ELSA U. PARDEE FOUNDATION

2019 ANNUAL REPORT

Fighting Cancer Every Day
OFFICERS AND TRUSTEES

Gail E. Lanphear ................................................................. President
Lisa J. Gerstacker ............................................ Vice President, Asst. Treasurer
Michael Woolhiser ....................................................... Vice President
William C. Lauderbach .............................................. Treasurer
Laurie G. Bouwman ........................................................ Secretary
Alan W. Ott ................................................................. Trustee
Bill Schuette ................................................................. Trustee
William G. Schuette ..................................................... Trustee
Andreas Teich ............................................................... Trustee
Mary M. Neely ............................................................... Director Emeritus

Kathy McDonald, Staff Assistant

THE MEDICAL COMMITTEE

Michael Woolhiser, Ph.D. (Chairman)
Jamie K. Alan, PharmD, Ph.D.
Darrell R. Boverhof, Ph.D.
Daniel P. Griffin, Ph.D.
Brian B. Gourlie, Ph.D.
Paal Klykken, Ph.D.
Matthew J. LeBaron, Ph.D.
Haritha G. Reddy, M.D.
Leigh Klaus Swartz, M.D.
Rosalyn M. Sweeting, Ph.D.
Bing Yang, Ph.D.

PURPOSE OF THE FOUNDATION

The Elsa U. Pardee Foundation was established in 1944 under the terms of the will of its namesake, whose life was taken by cancer on October 2, 1944. Mrs. Pardee provided a $1,000,000 trust fund “for the promotion of the control and cure of cancer.” She directed that this bequest be used to support research in the field of cancer and to provide for others the advantages of knowledge and techniques still undiscovered in the treatment of cancer.

Cover Photo

Elsa U. Pardee with her husband, James T. Pardee, former board chairman of The Dow Chemical Company.
It is my honor to dedicate this 2019 annual report to our esteemed trustee Alan J. Ott. Mr. Ott, who passed away in January of 2020, was a foundation member for 31 years and served as foundation treasurer for 25 of those years. Sharing his financial, community and organizational expertise, Mr. Ott carefully developed the solid financial infrastructure upon which this foundation currently stands. Carl Gerstacker, the foundation’s original treasurer and nephew of our founder, chose his successor. His trust in Alan was unwavering. The ensuing years have borne out the wisdom of his decision. Since Mr. Gerstacker’s death in 1995, Mr. Ott worked tirelessly to ensure that the foundation’s financial assets and philanthropic endeavors remained secure and prudent. His dedicated efforts have ensured the foundation’s success in carrying out the mission of our founder, Elsa U. Pardee.

Since the establishment of the Pardee Foundation in 1944, it has focused on two primary goals: 1) funding for cancer research and 2) financial assistance to defray treatment costs for victims of cancer. 2019 brought unique opportunities to award grants to innovative research initiatives and to mitigate the burdens on families who become financially vulnerable because of the overwhelming costs of cancer treatment.

Our Medical Review Committee committed countless volunteer hours evaluating grant requests and making prudent decisions regarding each request. Special thanks to Drs. Haritha Reddy and Leigh Klaus Swartz, Pardee Fellows from the University of Michigan, for adding their expertise to the committee’s evaluation process and decisions. 298 grant requests were reviewed in 2019, 17 were funded for a total of $2,523,717. Awards included grants to The University of Minnesota, Mayo Clinic, Duke University, Karmanos Cancer Institute/Wayne State University and Idaho State University.

Accolades are due our dedicated volunteer Pardee Cancer Treatment Fund board members. These boards govern the process of evaluation and decision making regarding assistance to cancer victims in Bay, Clare, Gratiot, Isabella and Midland/Gladwin Counties in Michigan and Brazoria County in Texas. Treatment Fund staff members deserve equal commendation for their dedication and outstanding efforts to serve those afflicted with cancer. Nearly $1,000,000 was granted to assist more than 750 cancer patients in 2019. It is a joy to observe the innovative strategies our staff and board have developed to maximize the funding allocated each year.

Sincerely,

Gail E. Lanphear
President
<table>
<thead>
<tr>
<th>Recipient and Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Alabama, Birmingham – for the study of targeting ncRNA as a curative therapy for metastatic breast cancer</td>
<td>138,939</td>
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<tr>
<td>Baylor College of Medicine – for the study of RAF inhibition as a novel mechanism for treating neuroblastoma</td>
<td>80,727</td>
</tr>
<tr>
<td>Boston University – for the study of a single cell RNA-sequence analysis of tumor-immune microenvironment in stage I non-small cell lung cancer patients</td>
<td>166,932</td>
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<tr>
<td>Central Michigan University – for the study of UNK expression and timing of breast cancer recurrence</td>
<td>171,061</td>
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<tr>
<td>Duke University – for immune surveillance in obesity-associated cancer</td>
<td>174,925</td>
</tr>
<tr>
<td>University of Florida – for the study of targeting NFIB-MAST1 signaling in cisplatin-resistant small cell lung cancer</td>
<td>158,377</td>
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<tr>
<td>Idaho State University – for targeting sphingolipid metabolism in synovial sarcoma</td>
<td>97,927</td>
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<tr>
<td>Karmanos Cancer Institute/ Wayne State University – for the study of RNA methyltransferase CMTR1 regulates tumor immune microenvironment in breast cancer: molecular mechanism and therapeutic potential</td>
<td>158,258</td>
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<tr>
<td>Mayo Clinic – for the study of the guanylyl cyclase A receptor activator ZD100 – a novel therapeutic agent in multiple myeloma</td>
<td>158,919</td>
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<tr>
<td>Memorial Sloan Kettering Cancer Center – for exercise therapy in lung cancer Prevention and treatment</td>
<td>99,876</td>
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<td>Midland Area Community Foundation</td>
<td>1,000,000</td>
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<tr>
<td>University of Minnesota – for the study of combating lung cancer resistance to EGFR targeted therapy</td>
<td>164,367</td>
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<td>University of Michigan – for support of a medical oncology fellowship training program</td>
<td>150,000</td>
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<tr>
<td>MidMichigan Medical Center – For continuation of the cancer registry ($75,000); for the memorial lectureship program ($5,000)</td>
<td>80,000</td>
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<tr>
<td>Mount Sinai School of Medicine – for alterations in microtubule dynamics: towards a personalized anti-microtubule therapy for breast cancer</td>
<td>146,234</td>
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<tr>
<td>Northwestern University – for novel targeted combination therapies based on PIM kinase inhibition</td>
<td>152,174</td>
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<tr>
<td>University of Notre Dame – for a study to develop novel PYGO2 inhibitors with anti-tumor activity</td>
<td>147,775</td>
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<tr>
<td>Pardee Cancer Treatment Association of Greater Brazosport, TX – For a program supporting the cure and control of cancer</td>
<td>50,000</td>
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<tr>
<td>Pardee Cancer Treatment Fund of Bay County – To assist in the cure and control of cancer through the program of the Pardee Cancer Treatment Committee of Bay County</td>
<td>150,000</td>
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<tr>
<td>Pardee Cancer Treatment Fund of Clare County – To assist in the cure and control of cancer through the program of the Pardee Cancer Treatment Committee of Clare County</td>
<td>200,000</td>
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<tr>
<td>Organization</td>
<td>Grant Amount</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>--------------</td>
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<tr>
<td>Pardee Cancer Treatment Fund of Gratiot County – To assist in the cure and control of cancer through the program of the Pardee Cancer Treatment Committee of Gratiot County</td>
<td>200,000</td>
</tr>
<tr>
<td>Pardee Cancer Treatment Fund of Isabella County – To assist in the cure and control of cancer through the program of the Pardee Cancer Treatment Committee of Isabella County</td>
<td>225,000</td>
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<tr>
<td>University of Texas Health Science Center – for novel targeted combination Therapy for the treatment of therapy resistant breast cancer</td>
<td>169,373</td>
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<tr>
<td>Virginia Commonwealth University – for targeting miR-204-5p suppresses the tumorigenesis and metastasis of head and neck cancer</td>
<td>186,553</td>
</tr>
<tr>
<td>Washington University, St. Louis – for the study of targeting chemotherapy Resistance in SETD2-mutant glioblastoma</td>
<td>151,300</td>
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<tr>
<td>Council of Michigan Foundations</td>
<td>10,100</td>
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<table>
<thead>
<tr>
<th>Total Grants</th>
<th>$4,588,817</th>
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</thead>
<tbody>
<tr>
<td>Grant funds returned</td>
<td>(99,018)</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>84,003</td>
</tr>
<tr>
<td>Federal Excise tax</td>
<td>28,000</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>4,150</td>
</tr>
</tbody>
</table>

| TOTAL DISBURSEMENTS | $4,571,682 |
Statement of Assets, Liabilities and Net Assets – Modified Cash Basis
December 31, 2019

Assets
Cash and cash equivalents $ 10,533,600
Marketable securities (at fair market value):
  Stocks 59,513,302
  Corporate bonds 5,384,276
  Government bonds 14,566,599
  Mutual funds 3,322,334
Total marketable securities 82,786,511
Limited partnerships –
Prepaid federal excise tax 16,580
Total assets $ 93,336,650

Liabilities and net assets
Liabilities
  Grants payable $ –
Total liabilities $ –
Unrestricted net assets 93,336,650
Total liabilities and unrestricted net assets $ 93,336,650

Statement of Revenue, Expenses, and Changes in Net Assets – Modified Cash Basis
Year ended December 31, 2019

Revenues and gains (losses)
Interest $ 580,792
Dividends 1,687,154
Net realized and unrealized gain on investments 11,170,774
Gains from limited partnerships –
Total revenue and gains (losses) (8,061,944)

Grants
Grants authorized:
  Grant payments made 4,588,817
  Grant funds returned (99,018)
  Increase (decrease) in grants authorized but unpaid –
Total grants 4,489,799

Other expenses
Administrative 84,003
Federal excise taxes 28,000
Foreign tax expense 11,658
Other taxes 4,510
Investment expenses 317,754
Total other expenses 88,514
Total grants and other expenses 4,578,312
Decrease in unrestricted net assets 8,516,429

Unrestricted net assets at beginning of period 84,820,222
Unrestricted net assets at end of period $ 93,336,650
The Elsa U. Pardee Foundation operates under the laws of the State of Michigan, with headquarters in Midland, Michigan. Since its establishment (the Articles of Incorporation were filed December 28, 1944), the trustees have been responsible for allocating the funds to the best uses for which the late Mrs. Pardee intended them.

The Foundation does not directly administer the programs which it supports. The recipients are asked to submit yearly progress reports and a financial accounting concerning the expenditures of the research grant.

Grants are limited under the terms of the charter to the cure and control of cancer, and in general do not provide for building funds, equipment (except that used in a specific project), or fund-raising campaign contributions.

The Elsa U. Pardee Foundation provides support for research directed towards the detection, treatment, and cure of cancer. Priority is given to researchers at non-profit institutions in the United States who are new to the field of cancer research, or to established research investigators examining new approaches to cancer cure.

An attempt is made to initiate several new projects each year, as other projects are concluded. The Foundation particularly welcomes innovative, small-scale, short-term projects which may be difficult to fund elsewhere until some interesting results are obtained.

Elsa U. Pardee Foundation
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