NY	20,000
Population Connection Washington, DC	15,000
The Tides Center San Francisco, CA	20,000
<i>Pro-Choice Public Education Project</i>	
Religious Coalition for Reproductive Choice Education Fund Washington, DC	60,000*
Sexuality Information & Education Council of the United States New York, NY	25,000*

Total, Reproductive Rights and Services **\$ 685,000**

In 2004, the following organizations received two-year grants (for 2004 and 2005) in the Reproductive Rights and Services Program:

Catholics for a Free Choice	Medical Students for Choice
The Center for Reproductive Rights	National Abortion Federation
Choice USA	National Family Planning & Reproductive Health Association
Community Healthcare Network	Planned Parenthood Federation of America, Inc.
Feminist Majority Foundation	
International Planned Parenthood Federation/Western Hemisphere Region	

SOCIAL WELFARE

Abyssinian Development Corporation New York, NY	45,000*
Andrew Glover Youth Program New York, NY	35,000*
Association for Neighborhood & Housing Development New York, NY	50,000*
<i>Initiative for Neighborhood and Citywide Organizing</i>	
Bedford Stuyvesant Restoration Corporation Brooklyn, NY	40,000*
Brooklyn Workforce Innovations Brooklyn, NY	35,000*
Chess-In-The-Schools New York, NY	20,000*
Citizens for NYC New York, NY	25,000
Citizens' Committee for Children of New York, Inc. New York, NY	25,000
City Futures, Inc. New York, NY	15,000
<i>Center for an Urban Future</i>	
City Harvest New York, NY	15,000

SOCIAL WELFARE (continued)

Common Cents New York New York, NY	15,000
Common Ground Community HDFC New York, NY	50,000*
Food Bank for New York City, Food for Survival Bronx, NY	35,000*
FoodChange New York, NY	35,000*
Fund for the City of New York New York, NY	40,000*
<i>Center for Court Innovation</i>	
Good Old Lower East Side New York, NY	30,000*
Greenhope Services for Women New York, NY	15,000
Lawyers for Children New York, NY	45,000*
Make the Road by Walking Brooklyn, NY	40,000*
National Women's Law Center Washington, DC	40,000*
Neighborhood Family Services Coalition New York, NY	20,000
Neighborhood Funders Group Washington, DC	2,000
New York Lawyers for the Public Interest New York, NY	55,000*
<i>Environmental Justice and Community Development Project</i>	
New York State Tenants & Neighbors Information Service New York, NY	30,000*
<i>Preserving project-based Section 8 in NYC</i>	
Northwest Bronx Community & Clergy Coalition Bronx, NY	40,000*
Point Community Development Corporation Bronx, NY	40,000*
Pratt Institute Brooklyn, NY	10,000
<i>Campaign for Inclusionary Zoning</i>	
Project Hospitality Staten Island, NY	25,000*
Sanctuary for Families New York, NY	35,000*
Settlement Housing Fund New York, NY	30,000*
Sustainable South Bronx Bronx, NY	30,000*
UPROSE Brooklyn, NY	30,000*
The Urban Homesteading Assistance Board New York, NY	20,000
<i>Home to Stay campaign</i>	
Welfare Law Center New York, NY	40,000*
<i>Project Fair Play New York</i>	
Women In Need New York, NY	30,000*
Women's Advocate Ministry New York, NY	25,000*
Total, Social Welfare	\$ 1,112,000

SOCIAL WELFARE (continued)

In 2004, the following organizations received two-year grants (for 2004 and 2005) in the Social Welfare Program:

Binding Together, Inc.	Fresh Youth Initiatives
Brooklyn Legal Services Corporation A	inMotion
The Brotherhood/Sister Sol	Lawyers Alliance for New York
Center for Alternative Sentencing and Employment Services	MFY Legal Services, Inc.
Center for Community Change	New York ACORN
The City Project	New York City Coalition Against Hunger
City-Wide Task Force on Housing Court	Nontraditional Employment for Women
Community Resource Exchange	The Osborne Association
Community Voices Heard	Pratt Center for Community Development
The Correctional Association of New York	SCAN New York
Court Appointed Special Advocates	Trickle Up Program
The Door - A Center of Alternatives	United Neighborhood Houses
East Harlem Tutorial Program	Vocational Foundation, Inc.
Educational Priorities Panel	Volunteers of Legal Service
Federation of Protestant Welfare Agencies	Women's Housing and Economic Development Corporation
Fifth Avenue Committee	Youth Ministries for Peace and Justice

MISCELLANEOUS

Alliance for Justice Washington, DC	40,000*
Center for Policy Alternatives Washington, DC	30,000*
The Center for Public Integrity Washington, DC	25,000*
Co-op America Foundation Norwalk, CT <i>MinutemanMedia.org</i>	15,000*
Demos: A Network for Ideas and Actions New York, NY	20,000*
International Rescue Committee New York, NY <i>Unmet needs in Sudan</i>	10,000
The New York Public Library New York, NY <i>Research Libraries</i>	135,000*
New York Regional Association of Grantmakers New York, NY	5,200
Taxpayers for Common Sense Washington, DC	<u>30,000*</u>
Total, Miscellaneous	\$ 310,200
Total Contributions	\$ 4,242,200

In 2004, the following organizations received two-year grants (for 2004 and 2005) in the Miscellaneous Program:

Center for Investigative Reporting	Lower East Side Tenement Museum
Focus Project, Inc./OMB Watch	New York Botanical Garden
International Rescue Committee	WNYC Foundation

Summary of Financial Activities for the Year Ended December 31, 2005

Changes in unrestricted net assets

Revenues

Interest	\$ 758,536	
Dividends	<u>1,104,250</u>	
Total revenues		\$ 1,862,786

Expenses

Contributions	\$ 4,242,200	
Investment expense	534,756	
General and administrative	<u>736,553</u>	
Total expenses		\$ 5,513,509

Decrease in unrestricted net assets before net change in marketable securities		(3,650,723)
Net change in marketable securities		<u>2,946,346</u>
Decrease in unrestricted net assets		(704,377)
Unrestricted net assets, beginning of year		<u>78,377,329</u>
Unrestricted net assets, end of year		\$ 77,672,952

Statement of Assets at December 31, 2005

Cash	\$ 58,307	
Cash equivalents and short term Investments	3,938,804	
Investments	73,653,504	
Other	<u>22,337</u>	
Total assets		\$ 77,672,952