The Gerber Foundation

2015 Annual Report

FOUNDATION
ESTABLISHED
1952

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INTRODUCTION

The Gerber Foundation was established in 1952 as the Gerber Baby Foods Fund by Daniel Gerber, Sr. and Gerber Products Company, and provided $14,700 in support to various organizations in that first year. While the Gerber name may imply a strict interest in infant nutrition, our commitment is to a much broader range of activities significantly impacting issues facing infants and young children.

The mission of the Foundation – to enhance the quality of life of infants and young children in nutrition, care, and development – remains the guiding beacon for Foundation giving. Accordingly, priority is given to US research projects whose primary beneficiaries are young children from birth to three years of age. We are particularly interested in research that could provide clinically useful insights and lead to positive changes in the pediatrician's day-to-day practice.

As of the end of 2015, the Foundation has awarded nearly $109 million in grants to individuals and institutions throughout the world. While the Foundation maintains a small grant program that reflects our ongoing commitment to West Michigan communities, the vast majority of the Foundation's grant dollars are distributed on a competitive basis for national research focused on pediatric health and/or nutrition concerns, including the effects of environmental hazards on the well-being of infants and young children. Through our grant-making efforts, we are committed to improving the health and well-being of the youngest members of our society.

THE GERBER FOUNDATION
BOARD OF DIRECTORS

"The real voyage of discovery consists not in seeking new landscapes, but in having new eyes."
- Michael Proust

Foundation Spans Country, Research Topics to Improve Child Health

All of the research supported by the Gerber Foundation over the years has been tied to one common purpose – to make children's lives better.

The professionals who ask the foundation to support their work share this passion. In 2015, that led to $3,403,850 in funded studies to support diverse research at institutions across America.

Five studies relate to cardiac health. Two, at Boston Children's Hospital, are examining the regulation of blood vessel development in the lungs of infants after surgery for congenital heart defects and the energy expenditure in infants following cardiac surgery.

Researchers at Oregon Health and Science University are studying methods used during cardiac surgery in infants to reduce the number of transfusions needed during procedures. At the University of Rochester, a study is evaluating the use of a chest shield in infants undergoing phototherapy on closure of a patent ductus arteriosis. And, at Cincinnati Children's Hospital, a screening tool for infants with cardiac defects is being examined to determine the risk of adverse cardiac events during sleep.

Several researchers are focusing on infant respiratory issues: at Stanford University, a study of two anesthesia techniques and their effects on the brain; at Children's Hospital of Michigan, on the use of caffeine at two different time points to reduce the amount of time needed on a mechanical ventilator; at Rainbow Babies and Children's Hospital of Cleveland, where researchers are testing supplementation with Inositol to treat and prevent apnea of prematurity; and at Children's Hospital of Los Angeles, on the use of earlier dosing of caffeine in neonates.

The Sharp Mary Birch Hospital in San Diego is the site of a study on brain monitoring techniques during resuscitation shortly after birth.

A number of funded programs are aimed at the body's immune functions: Nationwide Children's Hospital of Columbus is involved in a study of biomarkers for Rhabdomyosarcoma and a second on the safety of Rotavirus vaccination in NICU infants. The Cincinnati Children's Hospital is testing a therapy for neonatal herpes simplex virus, while at St, Louis University, researchers are looking at vitamin D status and its relation to chorioamnionitis, an infection in the amniotic fluid. Vitamin D status and its impact on inflammatory markers and immune function in newborns also is the focus of a Cornell University study.

The University of Washington and Cincinnati Children's Hospital are involved in studies related to the urinary tract. The University of Washington is evaluating a diagnostic test to determine the best antibiotics to use to treat urinary tract infections in infants and toddlers, while Cincinnati Children's Hospital is examining a urinary biomarker for urinary tract infections in infants.

Nutrition and digestion issues are a common theme of five approved projects. These studies entail the safety and tolerability of Lactoferrin supplementation in premature infants at the University of Virginia, human milk factors and development of the gut microbial flora diversity at the University of Southern California, optimizing nutrition in premature infants at the University of Texas, Southwestern in Dallas, evaluating the benefits of oral swabs of mother's milk in newly born premature infants at NorthShore University, and evaluating iron overload in premature infants undergoing ECMO ventilator therapy at Children's Hospital of Los Angeles.

Finally, researchers at Duke University are studying exposures to organophosphate flame retardants and the effects on children's immune function.

Research discussed in this annual report
Dr. Nancy Rodriguez at the NorthShore University HealthSystem is evaluating the benefits of oral swabs of mother's milk in newly born premature infants. Dr. Sharon Donovan at the University of Illinois is conducting a longitudinal study to observe the impact of breastfeeding versus formula feeding on intestinal microbes. And at Boston Children's Hospital, Dr. John Kheir is researching the optimum blood pressure for oxygen delivery for babies who require heart surgery when born without a left heart ventricle.

Barbara J. Ivens
Board President

Catherine A. Obits
Program Director

NATIONAL GRANTS

Boston Children's Hospital (Paul Tannous, MD) Boston MA MicroRNA-mediated regulation of pulmonary angiogenesis following surgical palliation of children born with Hypoplastic Left Heart Syndrome	**20,000**
Boston Children's Hospital (Kyoung Joung, MD) Boston MA Resting energy expenditure in neonates with critical congenital heart disease following cardiac surgery	**19,977**
Children's Hospital of Los Angeles (Jennifer Shepherd, MD) Los Angeles CA Early caffeine in preterm neonates	**20,000**
Children's Hospital of Los Angeles (Aaron Reitman, MD) Los Angeles CA Evaluation of iron overload in neonates who receive ECMO	**20,000**
Cincinnati Children's Hospital (Robyn Stamm, DNP, CPNP) Cincinnati, OH Screening infants with single ventricle physiology for abnormal cardiopulmonary patterns during sleep	**20,000**
Cincinnati Children's Hospital (Laura Brower, MD) Cincinnati, OH Testing and empiric therapy for neonatal herpes simplex virus	**19,618**
Cincinnati Children's Hospital (Catherine Foster, MD) Cincinnati, OH Urinary NGAL deficiency in patients with recurrent urinary tract infections	**19,984**
Cornell University (Hey Jun Park, MD) Ithaca NY Vitamin D status and metabolism in pregnant and non-pregnant control women consuming controlled and equivalent intakes of vitamin D	**19,838**
Duke University (Cora Best, PhD) Durham NY Immune function in children exposed to organophosphate flame retardants	**220,198**
Nationwide Children's Hospital (Michael Arnold, MD PhD) Columbus OH Identification of prognostic markers in Rhabdomyosarcoma	**$43,788**
Nationwide Children's Hospital (Pablo Sanchez, MD) Columbus OH Rotavirus vaccination in infants in the NICU	**$220,000**
Northshore University (Nancy Rodriguez, PhD APN) Chicago IL Efficacy of oropharyngeal mother's milk: late-onset sepsis in ELBW infants	**$347,728**

Oregon Health and Science University (Weronika Crescini, MD) Portland OR Efficacy and safety of acute normovolemic hemodilution in pediatric cardiac surgery patients	**$19,999**
Rainbow Babies and Children's Hospital (Peter MacFarlane, PhD) Cleveland OH Inositol supplementation for the treatment and prevention of apnea of prematurity	**$281,466**
Sharp Mary Birch Hospital (Anup Katheria, MD) San Diego CA Measuring function and development of the preterm newborn brain via multimodal neuromonitoring during birth resuscitation	**$209,818**
Stanford University (Lisa Wise-Faberowski, MD) Palo Alto CA Anesthesia and the developing brain: a comparison of two anesthetic techniques	**$330,000**
St Louis University (Joyce Koenig, MD) St Louis MO Th17-mediated inflammation and vitamin D status in chorioamnionitis	**$204,070**
University of Rochester (Javed Mannan, MD) Rochester NY Effect of chest shielding on PDA in premature infants undergoing phototherapy	**$20,000**
University of Southern California (Michael Goran, MD) Los Angeles CA Effects of human milk oligosaccharides on the developing infant gut microbiome and adiposity changes in early infancy	**$349,997**
University of Texas Southwestern (Luc Brion, MD) Dallas TX Optimizing individual nutrition in preterm very low birth weight infants	**$349,999**
University of Virginia (David Kaufman, MD) Charlottesville VA Safety and tolerability of lactoferrin in very low birth weight infants	**$121,000**
University of Washington (Evgeni Sokurenko, MD PhD) Seattle WA Rapid diagnostic assay to guide empirical selection of antibiotic agents for pediatric urinary tract infections	**$297,250**
Wayne State University (Nitin Chouthai, MD) Detroit MI Trial of early versus peri-extubation caffeine for extremely low birth weight newborns	**$229,238**
TOTAL NATIONAL GRANTS AWARDED:	**$3,403,850**

NATIONAL GRANT HIGHLIGHTS

Applicant: Sharon M. Donovan, PhD, RD
Institution: University of Illinois, Department of Food Science and Human Nutrition
Funded Study: Modulation of Infant Microbiome and Metabolome by Dietary Oligosaccharides
Approved: $297,447

Mother's milk may hold clues to childhood weight gain, long term health

Breast milk is a super food.

It not only provides nutrients essential to the growth of the infant, it also contains microbes and their fuel source, human milk oligosaccharides, or HMO, which can be thought of as the fiber of human milk.

Wait. We actually want this microbiotic invasion?

"Yes," says Dr. Sharon Donovan, a pediatric nutritionist at the University of Illinois. "A germ-free environment is not healthy. Our bodies need a microbiome," she said.

Microbes in the intestine bring with them a natural benefit. They help produce vitamins, extract energy from fiber, and play a role in regulating normal development of the intestine and the body's immune system, Dr. Donovan said.

This is one reason why breast feeding is considered so important during the first several months of a child's life. It's when all those beneficial, infection-fighting microbes are doing their best work.

Newborns have "a near-sterile" gut, so it's critical in the early stages of life for the early microbiota that the infant is exposed to, to be controlled in such a way that healthy bacteria are allowed to colonize, while unhealthy bacteria (pathogens) are inhibited, Dr. Donovan said.

The mother's diet is part of this equation. Human milk contains a high concentration of HMO that feed the microbiota and can help keep pathogens from attaching to the lining of the intestine and causing infection. The types of HMO found in human milk are influenced by the mom's genetics.

So, what happens to babies who are formula-fed and do not get exposed to HMO or microbes in the diet? Or when breast-feeding and formula-feeding are mixed together?

This is where Dr. Donovan and her research team come in. They are studying the effect of early-life nutrition, environment, and genetics on a child's development and long-term health.

When the microbiota are abnormal, a host of potential disease is introduced, leading to such ailments as obesity, diabetes, allergies, and others, she said.

In the early stages of her "Strong Kids" program, a longitudinal, observational study on child nutrition and growth and the factors that influence healthy weight trajectories, Dr. Donovan noted that, by 5 years of age, 35 percent of children were in the overweight or obese categories. In fact, between the ages of 2 and 5, very few lost weight. Most kept their overweight status or even gained weight.

"We realized we needed to start earlier in the child's life," Dr. Donovan said.

The study participants complete surveys at specified intervals when their baby is between 1 week of age and 5 years of age. Questions focus on physical health, the child's sleep and eating habits, routines and activities, food choices, ways the family communicates, and media use.

Along with the questionnaire data, a researcher visits at the same time to complete a food inventory, measure the child's length/ height and weight, and the mother's height and weight. Saliva, breast milk, formula, and stool samples also are collected.

To date, the study has led to some enlightening moments. One, "a large percentage (40 percent) of our moms continue to exclusively breastfeed for a year," Dr. Donovan said. This is good, she added, because many studies show the greater benefits of exclusively breastfeeding for 12 months, versus three or six months only.

At the study's start, 70 percent of moms were breastfeeding, 20 percent were combining breast feeding with formula feeding, and 10 percent were formula feeding only. Dr. Donovan noted, however, that the study is taking place in a college town, so the cohort is not representative nationally. "Here 60 percent have a college degree, so they are better educated, married, and career-oriented," she said.

Also noteworthy, she said, is that combined feeding – breast-fed and formula-fed - has been virtually ignored in most studies to this point, so "we are really looking into the impact of this," as this is a common way in which infants in the U.S. are fed after moms return to work.

So far, growth trajectories of infants in the study differ between those who are exclusively breast-fed or formula-fed, and combined, she noted.

"Between 6 months and 9 months there is a dramatic shift

in the population," Dr. Donovan said. "Specifically, the infants are getting heavier. The percentage of infants in our cohort who are normal weight drops from 80 percent to 60 percent, and babies are moving into the overweight or obese categories.

"When we looked at how these infants were being fed, we found it was the exclusively formula-fed infants who were contributing the most to the higher weight categories, rather than the breast- or combined-fed infants."

Some of the factors that change during this time frame, she said, is the introduction of weaning foods for infants' foods and the beginning of day care use, when breastfeeding becomes more of a challenge.

Dr. Donovan said she is extremely grateful for the Gerber Foundation's support of her study, which will enable her to complete the analyses of the infant microbiota and HMO content in the first year of life.

She said she believes that the findings will help researchers understand the many factors that impact young children's health and weight status and lead to better guidelines and interventions in child nutrition.

Applicant: Nancy A. Rodriguez PhD, APN, NNP-BC
Institution: NorthShore University Health System and University of Chicago, Pritzker School of Medicine
Funded Study: Efficacy of Oropharyngeal Mother's Milk: Late-Onset Sepsis in ELBW Infants
Approved: $297,447

Oral administration of breast milk may help defend against diseases of pre-term birth

Breast milk contains many essential vitamins and nutrients babies need in the first six months of life.

Now a novel study is examining whether babies born extremely premature, especially those weighing less than 1,000 grams (two pounds) at birth, can still receive these health benefits by swabbing several drops of breast milk on the inside of their mouths until they are able to breastfeed.

These extremely low birth weight infants (ELBW) typically go without their mother's milk for several days after birth, said Dr. Nancy Rodriguez, principal investigator.

"These babies are just too sick in the first days of life to take milk directly into their stomach," she said. And once started, the "feedings" are given by placing a nasogastric tube in the baby's nose, which is the standard of care in hospital neonatal intensive care units (NICUs).

Since the milk is given through the nasogastric tube, the back of the infant's throat – the oropharynx - is not exposed to protective immune (milk) factors.

In a normal term pregnancy, the fetus receives mouth and throat exposure to amniotic fluid, which is rich in protective immune components.

Unfortunately, ELBW infants miss out on much of this protection because they are born before the last trimester of pregnancy.

Yet breast milk is an excellent substitute for many of the benefits to the infant's intestine and immune system found in amniotic fluid, Dr. Rodriguez said.

"Mother's milk is rich in growth factors that help the baby's intestine to grow and develop. It contains proteins that protect the baby from infection, and other components that promote beneficial gut bacteria," she said.

Breast milk also contains antioxidants that protect the baby from diseases of prematurity, and has especially high amounts in the first three days babies are born.

Dr. Rodriguez and her research colleagues, including co-investigator Dr. Michael Caplan, believe that introducing breast milk sooner - via the mouth swabs - in extremely low birth weight infants can help ward off two life-threatening conditions that plague these infants - late-onset sepsis and necrotizing enterocolitis.

Late-onset sepsis arises when bacteria enters the blood-stream and causes widespread infection with potential injuries to the body's tissues and organs. With necrotizing enterocolitis, the wall of the intestine is invaded by bacteria, causing local infection and inflammation that can ultimately destroy the wall of the bowel (intestine).

Both conditions are potentially fatal, costly and handicapping infections, Dr. Rodriguez said.

With many of the same protective factors as amniotic fluid, "breast milk offers the potential to stimulate the immune system to protect against infection until the baby reaches 32 weeks of age and is able to independently breast feed," Dr. Rodriguez said.

Placing small drops of milk, followed by gentle swabbing, to the inside of the infant's mouth is a new way of giving the ELBW baby breast milk and can be started as early as 24 hours after birth.

While this method of administering medications has been shown to be useful and safe in adults, it has not been well-studied in premature infants, she noted.

"We want to learn whether the protective components in breast milk can be absorbed from the baby's mouth, throat and stomach and increase the baby's ability to digest feedings and fight infection," Dr. Rodriguez said.

The researchers will enroll 475 ELBW infants hospitalized in neonatal intensive care units in five hospitals in the United States whose mothers choose to pump and provide breast milk.

Babies are assigned randomly to one of two groups - those that receive their own mother's milk, and those that receive a sterile water placebo. The milk or placebo is administered by placing four drops to each side in the baby's mouth, which are then swabbed for 10 seconds to evenly distribute the solution. This is done every two hours for an initial treatment period of 48 hours, followed by an extended treatment period that ends when the baby reaches 32 weeks corrected gestational age.

Nurses and physicians are "blind" to group assignment and therefore do not know what group the babies are in, or whether they are receiving milk or placebo.

A small sample of the baby's urine, and the mother's milk, are

taken before beginning the initial treatment period and again after 48 hours. A stool sample is collected from the baby's diaper when the diaper is changed, and the baby's mouth is swabbed to obtain a culture to determine whether the mother's milk is promoting beneficial bacteria in the mouth.

After this initial treatment period, drops are given every three hours and continue until the baby reaches 32 weeks corrected gestational age. Urine samples are collected at seven days of age, and stool samples at two weeks of age.

At the completion of the extended treatment period, milk, urine and stool samples are collected, and swabs of the oral mucosa are collected when the stool samples are obtained. All samples are measured for changes in the amounts of proteins, immune components, beneficial bacteria, and antioxidants that protect the infant against infection and diseases of prematurity.

During the baby's hospitalization, information is collected relating to the baby's stay in the NICU, his/her feedings, any infections, and diseases of prematurity, if they occur. Samples of the mother's milk also are collected three times during the study, when the baby's urine samples are collected. These milk samples are measured for the amounts of proteins and other components that protect the baby against infection and diseases of prematurity.

Feeding information and infection rates for babies in this study will be examined to determine whether babies who received their mother's own milk via oropharyngeal administration (placing drops in the baby's mouth) digested feedings better and had fewer infections and diseases of prematurity during their hospitalization.

The researchers also measure the amount of protective proteins, immune components, and antioxidants in the urine and/or stool.

"We hope to show that this method of administering breast milk is effective in protecting extremely premature babies against infection, feeding problems, and diseases of prematurity," Dr. Rodriguez said.

In the U.S., almost 64,000 infants annually are born before reaching 32 weeks gestation and are unable to breastfeed after birth. If Dr. Rodriguez's method of administering breastmilk is protective against late-onset sepsis and necrotizing enterocolitis, it will "represent a substantial cost savings in U.S. health dollars and improved health outcomes for these vulnerable infants," she said.

"This could lead to a paradigm shift in the field of neonatology: the concept of utilizing breast milk in this manner as a safe, natural, easy, inexpensive and readily available immune therapy to reduce the risk of potentially lethal, costly, handicapping infections for ELBW infants," she said.

If the anticipated positive results are achieved, this study has "the potential to completely revolutionize neonatal practice, decrease mortality, and improve long-term neurodevelopmental outcomes for these infants in the United States, and likely worldwide," Dr. Rodriguez said.

"We are very excited, and so very thankful to the Gerber Foundation for helping to fund this important work."

Applicant: John N. Kheir, MD
Institution: Boston Children's Hospital, Harvard Medical School Teaching Hospital
Funded Study: Determination of the ideal systemic vascular resistance for patients recovering from stage 1 palliation for critical congenital heart disease
Approved: $297,800

Work aims to improve outcomes for 'sickest patients in the world'

It was during his cardiology fellowship that Dr. John Kheir first worked with what he calls "the sickest patients in the world" – babies born without a left heart ventricle.

Called hypoplastic left heart syndrome (HLHS), children born with this condition represent the most vulnerable of all congenital heart patients, Dr. Kheir says.

One of the key functions of the heart is to deliver oxygen to the body. The left ventricle is the thickest of the heart's chambers and is responsible for pumping high-pressure, oxygenated blood to tissues all over the body.

The right ventricle only pumps low-pressure blood to the lungs. It is not designed to do the work of both.

But that's exactly what doctors ask it to do within a few days of an HLHS infants' birth. They attach both the aorta and a separate tube graft for the lungs to the right ventricle in a procedure called the stage 1 palliation. This makes the right ventricle alone do the work that both ventricles were meant to do together, placing these infants at risk.

"The heart is designed to pump blood in series," Dr. Kheir said, "first one ventricle, then the second. The challenge with stage 1 palliation is that it results in two circulations working in competition."

The blood that leaves the single pumping chamber flows to either the body or the lungs in proportion to the relative resistances of each of these circulations, he noted. Thus, lowering the resistance – the blood pressure - for the blood flowing to the body helps deliver oxygen-rich blood where it is needed.

The extent to which this blood pressure should be lowered to optimize oxygen delivery is the focus of Dr. Kheir's Gerber Foundation-funded study. He is exploring two new tools which may help doctors quantify how much oxygen is being delivered to the child's brain, heart and other organs, and when the blood pressure is in optimal ranges.

This study is taking place in newborn children with congenital heart disease in the Cardiac Intensive Care Unit at Boston Children's Hospital. Approximately 40 newborns will participate, 30 with hypoplastic left heart syndrome and 10 with transposition of the great arteries.

"It is important that we understand what the optimal blood pressure is – and the systemic vascular resistance - following surgery for HLHS," he said. "We have already found that even small decreases in blood pressure result in dramatic increases in systemic oxygen delivery."

The first measurement utilizes a catheter to continuously monitor the amount of oxygen that returns unused from the brain back to the heart. When the circulation is normal, only a small amount of oxygen is extracted and the blood returning to the heart is more oxygen-rich. Thus, one sign that oxygen delivery is lower than normal is that blood returning to the heart is oxygen-deprived.

The second measurement is the amount of oxygen the child consumes each minute, measured by a small device that fits onto the end of the breathing tube and attaches to a monitor.

The goal, Dr. Kheir explained, is to create a monitoring algorithm that establishes the adequacy of oxygen delivery to the tissues, and to optimize it with sedation, fluids, and the baby's time on the ventilator.

"Optimizing each of these factors may improve the outcomes of children with congenital heart disease in the future," he said, adding that he is "heartened" by where the study data is going and is "incredibly grateful for empowering funding from the Gerber Foundation."

NATIONAL RESEARCH GRANT GUIDELINES

FOUNDATION GOALS

The Foundation's mission focuses on infants and young children. Accordingly, priority is given to projects that improve the nutrition, care and development of infants and young children from the first year before birth to three years of age.

The Foundation is particularly interested in fresh approaches to solving common, everyday problems or emerging issues within our defined program areas. Projects should be focused on issues faced by care providers that, when implemented, will improve the health, nutrition and/or developmental outcomes for infants and young children. Projects may include research on etiologic mechanisms, diagnostic procedures, reduction of side effects or symptoms, therapies or treatment, dosing (under or over) for drugs, nutrients or other therapeutics, or preventative measures. Projects may be focused on small incremental changes with defined outcome parameters.

The Foundation gives priority to projects of national or regional impact. Foundation support is not typically ongoing. Project outcomes should be of sufficient impact, if successful, to generate long-term support from other sources.

PRIMARY INTERESTS

The Foundation has three primary categories of interest in its national grant-making program:

Pediatric Nutrition. These projects respond to a long-time interest of the Foundation in assuring adequate nutrition for infants and young children. Projects include applied research that evaluates the provision of specific nutrients and their related outcomes in infants and young children.

Pediatric Health. Projects in this category respond to the Foundation's interest in promoting health and preventing disease. We are especially interested in applied research focused on preventing serious neonatal and early childhood illnesses, and on preventing the development of serious, chronic illnesses later in life. We also welcome research that evaluates or improves cognitive functioning in infants and young children, or the social and emotional aspects of development.

Environmental Hazards. Finally, we are interested in research that evaluates the effects of environmental hazards on infants and young children and, ultimately, promotes children's health and well-being. Projects might include applied research that documents the impact of, or ameliorates the effect of, environmental hazards on the development of infants and young children.

WHAT WE DO NOT FUND

While we endeavor to maintain a high degree of flexibility in our programming, we do observe several practical limitations. We do not make grants or loans to individuals. Outside the West Michigan area, we do not support capital campaigns, operating support, event sponsorship, exclusive food or baby products giveaway programs, national child welfare programs, international based programs, or product testing for commercialization purposes.

WHO CAN APPLY

Organizations recognized as tax-exempt under Internal Revenue Code 501(c)(3) or a federal, state or municipal unit exempt from federal, state and local taxes are eligible to apply for Foundation grants. Organizations must also be determined not to be private foundations under Internal Revenue Code 509. No grants are made to individuals.

With few exceptions, only organizations with principal operations in the United States and its territories are eligible for funding. Within the United States, there is no geographic limitation to the Foundation's grant-making.

FUNDING LIMITATIONS

Projects requiring small grants (generally under $50,000) are typically local in scope and impact, and therefore may not be within the scope of national funding initiatives, with the exception of Novice grants made to young investigators. Novice research grants are limited to $20,000 and all other research grants are limited to $350,000 over a maximum 3-year period. The researcher should clearly describe the impact Foundation dollars will have on the course of the project.

In some cases, projects are best funded by multiple funders to provide evidence of broad acceptance of the project concept or potential outcome. At other times, the role of single project donor is appropriate. In either instance, you should make the case for your funding plan.

HOW TO APPLY

Step One: Review Foundation interests and limitations above.
In all of our grant-making, the Foundation is particularly interested in fresh approaches to solving common, everyday problems in our defined program areas, approaches that, if proven successful, can generate long-term support from other sources, research and interventions that promote the health and well-being of infants and toddlers up to the age of three, and approaches and activities that lead to systemic change. We welcome and encourage contact from researchers at any time.

Step Two: Review general application guidelines and procedures.
General application guidelines and procedures can be found under the "Pediatric Research" tab on our website (www.gerberfoundation.org).

Step Three: Submit a letter of inquiry/concept paper.
The concept paper should outline the hypotheses to be examined, the methods to be used, and the type of result to be anticipated. A cover letter should provide information on the researcher and the organization. Submission is through our online system at https://gerberfoundation.smartsimple.com. The letter enables the Foundation staff and Trustees to determine the relevance of the proposed project to the Foundation's interests. Concept papers are due June and December 1st of each year.

Step Four: Submit full proposal.
If the concept paper is accepted, the full proposal will be submitted online. Proposal deadlines are February and August 15 of each year.

REVIEW PROCESS

Organizations seeking grants should begin the application process at least six months before the start of the proposed grant period. Concept papers are initially reviewed by program staff and select Trustees. If recommended for a full proposal, the full proposal is subject to review and approval under guidelines established by the Foundation's Board of Trustees.

Letters of inquiry are due June and December 1 with grant awards approved in November and May, respectively.

CONTACTING THE FOUNDATION

For questions, contact the Program Manager, Catherine Obits in writing at 4747 West 48th Street, Suite 153, Fremont, Michigan 49412-8119. You may phone us at (231) 924-3175. Our fax number is (231) 924-7906, and our email address is tgf@gerberfoundation.org

APPLICATION PROCEDURES

Full Proposal Format

The Full Proposal provides an in depth description of the project, enabling the Foundation to assess the scientific merit and quality of the research. Both lay and medical professionals will review the proposal. Medical jargon should be limited, where feasible. (Please use lay terminology).

The proposal includes the following information: Each heading here refers to a tab in the application system.

PROJECT INFORMATION

1. Covering letter, signed by a senior administrative official of the applying organization, briefly describing the applicant organization and endorsing the project. Note: this carries over from the concept paper but you have the option to delete it and upload a new one if you wish.
2. Synopsis/abstract of the proposal, including hypotheses, methods, and expected outcomes.
3. Planned target enrollment by year and by group
4. Study design (randomized, observational, proof of concept, etc)
4. Hypothesis(es) and objective(s)
5. Uploaded proposal narrative (Limit 15 pages, double spaced in pdf format). This is the main source of proposal information and should include:
   - Goals, objectives, and methods to be used
   - Size of the population to be studied in terms of age, gender, ethnicity, the source of subjects, and the recruitment process
   - Description of evaluation measures in place or planned to assess project results and outcomes
   - Expected impact of the project nationally or regionally, potential for project replication or ways in which the project responds to the Foundation's preference for broad impact projects.
6. Uploaded schedule/timeline of events (in pdf format). Include time periods for achieving enrollment targets of 25%, 50%, 75% and 100%.
7. Outcomes/measures to be used
8. Plan for acknowledging Foundation support

TEAM INFORMATION

1. List of team members and contact information
2. Uploaded biosketches of principal investigator and significant support staff
3. Novice researchers should include their mentor in the team list and provide a biosketch for the mentor.

BUDGET

1. Uploaded line item project budget, by year. If a multi-year project, travel to a conference is not allowed in year 1. Indirect costs are limited to 10%. Salaries: Percentage of time applied to grant for PI and Co-PI's will not exceed 30% per person. Base salaries for PI and Co-PI's will not exceed the base salary imposed for NIH grants.
2. Plan for project funding, including a description of any current or requested funding from other major donors.
3. Budget narrative summary including description of duties of investigator and staff

ORGANIZATION INFORMATION

1. Pre-award contact information (Development officer)
2. Uploaded brief description of applying organization, its current programs, services, and population(s) served
3. Uploaded board roster, indicating names and affiliations of the organization's governing board
4. Uploaded most recent Independent Audited Financial Statement. This must include the balance sheet, statement of revenues, and cash flow statement from an independent auditor (not internal or governmental audit).
5. Uploaded IRS documentation indicating that the applying organization is tax exempt and is not a private foundation (for non-government agencies)

OTHER DOCUMENTS

1. Uploaded statement of collaborations with other institutions (sub-contracts, etc.)
2. Uploaded Informed Consent documentation for human subject studies. Please provide a draft if not approved yet.
3. Uploaded Scientific references
4. Optional items (uploaded)
   - Letters of support form organizations with key input or interest in the project
   - Relevant news articles
   - Organization's annual report
   - Organization newsletters

Due dates are February 15 and August 15 of each year.
Applications are submitted through https://gerberfoundation.smartsimple.com
Individuals seeking assistance with their proposal may contact the Foundation at any time.

"There are only two lasting bequests we can hope to give our children.
One of these is roots, the other, wings."
- Johann Wolfgang von Goethe

West Michigan Grants

Local grants fuel creativity, improve services for youth

Engaging kids' minds was the reason behind a number of West Michigan grants approved by the Gerber Foundation in 2015.

Funding to help expand access to youth services and activities also was part of the Foundation's $382,000 in grant awards to human services agencies and youth programs.

To improve early childhood literacy, the foundation granted $15,875 for the program 1000 Books before Kindergarten to Newaygo County's five public libraries. Additional grants supported Reach Out and Read, which supports early literacy through local physician offices and the Luther Public Library's preschool story hour. The Muskegon Area Intermediate School District received $10,000 for their Read Early, Read Often preschool program.

Outdoor recreation and summer youth camp activities received several grants, such as the Muscular Dystrophy Association's program for handicapped children, the Rose Lake Youth Camp, and a program run by Harbor Hospice for children who have suffered the loss of a family member or friend.

Camp Newaygo's science camp and general summer camp, TrueNorth's Parks in Focus program for Big Brothers, Big Sisters, and the Blue Lake Fine Arts Camp also received funding.

Grants also went to Michigan State University's College of Human Medicine program Osteochamps, for students interested in a health care field, and for Camp Pendalouan summer camp scholarships.

Learning opportunities for young people are frequent targets for Gerber Foundation support. In 2015, grants were approved for the Future Farmers of America programs at Ravenna, Fremont, Montague, the Newaygo County Career-Tech Center and the Muskegon Area Career-Tech Center so students could attend the Washington Leadership Conference. This is a week-long trip filled with events and learning opportunities that revolve around agriculture.

Grants also were made to the Newaygo County Regional Educational Service Agency (NCRESA) for a STEM expo and the FIRST Robotics program, to encourage learning in math and science.

Lake and Newaygo county's MSU Extension offices won support for youth to visit Lansing to learn about government and for 4-H Exploration Days, where young people can learn about careers in a variety of fields and experience college life on the MSU campus.

Additional grants were made to the United Way of the Lakeshore, Pathfinders, Community enCompass, and the West Michigan Community Help Network, for afterschool and youth mentorship programs.

Health care and safety programs that benefit young people also were funded: to the Newaygo County Prevention of Child Abuse, for childhood safety programs; to Northwest Michigan Health Services in Shelby and to Baldwin Family Health Care, to expand oral health services for children; and to Hackley Community Care of Muskegon, to support development of a new Teen Health Center at Oakridge Public Schools.

NCRESA received funding support to open their new agricultural sciences facility in Fremont, and the Hope Network Foundation in Grand Rapids was awarded a grant to build a playground specially designed for use in their child autism assessment program.

WEST MICHIGAN GRANTS

Arts Center for Newaygo County	
6th Grade ballet experience	**1,500**
Baldwin Family Health Care	
For expansion of dental services	**40,000**
Blue Lake Fine Arts Camp	
Camp scholarships	**6,000**
Camp Newaygo	
Science Camp Scholarships	**15,138**
Camp Scholarships	**10,000**
Camp Pendalouan	
Camp Scholarships	**6,000**
Catholic Charities of West Michigan	
Muskegon Teen Parent Program	**10,000**
Muskegon Healthy Families	**5,000**
Oceana Teen Parent Program	**5,000**
Community enCompass	
Youth Empowerment program	**8,000**
Every Women's Place	
Girls On the Run Event Sponsorship	**1,000**
Fremont Area District Library	
1000 Books before Kindergarten program for county libraries	**15,875**
Fremont Police Department	
Shop with a Cop program	**1,000**
Fountain Hill Center	
Scholarships for parenting workshops	**1,500**
Gerald Ford Council Boy Scouts of America	
Scoutreach Challenge	**2,000**
Hackley Community Care	
Development of a Teen Health Center	**20,000**
Harbor Hospice	
Scholarships for Camp Courage	**5,000**
Helen DeVos Childrens Hospital	
2016 Gala	**10,000**
Holton Public Schools	
Softball uniforms	**3,000**
Lego Lab STEM equipment	**5,000**
Holton United Methodist Church	
School backpack program	**1,750**
Hospice of Michigan	
Camp Good Grief	**2,000**
Junior Achievement of the MI Great Lakes	
Junior Achievement program for Pathfinder afterschool program	**1,800**
Kids Food Basket	
Sack supper program	**10,000**
Local FFA Organizations (National Agricultural Science Education Organization)	
Scholarship Support for Washington Leadership Conference	**7,500**

Luther Area Public Library	
Preschool Story Hour program	**1,323**
Michigan State University	
Osteochamps scholarships	**6,000**
Michigan State University Extension (Lake County)	
4-H Capital Experience field trip	**1,020**
4-H Exploration Days	**2,000**
Michigan State University Extension (Newaygo County)	
4-H Exploration Days	**2,500**
Muscular Distrophy Association	
MDA Summer Camp Scholarships	**7,647**
Muskegon Area Intermediate School District	
Read Early, Read Often	**10,000**
Newaygo County Agricultural Fair	
Purchase of meat for donation to local food pantries	**10,000**
Newaygo County Day Care Corporation	
Purchase of Hatch computers	**4,719**
Newaygo County Prevention of Child Abuse	
Period of Purple Crying program	**4,050**
Summer car safety program	**2,431**
Newaygo County Regional Educational Service Agency	
FIRST Robotics Program	**5,000**
STEM Expo	**1,900**
Agricultural Science Building classroom	**20,000**
Northwest Michigan Health Services	
Mobile dental equipment to improve access for children's services	**19,908**
Pathfinders	
Afterschool program	**10,000**
Summer program	**7,000**
Reach Out and Read	
Early literacy program	**8,388**
Ronald McDonald House of West Michigan	
Family support services	**10,000**
Rose Lake Youth Camp	
Camp Scholarships for Lake County	**2,880**
Waterslides	**2,470**
Stage Door Players	
Children's summer production	**1,150**
TrueNorth Community Services	
Youth programming	**22,000**
Parks in Focus program	**3,000**
United Way of the Lakeshore	
Lights On After School Program	**10,000**
West Michigan Community Help Net	
Youth mentorship program	**7,500**
TOTAL WEST MICHIGAN GRANTS AWARDED:	**382,379**

Scholarships

In 2015, 80 students received scholarship awards from the Foundation. Scholarships are provided to students graduating from a high school in Newaygo or Muskegon Counties in Michigan.

The Daniel Gerber Sr. Medallion Scholarship is awarded in Newaygo County only. This scholarship provides $9,200 for post-secondary education. In 2015, 23 students received this award while 60 continued in the program from prior years. Total scholarship payments were $205,704.

The Gerber Foundation Merit Scholarship is awarded to students in Newaygo and Muskegon Counties. The scholarship provides $2,300 towards the first year of post secondary education. Fifty two students received this scholarship. Total payments were $79,124.

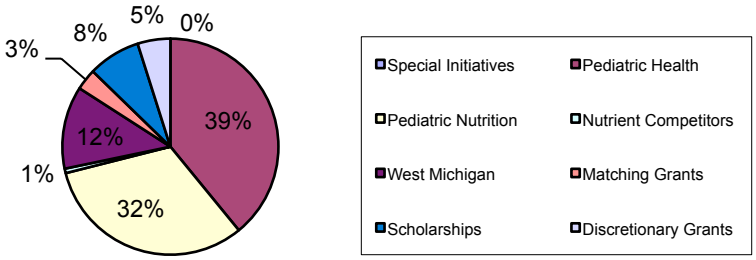
A new program, the Newaygo County Career-Tech Center scholarships was begun. This program provides scholarships for each of 10 programs at the Career-Tech Center and amounts of the scholarships vary by program. In 2015, 5 students were awarded scholarships under the new program. Total payments were $2,950.

2015 Grants Paid

(Current and Prior Year Commitments)

Special Initiatives	$	500	0%
Pediatric Health	$	1,435,582	39%
Pediatric Nutrition	$	1,174,929	32%
Nutrient Competitors	$	24,741	1%
West Michigan	$	454,199	12%
Matching Grants	$	116,882	3%
Scholarships	$	287,778	8%
Discretionary Grants	$	180,000	5%
	$	3,674,611	100%

2015 GRANTS PAID



BeeneGarter LLP

Big enough to be experts, small enough to care™

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

Board of Trustees
The Gerber Foundation
Fremont, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of The Gerber Foundation, which comprise the statements of assets, liabilities, and net assets – modified cash basis of as of December 31, 2015 and 2014, and the related statements of revenues, expenses, and other changes in net assets – modified cash basis and cash flows – modified cash basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Gerber Foundation as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended on the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to that matter.

Emphasis

As described in Note 2 to the financial statements, the financial statements include investments valued at $34,500,800 (49.61% of net assets) whose fair values have been estimated by management in the absence of readily determinable fair values. Management estimates are based on information provided by the fund managers. Our opinion is not modified with respect to that matter.

Beene Garter LLP

June 6, 2016
Grand Rapids, Michigan

THE GERBER FOUNDATION

STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS

December 31, 2015 and 2014

	2015	2014
Assets		
Cash	$ 77,382	$ 153,051
Investments at fair value	69,393,294	75,842,887
Office equipment and software	90,598	37,289
Accumulated depreciation	(18,680)	(34,907)
	71,918	2,382
TOTAL ASSETS	$ 69,542,594	$ 75,998,320
LIABILITIES AND NET ASSETS		
Liabilities		
Amounts withheld from employees	3,093	2,722
Net Assets - Unrestricted	69,539,501	75,995,598
TOTAL LIABILITIES AND NET ASSETS	$ 69,542,594	$ 75,998,320

See accompanying notes

THE GERBER FOUNDATION

STATEMENTS OF REVENUE, EXPENSES, AND OTHER CHANGES IN NET ASSETS - MODIFIED CASH BASIS

Years Ended December 31, 2015 and 2014

	2015	2014
Revenue		
Interest and dividends on investments	$ 484,954	$ 458,088
Net (loss) gain on investments	(2,998,203)	3,133,724
TOTAL REVENUE	(2,513,249)	3,591,812
Expenses		
Program services		
Grants and scholarships paid	3,547,972	3,283,515
Support services		
Other operating expense	394,876	403,514
TOTAL EXPENSES	3,942,848	3,687,029
CHANGE IN UNRESTRICTED NET ASSETS	(6,456,097)	(95,217)
Unrestricted Net Assets at Beginning of Year	75,995,598	76,090,815
UNRESTRICTED NET ASSETS AT END OF YEAR	$ 69,539,501	$ 75,995,598

See accompanying notes

THE GERBER FOUNDATION

STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS

Years Ended December 31, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities		
Change in unrestricted net assets	$ (6,456,097)	$ (95,217)
Adjustment to reconcile change in unrestricted net assets to net cash used by operating activities		
Depreciation	603	1,201
Loss on disposal of office equipment	-	20
Realized gain on sale of investments	(7,101,729)	(4,319,768)
Unrealized loss on investments	9,895,918	1,008,819
Changes in operating liabilities		
Amounts withheld from employees	371	2,722
NET CASH USED BY OPERATING ACTIVITIES	(3,660,934)	(3,402,223)
Cash Flows from Investing Activities		
Purchase of fixed assets	(70,139)	(1,596)
Proceeds from sale and maturities of investments	16,819,457	19,855,894
Purchase of investments	(13,164,053)	(16,942,461)
NET CASH PROVIDED BY INVESTING ACTIVITIES	3,585,265	2,911,837
NET DECREASE IN CASH	(75,669)	(490,386)
Cash at Beginning of Year	153,051	643,437
CASH AT END OF YEAR	$ 77,382	$ 153,051

Supplemental Information

See accompanying notes

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

The Gerber Foundation (Foundation) was established in 1952 as an independent private foundation governed by a Board of Trustees who serve without compensation. Income is derived from a diversified portfolio and is used to award grants to qualified applicants in furtherance of the Foundation's mission to enhance the quality of life of infants and young children through nutrition, care and development. Grants from the Foundation are made to organizations recognized as exempt under Section 501(c)(3) of the Internal Revenue Code.

Basis of Accounting

The Foundation's financial statements are prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than U. S. generally accepted accounting principles. Under the modified cash basis of accounting, revenues are recognized when collected rather than when earned, and expenditures generally are recognized when paid rather than when incurred. Accrued expenses and grant commitments are not recorded in the financial statements. Purchased assets with estimated useful lives of more than one year are capitalized and depreciated or amortized over the assets' estimated useful lives.

Basis of Presentation

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Foundation has no temporarily or permanently restricted net assets.

Cash

The Foundation maintains its cash at one financial institution. The operating cash account is maintained at a bank that is insured by the Federal Deposit Insurance Corporation (FDIC). From time to time during the year, the Foundation may have cash on deposit in excess of the respective insured limits.

Investments

The Foundation maintains its investments at one financial institution. The accounts at this institution are insured up to $500,000 by the Securities Investor Protection Corporation. Up to $100,000 of this coverage may be applied toward uninvested cash (see Note 2). Realized and unrealized gains and losses and other investment earnings are included in the statement of activities as a change in unrestricted net assets.

Derivative Accounting for Hedge Funds

The Foundation has investments with several hedge funds that seek higher returns than fixed income funds, have similar volatility, and also have a low correlation with traditional equity and fixed income assets.

The investment objectives of this fund are two-fold. The primary objective is to generate over a full market cycle returns higher than the "market" as represented by a style index or mix of indexes reflective of the Foundation's return objectives and risk tolerance. The secondary objectives are to produce a real return goal of inflation plus 5%, to have the dollar weighted average return exceed a long-term return of 8%, and to outpace the style index return and real return market, each measured on a compound average annual return basis after the deduction of investment management fees and annualized over a three to five year rolling time period and a full market cycle. There is no assurance that these objectives will be achieved.

Fair Value Measurements

Fair value measurement accounting standards establish a common definition of fair value, provide a framework for measuring fair value based on inputs used to value the Foundation's investments, and require disclosure about such fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). In determining fair value, various valuation approaches are used. A hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – other significant inputs including quoted prices of similar assets or liabilities, interest rates, credit risk, etc.

Level 3 – significant unobservable inputs which may include the Foundation's own assumptions in determining fair value.

Office Equipment

Office equipment is stated at cost, if purchased, or at fair value on date of acquisition, if donated. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

Income Taxes

The Internal Revenue Service has determined the Foundation is a tax-exempt private foundation as defined by Section 501(c)(3) of the Internal Revenue Code (IRC), but is subject to a 2% federal excise tax on net investment income, including realized gains as defined in the Code. If the Foundation meets certain payout requirements, it is eligible for a reduced excise tax rate of 1%. The Foundation did not meet the requirement for the 1% rate for the year ended December 31, 2014, and does not anticipate meeting the 1% rate for December 31, 2015.

In addition, the IRC requires that certain minimum distributions be made in accordance with a specified formula. According to this formula, the Foundation must distribute currently for charitable purposes 5% of the average fair value of its nonoperating assets in each tax year. Failure to distribute the required amount by the last day of the following year may result in excise taxes on the Foundation's undistributed income within the tax year or within the next succeeding tax year.

As permitted, management intends to distribute sufficient amounts to cover IRC required distribution in the subsequent tax year.

Tax positions taken are assessed for uncertainty and a provision may be recorded if a tax position is not likely to be sustained upon examination.

Subsequent Events

Management has evaluated significant events or transactions occurring subsequent to December 31, 2015 for potential recognition or disclosure in these financial statements. The evaluation was performed through June 6, 2016, the date the financial statements were available for issuance.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The Foundation utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in market values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

NOTE 2 - INVESTMENTS

Investments consist of the following:

	2015			2014		
	Cost	Unrealized Gain (Loss)	Fair Value	Cost	Unrealized Gain (Loss)	Fair Value
Cash and cash equivalents	$ 4,320,531	$ -	$ 4,320,531	$ 2,761,064	$ -	$ 2,761,064
Alternative investments:						
Limited liability corporations	2,679,867	(119,298)	2,560,569	4,699,213	262,627	4,961,840
Limited partnerships	24,297,538	7,642,693	31,940,231	17,800,649	9,283,108	27,083,757
Equity securities:						
metals	1,537,639	(547,694)	989,945	1,537,639	(429,439)	1,108,200
Emerging markets funds	5,186,214	(1,101,286)	4,084,928	3,879,635	(366,032)	3,513,603
Natural resources	3,916,274	(1,596,285)	2,319,989	3,904,904	(432,851)	3,472,053
World index funds	8,082,736	3,409,094	11,491,830	13,990,215	8,779,802	22,770,017
Moderate Allocation	3,174,553	(257,091)	2,917,462	-	-	-
Fixed income funds	8,946,634	(178,825)	8,767,809	10,122,442	49,911	10,172,353
	$ 62,141,986	$ 7,251,308	$69,393,294	$58,695,761	$17,147,126	$75,842,887

December 31, 2015 and 2014

Net (loss) gain on investments consists of the following:

	2015	2014
Realized gains	$ 7,101,729	$ 4,319,768
Unrealized losses	(9,895,918)	(1,008,819)
Investment fees	(204,014)	(177,225)
	$ (2,998,203)	$ 3,133,724

The Foundation invests in certain alternative investments which include investments in hedge funds. Market values represent the Foundation's pro rata interest in the net assets of each alternative investment as of December 31, 2015 and 2014, as provided by the fund managers. Market values as of December 31, 2015 and 2014 may be based on audited financial information or on financial data supplied by the general partner or manager of the funds. Management reviews monthly valuations provided by the general partner or manager of the funds and assesses the reasonableness of the fair values provided at the interim dates and included in the financial statements.

The tables that follow set forth information about the level within the fair value hierarchy at which the Foundation's investments are measured at December 31, 2015 and 2014:

	2015 - Based on			
	Level 1	Level 2	Level 3	
	Quoted Prices in Active Markets	Other Observable Inputs	Unobservable Inputs	Total
Cash and cash equivalents	$ 4,320,531	$ -	$ -	$ 4,320,531
Alternative investments:				
Limited liability corporations	-	-	2,560,569	2,560,569
Limited partnerships	-	-	31,940,231	31,940,231
Equity securities:				
Commodities precious metals	989,945	-	-	989,945
Emerging markets funds	3,167,646	917,282	-	4,084,928
Natural resources	2,319,989	-	-	2,319,989
World index funds	3,668,889	7,822,941	-	11,491,830
Moderate Allocation	2,917,462	-	-	2,917,462
Fixed income funds	8,767,809	-	-	8,767,809
	$ 26,152,271	$ 8,740,223	$ 34,500,800	$ 69,393,294

	2014 - Based on			
	Level 1 Quoted Prices in Active Markets	Level 2 Other Observable Inputs	Level 3 Unobservable Inputs	Total
Cash and cash equivalents	$ 2,761,064	$ -	$ -	$ 2,761,064
Alternative investments:				
Limited liability corporations	-	1,050,297	3,911,543	4,961,840
Limited partnerships	-	-	27,083,757	27,083,757
Equity securities:				
Commodities precious metals	1,108,200	-	-	1,108,200
Emerging markets funds	3,513,603	-	-	3,513,603
Natural resources	3,472,053	-	-	3,472,053
World index funds	3,765,456	19,004,561	-	22,770,017
Fixed income funds	10,172,353	-	-	10,172,353
	$ 24,792,729	$ 20,054,858	$ 30,995,300	$ 75,842,887

Following is a reconciliation of activity for assets measured at fair value based on significant unobservable (Level 3) information:

	Level 3 Investments	
	2015	2014
Balance, beginning year	**$ 30,995,300**	$ 30,999,676
Realized gains included in change in net assets	**1,389,244**	2,183,580
Unrealized gains (losses) included in change in net assets	**2,702,117**	(1,669,268)
Purchases	**845,353**	2,682,083
Sales	**(1,431,214)**	(3,200,771)
Balance, end of year	**$ 34,500,800**	$ 30,995,300

NOTE 3 - COMMITMENTS FOR GRANTS

As of December 31, 2015, trustees of the Foundation have authorized the payment of grants in future periods as follows:

Year ending December 31:	
2016	$ 3,349,147
2017	1,881,654
2018	465,031
2019	38,000
	$ 5,733,832

NOTE 4 - LEASE

The Foundation leases office space in Fremont, Michigan under an operating lease agreement from an unrelated party that expires on December 31, 2025. The agreement calls for monthly payments of $1,500. Total lease expense for this office space was $18,000 in 2015 and 2014.

Future minimum lease payments under this non-cancelable lease are as follows:

2016	$ 18,000
2017	18,000
2018	18,000
2019	18,000
2020	18,000
Thereafter	90,000
	$ 180,000

NOTE 5 - RETIREMENT SAVINGS PLAN

The Foundation maintained a retirement savings plan under Internal Revenue Code Section 401(k) for eligible employees which allows for deferrals up to the maximum allowed under the Internal Revenue Code. The Foundation can make matching contributions at the discretion of the Board of Directors. Employer matching contributions which vest immediately, were $16,620 and $16,396 in 2015 and 2014, respectively.

NOTE 6 - RECLASSIFICATIONS

Certain reclassifications have been made to the 2014 financial statements in order to conform to the 2015 presentation.

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