



MESSAGES

2003
ANNUAL REPORT
M.J. MURDOCK
CHARITABLE
TRUST

OUR BENEFACTOR

While still in the spring of his life, Jack Murdock displayed swelling buds of scientific curiosity and a philanthropic heart. These opened more fully later in life and continue to mature in our activities here at the Trust.

In his autobiography, written in 1934, when only 16 years old, Jack set several goals for himself. He wrote, "After leaving high school and establishing a business of my own, I intend to go further into the study of radio phenomena. I would like to learn all there is to know about radio if it is possible. I shall probably carry on many experiments in this field, and also, possibly some other branches of science... I have at present several ideas for inventions, which if put into use would be of great benefit to the people of the world."

Jack did indeed establish a business, out of which was born the oscilloscope that gave Tektronix its start and eventual success. Through Tektronix, and with the help of those he gathered around himself, he introduced a high tech emphasis in our region that has grown remarkably, all based ultimately on solid scientific research. In this sense, the science buds in his youth burst into full bloom and produced a high yield of tech fruit still being harvested today.

His youthful statement of doing things to benefit others, the philanthropy buds, also came into bloom, yielding fruit before his death. He

established his own foundation, the Millicent Foundation, which was his personal vehicle of giving in the region. Simply by opening a box of hand-written records on a shelf in our offices we see his heart for others — a wide variety of organizations he believed worthy of his support, and a guide to our philanthropy today.

As Jack's youth was replaced by adulthood and his career interests took root, so did his interests in humankind expand beyond that of radios and science. This was evident in a speech he gave to the Portland Chamber of Commerce in 1966, thirty-two years after his autobiography was penned. There he reflected on the importance of work, play, the pursuit of knowledge, and the human need for creative expression. He believed that these activities, and certainly others as well, lead to healthier, happier, and more productive people, more able to solve society's problems and make significant contributions to our world.

So it is that both Jack's wide ranging interests and his practice of philanthropy live on today in the form of the charitable Trust established from his estate in 1975. Since then, thousands of grants worth hundreds of millions of dollars have been invested in the work, play, education, and creativity of people in the region. Surely he would have enjoyed seeing the harvest of his dreams.

FROM THE EXECUTIVE DIRECTOR

During 2003 the economic breezes once again shifted back to north, abandoning with some hesitation the doldrums of last year. But they remained gusty enough for the wise investor to keep the asset allocation hat pulled down firmly in place, hoping to find financial security and growth in the reliable uncertainties of the future.

On the national scene, foundation giving declined an estimated 2.5 percent during 2003 over the previous year, reflecting a drop in foundation assets during the downturn in economy since 2000 of over 10 percent. So giving by organized philanthropy has actually remained quite strong during turbulence, at least in part because economic downturns apply extra financial pressure on the nonprofit sector and foundations try to keep our friends going when the going is tough. Since there is generally a lag between foundation asset levels and giving, largely because of averaging over years and caution in reacting too quickly, during 2003 when endowments began to increase the giving stayed down. But projections for 2004 are to see once again an increase in giving at the national level.

During 2003, our assets have rebounded significantly, a fact that is heartening because it means our support of the many good causes in our region can grow and the good work of our grantees may be strengthened. And it is good work and the people that provide it that is the important focus of this annual report.

In contrast to bad news coming from geopolitical hot spots around the world, there is so much good news taking place in our region that it can not be folded into an annual report without creating a

book. So that's what we have done in recent years by publishing the *Messages* series as a companion to our annual reports. Many of you have enjoyed these books, and if you haven't, a call to our office will place one in your hands.

Our first book, dedicated to our grantees in Oregon, is *Messages from Oregon* which symbolically captures an essence of the state with a Pendleton blanket on the cover. Our second, *Messages from Washington*, features a piece of Singletary art glass on its cover to represent the state and to honor our Washington grantees.

This year we pay tribute to our Montana grantees in *Messages from Montana*, again as a companion to the annual report. It sports a Western hat with a hitched horsehair band — a symbol capturing an essence of Montana where a hat is often a statement of its wearer. The rich quality and special missions and services of our grantees are embodied in the quality of the fine workmanship reflected on the cover.

For now, it is time to tip our hats to these very special people and the remarkable work they do to make our five-state region better as a place of work, play, education, and creativity. So join with us, turn the pages and see in our grantees the richness and uniqueness of each ...



Neal O. Thorpe
Executive Director and Trustee

ARTS & CULTURE 15 Grants / \$3,317,400

Endeavors in the performing and visual arts which enrich the cultural environment of the region. Educational outreach efforts are especially valued.

	IN DOLLARS
Archie Bray Foundation <i>Helena, Montana</i> • <i>New Ceramic Arts Facility</i> To serve artists, the community, and the region	250,000
Centrum Foundation <i>Port Townsend, Washington</i> • <i>Theater Equipment</i> To enhance sound and lighting for music and theater performances	35,000
Columbia Theatre Association for the Performing Arts <i>Longview, Washington</i> • <i>New Marquee</i> To increase visibility, attendance, and rentals	48,000
Federal Way Symphony Orchestra <i>Federal Way, Washington</i> • <i>Staff Expansion</i> For full-time executive director	51,100
Imago, The Theatre Mask Ensemble <i>Portland, Oregon</i> • <i>Capital Improvements</i> To enhance building safety and audience experience	35,000
Ketchikan Indian Corporation dba Ketchikan Indian Community <i>Ketchikan, Alaska</i> • <i>Totem Pole Project</i> To share community history and culture	65,000
Northwest Children's Theater and School, Inc. <i>Portland, Oregon</i> • <i>Establish Development Program</i> To support performance and educational programs	115,600
Oregon East Symphony, Inc. <i>Pendleton, Oregon</i> • <i>Staff Expansion</i> To increase regional audience	44,000
Oregon Historical Society <i>Portland, Oregon</i> • <i>Digitization of Collections</i> For enhancing access and research	287,000
Portland Art Museum <i>Portland, Oregon</i> • <i>North Wing Renovation Project</i> To create new galleries and enhance museum services	1,250,000
Portland Center Stage <i>Portland, Oregon</i> • <i>New Ticketing and Donor Tracking System</i> To streamline operations and enhance fund-raising potential	201,700
Portland Classical Chinese Garden <i>Portland, Oregon</i> • <i>Collection Documentation and Program Development</i> For education of children and adults	125,000
Portland Opera Association, Inc. <i>Portland, Oregon</i> • <i>New Headquarters Renovation</i> To provide offices, rehearsal space, and costume shop	500,000
Spokane Civic Theatre, Inc. <i>Spokane, Washington</i> • <i>Costume Shop Renovation and Marketing</i> To improve rental services that support theater productions	60,000
Wrangell, City of <i>Wrangell, Alaska</i> • <i>New Museum and Civic Center</i> To serve the community and visitors to Southeast Alaska	250,000

EDUCATION 33 Grants / \$9,319,800

Projects and programs primarily educational in purpose offered in both formal and informal settings. Emphasis is placed on program enhancement or expansion and new approaches consistent with the institution's mission and resources.

	IN DOLLARS
Alaska Christian College <i>Soldotna, Alaska</i> • <i>Dormitory Construction</i> To enhance leadership opportunities for Alaska Natives	293,000
Alaska Pacific University <i>Anchorage, Alaska</i> • <i>Academic Building Renovation</i> To improve undergraduate science education	584,000
Aprovecho <i>Cottage Grove, Oregon</i> • <i>Community Center Construction and Research Equipment Purchase</i> To support appropriate and environmentally friendly technology	65,000
Atomic Heritage Foundation <i>Washington, DC</i> • <i>Exhibit Design and Construction</i> To present the history of nuclear power	150,000
Audubon Washington <i>Seattle, Washington</i> • <i>New Education Director</i> To provide science programs for the northern Olympic Peninsula	131,000
Carroll College <i>Helena, Montana</i> • <i>Engineering Building Construction</i> For a new program in civil engineering	250,000
Children's Museum of Snohomish County <i>Everett, Washington</i> • <i>New Exhibit Construction</i> To expand service to youth and their families	250,000

EDUCATION (Continued)

	IN DOLLARS
Council for Christian Colleges & Universities <i>Washington, DC</i> • <i>Leadership Development and Spiritual Formation Program</i> <i>To train campus chaplains</i>	186,500
Crates Point <i>The Dalles, Oregon</i> • <i>Lewis & Clark Cargo Exhibit</i> <i>For visitor education and interpretation</i>	150,000
Discovery Institute <i>Seattle, Washington</i> • <i>Technology Study Project</i> <i>To address effects on society</i>	345,000
Friends of Montana Public Television Inc. <i>Bozeman, Montana</i> • <i>Acquisition of Television Transmission Equipment</i> <i>For expansion of coverage in Montana</i>	298,500
Gonzaga University, Corporation of <i>Spokane, Washington</i> • <i>Renovation of Hughes Hall</i> <i>To improve undergraduate science teaching and research</i>	1,000,000
Intercollegiate Studies Institute, Inc. <i>Wilmington, Delaware</i> • <i>Christian College Outreach</i> <i>To further students' understanding of economic, political, and spiritual values</i>	150,000
La Salle High School <i>Milwaukie, Oregon</i> • <i>Science Classroom Construction</i> <i>To strengthen science instruction</i>	250,000
Leadership Institute <i>Arlington, Virginia</i> • <i>Upgrade Telecommunications Equipment</i> <i>To support training activities</i>	165,000
Lewis & Clark Bicentennial Commemorative Committee <i>Vancouver, Washington</i> • <i>Cathlapotle Plankhouse Reconstruction</i> <i>For cultural and environmental education at Ridgefield National Wildlife Refuge</i>	75,000
Lewis & Clark Bicentennial in Oregon <i>Portland, Oregon</i> • <i>New Development Director</i> <i>To advance the programs in Oregon and SW Washington</i>	100,000
Mars Hill Graduate School <i>Bothell, Washington</i> • <i>Enhance Library Services</i> <i>To provide training for students preparing for Christian service</i>	146,500
Museum of Flight Foundation <i>Seattle, Washington</i> • <i>Aviation Learning Center Simulator Laboratory</i> <i>For educating youth in aviation science</i>	288,000
Oregon College of Art and Craft <i>Portland, Oregon</i> • <i>Technology Enhancement</i> <i>To improve student, faculty, and administration services</i>	187,300
Oregon College of Oriental Medicine <i>Portland, Oregon</i> • <i>Program Expansion</i> <i>For clinical doctoral degree in acupuncture and Oriental medicine</i>	108,000
Oregon State Parks Trust <i>Bend, Oregon</i> • <i>Vista House Restoration</i> <i>To improve visitors' safety and amenities</i>	150,000
Oregon Zoo Foundation <i>Portland, Oregon</i> • <i>Condor Breeding Facility</i> <i>To restore the population of North America's largest bird</i>	300,000
Pacific Legal Foundation <i>Sacramento, California</i> • <i>Program Support</i> <i>To provide legal research on environmental issues</i>	300,000
Pacific University <i>Forest Grove, Oregon</i> • <i>New Library Construction</i> <i>To provide increased access to written and electronic information</i>	750,000
Political Economy Research Center, Inc. <i>Bozeman, Montana</i> • <i>Research, Outreach, and Education Program</i> <i>To study natural assets of the West</i>	300,000
Port Townsend Marine Science Society <i>Port Townsend, Washington</i> • <i>New Education Staff</i> <i>For natural history program</i>	73,000
Seattle Pacific University <i>Seattle, Washington</i> • <i>Science Building Renovation</i> <i>To improve undergraduate research and education</i>	1,000,000
Seattle University <i>Seattle, Washington</i> • <i>Integration of Spiritual Ministry into Nursing Program</i> <i>For graduate and undergraduate students</i>	169,000
Southern Oregon University <i>Ashland, Oregon</i> • <i>Acquisition of Biotechnology Equipment</i> <i>To enhance undergraduate education and research</i>	213,000
Washington Legal Foundation <i>Washington, D.C.</i> • <i>Expand Investor Protection Program</i> <i>To promote principles of a free market economy</i>	250,000
Western Baptist College <i>Salem, Oregon</i> • <i>Chapel and Fine Arts Center Construction</i> <i>To accommodate campus and community programs</i>	300,000
Youth Exploring Science (YES) <i>Beaverton, Oregon</i> • <i>Intel International Science and Engineering Fair</i> <i>For high school student research and outreach program</i>	342,000

HEALTH & HUMAN SERVICES 56 Grants / \$8,601,800

A diversity of projects and programs designed to enhance the quality of life in the region. Efforts to preventively meet the physical, spiritual, social, and psychological needs of people, with an emphasis on youth.

	IN DOLLARS
Adventist Medical Center <i>Portland, Oregon</i> • <i>Expansion of Hospice Chaplain Program</i> For out-patient spiritual care	179,000
Anchor Arms Incorporated <i>Anchorage, Alaska</i> • <i>Construction of Safe Harbor Inn Addition</i> To provide temporary housing for families in social service programs	150,000
Beartooth Mountain Christian Ranch <i>Fishtail, Montana</i> • <i>Dining and Multipurpose Facility Construction</i> To increase camper capacity	100,000
Boys & Girls Club of Salem, Marion & Polk Counties, Inc. <i>Salem, Oregon</i> • <i>Expand Teen Center</i> To increase health and physical education services	132,000
Bridge Builders International <i>Philomath, Oregon</i> • <i>Technology Upgrade</i> For Christian ministry in the Baltic nations	25,000
Camp Fire USA, Central Puget Sound Council <i>Seattle, Washington</i> • <i>Camp Sealth Lodge Renovation</i> To improve accessibility for disabled campers	237,000
CCI Enterprises, Inc. <i>Milwaukie, Oregon</i> • <i>Expand and Renovate Facility</i> To enhance recreational services to disabled adults	108,500
Centro Cultural De Condado De Washington <i>Cornelius, Oregon</i> • <i>Community Center Expansion</i> To enhance services and cultural opportunities for Washington County residents	135,000
Challenge Ministries International, Inc. <i>Portland, Oregon</i> • <i>Staff Expansion</i> To enhance services for short-term mission opportunities	80,700
Chewelah and Rural Ambulance Association <i>Chewelah, Washington</i> • <i>New Training Equipment</i> For EMT and community emergency response	15,000
Children's Therapy Center <i>Kent, Washington</i> • <i>Expansion of Neuro-developmental Facility</i> To increase services to young children and their families	75,000
Crista Ministries <i>Seattle, Washington</i> • <i>Purchase New Truck</i> To collect relief supplies for those in need in developing countries	40,000
Everett Mt. Baker Christian Training and Camping, Inc. DBA Cedar Springs Camp <i>Lake Stevens, Washington</i> • <i>Restroom and Laundry Renovations</i> To improve camper services	33,000
F.I.T. Decisions Foundation <i>Covington, Washington</i> • <i>New Executive Director</i> For teen character development program	111,000
Fairbanks Community Mental Health Center <i>Fairbanks, Alaska</i> • <i>New Service Center</i> For regional children and adults	200,000
Free Clinic of Southwest Washington <i>Vancouver, Washington</i> • <i>Staff Expansion</i> To increase medical services for the uninsured	134,900
Friends of the Children <i>Portland, Oregon</i> • <i>Establish National Development Office</i> To expand program serving high-risk youth	220,000
Friends of Youth <i>Redmond, Washington</i> • <i>Construction and Renovation of Griffin Home Facility</i> For therapeutic residential treatment program	150,000
Grays Harbor and Pacific County Food Bank Distribution Center <i>Hoquiam, Washington</i> • <i>New Warehouse</i> For five-county food distribution services	150,000
Grotto, The National Sanctuary of Our Sorrowful Mother <i>Portland, Oregon</i> • <i>Plaza Restoration</i> To improve safety	100,000
Habitat for Humanity International, Inc. <i>Americus, Georgia</i> • <i>Staff Expansion</i> For state resource development manager serving Washington	116,900
Hands of Hope Northwest, Inc. <i>Nampa, Idaho</i> • <i>New Warehouse</i> For distribution of surplus medical equipment to developing countries	42,000
Hospice of the Gorge, Inc. <i>Hood River, Oregon</i> • <i>New Office Building</i> To serve families of the Mid-Columbia region	60,000
Inter-Varsity Christian Fellowship of the USA <i>Madison, Wisconsin</i> • <i>Alumni Program Expansion</i> To connect graduates with national and local ministries	270,000
Lane-Douglas Healthcare Foundation <i>Cottage Grove, Oregon</i> • <i>Cottage Grove Community Hospital CT Equipment and Installation</i> For emergency department	189,000
Loaves and Fishes Centers, Inc. <i>Portland, Oregon</i> • <i>New Contract Food Service Program</i> To better serve the elderly population	166,000
Mid-Valley Rehabilitation, Inc. <i>Amity, Oregon</i> • <i>Purchase, Renovate, and Expand Industrial Services Building</i> To enhance services to developmentally disabled adults	135,000
Mountain Home Montana Inc. <i>Missoula, Montana</i> • <i>Entryway and Office Expansion</i> For teen mother transitional housing	49,000
MultiCare Health System <i>Tacoma, Washington</i> • <i>Information System Infrastructure Expansion</i> For Mary Bridge Children's Outpatient Center	175,000

HEALTH & HUMAN SERVICES (Continued)

	IN DOLLARS
National Forest Foundation <i>Missoula, Montana</i> • <i>New Oregon Field Representative To support forest conservation in Coast and Cascade ranges</i>	186,800
National Right to Work Legal Defense and Education Foundation, Inc. <i>Springfield, Virginia</i> • <i>Program Support To provide education and professional service</i>	150,000
Native Village of White Mountain <i>White Mountain, Alaska</i> • <i>New Multipurpose Building To house community, youth and family programs</i>	138,000
NetCorps <i>Eugene, Oregon</i> • <i>Technology Staff Expansion To serve rural Oregon communities</i>	90,300
Oregon District, General Council of the Assemblies of God <i>Salem, Oregon</i> • <i>Camp Davidson Activity Lodge Construction To provide multi-use indoor program space</i>	100,000
Oregon Donor Program <i>Portland, Oregon</i> • <i>New Education Coordinator To solicit organ donors among high school students</i>	83,000
Oregon Environmental Council, Inc. <i>Portland, Oregon</i> • <i>New Marketing Program To encourage citizens to help protect Oregon's clean water and air</i>	166,600
Pregnancy Resource Center of Vancouver <i>Vancouver, Washington</i> • <i>Medical Clinic Renovation and Program Expansion For women with unplanned pregnancies</i>	35,000
Prosthetics Outreach Foundation <i>Seattle, Washington</i> • <i>Establish Development Program To support international humanitarian efforts</i>	153,000
Puget Sound Neighborhood Health Centers <i>Seattle, Washington</i> • <i>Medical and Dental Clinic Construction To serve low income community in High Point</i>	100,000
Rocky Mountain Bible Mission <i>Lolo, Montana</i> • <i>Camp Elohim Multi-Use Building Construction To serve area youth and adults</i>	32,000
Rural Development Initiatives, Inc. <i>Eugene, Oregon</i> • <i>Establish Development Program To build a diverse funding source and improve services to rural Oregon</i>	119,900
Safe Place Ministries, Inc. <i>Boise, Idaho</i> • <i>Transitional Housing Acquisition For family victims of domestic violence</i>	51,500
Sisters Organization for Activities and Recreation <i>Sisters, Oregon</i> • <i>Youth Center Construction To enhance services in rural area</i>	250,000
SOLV <i>Hillsboro, Oregon</i> • <i>New Development Staff To support community volunteer action programs</i>	166,800
Sonoran Institute <i>Tucson, Arizona</i> • <i>Program Expansion To develop new economic tools that will assist rural communities</i>	137,900
St. John's Medical Center Foundation <i>Longview, Washington</i> • <i>Kidney Dialysis Center Renovation To expand patient services</i>	200,000
Sunshine Community Health Center, Inc. <i>Talkeetna, Alaska</i> • <i>New Dental Equipment For rural clinic</i>	100,000
To Shine Too, Inc. <i>Portland, Oregon</i> • <i>Establish Native American Ministry in Montana To prepare young people for Christian living</i>	182,000
Twin Rocks Friends Conference Association <i>Rockaway Beach, Oregon</i> • <i>Pedestrian Overpass Construction To provide campers with safe passage across Highway 101</i>	125,000
Union Gospel Mission Association of Seattle, Inc. <i>Seattle, Washington</i> • <i>Earthquake Retrofit and Repair For men's transitional program facility</i>	50,000
Village Missions <i>Dallas, Oregon</i> • <i>Staff Expansion and New Software To better serve rural pastors</i>	107,000
Volunteers in Medicine Clinic, The <i>Eugene, Oregon</i> • <i>Establish New Mental Health Manager Position For enhanced service to uninsured patients</i>	158,000
Young Life <i>Colorado Springs, Colorado</i> • <i>Wildhorse Canyon Club Room Construction For camp attendance expansion</i>	1,500,000
Young Men's Christian Association of Tacoma and Pierce County <i>Tacoma, Washington</i> • <i>Construction of Camp Waste Treatment System To enable attendance increase</i>	200,000
Youth for Christ USA, Inc. <i>Denver, Colorado</i> • <i>Reconfigure Technology Infrastructure To extend Christian outreach among young people</i>	290,000
Youth for Christ USA, Inc. <i>Denver, Colorado</i> • <i>Restructure Greater Seattle Chapter To increase ministry effectiveness</i>	150,000

GENERAL SCIENTIFIC RESEARCH 10 Grants / \$4,237,000

AT PUBLIC UNIVERSITIES, RESEARCH INSTITUTES, AND PRIVATE COLLEGES

Public universities or private colleges and independent research institutes submit institutional priority requests for scientific research, often interdisciplinary, and often requiring sophisticated instrumentation.

	IN DOLLARS
Boise State University <i>Boise, Idaho</i> • <i>Biomedical Equipment Acquisition To support faculty and student research</i>	327,500
Montana State University <i>Bozeman, Montana</i> • <i>Acquisition of Research Equipment To establish a Protein Structure and Interactions Facility</i>	400,000
Oregon Health & Science University Foundation <i>Portland, Oregon</i> • <i>Acquisition of Transmission Electron Microscope For a biological imaging core laboratory</i>	422,000
Seattle Biomedical Research Institute <i>Seattle, Washington</i> • <i>Acquisition of Research Equipment For studies of global infectious diseases</i>	638,000
University of Idaho Foundation, Inc. <i>Moscow, Idaho</i> • <i>Purchase of Equipment for a New Microscopy Center To support research in biology</i>	394,000
University of Portland <i>Portland, Oregon</i> • <i>Murdock College Science Research Program For strengthening of faculty and student research in the sciences</i>	350,000
University of Washington <i>Seattle, Washington</i> • <i>Acquisition of Medical Research Instrumentation To equip new Integrated Brain Imaging Center</i>	485,000
University of Washington <i>Seattle, Washington</i> • <i>Biological Research Equipment Acquisition To support studies of population genomics</i>	499,500
Washington State University Foundation <i>Pullman, Washington</i> • <i>Acquisition of Microfabrication Equipment For research with novel MEMS devices</i>	387,500
Washington State University Foundation <i>Pullman, Washington</i> • <i>Procurement of Research Equipment For support of studies in biology and geology</i>	333,500

MURDOCK COLLEGE RESEARCH PROGRAM FOR LIFE SCIENCES 5 Grants / \$196,000

This program is designed to support research initiation in the life sciences at private, predominantly undergraduate colleges and universities in the Pacific Northwest. Normally awards are for two years, with one renewal possible.

	IN DOLLARS
Carroll College <i>Helena, Montana</i> • <i>Heavy Metal Effects on Functional Redundancy, Activity, and Stability of Soil Bacterial Communities</i>	44,000
Gonzaga University, Corporation of <i>Spokane, Washington</i> • <i>Effect of Truncated APC on RhoGTPase Signaling and Cytoskeletal Function</i>	40,500
Gonzaga University, Corporation of <i>Spokane, Washington</i> • <i>Structure, Function, and Phylogenetic Distribution of the Modified Granular Gland in the Salamander Family "Plethodontidae"</i>	35,000
Reed Institute DBA Reed College <i>Portland, Oregon</i> • <i>A Test for Multiple Evolutionary Origins of the Pale Larkspur; "Delphinium leucophaeum," a Rare Northwestern Larkspur</i>	36,000
Seattle University <i>Seattle, Washington</i> • <i>How Do Different Telomeric Components Contribute to the Protection of Yeast Chromosome Ends?</i>	40,500

EXCEPTIONAL OPPORTUNITY GRANTS PROGRAM 2 Grants / \$100,000

A program offered to regional research universities. The vice president (provost) for research may authorize submission of a proposal for a project that has special merit because of unusual circumstances, with a maximum of \$50,000.

	IN DOLLARS
Washington State University Foundation <i>Pullman, Washington</i> • <i>Research into Possible New Anti-Inflammatory Drugs</i>	50,000
Washington State University Foundation <i>Pullman, Washington</i> • <i>Mammalian-Like Collagen Produced in Barley Grain</i>	50,000

PARTNERS IN SCIENCE PROGRAM 20 Grants / \$280,000

The program supports collaborative scientific research by high school science teachers with researchers in the Pacific Northwest. A regional and a national conference is provided each year. Each grant provides \$14,000 for two summers of research.

	IN DOLLARS
Boise State University <i>Boise, Idaho</i> • Wood River High School <i>Idaho Shrubsteppe Bird Studies</i>	14,000
Eastern Washington University <i>Cheney, Washington</i> • North Central High School <i>Genetic Diversity of Ponderosa Pine in the Pinecroft Natural Area Preserve Using Inter-Simple Sequence Repeats</i>	14,000
Evergreen State College <i>Olympia, Washington</i> • JM Weatherwax High School <i>Bacteriophage-Based Control of Pathogens</i>	14,000
Evergreen State College <i>Olympia, Washington</i> • JM Weatherwax High School <i>Bacteriophage-Based Control of Pathogens</i>	14,000
Fred Hutchinson Cancer Research Center <i>Seattle, Washington</i> • Shorecrest High School <i>Evolution of Human Chromosome 17 in the Domestic Dog</i>	14,000
Gonzaga University, Corporation of <i>Spokane, Washington</i> • Joel E. Ferris High School <i>Fluorescence and Phosphorescence Spectra of Some Lanthanide Thiophosphates: ErPS₄, NdPS₄, GdPS₄, and LuPS₄</i>	14,000
McLaughlin Research Institute for Biomedical Sciences, Inc. <i>Great Falls, Montana</i> • Charles M. Russell High School <i>A Chemical-Genetic Approach to Molecular Motor Function</i>	14,000
Montana State University <i>Bozeman, Montana</i> • Bozeman High School <i>Development of an Interferometer-Based Fluorometer</i>	14,000
Montana State University <i>Bozeman, Montana</i> • Bozeman High School <i>Hydrogen Alpha Telescope for the MOSES Rocket Flight</i>	14,000
Montana State University <i>Bozeman, Montana</i> • Belfry High School <i>Photoswitching Molecules for Incorporation in Molecular Wires</i>	14,000
Oregon Health & Science University <i>Portland, Oregon</i> • Westview High School <i>Genetics of Anxious and Depressive Behavior in a Nonhuman Primate Model</i>	14,000
Oregon Health & Science University <i>Portland, Oregon</i> • West Linn High School <i>In Vitro Propagation of Primate Embryonic Stem Cells</i>	14,000
Oregon Health & Science University <i>Portland, Oregon</i> • Glencoe High School <i>Photoperiodic Modulation of Central Neurotransmitter Systems: A Model for Seasonal Affective Disorder</i>	14,000
Portland State University <i>Portland, Oregon</i> • Oregon City High School <i>Point Spread Function of Back-Illuminated Charge-Coupled Devices</i>	14,000
Portland State University <i>Portland, Oregon</i> • Oregon City High School <i>Synthesis of Model Porphyrins and Conductive Polymers for Solar Cell Studies</i>	14,000
University of Washington <i>Seattle, Washington</i> • Washington High School <i>Genetic Diversity in Marine Phytoplankton</i>	14,000
Washington State University <i>Pullman, Washington</i> • Ilwaco Jr./Sr. High School <i>Reducing Tree Losses in Riparian Restoration Projects and Developing Alternative Controls for Burrowing Shrimp</i>	14,000
Washington State University Foundation <i>Pullman, Washington</i> • Glencoe High School, Oregon <i>Does Timing of Removal of an Invasive Marine Grass Increase Successful Control and Habitat Restoration?</i>	14,000
Washington State University Foundation <i>Pullman, Washington</i> • Heritage High School <i>Patterns of Host Usage and Local Adaptation in Herbivores of Alpine Lupine ("Lupinus lepidus") on Volcanos</i>	14,000
Washington State University Foundation <i>Pullman, Washington</i> • Hermiston High School, Oregon <i>Proteomic Screens Comparing the Response of Skeletal and Cardiac Muscle to Nitrate Stress During Aging</i>	14,000

PARTNERS IN SCIENCE PROGRAM – SUPPLEMENTAL 18 Grants / \$101,711

A supplemental program for high school teachers who have completed two summers of research in the Partners in Science Program. Awards of up to \$6,000 are made to the teachers' high schools to implement research ideas in their classrooms.

	IN DOLLARS
Bonanza High School <i>Bonanza, Oregon • Designing and Conducting Research-Based Labs in the Field of Genetics</i>	6,000
Bozeman High School <i>Bozeman, Montana • Introducing the Tools and Techniques of Biotechnology</i>	6,000
Canby High School <i>Canby, Oregon • Computer Enhancement of Earth and Space Science Curriculum</i>	5,711
Century High School <i>Hillsboro, Oregon • Exploring Molecular Biological Concepts Through Research-Based Investigations</i>	5,417
Corvallis High School <i>Corvallis, Montana • Researching, Displaying, and Communicating Pertinent Ecological Issues Through the Use of GIS and Digital Technology</i>	5,983
Corvallis High School <i>Corvallis, Montana • Studies of "Tubifex" in Local Watersheds, Monitoring Game Range for Elk Recovery</i>	6,000
Forest Ridge School of the Sacred Heart <i>Bellevue, Washington • Materials Science and Chemistry Curriculum Enhancement Through the Introduction of Research and Internships</i>	5,978
Glencoe High School <i>Hillsboro, Oregon • Developing Student Inquiry and Research Skills Through use of Technology</i>	5,440
Gresham High School <i>Gresham, Oregon • Using Electronic Laboratory Probes to Enhance Student Understanding of Chemistry</i>	6,000
Jefferson High School <i>Boulder, Montana • Use of Data Acquisition Equipment and Data Analysis Software in Science Education</i>	6,000
Lathrop High School <i>Fairbanks, Alaska • The Development of a Wildlife Disease and Parasite Educational Kit</i>	2,800
Lost River High School <i>Merrill, Oregon • Planetary, Asteroid, and Stellar Research Projects for Students Using Digital Astro-Photography and Computer-Aided Analysis</i>	6,000
Puyallup High School <i>Puyallup, Washington • Molecular Structure Analysis Using Modeling Software</i>	4,760
Royal High School <i>Royal City, Washington • Using Ethnobotany to Connect ELL/Migrant Students With Higher Education</i>	6,000
Sidney High School <i>Sidney, Montana • Real-World Science Research for Students in Summer</i>	6,000
Silverton High School <i>Silverton, Oregon • Astronomical Imaging for High School Students Using a Refracting Telescope and CCD Camera</i>	6,000
Tigard High School <i>Tigard, Oregon • Equipment for Implementation of Organic Chemistry Investigations for IB Students</i>	5,622
Walla Walla High School <i>Walla Walla, Washington • Molecular Biotechnology for Student Investigation of DNA Using Gel Electrophoresis and Photodocumentation</i>	6,000

TRUST MATCHING GIFTS 1 Grant / \$92,706

Promoting and encouraging charitable giving, the Trust matches gifts made to eligible organizations by Trust employees and Trustees.

2003 SUMMARY OF GRANTS PROGRAM

Total Grants / Arts and Culture (15)	\$3,317,400
Total Grants / Education (33)	\$9,319,800
Total Grants / Health and Human Services (56)	\$8,601,800
Total Grants / Scientific Research (55)	\$4,914,711
Trust Matching Gifts (1 Grant Equivalent)	\$92,706
Grant Total (160 grants)	\$26,246,417

TRUSTEES

Lynwood W. Swanson
Trustee
John W. Castles
Trustee
Neal O. Thorpe
Trustee and Executive
Director



STAFF



John B. Van Zytveld
Senior Program Director



Terry L. Stokesbary
Program Director



Janice W. Kennedy
Program Director



Christopher (Kit)
J. Gillem
Program Director



Bart A. Hadder
Program Director



James R. Martin
Chief Investment and Financial
Officer



Julie D. Cieloha
Controller and Financial
Analyst



Jennifer Larson
Accounting Manager



Marian E. Haro
Administrative Assistant



Colleen D. Allbee
Grants Manager and Computer
Specialist



Marybeth Stewart Goon
Program Assistant



Sheila J. Flannigan
Secretary and Events
Coordinator



Kathy J. Kidwell
Grants Program Secretary



Mary Hill
Grants Program and Financial
Assistant



Kathy L. Freitas
Receptionist

FROM THE CHIEF INVESTMENT AND FINANCIAL OFFICER

As can be seen by the graph below, Trust assets have grown from \$91 million since inception in 1975 to \$540 million in 2003. This accomplishment is due to the courage the Trustees had in employing a new and bold strategic asset allocation.

The Trust employs a long-term strategic asset allocation and investment focus, however, the 2003 stock market performance was a welcomed change from 2000, 2001, and 2002. During 2003 our assets rebounded by \$79 million (net of grants paid and operating costs aggregating \$31 million), a fact that is heartening because it means our support of many good causes in our region can grow, and the good

work of our grantees may be strengthened. It is the good work and the people who provide it through non-profit organizations in the Pacific Northwest, that are the important foci of this annual report. Contributions to the strong financial performance has come from all of our Investment Managers.

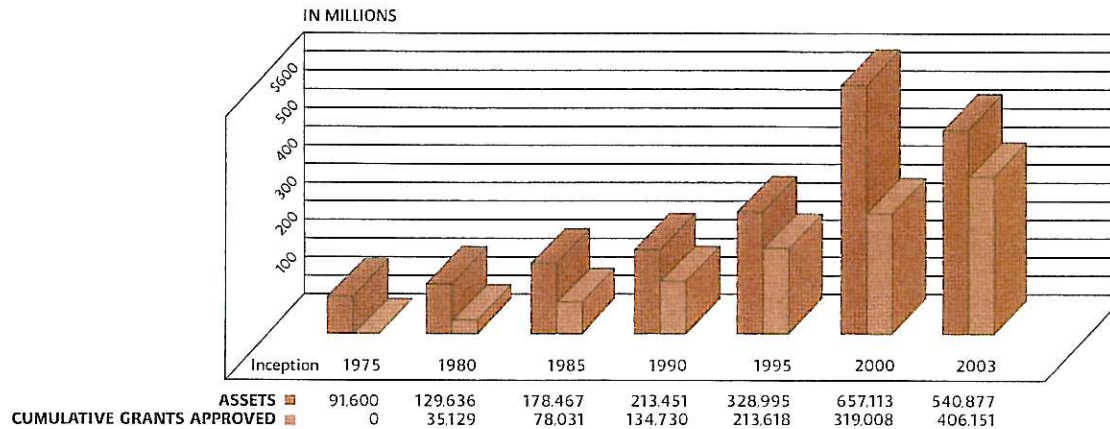
During the last five years we have seen extreme volatility in markets, some of the best and some of the worst in recent memory. Trust assets were well diversified to handle these volatile conditions. Over this 5-year period of time, Trust assets increased by \$61 million, net of grants and expenses of \$148 million.

While no changes were made to our policy alloca-

tion, Trustees and Staff continue to re-examine the Trust's long-term investment asset allocation in order to continually improve the probability of achieving investment returns necessary to help promote new and better means of serving the public good.

James R. Martin
James R. Martin
Chief Investment and
Financial Officer

ASSETS/CUMULATIVE GRANTS APPROVED



INVESTMENT MANAGERS BY ASSET CLASS

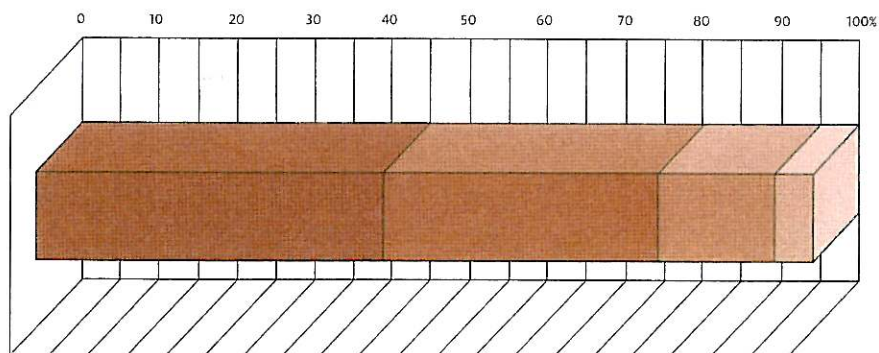
GLOBAL EQUITIES Brandes Investment Partners, LP; Capital Guardian Trust Company; Chartwell Investment Partners; Credit Suisse Asset Management, LLC; Marvin & Palmer Associates, Inc.; Nicholas-Applegate Capital Management; Pinnacle Associates, Ltd.; Primecap Management Company; Trust Company Of The West; W.P. Stewart & Co., Ltd.

ALTERNATIVE ASSETS Abbott Capital Management, LLC; ABRY Partners, LLC; AXA Investment Managers; Capital International, Inc.; Collier Investment Management, Limited; Endeavor Capital; First Reserve Corporation; Keyhaven Capital Partners; Knightsbridge Advisers, Inc.; Medical Innovation Partners; Oaktree Capital Management, LLC; Pacific Alternative Asset Management; Resource Capital Funds; Sequoia Capital; Spur Capital Partners; Technology Partners; Trust Company Of The West; Zev-bergen Capital, Inc.

CAPITAL PRESERVATION Common Sense Investment Management, LLC; Hoisington Investment Management Company; Metropolitan West Asset Management, LLC; Oaktree Capital Management, LLC.

REAL ESTATE Lend Lease Real Estate Investments; SSR Realty Advisors, Inc.

STRATEGIC ASSET ALLOCATION



- **GLOBAL EQUITIES** Large Cap; Small-Mid Cap; Domestic & Global Mandates; Diversified Style Disciplines (45%)
- **ALTERNATIVE ASSETS** Venture Capital; Buyouts; Special Situations; Distressed Securities; Emerging Markets; Oil & Gas; Mining; Hedge Funds; Special Equity Portfolios (35%)
- **CAPITAL PRESERVATION** Alternative Cash Strategy; Long US Treasuries; Hedge Fund; High Yield; Mezzanine (15%)
- **REAL ESTATE** Value-added (5%)

GENERAL PURPOSE GRANT APPLICATION GUIDELINES

These guidelines apply to all requests other than scientific research or formal Trust programs. To make an application to the Trust for financial support, the following FOUR steps should be taken *in the following order*:

1. Determine your organization's eligibility to apply for Trust support.
2. Determine the match of your project or program with Trust interests and limitations.
3. Submit a Letter of Inquiry.
4. Submit a completed formal application.

This document will lead you *through Step 3*. Step 4 can only be taken if the project you propose in Step 3 is determined by the Trust to be eligible for a formal application.

STEP I: IS YOUR ORGANIZATION ELIGIBLE TO APPLY FOR A GRANT?

Applications for grants are considered from organizations which have been ruled to be tax-exempt under Section 501(c)(3) of the Internal Revenue Code and which are not private foundations as defined in Section 509(a) of the Code. Charitable organizations applying for support must have in hand such IRS documentation of status. If tax exempt as a government entity, the Trust will provide a generic letter to use in certifying such status. This will be made available for those reaching Step 4.

Priority is given to applications for the support of projects and programs conducted by qualified organizations within five states of the Pacific Northwest: Alaska, Idaho, Montana, Oregon, and Washington. Of major interest are organizations and projects which are not primarily or normally financed by tax funds.

STEP II: IS THE PROJECT FOR WHICH YOU SEEK SUPPORT WITHIN TRUST INTERESTS?

While the Trust supports a wide variety of projects and programs in the region, there are limitations in Trust interest. Some brief guidelines follow to assist you in determining if your project is clearly out of question or perhaps only of marginal interest.

The Following Kinds of Applications ARE NOT Considered:

1. For the benefit of specific individuals.
2. By individuals acting on behalf of, but without the authority of, qualified tax-exempt organizations.
3. For grants to conduit organizations; i.e., to tax-exempt organizations for passing funds on to organizations not tax-exempt in their own right.
4. For propagandizing or for influencing legislation and elections.
5. By institutions which in policy or practice unfairly discriminate against race, ethnic origin, sex, creed, or religion.
6. By sectarian or religious organizations whose principal activity is for the benefit of their own members or adherents.
7. For loans, debt retirement, or operational deficits.
8. For grants to organizations which are organized and operated outside any state or territory of the United States.

The Following Kinds of Applications USUALLY ARE NOT Considered:

1. For normal ongoing operations or their extension.
2. For contributions to general fund drives or annual charitable appeals.
3. For continuation of programs previously financed from other external sources.

4. For emergency funding, such as in filling gaps between grants or for crash programs.
5. For granting of funds to an organization for distribution to ultimate beneficiaries of its own choosing.
6. For endowment.

A recommended way to test the fit of your project with Trust interests is to review lists of recently awarded grants. These may be found on our web site (murdock-trust.org) or in our annual reports.

STEP III: SUBMIT A LETTER OF INQUIRY

If your organization and project appear to pass these first two steps, the only way to find out for sure whether your anticipated request is appropriate is to submit a Letter of Inquiry to the Trust. This letter should carefully address all items outlined below.

In order to avoid unnecessary work, both for a potential applicant and for the Trust, it is important to determine as early as possible the degree to which a proposed project coincides with areas of Trust interest. To determine this, it is essential to submit a Letter of Inquiry before submitting a formal application to the Trust. This letter, no longer than two pages, should minimally address the following:

What To Address

1. A brief background on your organization, including an abbreviated mission statement, a history of its existence, the size of staff and board, the constituency and geographic region served, and the type of service provided.
2. A description of the project for which support is being requested. Include a discussion of how the decision was reached to mount the project, the factors that contribute to the need or opportunity for the

GENERAL PURPOSE GRANT APPLICATION GUIDELINES (Continued)

project, the importance of the project for your organization and your constituency, and the level and nature of commitment of staff and board to the project.

3. A proposed budget for the total cost of the project and for the amount you intend to request from the Trust. If possible, identify the budget items for which you would be requesting Trust support. Indicate potential or real sources of support for the project in addition to the Trust.

4. A discussion as to why you are approaching the Trust for the project. Indicate any past history with the Trust or any contacts you have made with Trust staff or others leading to your decision to approach the Trust. Add anything else you believe would help the Trust understand your situation and request.

The Trust will provide a written response to your Letter of Inquiry indicating if Step 4 is appropriate for you. If so, you will receive a formal application packet with further instructions on how to proceed. After completing Step 4 and submitting a completed formal application, the Trust requires an additional 6-9 months to process, evaluate, and make a decision on your request.

Timing Considerations

A Letter of Inquiry may be submitted to the Trust at any time. Once the Trust has it in hand, it will be reviewed and you can expect a response within about three weeks. The response is likely to be one of three types:

1. What you propose is eligible for formal consideration by the Trust.
2. What you propose is eligible, but some advice is provided to help in the development of a formal request.

3. What you propose is not eligible for formal consideration by the Trust.

A positive response will include an application packet with additional instructions to follow in submitting a formal request to the Trust.

STEP IV: SUBMIT A COMPLETED FORMAL APPLICATION

You will also be given the option to download the application form from our web site, with a provided password, and complete the proposal on electronic application forms. Following directions, hard copies of the completed application form should be submitted to the Trust.

There are no specific deadlines for receipt of formal applications for general purposes. Applications may be submitted at any time when sufficient information is available for the applicant to thoughtfully address the questions outlined in the application form. In general, a proposal should be submitted early enough to allow staff sufficient time to thoroughly study the proposal and, if appropriate, conduct a site visit to meet with the principals of the project.

The thorough nature of the review process and considerations of fairness to all applicants precludes responding to crisis situations.

The Review Process

Letters of inquiry are reviewed to determine if a proposed project sufficiently fits Trust interests and guidelines to warrant submission of a full proposal. A positive response to the Letter of Inquiry will include an application packet with directions for its completion. Completed formal application forms are reviewed initially to determine whether all required materials have been submitted. Each proposal is

assigned to a Program Director who will take the lead in preparing the request for submission to the Board of Trustees for action. The Program Director may request additional information, an interview with the applicant, or a visit to the applicant's organization. The full proposal, including staff summary and analysis, is made available to the Trustees for their consideration and decision.

The applicant is notified promptly when a decision has been reached. While some level of merit is evident in nearly every proposal received by the Trust, only a fraction of the requests reviewed can result in awards. When an application has been declined, it will not be carried over for future consideration. Under normal circumstances, resubmission of a proposal that was declined is not encouraged.

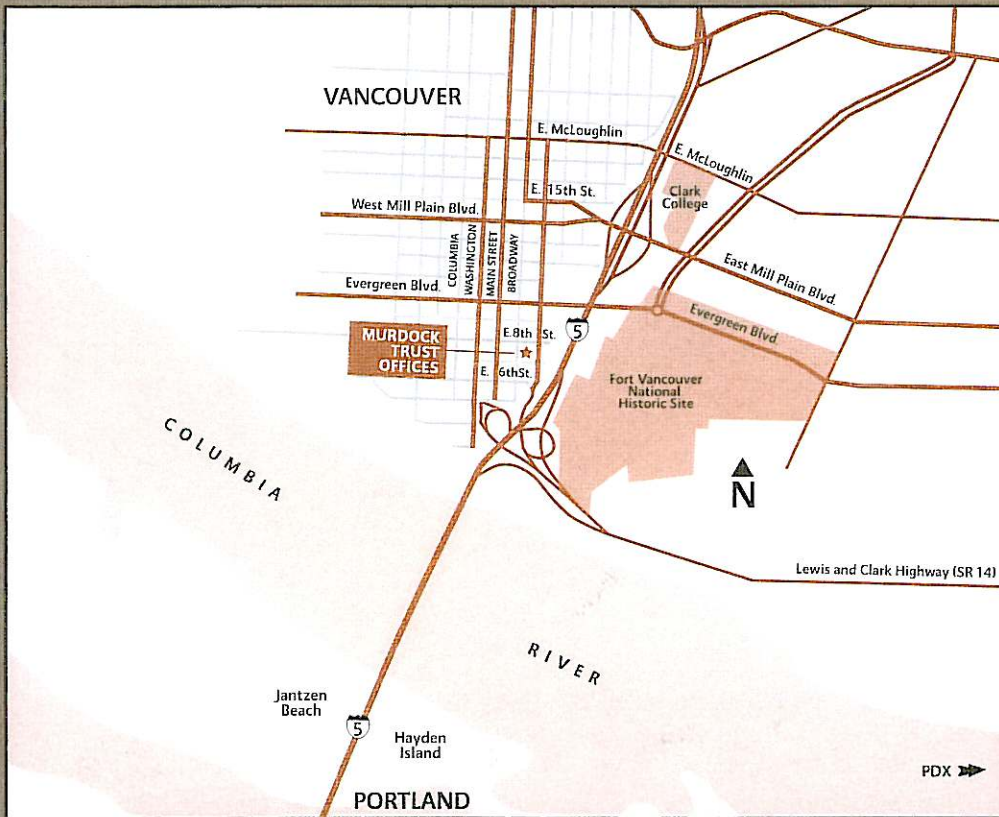
Each proposal becomes the property of the Trust and will not be returned. It will be treated as a privileged communication with the understanding, however, that it may be peer reviewed.

All letters of inquiry and completed formal applications should be mailed in hard copy to:

John Van Zytveld, Ph.D.
Senior Program Director
M. J. Murdock Charitable Trust
P. O. Box 1618
Vancouver, WA 98668

For More Help

If your questions have not been answered by this document or you need some additional information, please call us at 360-694-8415.



Mailing Address
 M.J. Murdock Charitable Trust
 P.O. Box 1618
 Vancouver, Washington 98668

Office Location
 M.J. Murdock Executive Plaza
 703 Broadway, Suite 710
 Vancouver, Washington 98660

Phone: (360) 694-8415
 (503) 285-4086
 Fax: (360) 694-1819
 Web site: www.murdock-trust.org

Publisher: Jan Kennedy
 Designer: Joseph Erceg
 Production: Chris Johnson
 Cover photograph: C. Bruce Forster
 Trustee and staff photographs: Jerome Hart
 Printer: Apollo Graphics

