

**MARBROOK
FOUNDATION**

2007 ANNUAL REPORT



History of the Marbook Foundation

Sheldon Brooks (1811–1883) came to Minnesota with his family in 1856 from Redfield, New York. He settled initially near Winona and entered the grain and grain elevator business. Later, in 1873, his three sons—Lester, Dwight and Anson—formed the Brooks Brothers partnership which soon expanded into the retail lumber business. These early lumber ventures vertically integrated and expanded rapidly in northern Minnesota. In 1901, the Brooks-Scanlon Lumber Company was incorporated and built the company's first major sawmill in Scanlon, Minnesota.

Dr. Dwight F. Brooks (1849–1930), the second of Sheldon's sons, became the principal builder of what became an extensive group of family-owned forest products companies in Minnesota, Louisiana, Florida, Oregon, and British Columbia, Canada.

Dr. Brooks also had three sons—Harry, Sheldon (Sam) and Edward—and they all became active in these family enterprises. Harry ran the Brooks-Scanlon operation in Bend, Oregon; Sam managed the Powell River Company in British Columbia; and Edward oversaw all operations from the companies' headquarters, which remained in Minneapolis, Minnesota.

Edward Brooks (1888–1954) was involved for his entire working life in Brooks-Scanlon and its affiliated companies, which grew and prospered through the first half of the 1900's. In 1920, Edward married Markell Conley, a union which produced four children over the following decade. Markell was a very community-minded person, and was extremely active in a volunteer capacity with many charitable causes in the Twin Cities.

Edward and Markell Brooks established Marbrook Foundation on November 1, 1948, as a vehicle through which to pursue their personal philanthropy. The founding Trustees were Edward Brooks, Edwin C. Austin, and Conley Brooks (the oldest son of Edward and Markell). Marbrook's organizing documents provided the Trustees with broad latitude in fulfilling their grantmaking responsibilities, specifying that the Foundation "shall be operated exclusively for religious, charitable, scientific, literary or educational purposes within the United States." The Trustees have interpreted these guidelines in different ways over the years, depending on their perspective of societal and community needs.

Upon Edward's death in 1954, the duties of Executive Director of the Foundation were assumed by Conley Brooks, who had joined Brooks-Scanlon following World War II. Under Conley's guidance, and with the active input of Markell, the activities of Marbrook Foundation began to expand. Significant assets were added to the Foundation by Markell in 1968 and then again upon her death in 1971, so that the Foundation's ability to increase its grantmaking budget was considerably enhanced.

From Marbrook's beginning, independent Trustees have had an important role in helping to oversee the Foundation's administration and grantmaking. The first independent Trustee at the Foundation's inception was Edwin C. Austin; he and later independent Trustees have made important contributions to Marbrook's progress. A record of the service of all Marbrook Trustees to date is shown below.

In 1975, Conley Brooks, Jr. joined the Board of Trustees. He became Executive Director of the Foundation in 1983 and served in this capacity until 2006 when the Marbrook Trustees appointed Julie Hara Executive Director and Conley Brooks, Jr. Chair of the Board. In December 2007, Conley Brooks stepped down from this position, while remaining a Trustee. The Board elected Julie Brooks Zelle as the new Chair. This transition was the result of the Trustees' decision that a rotating Chair of the Board would help encourage new leadership among Brooks family members.

In 1999, the Trustees of Marbrook decided to re-position the Foundation to reflect more accurately the diversity and philanthropic interests of the descendants of Edward and Markell Brooks, while retaining the spirit of the Foundation's original mission. The Board of Trustees was expanded to include only Family members representing the three living generations of Edward and Markell's family. Then, in 2001, the Trustees completed a facilitated planning process to refine the Foundation's mission and values for the new century and to prioritize the Foundation's areas of grantmaking focus. This process and its implementation are ongoing, as described in the accompanying letter from the Executive Director.

Over the past several years, Marbrook Foundation has experienced substantial renewed energy derived from the active participation of Brooks Family members. The Trustees and the Family as a whole are intent upon maintaining the philanthropic legacy established by Edward and Markell Brooks.

The Mission of Marbrook Foundation
is to promote the values of the Brooks Family
by making grants and focusing involvement
in designated charitable areas and causes
that reflect those values.

Board of Trustees and Staff

TRUSTEES OF MARBROOK FOUNDATION

1948 TO THE PRESENT

Edward Brooks	1948–1954
Edwin C. Austin	1948–1975
Conley Brooks	1948–Present
Markell C. Brooks	1955–1971
Kenneth N. Dayton	1972–1979
Robert L. Foote	1972–1980
John E. Andrus III	1975–1999
Conley Brooks, Jr.	1975–Present
William R. Humphrey, Jr.	1980–1999
Markell Brooks	1991–Present
Stephen B. Brooks	1999–Present
Markell Kiefer	1999–Present
Julie B. Zelle	1999–Present
Katherine M. Leighton	2005–Present

BOARD OF TRUSTEES

Conley Brooks
Conley Brooks, Jr.
Markell Brooks
Stephen B. Brooks
Markell Kiefer
Katherine M. Leighton
Julie B. Zelle, Chair

Executive Director

Julia S. Hara

Letter from the Chair of the Board and the Executive Director

2007 was a year of important change for Marbrook Foundation. In December, after 25 years of service as Executive Director and, subsequently Chairman of the Board, Conley Brooks, Jr. stepped down from this position, while remaining as a Trustee. The Board elected Julie Brooks Zelle as the new Chair. This transition was the result of the Trustees' decision that a rotating Chair of the Board would help encourage new leadership among Brooks family members. Beginning in January 2008, Julie will serve a renewable three-year term. We are very excited to have Julie's leadership and energy as we continue to serve our community.

Another change for the Foundation came in Marbrook's program areas. When Marbrook's strategic plan was implemented in 2001, the Foundation established seven areas of interest for grantmaking: the Arts, Basic Human Needs, Education, the Environment, Mind and Spirit, and Social Empowerment. Due to changing priorities, the Basic Human Needs area was eliminated in 2005. In June 2007, the Trustees, with the advice of the entire Brooks Family, made three important changes to the original guidelines:

- First, the Trustees determined that the Foundation would no longer make grants in the Health area, believing that needs in this category can be covered in other giving areas;
- Second, Mind and Spirit was renamed Body, Mind and Spirit to recognize the Family's interest in programs that consider physical wellness along with mind and spirit as an essential component of a holistic approach to human well-being;
- Third, Marbrook will work towards giving 20% of its total giving in each of the five program areas—Arts; Body, Mind and Spirit; Education; Environment; and Social Empowerment. Thus, no area of interest will receive priority over any other area.

The following are some program highlights of the past year:

In the Arts area, Marbrook made a number of new grants to Twin Cities theaters, including Pangea World Theater, SteppingStone Theater (for the capital campaign), and the Jungle Theater. We are fortunate to have so many wonderful theaters in this community. Over the next couple of years, we plan to refine further our interests within the theater area.

Our priorities in Body, Mind and Spirit continue to be: complementary and integrative medicine, contemplative practices, and programs offering healing and renewal opportunities to individuals. In accordance with the Foundation's interest in integrative medicine, we made a grant to Abbott Northwestern Hospital's Institute for Health and Healing for the Transformative Nurse Training Program. This Program, which helps nurses understand the mental, spiritual and psychosocial elements of caring for the patient, introduces nurses to healing and belief systems, human energy systems, and traditional Chinese medicine. To date, the Institute has trained 50 nurses and has started to receive requests from other hospital systems. Marbrook Foundation is pleased to be able to help the Institute fulfill its vision of transforming healthcare.

In the Environment area, Marbrook continued to make grants to organizations whose focus is on land conservation, water quality, education and forestry. The Will Steger Foundation, for example, works to raise public awareness and educate all of us about global warming. In 2006, we made a grant to the Will Steger Foundation for the development of its website, www.globalwarming101.com. In 2007, Marbrook funded the Emerging Leaders Program, which aims to engage Generation “Y” (ages 17-28) in the Will Steger Foundation and global warming solutions. In March 2008, the Will Steger Foundation plans to take six of these emerging leaders on a 1400-mile dogsled expedition across Ellesmere Island. The team will record the impact global warming has had on this island, which is only 490 miles from the North Pole, and share these insights contemporaneously with school children via the internet.

In 2008, Marbrook Foundation looks forward to continued refinement of our giving within our five focus areas, thereby ensuring that nonprofit organizations in these areas can effect positive change in our community. We welcome your comments and questions and encourage you to call Julie Hara at 612-752-1783 or email her at jhara@marbrookfoundation.org.

Conley Brooks, Jr.
Chair of the Board

Julie Hara
Executive Director

Summary of 2006–2007 Contributions and Long-Term Objectives

	2006		2007		Long-term
	Actual Allocation		Actual Allocation		objectives
Environment	\$131,500	23%	\$127,000	20%	20%
Education	\$116,000	20%	\$108,000	17%	20%
Body, Mind and Spirit	\$100,500	17%	\$115,600	19%	20%
The Arts	\$117,500	20%	\$129,000	21%	20%
Social Empowerment	\$78,000	13%	\$125,000	20%	20%
Health	\$40,000	7%	\$20,000	3%	0%
American Indian Family Empowerment Program	\$97,000		\$80,000		
Family Recommended Grants	\$116,000		\$133,000		
TOTAL	\$798,500	100%	\$836,600	100%	100%

Summary of 2007 Grants & Commitments

Environment

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Audubon Minnesota				
St. Paul				
<i>Bird conservation organization</i>				
General operating support		\$5,000	\$5,000	
Bell Museum Productions/University of Minnesota Foundation				
Minneapolis				
<i>Affiliate of the University of Minnesota's Bell Museum of Natural History</i>				
Project support for Minnesota: A Future of the Land		\$10,000	\$10,000	

Environment

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Belwin				
Afton				
<i>Works to preserve, manage and protect 1,400 acres of undeveloped property</i>				
General operating support		\$7,500	\$7,500	
Eco Education				
St. Paul				
<i>Environmental education organization</i>				
Project support for the Urban Environmental Education Initiative		\$6,000	\$6,000	
Friends of the Mississippi River				
St. Paul				
<i>Works to protect and improve the Twin Cities stretch of the Mississippi River</i>				
General operating support		\$6,000	\$6,000	
Great River Greening				
St. Paul				
<i>Leads community-based restoration of natural areas and open spaces</i>				
General operating support		\$5,000	\$5,000	
Minnesota Center for Environmental Advocacy				
St. Paul				
<i>Uses science, law and research to protect Minnesota's natural resources</i>				
General operating support		\$10,000	\$10,000	
Minnesota Environmental Partnership				
St. Paul				
<i>Coalition of environmental and conservation organizations working to protect and improve Minnesota's ecological health</i>				
Toward a \$20,000 pledge of general operating support		\$20,000	\$10,000	\$10,000

Environment

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Minnesota Land Trust				
St. Paul				
<i>Protects land and water primarily through the use of conservation easements</i>				
General operating support		\$10,000	\$10,000	
The Nature Conservancy of Minnesota				
Minneapolis				
<i>Environmental and wildlife protection agency</i>				
Toward a \$30,000 pledge of project support for the Minnesota Forest Legacy Partnership Easement Fund				
		\$30,000	\$15,000	\$15,000
Northern Environmental Support Trust				
Minneapolis				
<i>Awards grants to environmental organizations in Minnesota, Montana, Idaho, and Wyoming</i>				
General operating support		\$7,500	\$7,500	
Parks and Trails Council of Minnesota				
St. Paul				
<i>Furtheres the establishment, development and enhancement of parks and trails in Minnesota</i>				
General operating support		\$5,000	\$5,000	
Saint Paul Riverfront Corporation				
St. Paul				
<i>Works to connect St. Paul and its people, places and neighborhoods to the Mississippi River</i>				
Project support for the National Great River Park project				
		\$5,000	\$5,000	
Sweetwater Alliance				
Duluth				
<i>Dedicated to bringing a Living Water Garden to Duluth's Bayfront</i>				
General operating support		\$5,000	\$5,000	

Environment

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
The Trust for Public Land				
St. Paul				
<i>Conserves land for people to enjoy as parks, gardens and other natural places</i>				
General operating support		\$10,000	\$10,000	
Will Steger Foundation				
St. Paul				
<i>Works to inform individuals, community-based organizations and corporations about global climate change</i>				
Project support for the Emerging Leaders Program		\$10,000	\$10,000	
Total Environment	\$0	\$152,000	\$127,000	\$25,000

Education

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Achieve!Minneapolis				
Minneapolis				
<i>Raises funds to support the Minneapolis public schools</i>				
General operating support		\$5,000	\$5,000	
Admission Possible				
St. Paul				
<i>Helps low-income students earn admission to college</i>				
General operating support		\$7,500	\$7,500	
Comunidades Latinas Unidas En Servicio (CLUES)				
St. Paul				
<i>Latino human services agency</i>				
Project support for English language classes at the Latino Learning Institute		\$5,000	\$5,000	

Education

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
English Learning Center				
Minneapolis				
<i>Provides English and math classes to immigrants and refugees</i>				
General operating support		\$3,500	\$3,500	
The Friends of the Minneapolis Public Library				
Minneapolis				
<i>Supports the Minneapolis Public Library</i>				
Toward a \$50,000 pledge of capital support for the new Minneapolis Central Library	\$30,000		\$10,000	\$20,000
International Institute of Minnesota				
St. Paul				
<i>Provides services to new Americans</i>				
Project support for the Medical Careers for New Americans Program		\$7,500	\$7,500	
Lao Family Community of Minnesota				
St. Paul				
<i>Hmong human services agency</i>				
Project support for the English Education Program		\$5,000	\$5,000	
The Loft Literary Center				
Minneapolis				
<i>Literary Arts Center</i>				
Project support for New Stories Old Stories		\$5,000	\$5,000	
Minnesota Historical Society				
St. Paul				
<i>History museum</i>				
General operating support		\$7,000	\$7,000	
Toward a \$50,000 pledge of project support for the Minnesota's Greatest Generation project	\$50,000		\$10,000	\$40,000
Minnesota Humanities Center				
St. Paul				
<i>Works to sustain the humanities as a lifelong learning resource for all Minnesotans</i>				
Project support for the Somali Bilingual Initiative		\$5,000	\$5,000	

Education

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Minnesota Public Radio				
St. Paul				
<i>Public service radio</i>				
In fulfillment of a \$100,000 pledge for the capital campaign	\$12,500		\$12,500	
Neighborhood House				
St. Paul				
<i>Multicultural human services organization</i>				
Project support for the English Language Learning/Family Literacy Program		\$5,000	\$5,000	
Page Education Foundation				
Minneapolis				
<i>Offers financial assistance for people of color to attend college in exchange for their volunteer service</i>				
General operating support		\$5,000	\$5,000	
Seven Hills Classical Academy				
Bloomington, MN				
<i>Charter school that follows the "Core Knowledge" curriculum</i>				
Project support for the Latin teacher's salary		\$10,000	\$10,000	
Tibetan American Foundation				
St. Paul				
<i>Provides services to the Tibetan community</i>				
Project support for the Tibetan Culture School and the performing arts instructor's salary and health benefits		\$5,000	\$5,000	
Total Education	\$42,500	\$125,500	\$108,000	\$60,000

Body, Mind and Spirit

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Abbott Northwestern Hospital Foundation				
Minneapolis				
<i>Raises funds to support Abbott Northwestern Hospital</i>				
In fulfillment of a \$100,000 pledge for the Institute for Health and Healing	\$12,000		\$12,000	
Toward a \$100,000 pledge of project support for the Institute for Health and Healing's Transformative Nurse Program.		\$100,000	\$20,000	\$80,000
Center for Spirituality and Healing				
Minneapolis				
<i>University of Minnesota program working to integrate the role of complementary therapies and healing practices</i>				
Capital support for the Mayo Meditation Space Restoration Project		\$10,000	\$10,000	
Children's Hospitals and Clinics				
Minneapolis				
<i>Pediatric medical center</i>				
In fulfillment of a \$40,000 pledge of project support for an advanced nurse practitioner for the integrative medicine program	\$10,000		\$10,000	
City House				
Minneapolis				
<i>Offers spiritual companionship and exploration to disadvantaged individuals</i>				
General operating support		\$5,000	\$5,000	
Collegeville Institute for Ecumenical and Cultural Research				
Collegeville, MN				
<i>Works to overcome religious conflict and disunity through leadership development</i>				
Toward a \$25,000 pledge for the Faith Leadership for an Ecumenical Future Campaign		\$25,000	\$5,000	\$20,000
Common Ground Meditation Center				
Minneapolis				
<i>Center for mindfulness meditation</i>				
In fulfillment of a \$10,000 pledge for the capital campaign	\$5,000		\$5,000	

Body, Mind and Spirit

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Hazelden Foundation				
Center City				
<i>Helps build recovery in the lives of individuals, families and communities affected by alcoholism, drug dependency and related diseases</i>				
General operating support for the Dan Anderson Renewal Center				
		\$10,000	\$10,000	
Minnesota Public Radio				
St. Paul				
<i>Public service radio</i>				
Project support for Speaking of Faith				
		\$10,000	\$10,000	
Pacem in Terris				
St. Francis, MN				
<i>Franciscan center for spirituality</i>				
Project support for scholarships				
		\$5,000	\$5,000	
Regions Hospital Foundation				
St. Paul				
<i>Raises funds to support Regions Hospital</i>				
Project support for the Mind-Body-Spirit Skills Group				
		\$3,600	\$3,600	
The Retreat				
Wayzata, MN				
<i>30-day residential program for chemically dependent adults</i>				
In fulfillment of a \$25,000 pledge for the Making Room for Recovery Capital Campaign				
	\$7,500		\$7,500	
United Theological Seminary				
New Brighton				
<i>Theological School</i>				
Project support for three classes				
		\$12,500	\$12,500	
Total Mind and Spirit	\$34,500	\$181,100	\$115,600	\$100,000

The Arts

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
The Children's Theatre Company				
Minneapolis				
<i>Theater for young people</i>				
General operating support		\$5,000	\$5,000	
Toward a \$50,000 pledge for the capital campaign	\$10,000		\$5,000	\$5,000
Friends of Eastcliff				
St. Paul				
<i>Support organization for the official residence of the University of Minnesota President</i>				
Toward a \$100,000 capital pledge for restoration of the summerhouse	\$90,000		\$10,000	\$80,000
Guthrie Theater				
Minneapolis				
<i>Major repertory theater</i>				
General operating support		\$7,000	\$7,000	
The Hill Museum and Manuscript Library				
Collegeville				
<i>Library dedicated to preserving endangered or significant manuscripts</i>				
In fulfillment of a \$15,000 pledge of project support for the strategic plan	\$5,000		\$5,000	
Illusion Theater				
Minneapolis				
<i>Theater focusing on new works</i>				
Project support for the Peer Education Program		\$5,000	\$5,000	
In the Heart of the Beast Puppet and Mask Theatre				
Minneapolis				
<i>Community-based puppet and mask theater</i>				
In fulfillment of a \$15,000 pledge for the capital campaign	\$5,000		\$5,000	
The Jungle Theater				
Minneapolis				
<i>Theater</i>				
General operating support		\$3,000	\$3,000	

The Arts

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
MacPhail Center for the Arts				
Minneapolis				
<i>Music School</i>				
Toward a \$75,000 pledge for the Campaign for the New MacPhail	\$35,000		\$10,000	\$25,000
The Midwest Art Conservation Center				
Minneapolis				
<i>Works for the preservation and conservation of art and artifacts</i>				
General operating support		\$5,000	\$5,000	
The Minneapolis Institute of Arts				
Minneapolis				
<i>Art Museum</i>				
General operating support		\$7,000	\$7,000	
Toward a \$50,000 pledge for the Bring Art to Life Campaign	\$20,000		\$10,000	\$10,000
The Minnesota Opera				
Minneapolis				
<i>Opera company</i>				
Toward a \$25,000 pledge of endowment support for the Opera at the Ordway Initiative	\$20,000		\$5,000	\$15,000
Minnesota Orchestral Association				
Minneapolis				
<i>Symphony orchestra dedicated to enriching lives with great music</i>				
General operating support		\$7,000	\$7,000	
Minnesota Shubert Performing Arts and Education Center				
Minneapolis				
<i>New flagship center for dance and the Minneapolis venue for The Saint Paul Chamber Orchestra</i>				
Toward a \$50,000 pledge for the capital campaign	\$40,000		\$10,000	\$30,000

The Arts

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Mixed Blood Theatre				
Minneapolis				
<i>Theater dedicated to non-traditional artists and audiences</i>				
General operating support		\$5,000	\$5,000	
Open Eye Figure Theater				
Minneapolis				
<i>Theater</i>				
General operating support		\$5,000	\$5,000	
Challenge grant		\$5,000	\$5,000	
Pangea World Theater				
Minneapolis				
<i>Creates and presents international, multi-disciplinary theater</i>				
General operating support		\$5,000	\$5,000	
SteppingStone Theatre				
St. Paul				
<i>Children's theater</i>				
Toward a \$25,000 pledge for the capital campaign		\$25,000	\$5,000	\$20,000
Theatre de la Jeune Lune				
Minneapolis				
<i>Theater</i>				
General operating support		\$5,000	\$5,000	
Total Arts	\$225,000	\$89,000	\$129,000	\$185,000

Social Empowerment

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Commonbond Communities				
St. Paul				
<i>Provides affordable housing and services</i>				
General operating support		\$5,000	\$5,000	
Toward a \$40,000 pledge for the capital campaign		\$40,000	\$10,000	\$30,000
Family and Children's Service				
Minneapolis				
<i>Family service organization</i>				
Toward a \$15,000 pledge of project support for the Families and Communities Together (FACT) and School Success for Immigrant Children programs	\$10,000		\$5,000	\$5,000
Greater Minneapolis Council of Churches				
Minneapolis				
<i>Mobilizes congregations and volunteers to serve human needs and seek social justice</i>				
In fulfillment of a \$15,000 pledge for the Center for Families Capital Campaign	\$5,000		\$5,000	
Greater Twin Cities United Way				
Minneapolis				
<i>Community health and human services organization</i>				
General operating support		\$15,000	\$15,000	
Hope Community				
Minneapolis				
<i>Community development organization</i>				
Capital support for The Wellstone		\$10,000	\$10,000	
The Link				
Minneapolis				
<i>Works with at-risk youth and their families</i>				
Support for the capital campaign		\$10,000	\$10,000	

Social Empowerment

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
La Oportunidad, Inc.				
Minneapolis				
<i>Offers education and support services to Latino children, youth and families in the Twin Cities</i>				
General operating support		\$5,000	\$5,000	
Project for Pride in Living, Inc.				
Minneapolis				
<i>Assists low-income people to become self-sufficient by addressing job, housing and neighborhood needs</i>				
General operating support		\$7,500	\$7,500	
In fulfillment of a \$100,000 pledge for the capital campaign	\$20,000		\$20,000	
Project Success				
Minneapolis				
<i>Uses in-school workshops to develop goal-setting skills; provides college application assistance and college tours; and provides tickets to students and their families to attend live theater performances</i>				
General operating support		\$10,000	\$10,000	
Summit Academy OIC				
Minneapolis				
<i>Vocational training and education center</i>				
Project support for the 100 Hard Hats Program		\$5,000	\$5,000	
Twin Cities RISE!				
Minneapolis				
<i>Provides job training and education to low-income adults</i>				
General operating support		\$5,000	\$5,000	
Youth Farm and Market Project				
Minneapolis				
<i>Works with youth to grow, harvest and sell produce in youth-run neighborhood markets</i>				
General operating support		\$7,500	\$7,500	

Social Empowerment

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Youth Venture				
Minneapolis				
<i>Invests in the ideas of young people, who then create and lead sustainable organizations that benefit their communities</i>				
General operating support		\$5,000	\$5,000	
Total Social Empowerment	\$35,000	\$125,000	\$125,000	\$35,000

Health

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Minneapolis Heart Institute Foundation				
Minneapolis				
<i>Works to improve cardiovascular health through clinical research and education</i>				
General operating support		\$10,000	\$10,000	
YWCA of Minneapolis				
Minneapolis				
<i>Works to empower women and girls and eliminate racism</i>				
Project support for the Women's Wellness Program		\$10,000	\$10,000	
Total Health	\$0	\$20,000	\$20,000	\$0

American Indian Family Empowerment Program

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
The Minneapolis Foundation				
Minneapolis				
<i>Community foundation</i>				
Donor Advised Fund in support of the American Indian Family Empowerment Program (AIFEP), a program of Marbrook Foundation in collaboration with the Grotto Foundation and the Westcliff Foundation				
		\$80,000	\$80,000	
Total AIFEP	—	\$80,000	\$80,000	—

Family Recommended Grants

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Amherst College				
Amherst, MA				
<i>Private liberal arts college</i>				
General operating support				
		\$1,000	\$1,000	
Anderson School at UCLA/Harold Price Center for Entrepreneurial Studies				
Los Angeles, CA				
<i>Oversees all teaching, research, extracurricular, and community activities related to entrepreneurship at the John E. Anderson Graduate School of Management at UCLA</i>				
General operating support				
		\$2,000	\$2,000	
Animal Humane Society				
Golden Valley				
<i>Dedicated to the welfare of animals</i>				
General operating support				
		\$1,000	\$1,000	

Family Recommended Grants

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Boulder Shambhala Center				
Boulder, CO				
<i>Part of an international community of meditation centers founded by Chogyam Trungpa Rinpoche</i>				
Support for the Boulder Shambhala Community Trust		\$2,500	\$2,500	
Breck School				
Golden Valley				
<i>Private K-12 learning institution</i>				
General operating support		\$4,500	\$4,500	
CARE USA, Central Region				
Minnetonka				
<i>Humanitarian organization working to fight global poverty</i>				
Support for the Campaign for Education		\$4,000	\$4,000	
Center for the American Experiment				
Minneapolis				
<i>Public policy and educational institution</i>				
General operating support		\$800	\$800	
Connecticut College				
New London, CT				
<i>Private liberal arts college</i>				
General operating support		\$1,500	\$1,500	
Eagle Valley Land Trust				
Eagle, CO				
<i>Dedicated to preserving open lands for agriculture, wildlife and scenic beauty in the Eagle River Valley</i>				
Project support for the Gates Ranch		\$1,000	\$1,000	
Forecast Public Artworks				
St. Paul				
<i>Works to strengthen and advance the field of public art</i>				
Project support for the lighting of the BrackettPark Rocket		\$4,000	\$4,000	

Family Recommended Grants

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Friends of Zenger Farm				
Portland, OR				
<i>Promotes sustainable food systems, environmental stewardship and local economic development through a working urban farm</i>				
General operating support		\$2,000	\$2,000	
Friends' School				
Boulder, CO				
<i>Pre-K-5 private school</i>				
General operating support		\$2,000	\$2,000	
Growing Gardens				
Portland, OR				
<i>Promotes home-scale organic food gardening to improve nutrition, health and self-reliance</i>				
General operating support		\$2,000	\$2,000	
Hazelden Foundation				
Center City, MN				
<i>Treatment center</i>				
General operating support		\$2,500	\$2,500	
The Hill Museum and Manuscript Library				
Collegeville, MN				
<i>Dedicated to preserving endangered or significant manuscripts</i>				
General operating support		\$1,000	\$1,000	
In The Heart of the Beast Puppet and Mask Theatre				
Minneapolis				
<i>Community-based puppet and mask theatre</i>				
General operating support		\$2,000	\$2,000	
Keepers of the Waters				
Portland, OR				
<i>International communications network for people engaged in projects that transform our relationship to water</i>				
General operating support		\$7,000	\$7,000	

Family Recommended Grants

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Khyentse Foundation				
San Francisco, CA				
<i>Supports institutions and individuals engaged in the study and practice of Buddhism</i>				
General operating support and support for the Deer Park Institute in Bir, India				
		\$6,500	\$6,500	
Live Action Set				
Minneapolis				
<i>Theater</i>				
General operating support				
		\$5,000	\$5,000	
Lotus Outreach				
Los Angeles, CA				
<i>Dedicated to improving the living, educational and cultural conditions of underprivileged children and their communities in India, Bhutan and Cambodia</i>				
General operating support and support for work in Cambodia				
		\$5,000	\$5,000	
Midwest Art Conservation Center				
Minneapolis				
<i>Works for the preservation and conservation of art and artifacts in the Upper Midwest region</i>				
General operating support				
		\$1,000	\$1,000	
Minneapolis Heart Institute Foundation				
Minneapolis				
<i>Supports education and research to prevent and eventually end heart disease</i>				
General operating support				
		\$1,500	\$1,500	
Minnesota Dance Theatre and The Dance Institute				
Minneapolis				
<i>Dance company and school</i>				
General operating support				
		\$500	\$500	

Family Recommended Grants

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Minnesota Public Radio				
St. Paul				
<i>Public service radio</i>				
General operating support		\$2,000	\$2,000	
Myotonic Dystrophy Foundation				
San Francisco, CA				
<i>Works to lead and mobilize resources toward effective management, treatment and a cure for myotonic dystrophy</i>				
General operating support		\$4,000	\$4,000	
Nalandabodhi				
Boulder, CO				
<i>Buddhist Meditation and Study Center</i>				
Support for an environmental study		\$1,500	\$1,500	
Nonviolent Peace Force				
St. Paul				
<i>Applies nonviolent strategies to protect human rights and deter violence</i>				
General operating support		\$2,000	\$2,000	
Peninsula Heritage School				
Rolling Hills Estate, CA				
<i>Private K-5 School</i>				
General operating support		\$4,000	\$4,000	
Pheasants Forever				
Fergus Falls, MN				
<i>Dedicated to the conservation of pheasants, quail and other wildlife</i>				
General operating support		\$4,000	\$4,000	
Productive Alternatives				
Fergus Falls, MN				
<i>Provides services for individuals with disabilities.</i>				
General operating support		\$4,000	\$4,000	

Family Recommended Grants

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Sand Tots Nursery School				
Manhattan Beach, CA				
<i>Cooperative preschool program</i>				
General operating support		\$2,000	\$2,000	
Santa Barbara Maritime Museum				
Santa Barbara, CA				
<i>Maritime museum</i>				
General operating support		\$1,000	\$1,000	
Shambhala International Center				
Halifax, Nova Scotia, Canada				
<i>Buddhist retreat center</i>				
Project support for the tea group, Kalapa Valley, and the archives		\$4,500	\$4,500	
St. Anne's-Belfield School				
Charlottesville, VA				
<i>Private K-12 learning institution</i>				
General operating support		\$6,000	\$6,000	
St. Paul Academy & Summit School				
St. Paul				
<i>Private K-12 learning institution</i>				
General operating support		\$2,000	\$2,000	
Sweetwater Alliance				
Duluth				
<i>Dedicated to bringing a living water garden to Duluth's Bayfront</i>				
General operating support		\$1,000	\$1,000	
Thunderbird Foundation for the Arts				
Mt. Carmel, UT				
<i>Works to further artist Maynard Dixon's legacy by preserving his Utah property and educating the public about his contributions to American art</i>				
General operating support		\$4,000	\$4,000	

Family Recommended Grants

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Tibetan American Foundation				
St. Paul				
<i>Provides educational, recreational, referral and other services to the Tibetan community</i>				
Project support for the salary and health benefits for the performing arts instructor				
		\$5,000	\$5,000	
Union College				
Schenectady, NY				
<i>Private liberal arts college</i>				
General operating support				
		\$4,000	\$4,000	
University of Minnesota Foundation				
Minneapolis				
<i>Raises funds to support the University of Minnesota</i>				
General operating support for the Minnesota Equine Center				
		\$1,000	\$1,000	
Village School				
Pacifica Palisades, CA				
<i>Private K-6 learning institution</i>				
Support for the capital campaign				
		\$8,000	\$8,000	
Walker Art Center				
Minneapolis				
<i>Contemporary art museum</i>				
General operating support				
		\$1,500	\$1,500	
Washburn Child Guidance Center				
Minneapolis				
<i>Serves children with emotional and behavioral problems</i>				
General operating support				
		\$200	\$200	
Xelias Aerial Arts Studio				
Minneapolis				
<i>Aerial arts school</i>				
General operating support				
		\$8,000	\$8,000	

Family Recommended Grants

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Yale University				
New Haven, CT				
<i>Private liberal arts college</i>				
Support for the Yale School of Management		\$2,000	\$2,000	
Total Family Recommended Grants	—	\$132,000	\$132,000	—
Grand Totals	\$337,000	\$904,600	\$836,600	\$405,000

Financial Statements of Assets and Principal Arising from Cash Transactions

DECEMBER 31, 2007 AND 2006

	Market		Cost	
	2007	2006	2007	2006
Assets				
Investments				
Stocks	\$9,549,374	\$8,401,236	\$8,099,934	\$7,426,286
U.S. government and agency obligations	\$1,401,814	\$1,485,583	\$1,376,159	\$1,485,583
Corporate obligations	\$808,601	\$720,981	\$548,700	\$526,640
Investment in limited partnerships	\$4,656,541	\$5,517,505	\$4,229,256	\$4,806,121
Cash and cash equivalents	\$830,312	\$351,853	\$830,312	\$351,853
<i>Total Investments</i>	\$17,246,642	\$16,477,158	\$15,084,361	\$14,596,483
<i>Principal arising from cash transactions</i>			\$15,084,361	\$14,596,483

Financial Statements of Cash Receipts and Disbursements and Changes in Principal

YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Receipts		
Dividends	\$200,820	\$119,721
Interest	\$179,488	\$139,615
Net gain on sales of investments	\$830,547	\$1,256,531
Total receipts	\$1,390,489	\$1,515,867
Disbursements		
Excise tax on net investment income	\$40,750	\$9,515
General and administrative expenses	\$118,685	\$91,208
Investment management and custodial fees	\$201,082	\$63,299
Charitable contributions	\$837,600	\$802,500
Total disbursements	\$1,198,117	\$966,522
Net increase (decrease) in principal for the year	\$192,372	\$549,345
Principal at beginning of year, as previously stated	\$14,596,483	\$14,047,138
Change in estimate (Note 7)	\$295,506	
Principal at beginning of year, restated	\$14,891,989	\$14,047,138
Principal at end of year	\$15,084,361	\$14,596,483

Notes to Financial Statements

DECEMBER 31, 2007 AND 2006

Note 1. Significant Accounting Policies

Nature of Business

Marbrook Foundation (the Foundation) was formed under an agreement dated November 1, 1948 to be operated exclusively for religious, charitable, scientific, literary, or educational purposes within the United States.

Basis of Statement Presentation

The Foundation has adopted the modified cash basis of accounting and, accordingly, investments are recorded at cost in the accompanying financial statements, and the financial statements do not reflect such items as unrealized appreciation or depreciation on investments, accruals for interest and dividends receivable, accruals for federal excise taxes, or amortization of bond discounts and premiums.

Cash Equivalents

Cash equivalents include short-term highly liquid investments with original maturities of three months or less. The short-term highly liquid investments are carried at cost, which approximates market.

Carrying Value of Investments

Investments are recorded at cost at the trade date, adjusted for subsequent repayments of principal as applicable. Gains and losses on the sales of investments are computed on a specific identification basis. Market values for common stocks and fixed income securities disclosed in the accompanying financial statements are based upon published quotations. Limited partnership investments are valued at fair value in such manner as the Foundation's management determines at its discretion. Such good faith valuations are generally based on the Foundation's capital balance as reported by the investment partnership, subject to the Foundation's review and approval.

Charitable Contributions

It is the Foundation's policy to comply with federal income tax regulations governing the minimum amount of charitable contributions to be distributed.

Note 2. Corporate Obligations

The corporate obligations were held to maturity and sold on January 9, 2008. The obligations were linked to the performance of the Nikkei 225® Index, subject to a 75.5% appreciation cap on the positive performance of the index.

Note 3. Excise Tax

The Foundation is classified as a private foundation, as defined in Section 509(a) of the Internal Revenue Code and is subject to an excise tax on net investment income. The effective excise tax rate was 2% for the years ended December 31, 2007 and 2006.

Excise tax on net investment income includes \$21,444 paid by the Foundation in 2007 relating to the 2007 excise tax balance and \$18,706 paid by the Foundation in 2007 relating to the 2006 excise tax balance.

Note 4. Commitments

At December 31, 2007, the Foundation has unpaid pledges for charitable contributions aggregating \$405,000, payable over the next eight years. The payments are expected as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2008	\$45,000
2009	\$45,000
2010	\$75,000
2011	\$160,000
2015	\$80,000
	<u>\$405,000</u>

In addition, the Foundation has commitments to fund limited partnership investments totaling \$37,157, payable as called by the partnership.

Note 5. Related-Party Transactions

Certain administrative expenses are allocated to the Foundation by Brooks Associates, Inc., an affiliated entity. The Foundation paid approximately \$37,168 and \$31,971 in related-party administrative costs and grant fees in 2007 and 2006, respectively.

Note 6. Leases

The Foundation leases office space under an operating lease that expires on February 28, 2017. The following is a schedule by year of future minimum lease payments required under the lease:

<u>Years Ending December 31,</u>	<u>Amount</u>
2008	\$3,350
2009	\$3,350
2010	\$3,350
2011	3,350
2012	\$4,188
Thereafter	\$18,146
	<u>\$35,734</u>

Note 7. Change in Estimate

During the year ended December 31, 2007, the Foundation determined the estimate of the partnership assets and income for 2006 was understated. The change in estimate caused an increase in the prior year ending principal on the statement of cash receipts and disbursements and changes in principal of \$295,506.

Independent Auditor's Report
THE BOARD OF TRUSTEES
MARBROOK FOUNDATION
MINNEAPOLIS, MINNESOTA

We have audited the accompanying statements of assets and principal arising from cash transactions of Marbrook Foundation (the Foundation) as of December 31, 2007 and 2006, and the related statements of cash receipts and disbursements and changes in principal for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express such an opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and principal arising from cash transactions of Marbrook Foundation as of December 31, 2007 and 2006, and its cash receipts and disbursements and changes in principal for the years then ended on the basis of accounting described in Note 1.

Eide Bailly LLP
Minneapolis, Minnesota
June 10, 2008

Application Procedures

Marbrook Foundation makes grants to tax-exempt organizations in five areas of focus: Environment, Education, Body, Mind and Spirit, The Arts, and Social Empowerment. The Foundation has no formal application form. Proposals are usually submitted as letters with attachments. The **Minnesota Common Grant Application** will be accepted provided that all of the following information is included.

Applicants should submit one copy of a proposal including the following:

- Description of the organization requesting support
- Description of the objectives for which the grant is sought
- Specific details on how the objectives are to be attained
- Budget
- List of major contributors and amounts received, committed or pending
- Proposed method of evaluation to determine the eventual extent to which the proposed objectives are to be met
- Board of Directors List
- 501(c)(3) Ruling Letter
- Most recent Annual Report

Marbrook Foundation deadlines are May 15 and November 15. Trustee meetings to consider grant proposals are generally held in June and December. Specific dates for the Trustee meetings are usually determined approximately five months ahead of time.

Applications should be sent to:

Julie S. Hara, *Executive Director*
Marbrook Foundation
1300 U.S. Trust Building
730 Second Avenue South
Minneapolis, Minnesota 55402

Preliminary inquiries may be made by calling Julie Hara at 612-752-1783 or emailing her at jhara@marbrookfoundation.org.

Restrictions

Marbrook Foundation only makes grants to nonprofit organizations that are tax-exempt under Internal Revenue Code 501(c)(3). The Foundation generally limits its grants to established organizations located in the Twin Cities metropolitan area. The Foundation typically does not fund:

- start-up organizations
- programs for the elderly
- domestic abuse programs
- disease-related organizations
- conferences and events
- programs serving the physically or mentally disabled
- individuals or organizations which attempt to influence legislation or to intervene in any political campaign.