

THE  
**DANA**  
FOUNDATION

**2001 Annual Report**



**“...offering neuroscientists and ethicists,  
philosophers, educators, and the lay public  
opportunities to discuss issues that  
will profoundly affect human development.”**

**T**he Dana Foundation is a private philanthropic organization with principal interests in science, health, and education. Charles A. Dana, a New York State legislator, industrialist, and philanthropist, was president of the Dana Foundation from 1950 to 1966 and actively shaped its programs and principles until his death in 1975.

Grant applications to the Dana Foundation are reviewed in accordance with the guidelines at the end of this annual report.



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**2001 Annual Report**

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# BOARD OF DIRECTORS, OFFICERS, AND ADMINISTRATION

(as of March 31, 2001)

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***Isaac Sashitzky***

Internet Intern

***Ana Y. Somarriba***

Receptionist

***Randy Talley***

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***Ann Whitman***

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***Roman W. DeSanctis, M.D.***

***Janet Eilber***

***Zach W. Hall, Ph.D.***

***Kay Redfield Jamison, Ph.D.***

***Guy M. McKhann, M.D.***

***Ralph M. Steinman, M.D.***

***Philip Uri Treisman, Ph.D.***

## CHAIRMAN'S LETTER

The pursuit of understanding the powers, problems, and potential of the brain is the most exciting science underway in the 21st century. (That's what our brains tell us, of course, but we can live with such special-interest pleading.) In making new grants in 2001, the Dana Foundation drew on experience it has gained over the past decade in brain science and over the past half-century in education.

In neuroscience, where our support for action to raise public awareness has had worldwide impact, Dana grants have continued to sponsor innovative research. Especially rewarding have been advances in the technology of imaging, so essential to the breakthroughs in the study of the many brain-related diseases. Because brain research leads into so many fields, our funds also have begun flowing to researchers working on the interaction between the brain and immune system, a field known as neuroimmunology. In education, we expanded our activity into the training of teachers and artists in the use of the performing arts in public schools.

Details of our grant-making and communications activities follow in this annual report. Here is a brief overview of what the Foundation has been doing and where it is headed.

### Neuroimmunology

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With Dana Foundation support, scientists in laboratories across the country are seeking to discover how the brain and nervous system communicate; how immune cells travel through the body (and sometimes into the brain); if and how and why the immune system gets the wrong orders from the brain and turns its attack on the body. Just how close is the brain-immune system relationship? Esther Sternberg, director of the Integrative Neural Immune Program at the National Institute for Mental Health, NIMH, sums it up this way: "The immune system can be viewed as a sensory organ, sending signals about pathogens the way the eyes send visual signals and the ears send auditory signals. The brain responds and produces hormones and neurochemicals that alter immune function." The first grants made by the Foundation for research on neuroimmunology are described in the section beginning on page 10.

Our interest in exploring this field in a new direction began two years ago at a meeting of the World Economic Forum in Davos, Switzerland. For five years, we have been bringing members of the Dana Alliance for Brain Initiatives to this international gathering to lead panel discussions about the progress of brain science and to stimulate interest in its support by leaders in business, culture, and politics. At the session early in 2000, however, we were struck by the warning of a former Soviet scientist about the danger of





***William Safire, Chairman***

bioterror—at that time, not a subject that commanded much attention. The question arose: what could neuroscientists do, with the support of private foundations like Dana, to increase the body's ability to resist the spread of disease, both naturally occurring and intentionally inflicted?

One answer—to develop a “universal vaccine” that would defend everyone against every pathogen, known and unknown—seems beyond the reach of this generation. A more practical goal is to enhance the power of the innate immune system, helping the body to defend itself. But nature sets a trap: How,

for example, can the immune system be improved to form a first line of defense—without triggering an auto-immune response, causing such diseases as asthma or multiple sclerosis, in which the body appears to conduct a kind of internal civil war? One of our medical consultants called that “an elegant question.”

At subsequent meetings in New York and Washington, DC, Dana directors and staff sought guidance from some of America's foremost immunologists about how best to stimulate basic research in this field. Though immunology has had great advances in conquering specific diseases (from smallpox to polio) with vaccines, the study of the brain's interaction with the immune system is in its infancy. Because there has been scant funding and not enough outreach for new ideas, too few young scientists have chosen to make neuroimmunology their career path.

In the spring of 2001, we solicited proposals for grants in these areas related to our continuing “clinical hypotheses” series of grants in neuroscience. Because the Dana staff is experienced in setting up eminent peer review panels and has earned a reputation for its un-bureaucratic funding decisions, the project was soon underway. We were already moving ahead on funding basic neuroimmunology research when the attacks of September 11 and the subsequent anthrax scare shattered public complacency about biodefense.

## Arts in Education

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Through the educational pioneering of the Dana Center at the University of Texas, Austin, Dana has long invested in reforms of K-12 schooling. The Dana Center has concentrated on improving instruction in mathematics and science, especially for children in poorer school districts. This also relates to our main area of interest: the Foundation counts on a rising generation of scientists to carry forward research in the brain's development and the body's self-defense.

In 2001, the Foundation set goals for grant making in arts education that takes place during elementary and early high-school years. In times of school budget stringency, the first field to suffer cutbacks is often the arts; we began to support ways to keep theater, music, and dance in the curriculum of several schools. Dana drew on the advice of educators and arts organizations to help classroom teachers and visiting artists improve the quality of arts instruction. In addition to such professional development, as this commitment grows we will also examine the effect of participation in the arts on cognitive development. The purpose of our arts-in-education initiative and a description of our initial grants begins on page 16.

*The Foundation counts on a rising generation of scientists to carry forward research in the brain's development and the body's self-defense.*

## Neuroethics

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You have been viewing, hearing, and reading increased media coverage of brain science's breakthroughs in recent years. The result of the wider public awareness of neuroscience's importance is a greater investment of private and public funds in brain research. The sustained educational efforts of the Dana Foundation, Dana Alliance for Brain Initiatives, European Dana Alliance, and Dana Press have played a part in this; our current work, including organization of the global Brain Awareness Week, is described in this year's report. Books, periodicals, reprints, special publications, tapes, news reports, and other material from the Dana Press, Dana Alliance, and News Office can be found on the Dana Web site, which was newly redesigned in 2001: [www.dana.org](http://www.dana.org).

Advances in brain research have been accompanied by controversy. The use of neural stem cells in the treatment of brain-related diseases is only one example of a debate that generates both light and heat. Dana does not shy away from offering neuroscientists and ethicists, philosophers,

educators, and the lay public opportunities to discuss—in a civil and informed way—such issues that will profoundly affect human development.

We are entering a field we characterize as neuroethics. What defines a person before the brain reaches consciousness? Should research into the improvement of memory select only certain kinds of memory? When does the calming of harmful agitation suffocate healthy creativity? Should brain imaging be used by law enforcement to determine lying, or is the individual brain a no-entry area? Even as the Dana Foundation and Dana Alliance members in the U.S. and Europe keep making available information about the brain, they will respond to the lively public interest in what that information implies. Accordingly, members of the Dana Alliance issued a manifesto in 2001 explicitly embracing dialogue with the public.

In advancing this commitment to communication, the Dana Foundation made a grant to help build a new facility in London, part of the Britain's Science Museum complex. Planned for completion in 2003, the Dana Centre at the Science Museum will serve as a forum for discussions about the ethical dimension of science. In another place but on the same subject, the Dana Foundation made a grant to Stanford University for a conference on neuroethics to be held in conjunction with the University of California, San Francisco, in

2002. In time, we envision international teleconferences dealing with science and public policy with participants in London, at the planned Dana Center in Washington, DC, and elsewhere in the U.S.

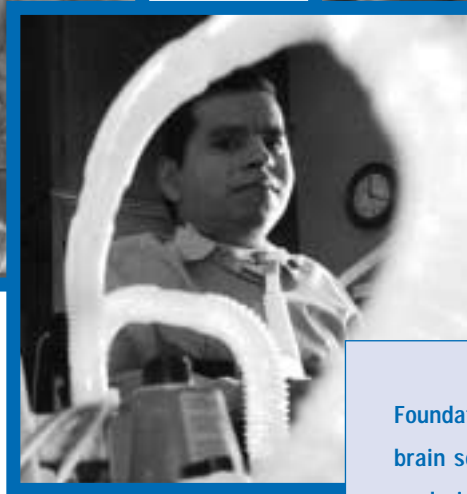


During 2001, the Board was saddened to lose Charles A. Dana, Jr., son of our founder, who served with distinction on the board for 50 years and died at age 86. His place was taken by his son, Charles A. Dana III, managing director of Newport Shipyard in Rhode Island and a trustee of the Dana-Farber Cancer Institute in Boston. Another valued director, Carlos Moseley, Chairman Emeritus of the New York Philharmonic, long a key adviser on our arts, education, and health grants, retired. Edward Bleier, a senior advisor to Warner Bros., Inc., of AOL-Time Warner, was elected to the Board.

The financial statements that begin on page 46 report that Dana in 2001 made appropriations for programs and grants during the year of \$16 million and payments of \$12 million. Since its formation, the Foundation has appropriated more than \$313 million for philanthropic purposes, and that—as this year's report indicates—is only the beginning.

William Safire  
Chairman

**GRANT MAKING IN 2001 SEES  
NEW INITIATIVES IN NEUROIMMUNOLOGY  
AND ARTS INSTRUCTION**



Foundation-supported research in brain science and immunology is exploring fundamental processes critical to diseases from cerebral palsy in infants, to multiple sclerosis in young adults, to Alzheimer's and Parkinson's disease in the elderly.

**T**he immune system is our body's shield, its defense-in-depth against biological intruders. The immune system also can be the cause of illness, turning against us in diseases such as asthma, lupus, and multiple sclerosis. What role does the body's CEO—the brain—play in this? How do these two complex systems—the nervous and immune—communicate and influence each other?

Dana has added this new inquiry to its decade-long emphasis on the brain. The goal is to increase the relevance of the grant-making program in science and health to the pressing threats we face from naturally occurring and intentionally inflicted diseases. The events of September 11 and the anthrax killings in the following weeks lent an urgency to this need for wider research.

This year, too, the Foundation's grant making to improve K-12 teaching and learning advanced into a new field, adding arts education. With Dana support, an initial group of arts organizations in New York City, Los Angeles, and Washington, DC, are helping teachers and artists across the nation to learn new ways that children can discover and develop their talents in music, dance, and theater. At the same time, the Foundation's commitment to improve reading, math, and science teaching, headquartered at the Austin-based Dana Center for Educational Innovation, reached beyond

Texas's borders to break new ground in developing education policy.

Grant Guidelines may be found on page 56 of this Annual Report and at [www.dana.org](http://www.dana.org), where Requests for Proposals and summaries of current grants are also updated regularly.

## Grants in Science and Health

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Embarking on research to harness the immune system's ability to fight infectious agents and deadly toxins, the Foundation, where appropriate, deliberately linked this new challenge with its decade-long work in brain research. We asked: How do the nervous and immune systems interact in health and illness?

The scientific investigation of this interaction is aided by a powerful new tool: imaging technology. Since 1994, Dana's support of imaging research through its Clinical Hypotheses Program in Imaging has yielded valuable insights into regions of the brain involved in both normal and disease processes. An emerging new field—immuno-imaging—focuses on immune cells as they

move through the body, including the brain, to battle intruders such as bacteria or viruses. We believe immuno-imaging also can aid in unraveling the mystery of how immune cells misidentify our own cells as “foreign” and attack them, worsening autoimmune diseases such as multiple sclerosis, rheumatoid arthritis, and juvenile diabetes.

This synergy between research on the brain and immunology research is a key component of the three-pronged Immunology Program that we launched in 2001. Most grants will adhere to the Foundation’s strategy of supporting scientists in testing novel research hypotheses. When testing yields promising preliminary results, scientists can compete better for large grants from sources that require applications backed by far more extensive data.

## **Immunology**

The three emphases of our immunology program are on using imaging techniques to probe the action of immune cells (immuno-imaging), investigating the interaction between the nervous and immune systems in health and disease (neuroimmunology), and strengthening immune defenses against viruses, bacteria, fungi, or toxins.

*Imaging techniques are yielding clues to how networks of nerve cells communicate with one another as the brain engages in activities as varied as remembering a name or moving an arm.*

- **Immuno-imaging grants** support the search for new methods of labeling or marking immune cells, which can then be imaged as they move through the body. These Dana grants also support the use of imaging techniques to pose questions about how immune cells protect us from disease or, in autoimmune illnesses, worsen disease. One grant of \$100,000 was made in 2001; others are planned for coming years.
- **Neuroimmunology grants** support collaborative research by neuroscientists and immunologists exploring the interaction of the immune and nervous systems. One investigative team remarked that its members never would have thought to ask the question that they did, or propose to address it as they did, if the program had not required them to join forces. Through five three-year grants of \$300,000 each, awarded in 2001, researchers are looking at questions such as how immune cells enter the brain and, once in the brain,

how they recognize their targets, as well as how immune-cell substances modify the brain's reaction to injury. We will emphasize research that involves responses in human beings.

Research being conducted under a major 2000 Dana grant is also adding to understanding of the complex interactions of neuroimmunology. Scientists at the Dana-Farber Cancer Institute are exploring how genes that guide the formation of normal brain cells may be disturbed or changed in ways that give rise to cancerous brain cells that develop into brain tumors. This could pave the way to understanding how the immune system reacts to this development.

- **Immuno-defense grants** support research that could improve the immune system's defense against invaders and address three questions. How can our natural immune system—our basic, first line of defense—be kept active longer, buying time until a more precise immune response can be mounted that targets a specific viral or bacterial agent? How can invading viruses or bacteria be blocked from attaching to the body's cells and destroying them? And, third, if the invaders do succeed in attaching to the body's cells, how can those cells be protected from harm? Several invited grants were funded in 2001 to begin seeking answers to these questions.

## Brain Imaging

The Clinical Hypotheses Program in Imaging, now in its eighth year, supports scientists using imaging techniques to investigate how the brain functions normally and when affected by disease. An array of technologies with acronyms like PET, fMRI, and SPECT let scientists visualize where specific actions are taking place in the brain. Different technologies make it possible to ask different kinds of questions. PET, for example, reveals where addictive substances such as cocaine go when they enter the brain; fMRI shows the brain responding to the cocaine. Alone or in combination with other technologies, imaging techniques are yielding clues to how networks of nerve cells communicate with one another as the brain engages in activities as varied as remembering a name or moving an arm.

Some grantees pioneer new imaging technologies or refine existing ones. Others explore how the brain normally functions and how it recovers from injury. Still others answer questions about how brain diseases inflict their damage, ascertain if new treatments for brain diseases are effective, and test the accuracy of new diagnostic tools. In

aggregate, these imaging studies are opening a new and intriguing window on the brain.

The Foundation invites all of the nation's medical schools as well as select independent research centers to submit one application to each round of this competitive program. Successful applicants receive \$100,000 to test their novel hypotheses; if the idea proves promising, they have preliminary data that boosts their chances of securing major support from other sources. In 2001, the Foundation awarded 14 brain-imaging grants that fall into several general categories.

One group of investigations is targeting brain development and reorganization, asking questions such as how does the brain reorganize after it is injured? Does new brain-cell development in adults take place only in specific brain regions and, if so, are alterations in this process significant in Alzheimer's disease?

Another group of studies is using imaging to learn about sensory processes. For example, imaging is helping scientists to determine what underlies stuttering, and how drugs or behavior therapies affect the implicated brain patterns. Other researchers are exploring brain processes that can restore speech and language in deaf people who receive an implanted device to help them hear.

A third group of studies employs imaging to understand how the brain functions in

*Examine questions about the potential of brain research to transform our views of the human mind and our personal identity...*

diseases like Parkinson's and epilepsy and asks what happens in the brain when a patient responds to a placebo (sugar pill) as though it were an active drug.

A final set of grants supports development of new imaging technologies, or refinement of existing technologies, to help diagnose or predict disease. For example, can a newly emerging technology called "diffusion tensor imaging" help to predict which infants with motor problems will develop cerebral palsy within a few years? Can it detect silent strokes that strike some children with sickle cell disease? Can optical recording pinpoint where an epileptic seizure starts, and where it spreads in the brain, helping to strengthen the surgical treatment of epilepsy? New technologies or applications of technology emerging from studies like these may open entirely new avenues of progress.



### **Brain-Heart Interaction**

Several grants in 2001 explore the interaction between brain states such as depression and heart disease. This research is critically important because prior studies, some of them funded by the Dana Foundation, have found a striking association between severe depression and risk of cardiac death. Most grants awarded in 2001 look at the implications of that association for people who die suddenly from a heart attack or from congestive heart failure. Another grant probes the effects of psychosocial conditions on patients with coronary heart disease who are discharged from the hospital. Another explores why some patients who undergo coronary artery bypass graft surgery experience cognitive decline.

### **“Neuroethics”**

Three grants support the Dana Alliance’s mission to foster public understanding of the importance of brain research in our lives and concern for ethical issues arising from brain research. The Harvard Mahoney Neuroscience Institute received renewed support for its nationally acclaimed efforts to communicate the excitement of neuroscience to the public through its outreach programs. A Dana grant will help neuroscientists at Stanford University and the University of California, San Francisco, to mount an inaugural neuroethics conference where neuroscientists, public policy makers, and scholars in ethics and the humanities

can examine questions about the potential of brain research to transform our views of the human mind and our personal identity. Another grant has enabled the Film Forum to make a Public Broadcasting Service (PBS) documentary on Sigmund Freud’s life and work in psychoanalysis. The Foundation and several other organizations supported construction of a Dana Centre at the London Science Museum as a forum for information and debate about issues in contemporary science.

### **Education Grants**

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The Foundation extended its ongoing support for K-12 education with a new initiative to advance the arts in education.

#### **The Dana Center in Austin**

Committed to improving K-12 education, the Foundation continued its support of the Dana Center for Educational Innovation at the University of Texas in Austin, directed by 1987 Dana Award winner Philip Uri Treisman, Ph.D. The Center works to raise the standards for student achievement in mathematics and science and to help school districts respond to those higher standards.

By forging partnerships and providing tools, workshops, and networks, the Center helps teachers and district leaders, especially those educating children from low-income families, to improve the rigor of math and science programs.

Another grant this year supported the New York City Outward Bound Center in creating a new headquarters for its cross-cultural education programs intended to improve student school attendance and performance.

### **Arts in Education**

A new Foundation initiative in K-12 education uses the performing arts to aid in cognitive development. Designed to expand the availability of performing arts in public schools, this program aims to improve the way public school teachers and professional artists help children discover and develop their talents in music, dance, and theater.

The Foundation invited proposals for projects that provided professional development, including training and other experiences, for classroom teachers who integrate the arts into the standard school curriculum; special in-school arts specialists; and professional artists working with teachers and K-12-age students.

In April 2001, the first series of grants was awarded. Grants for pilot programs, expansion of proven programs, or use of new technologies were awarded to five organizations in New York City, Los Angeles, and Washington, DC:

*Help children discover and develop their talents in music, dance, and theater...*

- **American Place Theatre:** to expand its teacher-training program, Teachers' Place, in Los Angeles and launch the program in Washington, DC. Teachers' Place instructs classroom teachers in how to use theater techniques in the classroom.
- **Music and the Brain:** to improve and expand teacher workshops that train in-school music specialists and music interns from local conservatories in the Music and the Brain method of keyboard instruction for K-2 students.
- **National Dance Institute (NDI):** to export its New York based artist training program to Los Angeles. NDI has partnered with the Luckman Fine Arts Complex in Los Angeles to present two annual training workshops, instructing professional dancers how to teach the NDI method in the schools.

- **Performing Arts Center of Los Angeles County:** to develop an “Institute Online” that will use interactive technology to extend the reach of the Center’s Institute for Educators, an annual week-long summer program for K-8 classroom teachers and teachers-in-training.
- **ArtsConnection:** for a research/evaluation project studying how children learn through the arts and how this knowledge can aid teaching methods. The program, focused on classroom teachers and artist instructors in one of the lowest-income districts in the country, will establish a common vocabulary and criteria for describing and evaluating students.

These first grants in the new program already have had ripple effects. ArtsConnection, for example, reported that the initial Dana grant was instrumental in strengthening its proposal for a grant from the U.S. Department of Education. The \$990,000 federal grant will, in part, help extend the innovative project to two other New York City schools.

The Foundation followed this invitational cycle with a competition for a second round of grants. Guidelines were posted on the Dana Web site and, for the first time, proposals could be submitted to the Foundation electronically. Of the more than 150 initial

letters of intent, 30 were chosen for expansion to full proposals; grants will be announced in April 2002.

In addition to these teacher training grants, the Foundation sponsored a symposium on “Planning a School of the Arts” for the Federal City Council of Washington, DC. Its goals were to assist the Council in considering how to include an arts-focused elementary or middle school within the District of Columbia’s National Music Center and Museum as well as to create a template for other organizations across the country. Artists and arts educators punctuated the symposium with performances and demonstrations, which provided “live” reminders of how the arts inspire, enrich, and inform.

A valuable by-product of the symposium is a collection of articles contributed by presenters. Edited and with added materials, they will be published by The Dana Press as a workbook, *Planning an Arts-Centered School*. The workbook will be distributed free to educators and arts groups and posted on the Dana Web site. Case studies, new resources, and hyperlinks will be added regularly to the Web site as an ongoing service to the arts education community. ■

**THE DANA ALLIANCE:  
DISCUSSION AND DIALOGUE DEFINE  
AN AGENDA FOR A NEW DECADE**



During a 2001 Brain Awareness Week event at the University of Texas Health Science Center in Houston, this little girl had the opportunity to give scientists a hand with a real human brain.

**A**s scientists, we are committed to continue making progress “at the bench.” To attack major brain disorders such as Alzheimer’s, stroke, or Parkinson’s, will require continued basic research from which clinicians can move toward development of new treatments and therapies. We have a responsibility to continue such research and to enlist its support by the public.

*We also have the obligation to explain those areas of scientific research that soon may have direct application to human beings. To progress beyond laboratory research, we need to take the next clinical steps in partnership with the public—translating science into real and genuine benefits “at the bedside.”*

*As our tools and techniques become more sophisticated, they may be considered threatening in their perceived potential for misuse. It is important to recognize the understandable fears that brain research may allow scientists to alter the most important aspects of our brains and behavior, changing the very things that make us uniquely human. Public confidence in the integrity of scientists, in the safety of clinical trials—the cornerstone of applied research—and in the assurance of patient confidentiality, must be continually maintained.*

*Our mission as neuroscientists has to go beyond brain research. We accept our responsibility to explain in plain language where our science, and its new tools and techniques, are likely to take us. We, the members of the Dana Alliance and the European Dana Alliance, willingly embrace this mission as we embark on a new decade of hope, hard work, and partnership with the public.*

Excerpts from the mission statement of the Dana Alliance, 2000

### **A Commitment from Bench to Bedside**

Since the Dana Alliance for Brain Initiatives began almost 10 years ago, its neuroscientist members have recognized that just as their understanding of the brain’s functioning continues its exponential growth, so does the urgency of communicating that knowledge to the public. Their dual commitment is reflected in their mission statement, as quoted above.

Spurred on by the Dana Alliance, neuroscientists and others have been closing the gap between what brain researchers are discovering and what the public understands about how progress in the lab can affect their health and the quality of their lives. In 2001, members of the Alliance (now more than 200) began to look beyond just disseminating information on the brain and brain

research to entering into a genuine dialogue with the public about research's implications.

Without understanding, of course, there can be no true dialogue. Thus the Dana Alliance will continue to work toward a broad base of public understanding through programs such as Brain Awareness Week, even as it addresses important, often controversial questions raised by rapid advances in brain research.

### **Brain Awareness Week's Sixth Year**

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The international campaign to raise public awareness of the progress and benefits of brain research, coordinated by the Dana Alliance and its European counterpart, the European Dana Alliance for the Brain, has reached millions of people in its first six years, laying a foundation of basic knowledge of the brain and brain research and providing information that can help everyone from parents to caregivers to elders make complex decisions regarding medical care.

Brain Awareness Week in 2001 became an international partnership of more than 1,300 scientific institutions, patient-advocacy groups, government agencies, service groups, hospitals, universities, K-12 schools, and affiliates in 46 countries. As a collaborative effort, Brain Awareness Week offers its partners a rare opportunity to focus national and international attention on common interests and goals. Individual partners bring to the effort their own distinctive perspectives,

such as an interest in a specific disease or disorder, a concern for early childhood development, an interest in successful aging, or a commitment to maximizing human potential.

To increase attention to dialogue, Brain Awareness Week partners around the world incorporated public discussions into their events. For example, in Milan, Italy, a screening of the film *Shine*, about classical pianist David Helfgott's struggle to overcome mental illness, was followed by a public discussion of the film and the mental health issues it raises. In the United States, the University of Maryland held the "Mental Health Players Theatrical Presentation," which was produced by the Mental Health Association of Metropolitan Baltimore and included audience participation on topics of interest to high school students, from eating disorders to grandparents with Alzheimer's disease.

Over six years the Brain Awareness Week campaign has proven an effective vehicle for reaching young people who will be the next generation of neuroscientists. To prepare them to make informed decisions about health care, support brain research, address the complex ethical issues that arise as research advances, and carry forward scientific inquiry, the 2001 campaign put special

*The Dana Alliance will continue to work toward a broad base of public understanding even as it addresses important, often controversial questions raised by rapid advances in brain research.*

emphasis on the classroom through a new program, Partners in Education (PIE).

PIE partners are the Dana Alliance, the European Dana Alliance for the Brain, the Association of University Professors of Neurology, the National Aeronautics and Space Administration, the National Institutes of Health, and the Society for Neuroscience. PIE links scientists at academic research centers directly with students by promoting partnerships with local organizations that can facilitate cooperation with schools or provide resources for educational events. Each PIE partner provides educational materials, supports the academic research centers with advice and information, and helps to present programs, with the goal of creating a workable model for academic research centers organizing future Brain Awareness Week events.

In PIE's inaugural year, the six demonstration sites that modeled programs were Ohio State University, Stanford University, the University of Oklahoma, the University of Texas at Houston, the Museum of Health and Medicine in Washington, DC, and the

University of Iowa. Each site succeeded in communicating the importance and excitement of brain research to their young audiences through activities such as a full week of programming at the National Museum of Health and Medicine. There, more than 1,000 students from the Washington, DC, area learned about the brain through hands-on activities presented by scientists from the National Institutes of Health, Georgetown University, Howard University, and NASA.

### **Capitalizing on the Reach of Radio and Television**

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DABI continued in 2001 to use both television and radio to reach a broad audience with information on the brain and brain research.

Four new programs were produced for the *Gray Matters* public radio series: "Men, Women, and the Brain," "Stroke and the Brain," "Alzheimer's and the Brain," and—in response to the events of September 11—"Trauma and the Brain." To help individuals affected by those events, "Trauma and the Brain" focused on how fear works and on current thinking about how to identify and treat victims of post-traumatic stress disorder. In addition to being aired on stations across the country, the programs can also be found on public radio station Web sites and at [www.dana.org](http://www.dana.org). More

than 1,500 requests for tapes and transcripts were filled in 2001. The *Gray Matters* programs also continue to receive critical acclaim. "Surgery and the Brain," produced in 2000, received the 2001 New York Festival's Gold World Medal in the Science and Technology category, the ninth award received for programs in the series.

The Dana Alliance and Dana Foundation become partners in developing and presenting a major new PBS series, *The Secret Life of the Brain*, a co-production of David Grubin Productions, Inc., and Thirteen/WNET New York. The five-part series that premiered in January/February 2002 is expected to reach millions of people with its explorations of the most recent advances in brain research and how the brain develops from infancy to old age.

While the Foundation contributed funds for the series, the Dana Alliance focused on education of series audiences, with Alliance members both appearing in the program and participating in the series' advisory panel. The Alliance was listed as an information source on the series Web site, in viewers' guides, and in other educational materials associated with the series. The Dana Press (see page 25) and Joseph Henry Press co-published the

*The series is expected to reach millions of people with its explorations of the most recent advances in brain research and how the brain develops from infancy to old age.*

companion book to the series written by Dana Alliance member Richard Restak, M.D.

*The Secret Life of the Brain* was also the topic of the sixth Dana Alliance lecture series at the Smithsonian Institution. Over six weeks, reflecting the episodes in the series, Alliance members told an audience of more than 125 paid subscribers the story of the human brain from construction of the brain in the womb to the infant brain, the adolescent brain, the mature brain, and the aging brain.

## **The Partnership with AARP**

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Live events are a key to moving from disseminating information to establishing a dialogue with the public. In 2001, the Dana Alliance joined forces with its long-time partner, the AARP Andrus Foundation, to present a forum series entitled "Staying Sharp: Current Advances in Brain Research." The first two events took place in the fall of 2001, with panels of Alliance members and large audiences of



AARP members in Los Angeles and New York in dialogue about the aging brain. Topics ranged from sleep to depression.

To enhance these live events, the Dana Alliance co-produced pamphlets on depression, memory loss and aging, quality of life, and chronic health. Materials were in English and Spanish, the first time the Alliance has published information in the United States in a second language. The pamphlets were made available to the entire AARP membership of more than 30 million, with the Andrus Foundation conducting a campaign to promote them. The first print run of both versions ran out quickly, attesting to the strong interest in brain issues among AARP members.

The Dana Alliance and the AARP Andrus Foundation share a concern with communicating the benefits of research for everyone. The "Staying Sharp" series linked their missions, with the Dana Alliance supplying the scientific input for presentations and materials that AARP Andrus brought to a large and interested audience. In 2002, the forums will be presented in four cities, including Houston and Minneapolis.

## Expanding the Dialogue in Europe

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While the Dana Alliance was active in the United States, members of the European Dana Alliance for the Brain (EDAB) also kept their commitment not only to provide information on brain research, but also to engage in a dialogue with the public.

Building on the momentum of Brain Awareness Week, EDAB mounted its second annual public lecture, "Plasticity of the Brain: Revolution in Rehabilitation," presented in association with the German Society for Neuroscience in Gottingen, Germany. It was the first time the German Society for Neuroscience had organized a public event.

Then, in June, EDAB participated in the World Congress of Neurology, which brought more than 5,000 delegates to London. At four-year intervals, the meeting brings together clinicians and researchers in neurology from around the world. EDAB set up a press office for the week-long meeting; more than 170 journalists registered, and 10 press conferences were held on topics ranging from neurogenetics to prion diseases.

Establishment of a new Dana Centre that will be housed in the Wellcome-Wolfson Building being constructed at the London Science Museum was announced in June. The Centre and building represent a collaboration by the Dana Foundation, the Science Museum, the Wellcome Trust, the Wolfson Foundation, the Fairfield-Weston Foundation,

*Effective public communication can help brain research make the leap from bench to bedside.*

and the British Association for the Advancement of Science to create a forum for communication and debate among the international scientific community, the public, and the media about issues in contemporary science.

Soon after the formal announcement, and in conjunction with the World Congress of Neurology, EDAB hosted a public discussion on “Stem Cells: Potential and Problems” at the London Science Museum, presented in association with the British Association and the Science Museum. More than 350 people attended this lively debate moderated by Sir David Frost. The event, reflecting EDAB’s determination to communicate brain science, became the Dana Centre’s inaugural event. EDAB again addressed controversial issues, in this case related to neuroethics, in its “Brain, Science, and Society” series presented at the British Association for the Advancement of Science festival in Glasgow, Scotland. The discussion drew a large audience and media attention.

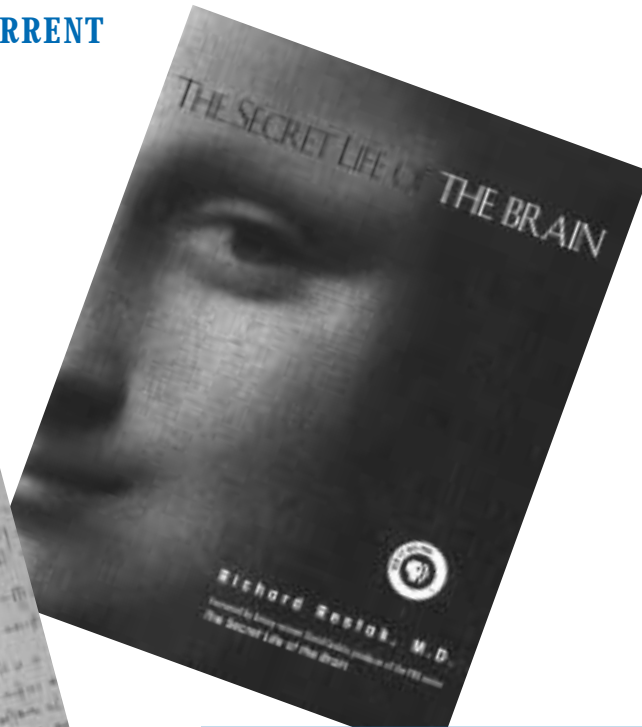
For the sixth consecutive year, the Dana Alliance and EDAB participated in the World

Economic Forum held in Davos, Switzerland, with two panels, “Memory, Aging, and Alzheimer’s” and “Stem Cell and Genetic Research: Potential and Controversy,” and a dinner discussion addressing the need to “Overcome the Mistrust Between Science and the Public.” The enthusiastic response from the audience of world leaders in government, industry, journalism, and science and technology reflects strong interest in the brain and brain research.

### A Long-Term Commitment

Effective public communication can help brain research make the leap from bench to bedside. In 2002, the Dana Alliance will celebrate the 10th anniversary of its founding meeting at Cold Spring Harbor Laboratory. Ending its first decade, the Alliance remains vital, with programs and events that reach a global audience. Its message on the benefits of brain research and its impact on our lives remains as pivotal today as in 1992 and its members more dedicated than ever to spreading that word. ■

**THE DANA PRESS:  
PUBLISHING ON TOPICS CURRENT  
AND PERENNIAL,  
MAINSTREAM AND EDGY,  
PROFOUND AND PRACTICAL**



New hardcover books from The Dana Press in 2001 looked at topics from the specific—the dramatic journey to breakthroughs in repairing spinal cord injury—to the general—a beautifully illustrated companion to the PBS series on the brain from infancy to old age.

**T**he Dana Press expanded its range in 2001 in response to Foundation grant-making initiatives, emerging areas of importance in science and education, and, not least, dramatic events in the world at large. With the inauguration of new Foundation grant-making programs in immunology and arts education, for example, the Dana Press launched an immunology periodical and began developing a workbook for teachers of the performing arts.

After the September 11 terrorist attacks, Dana Press periodicals in brain science joined the public dialogue on the perpetrators and the effects of the attack. The journal *Cerebrum: The Dana Forum on Brain Science* pulled its summer issue off the press to add essays by six experts on the terrorist mind, a move that brought messages of appreciation from readers and reprint requests from other publications. The September/October cover story for the newsletter *BrainWork* reviewed research on violence and the brain, while the twice-monthly *The Brain in the News* devoted its September 28 issue to articles from the nation's press on the attacks' effects on victims, their families, witnesses, rescuers, and the public.

In 2001, The Dana Press also released two new books, while another four moved toward publication in 2002.

## *Cerebrum*

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The Dana Press's quarterly journal of ideas for lay readers, *Cerebrum*, completed its second full year of publication in 2001, which was capped by the special forum, "Dying to Kill: The Mind of the Terrorist." Here readers could find the perspectives of an expert on the brain basis of aggression, a psychiatrist who specializes in the mentality of destructive people, an international expert on the politics of terrorism, a neuropsychiatrist who has evaluated accused terrorists prior to their trial, a Brazilian behavioral psychologist conversant with research on terrorists from the Middle East to Oklahoma City, and two Swiss experts on the child's brain development—and where it may go frighteningly wrong.

*Cerebrum* articles, debates, and reviews by leading scientists, humanists, policymakers, and science writers go beyond reporting research to interpreting, applying, and challenging it in articles and reviews that are original, authoritative, and provocative. One of the year's first stories was "Dissecting Genius: Einstein's Brain and the Search for the Neural Basis of Intellect" by neuro-ophthalmologist Frederick E. Lepore, M.D.; one of the last was "Death in Life's Springtime," a pair of articles on suicide in the young by best-selling author and professor of psychiatry Kay Redfield Jamison, Ph.D., and psychiatrist David A. Brent, M.D. Other articles looked at topics as diverse as the

*After the September 11 terrorist attacks, Dana Press periodicals in brain science joined the public dialogue on the perpetrators and the effects of the attack.*

challenges of educating gifted children, the controversy over supplements marketed to help the brain stay young, the origins of spoken language, the use of acupuncture to alleviate cardiovascular disease, and why we like—or dislike—what we smell. The relevance and excitement of these topics are reflected in *Cerebrum's* lively section of letters to the editor, in orders for back issues, and in requests to reprint articles in periodicals, anthologies, and on the Web.

Promoted by means of direct mail, co-op advertising, booths at conventions, and the Dana Web site, *Cerebrum* offers potential paid subscribers opportunities for free sample copies or no-obligation trial subscriptions. At the close of 2001, there were some 2,500 paid subscribers; more than 6,500 trial subscriptions and 3,000 sample copies had been requested.

## Free periodicals

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In November, The Dana Press launched a new 8-page quarterly periodical, *Immunology in the News*, to cover the emerging field of immunology across the areas of general health, disease treatment and prevention, and immuno-defense. Modeled after the popular *The Brain in the News* and mailed to more than 12,000 immunology researchers, the publication reprints news and feature articles on immunology from magazines and newspapers nationwide. Unlike its sister publication, though, each issue of *Immunology in the News* also reprints, in full, a significant scientific report and selected news briefs or commentary from scientific journals. The inaugural issue carried stories from the *New York Times*, the *Washington Post*, *Newsday*, and the journal *Science*, on subjects ranging from anthrax and smallpox to innate immunity and vaccines for biodefense.

In 2001, The Dana Press received more than 2,000 requests to be added to the mailing list for its free periodicals and special publications. While these requests continued to arrive via telephone or mail, the vast majority now come through the Dana Web site's online subscription form. The year ended with a total subscriber database of 30,500 readers. Subscriber totals for two staple publications of The Dana Press, *Brain Work*, a bi-monthly newsletter, and

*The Brain in the News*, a twice-monthly newspaper reprinting articles about the brain, exceeded 22,500 and 18,800, respectively. (See page 58 for the full list of available publications.)

## Books

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### **Arts Education Workbook**

The arts education workbook will be a resource for anyone interested in educating primary and secondary schoolchildren in the performing arts. It will answer such questions as what approaches are appropriate to the reader's community and what issues should be addressed from "day one." The core of the workbook will be essays by educators, school administrators, council members, museum directors, artists, and parents who participated in the Dana-sponsored symposium, "Planning a School for the Performing Arts," co-hosted by the Foundation and the Federal City Council in Washington, DC (see page 17).

The workbook will be published by The Dana Press in May 2002 and brought to the attention of interested groups nationwide seeking information on organizing a school of the arts. Because different locales and populations have diverse wants and needs, the book will present a variety of views on curriculum, cooperation among school, community, and government, and the benefits (and hurdles) that such a project creates.

The publication will be available free as an e-book on the Dana Web site, where it will be updated regularly, keeping readers informed of successful methods, how long they took to implement, and which initial ideas had to be altered or abandoned. No one school model will be the same or have the same level of success (or even the same definition of success), but this book will both answer the questions people have about schools of the arts and inform them of questions that they may not have considered, but must.

### ***The Dana Sourcebook of Brain Science: Resources for Secondary and Post-Secondary Teachers and Students (Second Edition)***

Expanded and updated in a second edition and printed in time for use in the fall 2001 semester, this 160-page, soft-cover classroom guide on brain science, first published in the fall of 1999, has continued to attract wide attention. Almost 32,000 copies of the two editions have gone to more than 3,100 schools in all 50 states and 17 foreign countries. *The Sourcebook* is notable for its clear, concise language, illustrations of how the brain works, and discussions of common brain-related problems. It also steers readers to additional resources, including recommended reading, and, in compelling profiles,

*A riveting account of the courage and conviction of the top scientists and young followers who have fought their way toward vital advances in repairing spinal cord injury...*

introduces students to the lives of two professionals who study and provide care for the brain.

A survey of educators who used the first edition enhanced the second, which has up-to-date coverage of the human genome and the brain, stem cell research, and other hot topics in brain science. The illustrated glossary of basic brain science terms was expanded, and a new companion video was produced to meet teacher needs more effectively. A second printing of this edition is tentatively scheduled for March 2002.

### ***The Secret Life of the Brain***

In October, The Dana Press and Joseph Henry Press, the trade book imprint of National Academy Press, co-published *The Secret Life of the Brain* by the best-selling author and Dana Alliance neuropsychiatrist, Richard Restak, M.D. Richly illustrated, revealing what brain science is uncovering about the brain from birth to old age, the book is a companion to the five-part public television series, *The Secret Life of the Brain*, which premiered in January 2002.

### ***In Search of the Lost Cord: Solving the Mystery of Spinal Cord Regeneration***

Praised by the journal *Nature Medicine* as a "gripping 200-page cliffhanger that is enjoyable and informative for scientists, clinicians, and the public alike," *In Search of the Lost Cord*, by award-winning journalist, Luba Vikhanski, was co-published by The Dana Press and Joseph Henry Press in October. It is a riveting account of the courage and conviction of the top scientists and young followers who, despite predictions they were wasting their lives in a hopeless cause, have fought their way toward vital advances in repairing spinal cord injury.

## **Spring 2002**

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At the year's end, four Dana Press books were moving toward publication in Spring 2002.

### ***Understanding Depression: What We Know and What You Can Do About It***

is by J. Raymond DePaulo, Jr., M.D., of the Johns Hopkins Medical Institutions, with Leslie A. Horovitz, foreword by Kay Redfield Jamison, Ph.D. Dr. DePaulo is a world authority on depression. Co-published with John Wiley & Sons, Inc., the book presents the latest information on depression, including what

***A “must-have” book of up-to-date information and indispensable advice on living with your brain in life’s second half...***

happens in the brain, the troubles that come with the illness, and the treatments that work or don’t work.

*Keep Your Brain Young: the Complete Guide to Physical and Emotional Health and Longevity* is by Guy McKhann, M.D., a Johns Hopkins University neurologist, and Marilyn Albert, Ph.D., a psychiatrist at Harvard Medical School, two of America’s most highly regarded experts on the aging brain. This “Dr. Spock for the second half,” also co-published with John Wiley & Sons, promises to be a “must-have” book of up-to-date information and indispensable advice on living with your brain in life’s second half.

*A Good Start in Life: Understanding Your Child’s Brain and Behavior*, by Norbert Herschkowitz, M.D., and Elinore Chapman Herschkowitz, will be co-published with Joseph Henry Press. Dr. Herschkowitz, one of Europe’s foremost pediatric neuroscientist-clinicians, and his educator-writer wife, distill a lifetime studying infants and children into a lively, easy-to-read exploration of how brain development shapes a child’s personality and behavior from birth to age six.

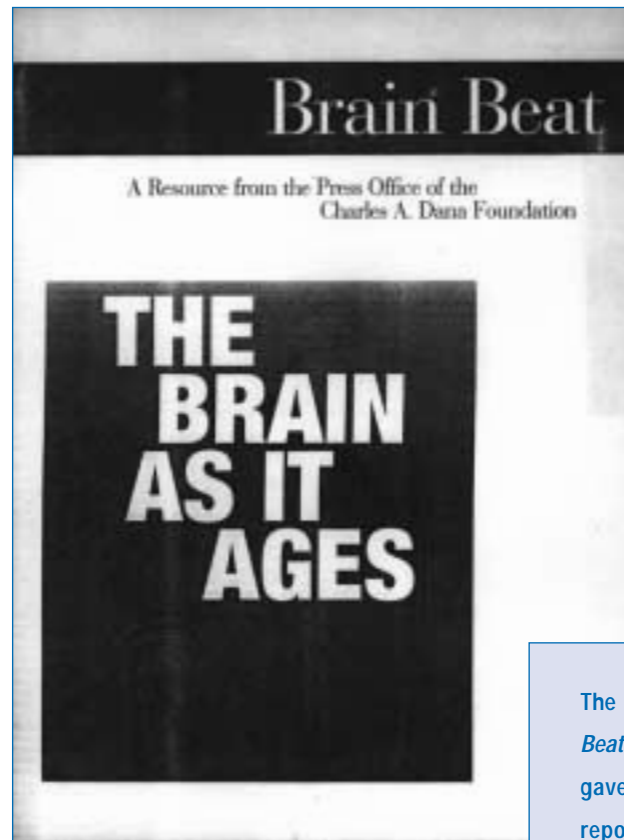
*The End of Stress As We Know It* by Bruce McEwen, Ph.D., with Elizabeth N. Lasley, will also be co-published with Joseph Henry Press. A world authority on the relationship between the brain and body, Prof. McEwen redefines the concept of stress in light of what scientists now know and explains why we do not have to view stress as an enemy that we can neither fight nor avoid.

### ***The Dana Guide to Brain Health***

In late September 2001, The Dana Press delivered to its co-publisher, The Free Press, the manuscript for *The Dana Guide to Brain Health*, edited by Floyd Bloom, M.D., Flint Beal, M.D., and David Kupfer, M.D. The book is the definitive home health reference on the brain. Its 912 pages include all aspects of normal brain function throughout life, sections on more than 70 brain and nervous system disorders, and more than 200 illustrations. More than 80 of the nation’s leading neurologists, psychiatrists, and brain scientists contributed to the book, which was then shaped, edited, and illustrated to be easy to understand and useful to people of any age or education. The Free Press will release the book in January 2003. ■



**THE NEWS AND INTERNET OFFICE:  
REACHING OUT TO LARGER AUDIENCES WITH  
MORE INFORMATION IN MORE FORMATS**



The 2001 edition of *Brain Beat* from the News Office gave journalists in-depth reports and reproducible images on the adolescent and aging brain, as well as tips for a healthy brain.

A TV producer in search of a scientist to interview about a new discovery in Alzheimer's disease research, a magazine writer in pursuit of information on treatments for childhood epilepsy, a university public affairs staff member making plans for a public event for Brain Awareness Week, an arts educator laying out a new training program for music teachers, a student requesting a subscription to a Dana Press publication: all are clients of Dana's News and Internet Office, a full-service communications center for journalists, the general public, and the Dana Foundation staff. Through press releases, publications, the Dana Web site, and a science information library, the Office provides background and identifies resources in areas of science, health, and education—the Foundation's special concerns—and about activities of the Foundation itself.

## News Office

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In its continued outreach to journalists, the News Office in 2001 produced press releases, briefing papers, a new *Resource Directory*, and the *Brain Beat Guide*. As a result, more than 250 stories appeared in print, on the Web sites of other organizations, and on radio and television broadcasts. Stories on Web news sites, in particular,

brought information from the Dana Foundation to millions more people.

The updated third edition of the Dana Alliance *Resource Directory* gives journalists easy access to the Alliance's leading neuroscientists. It lists contact information, publications and awards of note, and areas of research for Dana Alliance members and is accompanied by an interactive disk so reporters can keep the information handy on their computers.

*Brain Beat Guide*, an annual publication, focused this year on the brain as it ages. The *Guide* provided more than 1,000 journalists with in-depth reports—including a series of reproducible brain images—on the adolescent brain, the aging brain, and tips for a healthy brain. Among the experts providing background information were many Dana Alliance members.

Reaching out to the media for Brain Awareness Week, the News Office wrote and distributed two briefing papers for science and health reporters: "Genome Sequencing Projects Drive Paradigm Shift in Brain Science" and "Persistent Stigma Interferes with Recognition and Treatment of Mental Illness." Both papers, featuring members of

***As another resource for the media, the News Office has set up a science library covering more than 600 categories within the fields of neuroscience, neuroimmunology, and general science.***

the Dana Alliance, were also sent out throughout the year in response to inquiries by journalists.

Answering these requests for information and experts is a routine service of the News Office. Topics that seemed to catch the attention of the media in 2001 were aging, consciousness, the teenage brain, and brain injury, among others. Inquiries came from print and broadcast media including *The New York Times*, *Washington Post*, *Los Angeles Times*, *Lancet*, *Good Housekeeping*, and news programs from NBC and ABC. An article on child abuse in the Dana Press journal *Cerebrum* garnered national coverage, and also appeared on several external Web sites.

As another resource for the media, as well as Dana staff, the News Office has set up a science library covering more than 600 categories within the fields of neuroscience, neuroimmunology, and general science. Within each category may be found peer-reviewed

journal articles, stories that have appeared in major media outlets, and background information from Dana Press and News Office publications.

The News Office worked this year with colleagues in the London office of the European Dana Alliance (EDAB), assuming responsibility for publication of a quarterly four-page EDAB newsletter. The two issues published in 2001 featured science events sponsored by EDAB, interviews with scientists, and a page highlighting member activities.

Finally, the News Office worked with other Dana Foundation staff to generate media coverage of new Dana Press books, *Cerebrum*, and other projects.

## **Internet**

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Adding two major new sections to the Dana Web site, and revising two others, were highlights of an active 2001 for the Internet Office.

To inform scientists and prospective grant applicants of the goals, methods, and progress of projects supported by the Foundation's Clinical Hypotheses Program in Imaging, "Web Posters" were designed for

***A new section was added to highlight upcoming books and let readers register to be alerted when new Dana Press books reach the bookstores.***

the grants section of the site and posted in late fall. The Posters can be searched by topic, grantee name, research title, or institution. The site's grants section now features the Foundation's new program in arts education, offering prospective applicants guidelines and brief summaries of grants to date.

The Brain Awareness Week section of the Dana site is critical to public outreach and of support activities by BAW partner organizations. Complete redesign of this section in 2001 gives users quicker access to information, material presented in an easier-to-read format, a floating menu for instant access to site sections, and a screen saver. At the same time, the partners' administrative section was enlarged, as was the calendar of events (now international). Puzzles, artwork, and education resources are available on the

site, and partners can download the entire Resource Kit provided by the Dana Alliance as a guide to planning activities.

In expanding and revising the Dana Press portion of the site, a new section was added to highlight upcoming books and let readers register to be alerted when new Dana Press books reach the bookstores. The first book appearing in this section, which features a book's table of contents, introduction, and author information, is *Keep Your Brain Young*. It has already generated hundreds of requests for information. The section of the site featuring books already published was also revised, giving more detail about books, authors, and contents. The first two books featured were *The Secret Life of the Brain* and *In Search of the Lost Cord*. The section of the site devoted to *Cerebrum* was redesigned in 2001, and new editions of the *Dana Sourcebook*, *Brain Connections*, the *Progress Report*, and the latest issues of periodicals such as *BrainWork* were posted.

Finally, two favorite features of the site, *Brainy Kids Online* and *BrainWeb*, were updated quarterly during the year. New episodes in the Dana Alliance's *Gray Matters* public radio series, as they were produced, were made available to Web users in both RealAudio and transcript.

The Dana Foundation also hosts its own Intranet, an internal site for staff only and coordinated by the Internet Office. New in 2001 was an electronic library database with information about all books and audio-visual materials available to staff. ■

# FINANCIAL REPORT

# SUMMARY OF APPROPRIATIONS AND PAYMENTS IN 2001

	UNPAID AT BEGINNING OF YEAR	APPROPRIATED DURING YEAR	PAID DURING YEAR	UNPAID AT END OF YEAR
<b><i>Albert Einstein College of Medicine</i></b>				
Clinical Hypotheses: Brain Imaging	\$ 0	\$ 100,000	\$ 8,402	\$ 91,598
<b><i>American Place Theatre New York, NY</i></b>				
Arts in Education Initiative	0	84,700	58,820	25,880
<b><i>Arizona State University Tempe, AZ</i></b>				
Immuno-defense Grants	0	500,000	0	500,000
<b><i>Arts Connection New York, NY</i></b>				
Arts in Education Initiative	0	61,500	36,900	24,600
<b><i>Baylor Institute of Immunology Research Dallas, TX</i></b>				
Immuno-defense Grants	0	500,000	250,000	250,000
<b><i>Baylor College of Medicine Houston, TX</i></b>				
Clinical Hypotheses: Brain-Body Interaction	0	100,000	50,000	50,000
<b><i>Brown University Providence, RI</i></b>				
Interdisciplinary graduate fellowships and research in brain sciences	1,000,000	0	500,000	500,000
Clinical Hypotheses Program: Imaging	100,000	0	50,000	50,000
<b><i>California Institute of Technology Pasadena, CA</i></b>				
Clinical Hypotheses: Brain Imaging	50,000	0	50,000	0
<b><i>Center for Blood Research, Inc. Boston, MA</i></b>				
Immuno-imaging Grants	0	100,000	0	100,000

	UNPAID AT BEGINNING OF YEAR	APPROPRIATED DURING YEAR	PAID DURING YEAR	UNPAID AT END OF YEAR
<b><i>Cleveland Clinic Foundation</i></b>				
<b><i>Cleveland, Ohio</i></b>				
Immuno-imaging Grants	\$ 0	\$ 100,000	\$ 0	\$ 100,000
<b><i>Cold Spring Harbor Laboratory</i></b>				
<b><i>Cold Spring Harbor, NY</i></b>				
Train doctoral scholars in biological sciences	666,000	0	0	666,000
<b><i>Columbia University College of Physicians &amp; Surgeons</i></b>				
<b><i>New York, NY</i></b>				
Clinical Hypotheses: Brain Imaging	50,000	100,000	50,000	100,000
Clinical Hypotheses: Brain-Body Interaction	50,000	0	0	50,000
<b><i>Dana Alliance for Brain Initiatives, Inc.</i></b>				
<b><i>New York, NY</i></b>				
Public education campaign on neuroscience research	0	3,342,377	3,342,377	0
<b><i>Dana Farber Cancer Institute</i></b>				
<b><i>Boston, MA</i></b>				
David Mahoney Center for Neuro-oncology	6,900,000	0	1,800,000	5,100,000
Immuno-defense Grants	0	500,000	250,000	250,000
<b><i>Duke University School of Medicine</i></b>				
<b><i>Durham, NC</i></b>				
Clinical Hypotheses: Brain Imaging	45,625	0	45,625	0
Clinical Hypotheses: Brain-Body Interaction	49,535	0	0	49,535
<b><i>Emory University School of Medicine</i></b>				
<b><i>Atlanta, GA</i></b>				
Clinical Hypotheses: Brain-Body Interaction	142,700	0	0	142,700
<b><i>Film Forum</i></b>				
<b><i>New York, NY</i></b>				
PBS Documentary, Young Dr. Freud	0	50,000	50,000	0

	UNPAID AT BEGINNING OF YEAR	APPROPRIATED DURING YEAR	PAID DURING YEAR	UNPAID AT END OF YEAR
<b><i>Harvard Medical School Cambridge, MA</i></b>				
Harvard-Mahoney Neuroscience Institute	\$ 0	\$ 100,000	\$ 100,000	\$ 0
Molecular mechanisms of membrane functions	75,000	0	75,000	0
Clinical Hypotheses: Brain-Body Interaction	50,000	100,000	100,000	50,000
Immuno-defense Grants	0	500,000	0	500,000
Immuno-imaging Grants	0	100,000	0	100,000
Neuroimmunology Grants	0	300,000	0	300,000
<b><i>Harvard School of Public Health Cambridge, MA</i></b>				
Emotional support and heart rate variability	101,864	0	101,864	0
Clinical Hypotheses: Brain-Body Interaction	100,000	0	50,000	50,000
<b><i>Harvard University Cambridge MA</i></b>				
Clinical Hypotheses: Brain-Body Interaction	50,000	0	0	50,000
<b><i>Johns Hopkins University Baltimore, MD</i></b>				
Clinical Hypotheses: Brain Imaging	150,000	100,000	50,000	200,000
Clinical Hypotheses: Brain-Body Interaction	30,000	0	0	30,000
Neurological problems with bypass surgery	0	360,000	120,000	240,000
Immuno-defense Grants	0	500,000	250,000	250,000
<b><i>Kaiser Foundation Research Institute Oakland, CA</i></b>				
Clinical Hypotheses: Brain-Body Interaction	100,000	0	50,000	50,000
<b><i>Kennedy Krieger Institute Baltimore, MD</i></b>				
Clinical Hypotheses: Brain Imaging	50,000	0	0	50,000



	UNPAID AT BEGINNING OF YEAR	APPROPRIATED DURING YEAR	PAID DURING YEAR	UNPAID AT END OF YEAR
<b><i>Massachusetts General Hospital</i></b>				
<b><i>Boston, MA</i></b>				
Clinical Hypotheses: Brain-Body Interaction	\$ 46,205	\$ 20,000	\$ 0	\$ 66,205
<b><i>Massachusetts Institute of Technology</i></b>				
<b><i>Cambridge, MA</i></b>				
Clinical Hypotheses: Brain Imaging	116,000	0	83,000	33,000
<b><i>Mayo Foundation</i></b>				
<b><i>Rochester, MN</i></b>				
Clinical Hypotheses: Brain-Body Interaction	0	100,000	50,000	50,000
<b><i>Medical College of Georgia</i></b>				
<b><i>Augusta, GA</i></b>				
Clinical Hypotheses: Brain-Body Interaction	49,990	0	0	49,990
<b><i>Medical College of Wisconsin</i></b>				
<b><i>Milwaukee, WI</i></b>				
Clinical Hypotheses: Brain Imaging	49,924	100,000	50,000	99,924
<b><i>Medical University of South Carolina</i></b>				
<b><i>Charleston, SC</i></b>				
Clinical Hypotheses: Brain Imaging	50,000	0	0	50,000
<b><i>Memorial Sloan-Kettering, Cancer Center</i></b>				
<b><i>New York, NY</i></b>				
Clinical Hypotheses: Brain-Body Interaction	50,000	0	0	50,000
<b><i>Metropolitan Opera Association</i></b>				
<b><i>New York, NY</i></b>				
Refurbish Central Park Music Pavilion	0	100,000	100,000	0
<b><i>Mount Sinai School of Medicine</i></b>				
<b><i>New York, NY</i></b>				
Clinical Hypotheses: Brain-Body Interaction	50,000	0	0	50,000

	UNPAID AT BEGINNING OF YEAR	APPROPRIATED DURING YEAR	PAID DURING YEAR	UNPAID AT END OF YEAR
<b><i>Museum of Modern Art</i></b>				
<b><i>New York, NY</i></b>				
Capital campaign	\$ 500,000	\$ 0	\$ 500,000	\$ 0
Exhibition to increase interest in the Museum's permanent collection	100,000	0	0	100,000
<b><i>National Dance Institute</i></b>				
<b><i>New York, NY</i></b>				
Arts in Education Initiative	0	57,200	34,320	22,880
<b><i>New York Hospital-Cornell Medical Center</i></b>				
<b><i>New York, NY</i></b>				
Clinical Hypotheses: Brain Imaging	50,000	0	0	50,000
<b><i>New York City Outward Bound Center</i></b>				
<b><i>New York, NY</i></b>				
Headquarters for educational programs	0	50,000	50,000	0
<b><i>NY Times 9/11 Neediest Fund</i></b>				
<b><i>New York, NY</i></b>				
Victims of the attack on the World Trade Center	0	50,000	50,000	0
<b><i>New York University Medical Center</i></b>				
<b><i>New York, NY</i></b>				
Dana Consortium on Language-Based Learning Disabilities	100,000	0	100,000	0
Neuroimmunology Grants	0	150,000*	0	150,000
<b><i>Ohio State University Research Foundation</i></b>				
<b><i>Columbus, OH</i></b>				
Clinical Hypotheses: Brain-Body Interaction	150,000	0	100,000	50,000
<b><i>Oregon Health Sciences University</i></b>				
<b><i>Portland, OR</i></b>				
Clinical Hypotheses: Imaging	50,000	0	50,000	0

\*Horace W. Goldsmith Foundation will fund an equivalent grant to these organizations.

	UNPAID AT BEGINNING OF YEAR	APPROPRIATED DURING YEAR	PAID DURING YEAR	UNPAID AT END OF YEAR
<b><i>Performing Arts Center of Los Angeles Los Angeles, CA</i></b>				
Arts in Education Initiative	\$ 0	\$ 52,000	\$ 31,200	\$ 20,800
<b><i>Rush-Presbyterian-St. Luke's Chicago, IL</i></b>				
Clinical Hypotheses: Brain Imaging	48,580	0	0	48,580
<b><i>Rutgers University Foundation New Brunswick, NJ</i></b>				
Clinical Hypotheses: Brain-Body Interaction	50,000	0	0	50,000
<b><i>Salk Institute for Biological San Diego, CA</i></b>				
Clinical Hypotheses: Brain Imaging	0	100,000	50,000	50,000
<b><i>Science Museum London, England</i></b>				
Establishing The Dana Centre	0	1,875,000	0	1,875,000
<b><i>Scripps Institute La Jolla, CA</i></b>				
Neuroimmunology Grants	0	300,000	0	300,000
<b><i>Stanford University Stanford, CA</i></b>				
Rhythmicity in breast cancer patients	80,414	0	0	80,414
Clinical Hypotheses: Brain-Body Interaction	50,000	0	0	50,000
Clinical Hypotheses: Brain Imaging	0	100,000	50,000	50,000
Immuno-imaging Grants	0	50,000*	0	50,000
<b><i>State University of New York at Buffalo Amherst, NY</i></b>				
Clinical Hypotheses: Brain-Body Interaction	100,000	0	50,000	50,000

\*Horace W. Goldsmith Foundation will fund an equivalent grant to these organizations.

	UNPAID AT BEGINNING OF YEAR	APPROPRIATED DURING YEAR	PAID DURING YEAR	UNPAID AT END OF YEAR
<b><i>Tulane University Health Sciences Center New Orleans, LA</i></b>				
Clinical Hypotheses: Brain Imaging	\$ 0	\$ 100,000	\$ 50,000	\$ 50,000
<b><i>Uniformed Services University of Health Science Bethesda, MD</i></b>				
Clinical Hypotheses: Brain-Body Interaction	49,950	0	49,950	0
<b><i>University of Alabama School of Medicine Birmingham, AL</i></b>				
Clinical Hypotheses: Brain Imaging	49,937	0	0	49,937
<b><i>University of Arkansas Little Rock, AK</i></b>				
Clinical Hypotheses: Brain-Body Interaction	40,460	0	40,460	0
<b><i>University of Arizona College of Medicine Tuscan, AZ</i></b>				
Clinical Hypotheses: Brain-Body Interaction	0	100,000	50,000	50,000
<b><i>University of California, Davis Davis, CA</i></b>				
Clinical Hypotheses: Brain-Body Interaction	50,000	0	50,000	0
<b><i>University of California, Irvine Irvine, CA</i></b>				
Clinical Hypotheses: Brain-Body Interaction	50,000	0	0	50,000
<b><i>University of California, Los Angeles Los Angeles, CA</i></b>				
Clinical Hypotheses: Brain Imaging	50,000	(45,608)	(45,608)	50,000
Clinical Hypotheses: Brain-Body Interaction	100,000	0	50,000	50,000

	UNPAID AT BEGINNING OF YEAR	APPROPRIATED DURING YEAR	PAID DURING YEAR	UNPAID AT END OF YEAR
<b><i>University of California, San Francisco San Francisco, CA</i></b>				
Clinical Hypotheses: Brain Imaging	\$ 48,484	\$ 100,000	\$ 0	\$ 148,484
Clinical Hypotheses: Brain-Body Interaction	0	100,000	50,000	50,000
Immuno-defense Grants	0	500,000	185,000	315,000
Neuroimmunology Grants	0	300,000	0	300,000
<b><i>University of Connecticut Farmington, CT</i></b>				
Immuno-defense Grants	0	500,000	250,000	250,000
<b><i>University of Iowa College of Medicine Iowa City, IA</i></b>				
Clinical Hypotheses: Brain-Body Interaction	50,000	0	50,000	0
<b><i>University of Kentucky Lexington, KY</i></b>				
Clinical Hypotheses: Brain-Body Interaction	100,000	0	50,000	50,000
<b><i>University of Michigan, Medical Center Ann Arbor, MI</i></b>				
Clinical Hypotheses: Brain Imaging	99,642	0	0	99,642
Clinical Hypotheses: Brain-Body Interaction	100,000	0	50,000	50,000
<b><i>University of Pennsylvania Philadelphia, PA</i></b>				
Clinical Hypotheses: Brain Imaging	99,825	0	50,000	49,825
Clinical Hypotheses: Brain-Body Interaction	0	100,000	50,000	50,000
<b><i>University of Texas at Austin Austin, TX</i></b>				
Dana Center for Educational Innovation	0	700,000	350,000	350,000

	UNPAID AT BEGINNING OF YEAR	APPROPRIATED DURING YEAR	PAID DURING YEAR	UNPAID AT END OF YEAR
<b><i>University of Texas Medical School at Houston Houston, TX</i></b>				
Clinical Hypotheses: Brain Imaging	\$ 49,534	\$ 0	\$ 0	\$ 49,534
Clinical Hypotheses: Brain-Body Interaction	60,000	0	0	60,000
<b><i>University of Texas Southwestern Medical School Dallas, TX</i></b>				
Clinical Hypotheses: Brain Imaging	0	100,000	50,000	50,000
<b><i>University of Washington School of Medicine Seattle, WA</i></b>				
Clinical Hypotheses: Brain-Body Interaction	50,000	0	0	50,000
Clinical Hypotheses: Brain Imaging	0	100,000	50,000	50,000
<b><i>University of Wisconsin Madison, WI</i></b>				
Clinical Hypotheses: Brain-Body Interaction	50,000	0	0	50,000
<b><i>Washington University School of Medicine St. Louis, MO</i></b>				
Clinical Hypotheses: Brain Imaging	99,900	200,000	100,000	199,900
Clinical Hypotheses: Brain-Body Interaction	98,191	0	49,957	48,234
<b><i>Weill Medical College of Cornell University New York, NY</i></b>				
Fellowships in neuroscience	647,619	0	266,667	380,952
Clinical Hypotheses: Brain-Body Interaction	50,000	0	0	50,000
Clinical Hypotheses: Brain Imaging	0	100,000	50,000	50,000
Strategic plan for research	0	125,000	125,000	0

	UNPAID AT BEGINNING OF YEAR	APPROPRIATED DURING YEAR	PAID DURING YEAR	UNPAID AT END OF YEAR
<b><i>Yale University School of Medicine New Haven, CT</i></b>				
Clinical Hypotheses: Imaging	\$ 146,842	\$ 100,000	\$ 100,000	\$ 146,842
Clinical Hypotheses: Brain-Body Interaction	0	300,000	0	300,000
<b><i>Other Grants</i></b>	<u>0</u>	<u>1,326,398</u>	<u>1,266,398</u>	<u>51,000</u>
<b>TOTAL GRANTS</b>	<u>\$13,592,221</u>	<u>\$15,508,567</u>	<u>\$12,184,332</u>	<u>\$16,916,456</u>

# REPORT OF INDEPENDENT AUDITORS

## **The Board of Directors The Charles A. Dana Foundation, Incorporated**

We have audited the accompanying statements of financial position of The Charles A. Dana Foundation, Incorporated (the Foundation) as of December 31, 2001 and 2000, and the related statements of activities, statements of cash flows and summary of appropriations and payments for the years 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 audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the

financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Charles A. Dana Foundation, Incorporated as of December 31, 2001 and 2000, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

***A. J. Signorile & Co.  
New York, New York  
February 22, 2002***



# STATEMENTS OF FINANCIAL POSITION

December 31, 2001 and 2000

	2001	2000
<b>Assets:</b>		
Cash and cash equivalents (Note 7)	\$ 8,585,593	\$ 8,714,776
Accounts receivable (primarily security sales in 2000)	444,150	3,966,463
Accrued interest receivable	1,002,346	1,086,824
Investments (Note 1)	313,747,378	325,369,795
Fixed assets, at cost:		
Office furniture and equipment, net of accumulated depreciation:		
2001: \$800,827; 2000: \$760,807	77,504	89,903
Leasehold improvements, net of accumulated amortization:		
2001: \$4,609; 2000: \$645,491	778,966	258,579
Total Assets	<u>\$ 324,635,937</u>	<u>\$ 339,486,340</u>
<b>Liabilities and Net Assets:</b>		
Accounts payable and accrued liabilities		
(primarily security purchases in 2000)	\$ 665,401	\$ 4,450,103
U. S. excise tax payable (Note 2)	9,413	45,571
Deferred U. S. excise tax (Note 2)	441,567	703,651
Other deferred liabilities	331,990	261,325
Unpaid grant appropriations	16,916,457	13,592,221
Unpaid commitments for contributions of capital		
to limited partnerships (Note 1)	18,635,156	8,403,752
Unrestricted net assets	287,635,953	312,029,717
Total Liabilities and Net Assets	<u>\$ 324,635,937</u>	<u>\$ 339,486,340</u>

See accompanying notes.

# STATEMENTS OF ACTIVITIES

For the years ended December 31, 2001 and 2000

	2001	2000
Investment Income:		
Dividends and interest	\$ 5,765,287	\$ 7,803,514
Income (loss) from limited partnerships	(3,384,193)	12,117,575
Net realized gain from sales and redemptions of securities	8,968,257	14,137,568
	<u>11,349,351</u>	<u>34,058,657</u>
Less: Investment management and custodian fees	(997,460)	(1,211,314)
	<u>10,351,891</u>	<u>32,847,343</u>
Net realized investment income		
	<u>10,351,891</u>	<u>32,847,343</u>
Expenses:		
Grant appropriations	15,508,567	19,519,575
Direct charitable activities	5,100,766	4,886,947
General administration	1,122,230	1,085,048
Provision for U. S. excise tax (Note 2)	172,000	363,000
	<u>21,903,563</u>	<u>25,854,570</u>
Total expenses		
	<u>21,903,563</u>	<u>25,854,570</u>
Excess of (expenses over net realized investment income), 2001:		
excess of net realized investment income over expenses, 2000	(11,551,672)	6,992,773
(Decrease) in unrealized appreciation of marketable securities, net of deferred U. S. excise tax, 2001: (reduction) \$(262,084); 2000: (reduction) \$(227,592)	(12,842,092)	(11,152,009)
	<u>(12,842,092)</u>	<u>(11,152,009)</u>
(Decrease) in unrestricted net assets	(24,393,764)	(4,159,236)
Unrestricted net assets at beginning of year	312,029,717	316,188,953
	<u>312,029,717</u>	<u>316,188,953</u>
Unrestricted net assets at end of year	\$ 287,635,953	\$ 312,029,717
	<u>\$ 287,635,953</u>	<u>\$ 312,029,717</u>

See accompanying notes.

# STATEMENTS OF CASH FLOWS

For the years ended December 31, 2001 and 2000

	2001	2000
Cash flows from operating activities:		
(Decrease) in unrestricted net assets	\$ (24,393,764)	\$ (4,159,236)
Adjustments to reconcile change in unrestricted net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	251,136	18,493
Realized (gains) on sales of investments	(8,968,257)	(14,137,568)
Unrealized losses on investments	13,104,176	11,379,601
Share of (income), losses from limited partnerships	3,384,193	(12,117,575)
(Increase) decrease in:		
Interest receivable	84,478	12,208
Accounts receivable	3,522,313	4,552,504
Increase (decrease) in:		
Accounts payable and accrued liabilities and unpaid commitments for contributions of capital to limited partnerships	6,569,439	(1,462,819)
Unpaid grant appropriations	3,324,236	5,635,354
U. S. excise tax payable	(36,158)	(203,169)
Deferred U. S. excise tax	(262,084)	(227,592)
Net cash provided (used) by operating activities	<u>(3,420,292)</u>	<u>(10,709,799)</u>
Cash flows from investing activities:		
Purchase of office furniture and equipment	(27,621)	—
Cost of leasehold improvements	(783,575)	—
Purchase of securities	(135,747,005)	(189,201,966)
Purchase of limited partnership interests	(38,058,845)	(10,940,361)
Proceeds from sales of securities	172,459,737	214,558,580
Proceeds from partnership distributions and withdrawal of investments in limited partnerships	5,448,418	2,027,633
Net cash provided (used) by investing activities	<u>3,291,109</u>	<u>16,443,886</u>
Net increase (decrease) in cash	<u>(129,183)</u>	<u>5,734,087</u>
Cash balance at beginning of year	8,714,776	2,980,689
Cash balance at end of year	<u>\$ 8,585,593</u>	<u>\$ 8,714,776</u>

See accompanying notes.

# SUMMARY OF APPROPRIATIONS AND PAYMENTS

*For the years ended December 31, 2001 and 2000*

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	2001	2000
Unpaid grant appropriations at the beginning of the year	<b>\$ 13,592,221</b>	\$ 7,956,867
Grant appropriations during the year, net of grant refunds and grant cancellations in the amount of \$158,331 for 2001 and \$78,912 for 2000	<u>15,508,567</u> <b>29,100,788</b>	<u>19,519,575</u> 27,476,442
Payments during the year for grant appropriations, net of grant refunds and grant cancellations in the amount of \$158,331 for 2001 and \$78,912 for 2000	<u>12,184,331</u>	<u>13,884,221</u>
Unpaid grant appropriations at end of the year	<b><u>\$ 16,916,457</u></b>	<b><u>\$13,592,221</u></b>

*See accompanying notes.*

# NOTES TO FINANCIAL STATEMENTS

December 31, 2001 and 2000

## NOTE 1 - INVESTMENTS

The Foundation's investment portfolio is summarized as follows:

	2001		2000	
	COST	FAIR VALUE	COST	FAIR VALUE
Fixed Income Securities:				
U.S. Government and Agency Obligations	\$ 34,763,985	\$ 35,162,702	\$ 42,280,396	\$ 43,671,830
Corporate Obligations	27,273,955	27,930,746	18,851,304	19,306,670
	<u>62,037,940</u>	<u>63,093,448</u>	<u>61,131,700</u>	<u>62,978,500</u>
Common Stock	25,153,900	31,771,330	56,707,169	67,563,207
Mutual Funds	91,321,607	105,727,038	88,419,053	110,898,760
Limited Partnerships	112,238,500	113,155,562	73,348,703	83,929,328
Total	<u>\$ 290,751,947</u>	<u>\$ 313,747,378</u>	<u>\$ 279,606,625</u>	<u>\$ 325,369,795</u>

The Foundation's investments in marketable securities are carried at fair value which is measured by quoted market price. Realized gains and losses are computed as of trade date. Security costs are determined using the first-in first-out method. Costs of mutual fund shares are measured under the average cost method. Investments in limited partnerships are carried at fair value which is based on the Foundation's interest in the

aggregate fair value of the partnerships' net assets, as estimated by the general partner of each limited partnership. As of December 31, 2001, under the provisions of certain venture capital limited partnership agreements, the Foundation has unpaid commitments to contribute \$18,635,156 in additional capital over the next 12 years.

# NOTES TO FINANCIAL STATEMENTS *(continued)*

*December 31, 2001 and 2000*

## **NOTE 2 - U.S. EXCISE TAX**

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The Foundation is a private philanthropic foundation, chartered in 1950, with principal interests in the fields of science, health and education. The Foundation, by reason of its classification as a private foundation, is subject to a U.S. excise tax of 2% on investment income less investment expenses, including net realized gains on sales and redemptions of securities. However, pursuant to Section 4940(e) of the Internal Revenue Code, the tax is reduced to 1% if the Foundation satisfies certain requirements, as to the level of qualifying distributions. During the years ended December 31, 2001 and December 31, 2000 the Foundation satisfied these requirements and, accordingly, was subject to the 1% excise tax.

Deferred U. S. excise tax represents the anticipated future tax consequences attributable to the difference between the tax basis and fair value of marketable securities as of the respective dates of the statements of financial position.

## **NOTE 3 - LEASE COMMITMENTS**

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The Foundation currently leases office space in New York City under an amended lease agreement and in Washington, D. C. under a new lease agreement. Both agreements provide for a rent-free period and contributions from the respective lessors intended to offset the cost of leasehold improvements. The accompanying statements of activities reflect rent expense recognized on a straight-line basis over the terms of the Foundation's leases, reflective of the concession provisions of the lease agreements.

The Foundation's obligation under the current New York City lease agreement expires on August 31, 2013, and its obligation under the Washington, DC, lease agreement expires on February 29, 2012. Pursuant to the provisions of the lease agreements, the Foundation's future minimum annual rental payments, as of December 31, 2001, are as follows:

# NOTES TO FINANCIAL STATEMENTS *(continued)*

December 31, 2001 and 2000

## NOTE 3 - LEASE COMMITMENTS (CONCLUDED)

	NEW YORK	WASHINGTON	TOTAL
2002	\$ 655,933	\$ 478,091	\$ 1,134,024
2003	744,450	588,091	1,332,541
2004	885,170	605,777	1,490,947
2005	885,170	623,966	1,509,136
2006	885,170	642,664	1,527,834
2007 through:			
August 31, 2013	5,901,134		
February 29, 2012		3,669,646	9,570,780
Total	<u>\$9,957,027</u>	<u>\$6,608,235</u>	<u>\$16,565,262</u>

The lease agreements require additional payments to cover the escalation of maintenance costs and real estate taxes. Additionally, future minimum annual rental payments under the Foundation's New York lease are subject to an increase to fair rental market value, effective as of September 1, 2003. Allocated rental expense included in the statements of activities, amounted to \$357,863 in 2001 and \$325,715 in 2000.

## NOTE 4 - PENSION PLAN

The Foundation has a noncontributory defined contribution retirement plan covering all regular salaried employees who are at least 21 years of age and have completed six months of service. For the year ended December 31, 2001, retirement plan expense, included in the statements of activities, amounted to \$313,555. Similarly, for the year ended December 31, 2000, retirement plan expense amounted to \$299,422.

## NOTE 5 - RELATED PARTY TRANSACTIONS

Two directors who also serve as officers of the Foundation are each associated with law firms that respectively render legal services to the Foundation.

The Dana Alliance for Brain Initiatives, Inc., an affiliate of the Foundation, received grants aggregating the amount of \$3,342,377 for the year ended December 31, 2001, and the amount of \$3,534,296 for the year ended December 31, 2000. The Foundation and the Alliance share certain expenses including administrative services and office occupancy.

# NOTES TO FINANCIAL STATEMENTS *(concluded)*

*December 31, 2001 and 2000*

## **NOTE 6 - CONTRIBUTED SERVICES**

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Certain officers of the Foundation provide services to the organization that are valued at an amount substantially in excess of compensation received. The valuation amount is not considered material with respect to the financial statements taken as a whole. Accordingly, the fair value of these services is not recognized in the accompanying financial statements.

## **NOTE 7 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The significant accounting practices of the Foundation are summarized as follows:

- (1) Assets and liabilities and income and expenses are recorded on the accrual basis of accounting.
- (2) Cash and cash equivalents include money market deposits for 2001 and 2000 and also cash deposits for the purchase of limited partnership interests for 2000.
- (3) Expenditures for fixed assets and leasehold

improvements are capitalized and depreciated using the straight-line method over the estimated useful lives of the assets or amortized over the term of the Foundation's leases. (4) Appropriations are recorded and charged to operations when approved by the Board of Directors for a specific program, program expense or grant. (5) The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



# GUIDELINES

# GRANT GUIDELINES

The Dana Foundation, established in 1950 by industrialist, philanthropist, and legislator Charles A. Dana, is a private philanthropic foundation with principal interests in science, health, and education. The Foundation's current areas of emphasis are in immunology and neuroscience research, and in K-12 education, particularly the training of arts educators. Specific grantmaking programs in these areas are the basis for decisions on grant applications. No applications are considered apart from these grant programs. Additional information on these current grant programs is available on the Foundation's Web site, [www.dana.org](http://www.dana.org).

## General Policies

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The following general policies should be noted. The Foundation:

1. Supports programs in science, health, and education through specifically defined objectives in each field.
2. In many cases, requires grantee institutions to share the cost of a project or raise matching funds.
3. Makes no grants directly to individuals.
4. Does not support annual operating budgets of organizations, deficit reduction, capital campaigns, or individual sabbaticals.
5. Does not schedule meetings with applicants, other than by specific invitation initiated by the Foundation.

## Science and Health Grants

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For the decade of the 1990s, the Foundation focused on brain research. In 2001, interests expanded to include research in immunology. Grants in these areas are made principally through competitive Clinical Hypotheses Programs in Immuno-imaging, Neuroimmunology, Neuroimaging, and Brain-Cardiovascular system interactions. These competitive grant programs support pilot testing of experimental and innovative ideas that in immunology and neuroscience research have the potential of advancing clinical applications. The Foundation also supports an invitational program in which leading scientists are invited to compete for research grants designed to improve immune system responses to biological agents.

Requests for Proposals (RFPs) for most Clinical Hypotheses Programs are sent to the deans of U.S. Schools of Medicine and Public Health and other invited institutions. Additional information including funded grants is available through the Foundation's Web site ([www.dana.org](http://www.dana.org)).

A few grants initiated by the Foundation as "Adjunct Clinical Studies" are made in neuroscience and immunology. Additional information on these projects is available on the Foundation's Web site ([www.dana.org](http://www.dana.org)). All other grants in the Science and Health Program are made solely by invitation.

## Education Grants

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The Dana Foundation has supported advances in education throughout its history. The Foundation's current interest is focused primarily on professional development programs that foster improved teaching of the performing arts in public schools. Programs emphasize innovative training projects that are exported from, or imported to, New York City, Washington, DC, Los Angeles, and their surrounding areas. Letters of Intent are accepted on a rolling basis. Grantees are selected through a competitive process. Guidelines for this program also may be found on the Foundation's Web site.

The Foundation's continuing interest in fostering innovations in K-12 education is maintained through grant support for the Dana Center for Educational Innovation at the University of Texas in Austin. Other Foundation support for select education projects is internally generated or invited.

While the education grants program is designed to benefit schools and school systems throughout the country, Foundation grants ordinarily are not made directly to individual schools.

## PUBLICATIONS AVAILABLE

### The Dana Press Publications on the Brain

The Dana Press, publisher for the Dana Foundation and the Dana Alliance for Brain Initiatives, produces periodicals, special publications, and books in the field of health, particularly brain research. Most publications are available free of charge and may also be read on the Dana Web site. To order, send your written request to The Dana Press, 900 15th St., N.W., Washington, DC 20005 or see the request form on the Dana Web site.

#### *Cerebrum: The Dana Forum on Brain Science*

Paid subscription quarterly journal of ideas, with articles, debates, and reviews from top scientists, humanists, policymakers, and science writers. Written for readers both with and without a scientific background who are stimulated by the ways in which brain science is reshaping world views. Request free sample issue.

#### *BrainWork: The Neuroscience Newsletter*

(Bi-monthly) Lay-oriented articles dealing with the brain, its powers, and its problems. Includes coverage of major conferences and scientific meetings, reports on the latest discoveries, and interviews with brain research experts.

*The Brain in the News* (Bi-weekly) Reprinted articles from major newspapers about the brain and new research findings.

#### *Immunology in the News* (Bi-monthly)

Reprinted news stories and studies in the fields of immunology, neuroimmunology, and innate immunity.

#### *Brain Connections: Your Source Guide to Information on Brain Diseases and Disorders*

(fifth edition) Reference booklet for contacting organizations that deal with specific brain problems. More than 275 listings.

#### *Visions of the Brain: Progress Report on Brain Research*

Annual highlights of progress in all areas of brain research in the previous year. Published every March.

#### *Q&A: Answering Your Questions About Brain Research*

Pamphlet, in question-and-answer format, that illustrates how discoveries in brain research are giving us new hope for happier, healthier lives.

#### *The Dana Classroom Sourcebook of Brain Science*

A basic introduction to brain science, its history, our current understanding, new developments, and future directions. Includes companion video and audio, glossary, illustrations of key concepts, list of resources available on the Internet, annotated bibliography, and more.

## Books From The Dana Press

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Available at retail or online bookstores.

### *The Secret Life of the Brain*

By Richard Restak, M.D.

Best-selling author Richard Restak reveals what brain science is uncovering about the intricate magic of the brain from birth to old age. A comprehensive, beautifully illustrated companion to the PBS television series by award-winning producer David Grubin. (A co-publication of The Dana Press and the Joseph Henry Press)  
ISBN: 309-07435-5

### *In Search of the Lost Cord: Solving the Mystery of Spinal Cord Regeneration*

By Luba Vikhanski

A riveting account of courage and conviction, as top scientists and young acolytes fight their way toward vital advances in the understanding and treatment of spinal cord injury by the award-winning science journalist, Luba Vikhanski. (A co-publication of The Dana Press and the Joseph Henry Press)  
ISBN: 309-07437-1

### *Understanding Depression: What We Know and What You Can Do About It*

By J. Raymond DePaulo, Jr., M.D.,  
with Leslie Alan Horvitz

One of the world's experts on depression explains what depression is, who gets it and why, what happens in the brain, the troubles that come with the illness, and the treatments that work—or don't. Dr. DePaulo shows why a truly effective fight against depression calls for the patient, doctor, and family to work together. (A co-publication of The Dana Press and J. Wiley & Sons, Inc.)  
ISBN: 471-39552-8

### *Keep Your Brain Young: The Complete Guide to Physical and Emotional Health and Longevity*

By Guy McKhann, M.D., and  
Marilyn Albert, Ph.D.

Two of the nation's most highly regarded experts on the aging brain provide the latest information and useful advice for living with our brain in the second half of life. This comprehensive book illustrates changes in memory, sleep, vision, and movement, as well as common disorders such as Alzheimer's and stroke. (A co-publication of The Dana Press and J. Wiley & Sons, Inc.)  
ISBN: 471-40792-5

*A Good Start in Life: Understanding Your Child's Brain and Behavior*

By Norbert Herschkowitz M.D. and Elinore Chapman Herschkowitz

Foreward by Jerome Kagan, Ph.D.

One of the world's leading pediatric neuroscientist-clinicians, Dr. Norbert Herschkowitz, and educator-writer Elinore Chapman Herschkowitz, distill a lifetime studying infants and children into an enchanting exploration of how brain development shapes a child's personality and behavior from birth to age six.

(A co-publication of The Dana Press and Joseph Henry Press; May 2002)

ISBN: 309-07639-0

*The End of Stress as We Know it*

By Bruce McEwen, Ph.D.,  
with Elizabeth N. Lasley

A world authority on the relationship between the body and brain gives us a new way to look at stress by revealing why we do not have to view stress as an enemy that we can neither fight nor avoid. Rather with a new understanding of the brain-body relationship we can fortify our inherent ability to cope.

(A co-publication of The Dana Press and Joseph Henry Press; June 2002)

ISBN: 309-07640-4

## Internet

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Web address: [www.dana.org](http://www.dana.org)  
[www.edab.net](http://www.edab.net)

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