



# The George Gund Foundation

## **2011 ANNUAL REPORT**

# Executive Director's Letter

Rania Matar's photo-essay on Planned Parenthood in this annual report demands to be viewed with seriousness. We commissioned this essay to mark the 50th anniversary of the Gund Foundation's first grant to Planned Parenthood. There have been many since then. We celebrate that milestone because Planned Parenthood does vital work to advance the health of women who might otherwise have no access to care.

The faces of the patients, their loved ones and the care providers in the photographs tell a story of anxiety and hope, of gratitude and relief, of concern and commitment.

And one photo tells another story – of those whose religious or moral convictions move them to protest Planned Parenthood because a portion of the organization's work is to provide abortions. The divisiveness of this issue and its effect on American politics underscore the seriousness of our Foundation's reflection. No one rejoices at an abortion. Yet, the legal right of women to end a pregnancy safely and free from coercion is a right that we, along with the majority of Americans, support.

Many members of both major political parties once proudly championed Planned Parenthood. But that shared view, like so much of the bipartisan spirit that once animated public affairs, seems a distant memory. Inaccurate charges now commonly distort the conversation about Planned Parenthood and the larger issue of women's health. A case in point is the controversy that erupted in January when news broke that the Susan G. Komen for the Cure Foundation intended to end funding for Planned Parenthood. The decision was reportedly made because Planned Parenthood was "under investigation," although that investigation gives every appearance of being a politically motivated fishing expedition by a partisan in Congress vigorously opposed to reproductive freedom. Still, the controversy – which concluded with Komen's swift reversal – served a useful purpose by highlighting the fact that only 3 percent of Planned Parenthood's resources – and zero tax dollars – provide abortion-related services. It underscored the wide array of health services and research that Planned Parenthood provides, and exposed an opposition agenda reaching far beyond the abortion debate and into a woman's right to access even the most basic reproductive health care.

Planned Parenthood provides reproductive and sexual health care for about 5 million clients each year at more than 800 health centers nationwide. A quarter of those clients are teenagers, and 75 percent have incomes of less than \$35,000 per year. Planned Parenthood health care professionals screen for cancer. They test for and treat sexually transmitted diseases, including HIV and AIDS, to help prevent their spread. One in five American women has received care from a Planned Parenthood health center during her lifetime, and for many Americans Planned Parenthood doctors and nurses are the only health care providers they see.

An ideological campaign to defund Planned Parenthood would, if successful, damage the lives of the women who rely on these services and would surely increase the rate of abortions because so many women would lose access to affordable birth control and prenatal care. Comprehensive, medically accurate sexuality education and affordable family planning services help to reduce the number of unintended pregnancies and abortions.

Planned Parenthood and its many supporters have been, and must remain, an effective voice for the women who need these services. In Ohio, the effectiveness of that voice is being strengthened by a merger of the state's affiliates on July 1 into Planned Parenthood of Greater Ohio. We will watch and support this change in their organizational approach, knowing that their commitment to the health of women will not waver. Moreover, while we know the political debate will not disappear, the daily work of Planned Parenthood, powerfully illustrated in these photographs, continues without distraction and undiminished.



**David T. Abbott**  
Executive Director

# President's Letter

The fabled scientist Archimedes is said to have remarked that with a long enough lever and a place to stand, he could move the Earth. He meant that as literal fact, but when considered metaphorically it is surprisingly similar to how we view our work. Philanthropy provides a remarkable place to stand as we seek to, in effect, change the world for the better. Our financial assets are the obvious lever, and our ability to provide financial support to many great people doing great work is at the center of any foundation's activity.

But the leverage that our assets enable goes far beyond grants.

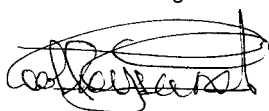
Take, for instance, the prominent place that the cultural arts occupy in Cleveland. Art has intrinsic value, and we appreciate that fact. But we also prize the asset that is Cleveland's vibrant arts community because it is a catalyst for innovation, a magnet for talent and fuel for economic growth. Despite those attributes, the arts are under continual financial stress, and Cleveland for many years was one of the few major American communities without dedicated public arts funding. Along with the Cleveland Foundation and others, we helped launch more than a decade ago the Community Partnership for Arts and Culture (CPAC) to develop a greater sense of community among arts organizations and to effectively advocate for public arts support. CPAC's work eventually led to the passage in Cuyahoga County of a tax on cigarettes to fund local arts. That revenue stream is professionally administered by Cuyahoga Arts & Culture (CAC) and is critically important to our cultural landscape. Arts grantmaking remains a key part of the Gund Foundation's efforts to make Cleveland a more successful place, but that mission has been immeasurably advanced by the creation of CAC. It would not have happened if our Foundation and others had taken a narrow view of our role.

That story is just one example of how foundations can expand the leverage provided by their financial resources. We look for these opportunities in all of our program areas, especially in the public policy domain. Most people would agree, for example, that high quality public education is vital to the future of our community and our country. We surely do and have backed that view with millions of dollars in grants over many years, but we cannot in good conscience stop working when the checks are signed. Our conviction about the importance of public education compels us to engage deeply in the policy debates over what high quality education should be in the 21st century and how to get there, especially in a troubled school district like Cleveland's. This is a current topic in Ohio as this report is being prepared, and it is likely to remain so for the foreseeable future. We will be trying to move the debate and its outcome toward a much more imaginative approach to education than Cleveland and Ohio have been used to.

The duration and depth of our engagement in Cleveland provides advantages that would not exist with less geographically concentrated grantmaking. Our Trustees and staff members have acquired extensive experience with issues and organizations, and that experience enables us to interact in ways that we hope provide value that goes beyond the amount of the grant check. Management advice, program guidance, convening people around a topic, commissioning research – we use these and other tools to help organizations achieve their missions.

But we also are acutely aware of the dangers that can accompany an actively engaged role. First among these is the tendency for people who do or who might seek grants to avoid criticizing us. No one likes criticism, but constructively critical feedback is an important part of making good decisions; bad judgments are much more likely without it. That is why we are regular users of the Center for Effective Philanthropy's Grantee Perception Report to solicit candid, anonymous feedback from the nonprofits we support. But we strive to engage with others in ways that encourage ongoing candor. Indeed, we need that frankness and we rely on it. We may have acquired useful experience, and we may know some things, but we are far from the only ones who are trying to move Cleveland – and the world – with all the leverage we can muster.

At the end of 2011 the Board of Trustees bid farewell to Cathy Lewis, whose six-year term as a community Trustee concluded. She served with great distinction, and we will miss her special passion, insights and warmth. Cathy served our Foundation and Cleveland extraordinarily well. In her place the Board welcomed Robyn Minter Smyers at the first meeting of 2012, and we eagerly look forward to working with her.



**Geoffrey Gund**  
President and Treasurer

# 2011 Commitments Summary

## Arts

49 grants  
\$3,425,362

## Economic Development and Community Revitalization

30 grants  
\$1,828,930

## Education

21 grants  
\$2,844,700

## Environment

47 grants  
\$2,444,322

## Human Services

61 grants  
\$3,613,373

## Special Projects

19 grants  
\$2,405,500

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## Grand Total

227 grants | \$16,562,187

## Total since inception of the Foundation in 1952

\$580,649,672

# Arts

The Foundation remained committed to ensuring the vitality of Cleveland's arts community and nurturing its creative class with grants to organizations, both large and small, that reached audiences in neighborhoods and schools as well as in traditional performance and exhibition venues and that offered opportunities for local artists. We continued to encourage the arts to play a role in energizing and revitalizing communities with a \$1.5 million grant to the Cleveland Institute of Art for its expanded campus in University Circle's Uptown District. Arts grantmaking totaled \$3,425,362.

## EDUCATION

### **The Broadway School of Music and the Arts**

Cleveland, Ohio  
Operating support and software upgrade  
\$12,000

### **Cleveland Institute of Art**

Cleveland, Ohio  
Capital campaign  
\$1,500,000

### **Cleveland Municipal School District**

Cleveland, Ohio  
Rock your World with STEAM Family Festival  
\$10,000

### **Cleveland State University Foundation, Inc.**

Cleveland, Ohio  
Cleveland Arts Education Consortium  
\$10,000

### **Great Lakes Theater Festival, Inc.**

Cleveland, Ohio  
Education programs and 50th anniversary events  
\$120,000

### **Eleanor B. Rainey Memorial Institute, Inc.**

Cleveland, Ohio  
El Sistema@Rainey  
\$60,000 *over 2 years*

### **Roots of American Music**

Cleveland Heights, Ohio  
New program development  
\$20,000

### **Young Audiences of Northeast Ohio Inc.**

Cleveland, Ohio  
Art is Education program  
\$125,000

### **Young Audiences of Northeast Ohio Inc.**

Cleveland, Ohio  
ArtWorks summer program  
\$10,000

## FILM AND MEDIA

### **The Cleveland International Film Festival, Inc.**

Cleveland, Ohio  
Operating and project support  
\$90,000

### **National Public Radio, Inc.**

Washington, DC  
Midwest news coverage  
\$100,000 *over 2 years*

## PERFORMING ARTS

### **Apollo's Fire The Cleveland Baroque Orchestra**

Cleveland Heights, Ohio  
Cleveland outreach project  
\$15,000

### **CityMusic Cleveland Inc.**

Cleveland, Ohio  
City of Cleveland concerts  
\$22,000

### **Cleveland Jazz Orchestra**

Bedford, Ohio  
Jazz at the Hanna and board development  
\$17,000

### **Cleveland Modern Dance Association**

Cleveland, Ohio  
Operating support  
\$35,000

### **The Cleveland Play House**

Cleveland, Ohio  
Operating and marketing support  
\$110,000

### **Cleveland Public Theatre, Inc.**

Cleveland, Ohio  
Operating support and DanceWorks  
\$85,000

### **Dobama Theatre, Inc.**

Cleveland Heights, Ohio  
Operating support  
\$25,000

**Duffy Liturgical Dance Ensemble**

Shaker Heights, Ohio  
International Peace Day performance  
\$1,000

**InLet Dance Theatre**

Cleveland, Ohio  
Capacity-building project  
\$10,000

**Karamu House**

Cleveland, Ohio  
Theater support  
\$60,000

**Near West Theatre, Inc.**

Cleveland, Ohio  
Spring and summer programs  
\$20,000

**Opera Circle, Inc.**

Cleveland, Ohio  
Operating support  
\$15,000

**Opera Cleveland**

Cleveland, Ohio  
Task force facilitator  
\$10,000

**Piano International Association of Northern Ohio**

Cleveland, Ohio  
Executive director transition  
\$7,375

**Professional Flair, Inc.**

Cleveland, Ohio  
Promotional videos  
\$10,000

**The Rock and Roll Hall of Fame and Museum, Inc.**

Cleveland, Ohio  
Induction Week community events  
\$50,000

**Verb Ballets**

Shaker Heights, Ohio  
Operating support  
\$35,000

**Verb Ballets**

Shaker Heights, Ohio  
Space renovation  
\$7,500

## SPECIAL PROGRAMS

**Art House, Inc.**

Cleveland, Ohio  
Business plan  
\$10,000

**Arts Collinwood Inc.**

Cleveland, Ohio  
Capacity-building  
\$20,000

**The Beck Center for the Cultural Arts**

Lakewood, Ohio  
Market research and communication plan development  
\$26,987

**Cleveland Arts Prize**

Cleveland Heights, Ohio  
New project development  
\$8,000

**Cleveland Festival of Art and Technology Inc.**

Cleveland, Ohio  
Ingenuity Festival  
\$90,000

**Cleveland Public Library**

Cleveland, Ohio  
Octavofest 2011  
\$5,000

**Community Partnership for Arts and Culture**

Cleveland, Ohio  
Operating and project support  
\$260,000

**Gordon Square Arts District**

Cleveland, Ohio  
Discover Gordon Square Arts District Day  
\$2,500

**Great Lakes Theater Festival, Inc.**

Cleveland, Ohio  
Photography  
\$2,000

**LIT Cleveland's Literary Center**

Cleveland, Ohio  
Public fiction and poetry workshops  
\$5,000

**Ohio Credit Union Foundation**

Columbus, Ohio  
Noteworthy Credit Union Community Development Financial  
Institution technical assistance  
\$10,000

**The Pew Charitable Trusts**

Philadelphia, Pennsylvania  
Ohio Cultural Data Project  
\$25,000

**Playhouse Square Foundation**

Cleveland, Ohio  
Capacity-building projects  
\$150,000 *over 2 years*

**Shore Civic Center Corporation**

Euclid, Ohio  
Program expansion  
\$20,000

VISUAL ARTS

**Artists Archives of the Western Reserve**

Cleveland, Ohio  
"Seeing Green" art exhibition  
\$3,000

**Museum of Contemporary Art Cleveland**

Cleveland, Ohio  
Operating support  
\$90,000

**Sculpture Center**

Cleveland, Ohio  
Sculpture XChange  
\$6,000

**SPACES**

Cleveland, Ohio  
Operating support  
\$55,000

**St. Vincent Quadrangle, Inc.**

Cleveland, Ohio  
Red Dot project  
\$15,000

**Zygote Press Inc.**

Cleveland, Ohio  
Operating and project support  
\$30,000

# Economic Development and Community Revitalization

The Foundation continued to encourage revitalization and development in Cleveland's neighborhoods as well as its downtown with grants to organizations such as the Downtown Cleveland Alliance, Cleveland Housing Network and Neighborhood Progress, Inc. We also supported the merger of two longstanding grantees, Cleveland Public Art and Parkworks, into a new organization, LAND Studios, that promises to have significant positive impact on the vibrancy and design of Cleveland's public spaces. Economic development and community revitalization grantmaking totaled \$1,828,930.

## ECONOMIC DEVELOPMENT

### **Cleveland Development Foundation**

Cleveland, Ohio  
TechBelt Initiative  
\$5,000

### **Downtown Cleveland Alliance**

Cleveland, Ohio  
Collaborative efforts for the economic success of downtown Cleveland  
*up to \$250,000*

### **Greater Cleveland Media Development Corporation**

Cleveland, Ohio  
Film production, attraction and coordination  
\$60,000

### **Hispanic Business Association**

Cleveland, Ohio  
Storefront signage  
\$14,680

### **Jewish Federation of Cleveland**

Beachwood, Ohio  
Global Cleveland  
\$100,000

### **Neighborhood Progress, Inc.**

Cleveland, Ohio  
Study on individual and community asset building  
\$10,000

### **Ohio City Near West Development Corporation**

Cleveland, Ohio  
Market 100  
\$60,000

### **Presidents' Council Foundation, Inc.**

Cleveland, Ohio  
Operating support  
\$25,000

### **University of Akron Foundation**

Akron, Ohio  
Building the Ohio Innovation Economy summit  
\$20,000

## HOUSING AND COMMUNITY REVITALIZATION

### **Cleveland Housing Network, Inc.**

Cleveland, Ohio  
Strategic initiatives in neighborhood stabilization  
\$100,000

### **Cleveland State University Foundation, Inc.**

Cleveland, Ohio  
Re-thinking the Future of Community Development in Cleveland project  
*\$20,000 over 2 years*

### **Neighborhood Progress, Inc.**

Cleveland, Ohio  
Strategy development consultant  
\$10,000

## NEIGHBORHOOD REVITALIZATION

### **Detroit Shoreway Community Development Organization**

Cleveland, Ohio  
Capitol Theatre sign  
\$10,000

## SPECIAL PROGRAMS

### **Black Professional Association Charitable Foundation, Inc.**

Cleveland, Ohio  
Scholarship program  
\$10,000

### **The Center for Community Solutions**

Cleveland, Ohio  
NEO Data Consortium  
\$7,500

### **Cleveland Leadership Center**

Cleveland, Ohio  
Operating support  
\$50,000

### **Cleveland Leadership Center**

Cleveland, Ohio  
Transparency Action Plan Summit  
\$10,000



**Cleveland Leadership Center**

Cleveland, Ohio  
Look Up to Cleveland attendance at State of the County address  
\$1,750

**Cleveland Social Venture Partners**

Cleveland, Ohio  
Challenge Cuyahoga Kick-Off event  
\$10,000

**Economic Growth Foundation**

Cleveland, Ohio  
Greater Cleveland Marketing Alliance  
\$100,000 *over 2 years*

**Economic Growth Foundation**

Cleveland, Ohio  
Cuyahoga County transition  
\$10,000

**The German Marshall Fund of the United States –  
A Memorial to the Marshall Plan**

Washington, DC  
Cities in Transition initiative  
\$10,000

**Hiram College**

Hiram, Ohio  
Listening to Young Voters program  
\$10,000

**Ohio IAF Education Fund Inc.**

Columbus, Ohio  
Operating support  
\$30,000

**Policy Matters Ohio**

Cleveland, Ohio  
Operating support  
\$60,000

**Summer on the Cuyahoga**

Bay Village, Ohio  
Operating and administrative support  
\$10,000

**Trinity Cathedral**

Cleveland, Ohio  
Trinity Commons operating support  
\$25,000

URBAN DESIGN, PLANNING AND AMENITIES

**Cleveland Restoration Society, Inc.**

Cleveland, Ohio  
Preservation programs  
\$20,000

**Parkworks, Inc.**

Cleveland, Ohio  
LAND Studio operating and project support  
\$775,000 *over 2 years*

**Parkworks, Inc.**

Cleveland, Ohio  
German Marshall Fund Cleveland waterfront project  
\$5,000

# Education

The Foundation continued its major investment in new and innovative schools with support for both the Cleveland Municipal School District and Breakthrough Charter Schools. The goal of these investments, made in partnership with the Cleveland Foundation, is to increase the number of excellent schools in Cleveland and the number of students attending those schools. The Foundation also continued its leadership role on state-wide education policy through Ohio Grantmakers Forum and the Greater Cleveland Partnership. This work opened Ohio to Teach For America, and the Foundation made a significant grant for that organization's expansion into Greater Cleveland. We also supported the launch of the Higher Education Compact of Greater Cleveland which seeks to improve college access, enrollment and graduation rates of Cleveland students. Total education grantmaking was \$2,844,700.

## HIGHER EDUCATION

### **The Cleveland Foundation**

Cleveland, Ohio  
Higher Education Compact of Greater Cleveland  
\$50,000

### **The Cleveland Foundation**

Cleveland, Ohio  
Higher Education Compact of Greater Cleveland  
\$10,000

### **College Now Greater Cleveland Inc.**

Cleveland, Ohio  
College access and advising services and scholarships  
\$125,000

### **Woodrow Wilson National Fellowship Foundation**

Princeton, New Jersey  
Woodrow Wilson Ohio Teaching Fellowship  
\$46,500

## NATIONAL EDUCATION POLICY

### **National Council on Teacher Quality**

Washington, DC  
Review of Ohio schools of education  
\$25,000

### **Teach for America, Inc.**

New York, New York  
Launch of Teach For America in Cleveland  
\$500,000

## PRIMARY AND SECONDARY EDUCATION

### **Chess for Success Inc.**

Cleveland, Ohio  
Cleveland Municipal School District chess program  
\$10,000

### **The Cleveland Foundation**

Cleveland, Ohio  
Portfolio of Excellent Schools strategy  
\$800,000

### **Cleveland Municipal School District**

Cleveland, Ohio  
Office of New and Innovative Schools  
\$200,000

### **Educational Service Center of Cuyahoga County**

Valley View, Ohio  
First Ring Superintendents' Collaborative  
\$200,000

### **Esperanza Incorporated**

Cleveland, Ohio  
Bilingual programming to support Hispanic achievement  
\$40,000

### **Friends of Breakthrough Schools**

Cleveland, Ohio  
Breakthrough Charter Schools growth plan  
\$400,000

### **Hathaway Brown School**

Shaker Heights, Ohio  
Aspire Program  
\$40,000

### **OneCommunity**

Cleveland, Ohio  
Community Technology Executive program  
\$55,000 *over 6 months*

### **Youth Opportunities Unlimited**

Cleveland, Ohio  
Program and operating support  
\$85,000

SPECIAL PROGRAMS

**Cleveland Public Art, Inc.**

Cleveland, Ohio  
Market Square Park community art tiles preservation  
\$5,000

**Grantmakers For Education**

Portland, Oregon  
Operating support  
\$10,000 *over 2 years*

**The Literacy Cooperative of Greater Cleveland**

Cleveland, Ohio  
Program support  
\$200,000

STATE EDUCATION POLICY

**Ohio Alliance for Public Charter Schools**

Columbus, Ohio  
Ohio charter school law guidebook  
\$3,200

**Ohio Grantmakers Forum**

Columbus, Ohio  
State education policy initiative  
\$35,000

**Thomas B. Fordham Institute**

Washington, DC  
State education policy initiative  
\$5,000

# Environment

The Foundation's grantmaking reflected its long-standing commitment to preserving Northeast Ohio's distinctive ecosystem as well as its support of efforts to help Cleveland become a model of urban sustainability. In addition, grants were provided for policy analysis and advocacy efforts aimed at increasing the percentages of renewable energy and energy efficiency in our state, promoting a robust local foods infrastructure, encouraging smart growth and addressing climate change. Environment grantmaking totaled \$2,444,322.

## CONSERVATION OF NATURAL SYSTEMS AND BIODIVERSITY

### **Alliance for the Great Lakes**

Chicago, Illinois  
Operating support  
\$25,000

### **Buckeye Forest Council, Inc.**

Columbus, Ohio  
Biomass forest protection campaign  
\$50,000

### **Conservancy for Cuyahoga Valley National Park**

Peninsula, Ohio  
Marketing and technology upgrades  
\$45,000

### **Great Lakes United**

Amherst, New York  
Operating support  
\$30,000

### **The Nature Conservancy, Inc.**

Arlington, Virginia  
Operating support  
\$50,000

### **Trust for Public Land**

San Francisco, California  
Operating support  
\$150,000 *over 2 years*

### **Water Watch of Oregon**

Portland, Oregon  
Operating support  
\$50,000 *over 2 years*

### **Western Lake Erie Association Inc.**

Toledo, Ohio  
Lake Erie improvement forum  
\$3,800

## ENVIRONMENTAL JOURNALISM / PUBLIC EDUCATION

### **Cleveland Botanical Garden**

Cleveland, Ohio  
RIPE! Food and Garden Festival  
\$5,000

### **EcoWatch**

Cleveland, Ohio  
Operating support  
\$100,000 *over 2 years*

### **Institute of Applied Phenomenology in Science and Technology Inc.**

Canal Fulton, Ohio  
"Waking the World Up To Water" film production  
\$5,000

## NONPROFIT CAPACITY BUILDING

### **Chagrin River Watershed Partners, Inc.**

Willoughby, Ohio  
Strategic planning  
\$25,000

### **Cuyahoga Valley Countryside Conservancy**

Peninsula, Ohio  
Marketing for outreach events  
\$10,000

### **Institute for Conservation Leadership**

Takoma Park, Maryland  
Capacity-building initiatives  
\$185,000 *over 2 years*

### **Land Trust Alliance, Inc.**

Washington, DC  
Capacity building for Ohio land trusts  
\$20,000

### **Tremont West Development Corporation**

Cleveland, Ohio  
Flats governance and visioning initiative  
\$10,000

## PROTECTION OF HUMAN HEALTH

### **Beyond Pesticides**

Washington, DC  
Safe lawn and garden campaign  
\$40,000

### **Environmental Health Watch, Inc.**

Cleveland, Ohio  
Greater Cleveland Clean Air campaign  
\$10,000

**Ohio Citizen Action Education Fund**

Cincinnati, Ohio  
 Campaign to retire old coal plants in Ohio  
 \$35,000

## SMART GROWTH

**Community Food Security Coalition Inc.**

Portland, Oregon  
 Food Policy from Neighborhood to Nation conference  
 \$10,000

**County of Cuyahoga**

Cleveland, Ohio  
 Ohio Farm to School conference  
 \$10,000

**Greater Ohio Policy Center Inc.**

Columbus, Ohio  
 Operating support  
 \$100,000

**Mid-Ohio Regional Planning Commission**

Columbus, Ohio  
 Ohio farmland preservation  
 \$90,000 *over 2 years*

## SUSTAINABILITY, ENERGY AND CLIMATE CHANGE

**The Burning River Foundation Inc.**

Cleveland, Ohio  
 Burning River Fest  
 \$5,000

**Cincinnati Energy Alliance Inc.**

Cincinnati, Ohio  
 Northeast Ohio Energy Efficiency Alliance  
 \$40,000

**Clean Fuels Ohio**

Columbus, Ohio  
 Operating support  
 \$40,000

**The Cleveland Museum of Natural History**

Cleveland, Ohio  
 Fresh Water Innovation Alliance start-up  
 \$200,000

**The Cleveland Museum of Natural History**

Cleveland, Ohio  
 GreenCityBlueLake Institute operating support  
 \$100,000

**Cuyahoga Valley Countryside Conservancy**

Peninsula, Ohio  
 Operating support  
 \$180,000 *over 2 years*

**Enterprise Community Partners, Inc.**

Columbia, Maryland  
 Northeast Ohio Energy Efficiency Alliance  
 \$10,000

**Environment Ohio Research and Policy Center Inc.**

Columbus, Ohio  
 Operating support  
 \$35,000

**Environmental Law & Policy Center of the Midwest**

Chicago, Illinois  
 Operating support  
 \$200,000 *over 2 years*

**Green Energy Ohio**

Columbus, Ohio  
 Operating support  
 \$30,000

**Lorain County Community College Foundation**

Elyria, Ohio  
 WestShore Corridor Transportation Project  
 \$3,000

**North Union Farmers Market**

Cleveland, Ohio  
 Final phase of organizational capacity building  
 \$7,500

**Northeast Ohio Chapter of the United States Green Building Council**

Cleveland, Ohio  
 Northeast Ohio Green Building resource directory  
 \$35,000

**Oberlin College**

Oberlin, Ohio  
 Oberlin project implementation  
 \$50,000

**Ohio City Bicycle Co-Op**

Cleveland, Ohio  
 Operating support  
 \$10,000

**Ohio Ecological Food and Farm Association**

Columbus, Ohio  
 Advocacy for sustainable farm policies  
 \$45,000

**Ohio Environmental Council**

Columbus, Ohio  
 Public policy and advocacy work  
 \$150,000

**Ohio Grantmakers Forum**

Columbus, Ohio  
 Local food movement tour  
 \$500

**Ohio State University Foundation**

Columbus, Ohio  
 Community gardening program  
 \$109,522 *over 2 years*

**Ohio State University Foundation**

Columbus, Ohio  
 Food Policy from Neighborhood to Nation conference  
*up to \$10,000*

**Rockefeller Family Fund, Inc.**

New York, New York  
RE-Amp project  
\$55,000

**Slavic Village Development**

Cleveland, Ohio  
Bike Cleveland  
\$60,000

**State Environmental Leadership Program**

Madison, Wisconsin  
Annual conference  
\$5,000

**Young Men's Christian Association of Cleveland  
Ohio, Inc.**

Cleveland, Ohio  
Healthy Communities Active Transportation Conference  
\$5,000

# Human Services

The Foundation continued to seek opportunities for investment in innovative public policy efforts resulting from the evolving government landscape in Cuyahoga County, Columbus and Washington D.C and the inevitable impact from the slow economic upturn. Reflecting these realities, our funding aided pursuit of evidence-based alternatives to current public investments, significant federal grant opportunities and novel social service financing mechanisms. Grant highlights included supporting system reforms and public investment in the health care, hunger relief, early childhood, juvenile justice, and adolescent reproductive health systems. Human services grantmaking totaled \$3,613,373.

## CHILD AND FAMILY STABILITY

### **The Center for Community Solutions**

Cleveland, Ohio  
groundWork strategic planning  
\$7,500

### **Center for Families and Children**

Cleveland, Ohio  
Breakthrough Preschool Project  
\$40,000

### **The Children's Museum of Cleveland**

Cleveland, Ohio  
Capital campaign feasibility consultant  
\$10,000

### **Community Care Network, Inc.**

Cleveland, Ohio  
Cudell Girls Summer Basketball Leagues  
\$9,000

### **Community Care Network, Inc.**

Cleveland, Ohio  
Cudell Boys Summer Basketball Leagues  
\$9,000

### **Community Re-Entry, Inc.**

Cleveland, Ohio  
Women's Re-Entry Network  
\$60,000 *over 2 years*

### **Council for a Strong America Fight Crime: Invest in Kids**

Powell, Ohio  
Operating support  
\$45,000

### **County of Cuyahoga**

Cleveland, Ohio  
Invest in Children: universal pre-kindergarten (UPK) program  
\$1,000,000 *over 3 years*

### **Domestic Violence Center**

Cleveland, Ohio  
Merger support  
\$13,000

### **Families in Schools**

Los Angeles, California  
Abriendo Puertas/Opening Doors program in Cuyahoga County  
\$30,000

### **Northern Kentucky Children's Law Center, Inc.**

Covington, Kentucky  
Ohio juvenile justice reform initiative  
\$100,000

### **Ohio Justice and Policy Center**

Cincinnati, Ohio  
A Working Ohio is a Safe Ohio initiative  
\$50,000

### **Oriana House**

Cleveland, Ohio  
Cleveland Transition Center  
\$50,000

### **PFLAG Cleveland**

Berea, Ohio  
Operating support  
\$10,000

### **Public Interest Projects Inc.**

New York, New York  
National Campaign to Reform State Juvenile Justice Systems  
\$60,000

### **Recovery Resources**

Cleveland, Ohio  
Recovery Resources and Spectrum merger implementation  
\$40,000

### **Shaker Family Center at Sussex**

Shaker Heights, Ohio  
Merger implementation  
\$10,000

**Third Sector New England, Inc.**

Boston, Massachusetts  
Early Learning Challenge Collaborative  
\$10,000

**Voices for Ohio's Children**

Cleveland, Ohio  
Operating support  
\$100,000

## MEETING BASIC NEEDS

**Advocates for Youth**

Washington, DC  
Education and advocacy promoting comprehensive sexuality education  
\$50,000

**AIDS Taskforce of Greater Cleveland, Inc.**

Cleveland, Ohio  
Ohio Advocates Youth Leadership Council  
\$29,000

**American Civil Liberties Union Foundation, Inc.**

New York, New York  
Reproductive Freedom Project  
\$40,000

**The Center for Community Solutions**

Cleveland, Ohio  
AIDS Funding Collaborative  
\$70,000

**Center for Families and Children**

Cleveland, Ohio  
Mental Health Advocacy Coalition  
\$25,000

**Cleveland Foodbank, Inc.**

Cleveland, Ohio  
Advocacy and public education initiative  
\$50,000

**Cleveland Housing Network, Inc.**

Cleveland, Ohio  
Emergency support for families  
\$5,000

**Cleveland Mediation Center**

Cleveland, Ohio  
Emergency housing services  
\$4,000

**Cleveland Municipal School District**

Cleveland, Ohio  
Responsible Sexual Behavior program  
\$40,000

**Cleveland State University Foundation, Inc.**

Cleveland, Ohio  
Forums on health care reform implementation  
\$5,000

**Coalition on Homelessness and Housing in Ohio**

Columbus, Ohio  
State policy advocacy on homeless and low-income housing issues  
\$120,000 *over 2 years*

**Community Catalyst, Inc.**

Boston, Massachusetts  
Health care reform implementation in Ohio  
\$100,000 *over 2 years*

**Community Catalyst, Inc.**

Boston, Massachusetts  
National Advisory Board on Religious Restrictions to Health Care  
\$80,000 *over 2 years*

**Daily Dose of Reading**

South Euclid, Ohio  
Literacy programming at Lee Harvard Medical Center  
\$10,000

**Daybreak, Inc.**

Dayton, Ohio  
Roadmap To Youth Housing Project  
\$10,000

**Domestic Violence Center**

Cleveland, Ohio  
The Tina Project  
\$75,000 *over 2 years*

**Family Planning Services of Lorain County**

Elyria, Ohio  
Adolescent reproductive health services  
\$50,000 *over 2 years*

**Grantmakers in Health**

Washington, DC  
GIH Health Reform Resource Center Fund  
\$10,000

**Health Policy Institute of Ohio**

Columbus, Ohio  
Operating support  
\$200,000 *over 2 years*

**InterReligious Partners in Action of Greater Cleveland**

Cleveland, Ohio  
Homeless Stand Down program  
\$7,500

**Lake County Free Medical Clinic**

Painesville, Ohio  
Planning for federal health care reform  
\$1,373

**Lutheran Metropolitan Ministry**

Cleveland, Ohio  
Volunteer program at men's emergency shelter  
\$35,000

**Lutheran Metropolitan Ministry**

Cleveland, Ohio  
Advocacy program  
\$30,000



**Lutheran Metropolitan Ministry**

Cleveland, Ohio  
Interim management of St. Herman's House of Hospitality  
\$10,000

**Merrick House**

Cleveland, Ohio  
Advocates for Budget Legislation Equality  
\$90,000 *over 2 years*

**MetroHealth Foundation, Inc.**

Cleveland, Ohio  
Partners in Care medical home initiative  
\$100,000 *over 18 months*

**The Mt. Sinai Health Care Foundation**

Cleveland, Ohio  
Health care reform grantwriting assistance fund  
\$3,000

**NARAL Pro-Choice Ohio Foundation**

Cleveland, Ohio  
Reproductive advocacy issues  
\$5,000

**New Life Community**

Cleveland, Ohio  
New Life Community and Interfaith Hospitality Network of  
Greater Cleveland merger expenses  
\$25,000

**Northeast Ohio Coalition for the Homeless**

Cleveland, Ohio  
Operating support  
\$10,000

**Ohio Child Care Resource and Referral  
Association**

Columbus, Ohio  
Medicaid Eligible Home Visiting Service  
\$10,000

**Ohio Children's Hospital Association Foundation**

Columbus, Ohio  
Solutions for Patient Safety initiative  
\$150,000 *over 2 years*

**Ohio Grantmakers Forum**

Columbus, Ohio  
Funders network on health care reform implementation  
\$20,000

**Ohio State University Foundation**

Columbus, Ohio  
Ohio Health Care Coverage and Quality Council Payment  
Reform Summit  
\$5,000

**The Pew Charitable Trusts**

Philadelphia, Pennsylvania  
Partnership for America's Economic Success  
\$50,000

**PRETERM Cleveland, Inc.**

Cleveland, Ohio  
Workshop on secondary trauma and trauma stewardship  
\$5,000

**Sisters of Charity Foundation of Cleveland**

Cleveland, Ohio  
Cleveland Central Promise Neighborhood planning  
\$65,000

**Third Sector New England, Inc.**

Boston, Massachusetts  
BUILD early childhood initiative  
\$100,000

**Third Sector New England, Inc.**

Boston, Massachusetts  
Early Childhood Funders Collaborative  
\$5,000

**Universal Health Care Action Network of Ohio**

Columbus, Ohio  
Operating support and health care reform implementation  
\$100,000

## SPECIAL PROGRAMS

**Cleveland Hearing and Speech Center**

Cleveland, Ohio  
Capital campaign  
\$150,000

**Media In The Public Interest Inc.**

Boulder, Colorado  
Ohio News Connection  
\$10,000

# Special Projects

The Foundation maintained its commitment to fund research on the causes, nature and prevention of inherited retinal degenerative diseases. We also continued support for a wide range of organizations working to strengthen the nonprofit and philanthropic fields. Special projects grantmaking totaled \$2,405,500.

## PHILANTHROPIC SERVICES

### **Business Volunteers Unlimited**

Cleveland, Ohio  
Capacity-building services to nonprofits  
\$55,000

### **Center for Lobbying in the Public Interest**

Washington, DC  
Operating support  
\$70,000 *over 2 years*

### **City Year, Inc.**

Boston, Massachusetts  
City Year Cleveland Support  
\$80,000 *over 2 years*

### **Cleveland Social Venture Partners**

Cleveland, Ohio  
bigBang! Conference on Social Innovation  
\$7,500

### **Council on Foundations, Inc.**

Arlington, Virginia  
Operating support  
\$34,500

### **Diocese of Ohio Episcopal Community Services Foundation**

Cleveland, Ohio  
Episcopal community services  
\$20,000

### **Environmental Grantmakers Association**

New York, New York  
Operating support  
\$1,000

### **The Foundation Center**

Cleveland, Ohio  
Operating support  
\$30,000

### **Funders' Network for Smart Growth and Livable Communities**

Coral Gables, Florida  
Operating support  
\$50,000 *over 2 years*

### **Grantmakers in the Arts**

Seattle, Washington  
Operating support  
\$3,000

### **Grantmakers for Children, Youth & Families, Inc.**

Silver Spring, Maryland  
Operating support  
\$5,000

### **Grantmakers in Health**

Washington, DC  
Operating support  
\$5,000

### **Grants Managers Network, Inc.**

Washington, DC  
Operating support  
\$2,000

### **Independent Sector**

Washington, DC  
Operating support  
\$12,500

### **National Committee for Responsive Philanthropy**

Washington, DC  
Operating support  
\$10,000

### **Ohio Grantmakers Forum**

Columbus, Ohio  
Annual conference  
\$10,000

### **Philanthropy Northwest**

Seattle, Washington  
PRI Makers Network  
\$5,000

## RETINAL DEGENERATIVE DISEASE RESEARCH

### **The Foundation Fighting Blindness**

Columbia, Maryland  
Retinal degenerative disease research  
\$2,000,000

### **The Foundation Fighting Blindness**

Columbia, Maryland  
Cleveland VisionWalk  
\$5,000

# George Gund

George Gund was born in La Crosse, Wisconsin, and his family settled in Cleveland in 1897. Following graduation from Harvard College (1909) and graduate study at Harvard Business School, his early career included banking and real estate in Seattle, serving in Army intelligence during World War I, developing the Kaffee-Hag Corporation in Cleveland, attending Animal Husbandry School at Iowa State University and ranching in Nevada.

In 1936, Mr. Gund married Jessica Roesler and settled down in Cleveland to raise a family. His interest in banking culminated in his becoming President of The Cleveland Trust Company in 1941. At his death in 1966, he was Chairman of the Board.

In 1937, Mr. Gund began a formal program of charitable giving, and his philanthropic concern extended throughout his life. He carefully selected those charities to which he committed his funds. If the commitment was considerable over a long period of time, he characteristically devoted much of his time and energy to the institution.

Strong relationships developed with the educational institutions that shaped Mr. Gund's early life. He contributed time and money to University School (Cleveland), where he was a trustee, and to Iowa State University, where he established a scholarship program for students of animal husbandry. He served on the Board of Overseers of Harvard College from 1954 to 1960 and was closely involved at Harvard with the School of Public Health and the Business School from 1954 to 1966. Another interest in higher education was Kenyon College, where he served as a trustee for many years.

Although Mr. Gund had little personal experience in the arts, his devotion to them was great. Perhaps the single best example was his long association with the Cleveland Institute of Art. In 1942, he became President of the Institute and, under his leadership, saw it develop into a lively and prestigious institution.

The George Gund Foundation was created in 1952 because Mr. Gund believed the private foundation concept provided the most positive, farsighted vehicle for intelligent underwriting of creative solutions to social ills in a manner which would not be limited to his own lifetime. He favored the corporate foundation structure directed by an experienced, sensitive board of trustees entrusted not only with disbursement of funds, but an objective, practical review of proposals. He valued the degree of freedom a private foundation can exercise in seeking and fostering innovative ideas and in implementing demonstration projects.

Today, Mr. Gund's vision is carried forth through the continued involvement of the Gund family in the Foundation's work. Since its inception, the Foundation has made grants totaling more than \$580 million toward the advancement of human welfare.

**Geoffrey Gund**  
President

# Financial Statements

## STATEMENTS OF FINANCIAL POSITION

December 31	2011	2010
<b>Assets</b>		
Cash and cash equivalents	\$ 15,880,763	\$ 12,928,903
Investments	406,746,691	433,650,005
Interest and dividends receivable	449,814	475,190
Federal excise tax	207,572	109,822
Other assets	295,006	342,846
<b>Total assets</b>	<b>\$ 423,579,846</b>	<b>\$ 447,506,766</b>
<b>Liabilities</b>		
Accounts payable and accrued expenses	473,388	466,875
Grants payable	5,721,094	9,723,166
Deferred federal excise tax	2,638,420	3,261,262
<b>Total liabilities</b>	<b>\$ 8,832,902</b>	<b>\$ 13,451,303</b>
<b>Net Assets</b>		
Unrestricted	414,746,944	434,055,463
<b>Total liabilities and net assets</b>	<b>\$ 423,579,846</b>	<b>\$ 447,506,766</b>

The accompanying notes are an integral part of the financial statements.

## STATEMENTS OF ACTIVITIES

For the years ended December 31	2011	2010
<b>Revenues, Gains and Losses</b>		
Net realized investment gains	\$ 14,977,369	\$ 14,217,640
Net unrealized investment gains (losses)	(18,511,014)	26,843,106
Dividend income	4,479,384	4,307,274
Interest income	1,258,451	1,568,213
Other income	24,864	119,938
<b>Net revenue, gains and losses</b>	<b>2,229,054</b>	<b>47,056,171</b>
<b>Expenses</b>		
Grants authorized	17,324,630	23,513,160
Administrative expenses	4,328,988	4,183,260
<b>Total expenses</b>	<b>21,653,618</b>	<b>27,696,420</b>
Increase (decrease) in net assets before federal excise tax provision	(19,424,564)	19,359,751
Federal excise tax provision (benefit)	(116,045)	741,711
<b>Net increase (decrease) in net assets</b>	<b>(19,308,519)</b>	<b>18,618,040</b>
Net assets – beginning	434,055,463	415,437,423
<b>Net assets – ending</b>	<b>\$ 414,746,944</b>	<b>\$ 434,055,463</b>

The accompanying notes are an integral part of the financial statements.

## STATEMENTS OF CASH FLOWS

For the years ended December 31	2011	2010
<b>Cash Flows From Operating Activities</b>		
Increase (decrease) in net assets	\$ (19,308,519)	\$ 18,618,040
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Depreciation and amortization	70,132	52,254
Net realized gains on investments	(14,977,369)	(14,217,640)
Net unrealized (gains) on investments and cash equivalents	18,555,055	(26,858,599)
Deferred federal excise tax	(622,842)	546,096
Note receivable converted to grant	750,000	—
Changes in assets and liabilities:		
Receivables	(72,374)	75,422
Other assets	65,239	(61,399)
Accounts payable and accrued expenses	6,513	83,882
Grants payable	(4,002,072)	3,603,166
Net cash used in operating activities	<u>(19,536,237)</u>	<u>(18,158,778)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of investments	65,498,416	61,286,982
Purchase of investments	(42,922,788)	(53,475,635)
Purchase of equipment and improvements	(87,531)	(45,248)
Net cash provided by investing activities	<u>22,488,097</u>	<u>7,766,099</u>
Net increase (decrease) in cash and cash equivalents	2,951,860	(10,392,679)
Cash and cash equivalents – beginning	12,928,903	23,321,582
<b>Cash and cash equivalents – ending</b>	<b><u>\$ 15,880,763</u></b>	<b><u>\$ 12,928,903</u></b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid during the year:		
<b>Income taxes, excise</b>	<b><u>\$ 595,000</u></b>	<b><u>\$ 210,000</u></b>
<b>Interest</b>	<b><u>\$ —</u></b>	<b><u>\$ —</u></b>
Non-cash investing and financing activities:		
<b>Note receivable converted to grant</b>	<b><u>\$ 750,000</u></b>	<b><u>\$ —</u></b>

The accompanying notes are an integral part of the financial statements.

## **Note 1 – Summary of Significant Accounting Policies**

**Nature of operations** The George Gund Foundation (“the Foundation”) is a private foundation which makes grants to educational, community service and philanthropic organizations, basically in Greater Cleveland.

**Basis of accounting** The Foundation’s financial statements are presented on the accrual basis of accounting. Accordingly, revenues are recorded when earned, and expenses are recognized when incurred. The Foundation has only unrestricted net assets.

**Use of estimates** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

**Cash and cash equivalents** Cash and cash equivalents consist of highly-liquid investments with maturity dates of three months or less which are readily convertible into cash and a common trust fund that is readily convertible into cash.

**Investments** Marketable and U.S. government securities are reported at their market values. Securities traded on a national securities exchange are valued at the last reported trading price on the last business day of the year. Realized gains or losses are determined by comparison of asset cost to net proceeds received. Unrealized gains or losses are determined by comparison of asset cost to market values at the end of the year.

Investments include notes receivable which are due from various not-for-profit organizations valued at \$9,971,109 and \$11,637,949 at December 31, 2011 and 2010, respectively. The notes receivable are due at various dates from 2011 through 2038. The loans carry interest rates between 1% and 3%; principal and interest payment arrangements vary by note.

The Foundation invests in certain alternative investments which include investments in limited partnerships. Market values represent the Foundation’s pro rata interest in the net assets of each limited partnership as of December 31, 2011 and 2010, as provided by the fund managers. Market values as of December 31, 2011 and 2010 are not based on audited financial information supplied by the general partner or manager of the funds. Audited information is only available annually based on the partnerships’ or funds’ year end. Management reviews monthly valuations provided by the general partner or manager of the funds and assesses the reasonableness of the fair values provided at the interim dates and included in the financial statements. As of December 31, 2011 and 2010, the Foundation had total unfunded capital commitments to alternative investments of \$4,539,158 and \$6,295,296, respectively. Because of the inherent uncertainty of the valuation of alternative investments, the market values reflected in the accompanying financial statements may differ significantly from realizable values.

**Furniture, equipment and leasehold improvements** Furniture, equipment and leasehold improvements are stated at cost. Amortization and depreciation is recorded using both straight-line and accelerated methods over the estimated useful lives of the assets. Depreciation and amortization expense amounted to \$70,132 and \$52,254 for the years ended December 31, 2011 and 2010, respectively.

**Fair value measurement-definition and hierarchy** The Foundation follows FASB ASC 820-10, “Fair Value Measurements.” Under this standard, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date.

In determining fair value, the Foundation uses various valuation approaches, including market, income and / or cost approaches. FASB ASC 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Foundation. Unobservable inputs reflect the Foundation’s assumptions used in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Level 1** Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access.

Assets and liabilities utilizing Level 1 inputs include exchange-traded equity securities that are actively traded.

**Level 2** Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Assets and liabilities utilizing Level 2 inputs include: government bonds, corporate bonds, foreign bonds, private equity investments in mutual funds, common trust funds and program related compensating balances.

**Level 3** Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Assets and liabilities utilizing Level 3 inputs include equity securities that are not actively traded, private equity investments and program related investments held in loans and private equity investments.

**Reclassifications** Certain prior year amounts have been reclassified to conform to the current year classifications.

**NOTE 2 – Investments**

Cost and market value of investments were as follows:

	2011		2010	
	Market Value	Cost	Market Value	Cost
Fixed income securities	\$ 13,694,785	\$ 13,673,036	\$ 14,710,685	\$ 14,707,551
Common stocks and alternative investments	393,051,906	260,493,566	418,939,320	256,006,743
<b>Total</b>	<b>\$ 406,746,691</b>	<b>\$ 274,166,602</b>	<b>\$ 433,650,005</b>	<b>\$ 270,714,294</b>

Market values of investments are based on December 31, 2011 and 2010 published quotations, except that estimates are used when quotations are not available. Fixed income securities consist of U.S. government securities, U.S. government guaranteed securities and corporate securities. Common stocks and alternative investments consist principally of U.S. and international equity securities, investments in equity mutual funds, program-related investments and investments in limited partnerships.

Published market quotations do not necessarily represent realizable values, particularly where sizable holdings of a company's stock exist, as in the case of the Foundation's holding of the Kellogg Company common stock.

**NOTE 3 – Fair Value Disclosure and Measurement**

The Foundation's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with FASB ASC 820-10. See Note 1 for a discussion of the Foundation's policies regarding this hierarchy.

The following fair value hierarchy tables present information about the Foundation's assets and liabilities measured at fair value on a recurring basis:

	Fair Value Measurements at Reporting Date Using			Balance
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>December 31, 2011</b>				
Corporate Stock				
Consumer Staples	\$ 116,216,350	—	—	\$ 116,216,350
Transportation	3,624,334	—	—	3,624,334
Capital Goods	6,531,246	—	—	6,531,246
Consumer Cyclical	18,499,595	—	—	18,499,595
Energy and Utilities	4,502,580	—	—	4,502,580
Financial	20,181,725	—	—	20,181,725
Technology	6,550,022	—	—	6,550,022
Closely– held	—	—	100	100
Bonds				
Corporate	—	6,588,199	—	6,588,199
United States Treasury and Agency	—	5,675,461	—	5,675,461
State and Municipal	—	642,523	—	642,523
Foreign	—	788,602	—	788,602
Limited Partnerships	—	—	55,130,898	55,130,898
Limited Partnerships – Mutual Funds	—	151,556,141	—	151,556,141
Other investments				
Program Related Compensating Balances	—	275,032	—	275,032
Program Related Interest in Limited Partnership	—	—	12,774	12,774
Program Related Loans	—	—	9,971,109	9,971,109
<b>Total Investments</b>	<b>176,105,852</b>	<b>165,525,958</b>	<b>65,114,881</b>	<b>406,746,691</b>
Common Trust Fund (included in cash and cash equivalents)	—	9,680,633	—	9,680,633
<b>Total Fair Value Assets</b>	<b>\$ 176,105,852</b>	<b>\$ 175,206,591</b>	<b>\$ 65,114,881</b>	<b>\$ 416,427,324</b>



**Note 3 – Fair Value Disclosure and Measurement (continued)**

	Fair Value Measurements at Reporting Date Using			Balance
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>December 31, 2010</b>				
Corporate Stock				
Consumer Staples	\$ 122,727,064	—	—	\$ 122,727,064
Transportation	2,967,019	—	—	2,967,019
Capital Goods	5,753,828	—	—	5,753,828
Consumer Cyclical	20,591,105	—	—	20,591,105
Energy and Utilities	9,574,820	—	—	9,574,820
Financial	19,892,585	—	—	19,892,585
Technology	9,823,564	—	—	9,823,564
Closely– held	—	—	100	100
Bonds				
Corporate	—	7,463,988	—	7,463,988
United States Treasury and Agency	—	6,583,757	—	6,583,757
State and Municipal	—	553,008	—	553,008
Foreign	—	109,932	—	109,932
Limited Partnerships	—	—	59,699,645	59,699,645
Limited Partnerships – Mutual Funds	—	155,771,641	—	155,771,641
Other investments				
Program Related Compensating Balances	—	500,000	—	500,000
Program Related Interest in Limited Partnership	—	—	177,436	177,436
Program Related Loans	—	—	11,460,513	11,460,513
<b>Total Investments</b>	<b>191,329,985</b>	<b>170,982,326</b>	<b>71,337,694</b>	<b>433,650,005</b>
Common Trust Fund (included in cash and cash equivalents)	—	9,723,055	—	9,723,055
<b>Total Fair Value Assets</b>	<b>\$ 191,329,985</b>	<b>\$ 180,705,381</b>	<b>\$ 71,337,694</b>	<b>\$ 443,373,060</b>

The following table provides a reconciliation of changes in Level 3, unobservable assets and liabilities measured at fair value on a recurring basis for the year ended December 31, 2011:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
	Limited Partnerships	Other Investments	Common Stock	Total
Beginning balance – January 1, 2011	\$ 59,699,645	\$ 11,637,949	\$ 100	\$ 71,337,694
Total gains or losses (realized/unrealized) Included in changes in net assets	(4,710,867)	(8,080)	—	(4,718,947)
Purchases	1,781,138	—	—	1,781,138
Sale proceeds	(1,639,018)	(895,986)	—	(2,535,004)
Transfers in-out of Level 3	—	(750,000)	—	(750,000)
<b>Ending balance – December 31, 2011</b>	<b>\$ 55,130,898</b>	<b>\$ 9,983,883</b>	<b>\$ 100</b>	<b>\$ 65,114,881</b>
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	\$ (5,433,722)	\$ (8,080)	\$ —	\$ (5,441,802)

**Note 3 – Fair Value Disclosure and Measurement (continued)**

The following table provides a reconciliation of changes in Level 3, unobservable assets and liabilities measured at fair value on a recurring basis for the year ended December 31, 2010:

<b>Fair Value Measurements Using Significant Unobservable Inputs (Level 3)</b>				
	<b>Limited Partnerships</b>	<b>Other Investments</b>	<b>Common Stock</b>	<b>Total</b>
Beginning balance – January 1, 2010	\$ 53,091,472	\$ 7,675,174	\$ 100	\$ 60,766,746
Total gains or losses (realized/unrealized) Included in changes in net assets	7,768,308	12,752	—	7,781,060
Purchases	1,559,515	4,000,000	—	5,559,515
Sale proceeds	(2,719,650)	(49,977)	—	(2,769,627)
<b>Ending balance – December 31, 2010</b>	<b>\$ 59,699,645</b>	<b>\$ 11,637,949</b>	<b>\$ 100</b>	<b>\$ 71,337,694</b>
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	\$ 6,445,353	\$ 12,752	\$ —	\$ 6,458,105

Gains and losses (realized and unrealized) from Level 3 investments included in changes in net assets include net investment gains of \$722,855 and \$1,322,955 for the periods ended December 31, 2011 and 2010, respectively, and net unrealized investment gains (losses) of \$(5,441,802) and \$6,458,105 for the periods ended December 31, 2011 and 2010, respectively.

**Note 4 – Credit Concentration**

Aside from its holdings in the Kellogg Company, the Foundation's portfolio of investments is highly diversified; however, at December 31, 2011 and 2010, 27% and 26% of the total market value of securities and 82% and 85% respectively, of dividend income in each year are attributable to ownership of Kellogg Company stock.

**Note 5 – Grants**

Grants are expensed upon approval by the Board of Trustees, payable upon the performance of specified conditions and paid when the specified conditions are satisfied. Discretionary grants in amounts up to \$10,000 and cumulative for the year up to \$700,000 are recommended by the program officers and approved by the executive director, expensed upon approval and ratified by the Board of Trustees at the following board meeting. Grants that are cancelled or in excess of needed amounts are included as a reduction of grant expense in the year they are cancelled or returned.

**NOTE 6 – Leases**

The Foundation occupies office space in the Landmark Office Towers under a lease that terminates on December 31, 2018. Base annual rentals are \$120,080 for the remaining term of the lease, with escalation charges from these base rentals. There are renewal options for additional periods. Rental expense for the years ended December 31, 2011 and 2010 amounted to \$130,824 and \$129,146, respectively.

The future minimum lease commitments for the next five years under leases with terms in excess of one year are as follows:

2012	123,833
2013	123,833
2014	127,585
2015	127,585
2016	129,461
Thereafter	262,676
	<b>\$ 894,973</b>

**NOTE 7 – Net Assets**

Net assets include two board-designated funds (principal and income) both of which consist entirely of unrestricted net assets. The principal fund consists of investments in securities and receives the realized and unrealized gains or losses on those assets. The income fund receives interest and dividends on the principal fund investments which are used for grants and administrative expenses. The statements of financial position included the following income fund accounts:

	2011	2010
Cash	\$ 1,628,116	\$ 1,737,983
Receivables	657,386	585,012
Other assets	38,588	43,960
Due to principal fund	(1,637,922)	(129,029)
Accounts payable	(473,388)	(466,875)
Grants payable	(5,721,094)	(9,723,166)
Deferred federal excise tax	2,352	2,142
	<b>\$ (5,505,962)</b>	<b>\$ (7,949,973)</b>

The following is a summary of the changes in total net assets:

	2011	2010
Income fund	\$ 2,444,011	\$ (10,782,606)
Principal fund	(21,752,530)	29,400,646
Increase (decrease) in net assets	(19,308,519)	18,618,040
Net assets – beginning	434,055,463	415,437,423
<b>Net assets – ending</b>	<b>\$ 414,746,944</b>	<b>\$ 434,055,463</b>

The change in individual funds includes transfers by the Foundation of \$18,593,560 in 2011 and \$13,158,999 in 2010 from the principal fund to the income fund.

**NOTE 8 – Employee Benefit Plan**

The Foundation has an employee's tax-sheltered annuity plan for all eligible employees. Such a plan is intended to comply with the requirements of Section 403(b) of the Internal Revenue Code (IRC). Employer contributions are required at 9% of the participants' compensation up to the social security wage base for the year and 14.7% of the participant's compensation in excess of this wage base, with a limit of \$245,000 of compensation for the years ended December 31, 2011 and 2010. Employer contributions to the plan for the years ended December 31, 2011 and 2010 amounted to \$124,110 and \$118,719, respectively. Participants are also permitted to make salary reduction contributions to the plan.

**NOTE 9 – Excise Taxes**

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the IRC, but is subject to a 2% (1% if certain criteria are met) federal excise tax on net investment income, including net realized gains, as defined by the IRC.

Deferred federal excise taxes are provided on the unrealized appreciation or depreciation of investments and interest and dividend income and certain expenses being reported for financial statement purposes in different periods than for tax purposes.

Current excise taxes were provided at 2% and 1% for 2011 and 2010, respectively, and deferred excise taxes were provided at 2% for 2011 and 2010. The current and deferred portions of the excise tax provisions were \$506,692 and \$(622,737), respectively, netting to \$(116,045) in 2011. The current and deferred portions of the excise tax provisions were \$198,760 and \$542,951, respectively, netting to \$741,711 in 2010.

The Organization adopted the provisions of FASB ASC 740-10, "Accounting for Uncertainty in Income Taxes," which provides guidance on the recognition threshold that a tax position is required to meet before being recognized in the financial statements and provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition issues. Management has evaluated and concluded that there were no material uncertain tax positions requiring recognition in the accompanying financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**NOTE 9 – Excise Taxes (continued)**

Accrued interest relating to uncertain tax positions would be recorded as a component of interest expense and penalties relating to uncertain tax positions would be recorded as a component of general and administrative expenses.

The federal income tax returns of the organization for 2009, 2010 and 2011 are subject to examination by the IRS, generally for three years after they were filed.

**NOTE 10 – Subsequent Events**

The Organization has evaluated subsequent events from the statement of financial position date through April 10, 2012.

INDEPENDENT AUDITORS' REPORT

**To the Board of Trustees, The George Gund Foundation**

We have audited the accompanying statements of financial position of The George Gund Foundation as of December 31, 2011 and 2010, and the related statements of activities and cash flows 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 George Gund Foundation at December 31, 2011 and 2010, and the results of its activities and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Walthall, Drake & Wallace LLP*

**Certified Public Accountants**

Cleveland, Ohio  
April 10, 2012

# Grant Guidelines

The history of The George Gund Foundation reflects a deep commitment to place, to the Greater Cleveland community that was the home of its founder and that remains the Foundation's home. The Foundation's philanthropic stewardship of this region derives not just from our history, but also from our belief that Cleveland can continue to develop original responses to urban issues and from our hope that collaborations across boundaries can create a crucible of innovation in all fields of endeavor. Moreover, the urban emphasis of our work stems from a belief that thriving cities are among the nation's best hopes for addressing our essential problems. This focus is especially vital in an era of diminished government involvement in urban issues, intensifying globalization and heightened awareness of the central role of regions.

The Foundation's guidelines reflect our long-standing interests in the arts, economic development and community revitalization, education, environment and human services because these areas embrace most of the major issues that any community must address. While we continue to organize much of our work within these program areas, there is increasing awareness that many issues and, therefore, many grant proposals do not fit neatly into one program category. Indeed, the work of a growing number of nonprofit organizations brings together aspects of several of our core interests, and, as a result, we are becoming ever more interdisciplinary in our approach.

This is particularly evident with initiatives that aim to make Cleveland, and urban areas generally, more globally competitive, livable, sustainable and just. It is in this domain that the greatest need and maximum opportunity converge with the Foundation's primary interests, expertise and ongoing stewardship. We especially seek to support innovative ideas being pursued by creative and entrepreneurial organizations.

Our primarily urban focus motivates us to devote attention and resources to the illumination of policies that shape the issues we care about. National, state and local policymaking affects all of the Foundation's work and the work of the organizations we fund. Consequently, we feel a special obligation to support the nonpartisan voice of nonprofit advocacy in policy deliberations that directly relate to our program interests.

Global climate change is an urgent issue that cuts across all of the Foundation's programs. Every organization and individual can help to address this problem. The Foundation takes seriously our own responsibility, and we want to hear from grant applicants what they are doing or considering to reduce or to eliminate their organizational impact on climate change. Our website includes links to helpful resources, and Foundation staff will assist grant seekers – both new and those of long standing – in all of our program areas with questions they may have.

## ARTS

The Foundation values and supports the role the arts play in making Cleveland and its region a more desirable place to live, encouraging the growth of a creative workforce, catalyzing development in our neighborhoods and serving as a bridge between various segments of the community. The Foundation encourages a lively, diverse arts community in Greater Cleveland by funding projects in the city and its first-ring suburbs that contribute to Cleveland's urban vitality, attract new audiences, expand artistic offerings and increase organizational capacity. We also try to balance continuing support that ensures the stability of Cleveland's arts institutions with funding for new initiatives, programs and organizations that foster creativity in our community. Arts education continues to be a priority, with a focus on curriculum-related partnerships between arts organizations and the Cleveland Municipal School District. In addition, the Foundation seeks to advance the region's understanding of the importance of the arts by supporting the Community Partnership for Arts and Culture.

## ECONOMIC DEVELOPMENT AND COMMUNITY REVITALIZATION

Sustaining uniquely urban assets such as vibrant neighborhoods and a thriving downtown is a key part of a successful regional strategy to promote economic growth. The Foundation devotes considerable attention to these dynamics, in particular by supporting collaborative efforts that leverage resources. As a result, the highest priority is given to initiatives that bolster the impact of Foundation-supported intermediary organizations working to improve the competitiveness of Cleveland's neighborhoods and its

## Grant Guidelines (continued)

metropolitan region. Examples of such initiatives include quality urban planning and design, improvements to urban parks and public spaces, promotion of equal opportunity and diversity in housing and the workplace and proposals to redevelop Cleveland's downtown, neighborhoods and first-ring suburbs.

### EDUCATION

Education is fundamental to success, and if Cleveland is to produce, attract and retain talent and be the thriving center of a robust regional economy, expectations about education must rise exponentially. Consequently, our Foundation's focus is on the transformation of public education in Cleveland in order to equip children from early childhood onward with the skills they ultimately will need to meet the demands of college, the 21st-century workplace and international standards. Our primary area of interest is the creation and support of new, innovative, excellent schools in Cleveland that drive autonomy and accountability to the school level and create different teaching and learning conditions to ensure student success. We support statewide policy and advocacy efforts in furtherance of this work, particularly as it relates to the importance of high quality teachers and principals in every classroom and school. We also maintain a desire to support disadvantaged students through key transitions, especially to higher education.

### ENVIRONMENT

Human well-being is inextricably linked to the quality of the environment. Urban areas bring this fact into sharp focus as historic disregard for the environment and modern development pressures create great challenges. Cleveland's relationship to these issues – and, therefore, its opportunity – are unique because the 1969 fire on the Cuyahoga River was a key factor in launching the modern environmental movement. The Foundation supports organizations that seek to build on that legacy in order to transform the community into a model of urban sustainability. The Foundation focuses on opportunities to take advantage of Cleveland's distinctive ecosystem to advance environmental improvements, promote alternatives to urban sprawl, devise innovative ways for cities to take a leading role in the fight against climate change and increase public awareness of environmental issues.

### HUMAN SERVICES

Heightened focus on developing a more globally competitive city and region demands recognition that people are at the heart of this effort and that all segments of society can make constructive contributions. To maximize that contribution, direct attention must be paid to the needs of those most at risk of being left out of social and economic transformation. Building human capital begins at birth, and the Foundation pays special attention to the needs of Greater Cleveland's disadvantaged children through grants to support early childhood care and education, abuse prevention and improved foster care and adoption systems. In addition, the Foundation provides some support for the local "safety net" of food, clothing, shelter and access to health care. A closely related set of interests is reflected in the Foundation's desire to help vulnerable populations achieve access to health insurance, the legal system, community support following release from prison and safe and affordable reproductive health services.

The Foundation normally does not consider grants for endowments. Capital requests must meet the Foundation's program goals and also adhere to "green building" standards of environmental sustainability. Details on these requirements are available from the Foundation. Grants are not made for debt reduction or to fund benefit events.

The Foundation does not make grants to individuals, nor does it administer programs it supports. Grants are limited to organizations located in the United States.

The Foundation makes grants only to organizations that meet Internal Revenue Code requirements as nonprofit tax-exempt organizations and to qualified government units and agencies. Grant funds may not be used to participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

# Application Procedures

The Foundation encourages inquiries about the application of our funding guidelines to specific ideas in advance of the submission of formal proposals. Foundation staff members welcome the opportunity to provide guidance, suggest alternatives and recommend partners.

Proposals are considered three times a year by the Foundation's Trustees. Deadlines for submitting proposals for consideration at the next regularly scheduled meeting of the Trustees are March 15 (for summer meeting), July 15 (for fall meeting) and November 15 (for winter-spring meeting). Proposals are due the next business day if a deadline falls on a weekend.

**The Foundation now requires applicants to use an online application form that is available at the Foundation's website, [www.GundFoundation.org](http://www.GundFoundation.org). Proposals should include the following information:**

## ORGANIZATIONAL BACKGROUND

History, mission, any current organizational issues, types of programs offered, constituencies served.

## PROJECT DESCRIPTION

Justification of need, specific goals and objectives, activities planned to meet goals and objectives, project time line, qualifications of key personnel, methods of evaluation.

## PROJECT BUDGET

Anticipated expenses, including details about how Foundation funds would be used, and anticipated income, including information about other sources approached for funding.

## ORGANIZATIONAL BUDGET

Previous and current year budget and proposed budget for project year(s), showing both income and expenses.

## REQUIRED SUPPORTING DOCUMENTS

List of current trustees, most recent audited financial statement (if available). Arts organizations participating in the Ohio Cultural Data Project should submit the George Gund Foundation report available at [www.OhCulturalData.org](http://www.OhCulturalData.org).

All proposals must include a climate change statement, a brief explanation of what the organization is doing or considering to reduce or to eliminate its impact on climate change. The Foundation's website includes resources to assist grantees with this task.

## OPTIONAL SUPPORTING DOCUMENTS

Letters of support, annual reports or brochures, media coverage.

Applicants with questions about grant application procedures should call the Foundation at 216.241.3114.

All proposals are screened and evaluated by the staff before presentation at Trustee meetings. Receipt of proposals will be acknowledged by e-mail.

Grant seekers may obtain information about other foundation and corporate funding sources at the Foundation Center Library in Cleveland, 1422 Euclid Avenue, or by calling 800.424.9836 for the locations of other Foundation Center offices.

# Trustees and Staff

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Kim Whitsett, Executive Assistant

\*Term ended December 2011

\*\*Retired July 2011

\*\*\*Fellowship ended June 2011



# Credits

## THE PHOTOGRAPHS

Rania Matar's evocative portraits of Planned Parenthood clients and staff illustrate not only the critical role Planned Parenthood clinics play in providing affordable reproductive health care for women but also the Foundation's long-standing interest in ensuring access to quality health care for all. Matar, who trained as an architect in her native Lebanon and at Cornell University, worked in architecture before becoming a full-time photographer whose work focuses mainly on women and women's issues. She also teaches documentary photography at the Massachusetts College of Art and Design and to teenage girls in Lebanon's refugee camps during the summer. The award-winning photographer, who has exhibited widely both in the United States and internationally, has published a book of her work, "Ordinary Lives," and recently released a monograph featuring teenage girls from different backgrounds, "A Girl and Her Room."

### PLANNED PARENTHOOD

The Foundation would like to thank the patients, staff and volunteers of Planned Parenthood of Northeast Ohio for their openness and assistance in helping to illustrate the vital role the organization plays in meeting community needs and providing access to quality health care.

[www.PlannedParenthood.org/ppneo](http://www.PlannedParenthood.org/ppneo)

### SITE DESIGN

#### **Nesnadny + Schwartz**

Cleveland + New York + Toronto

[www.NSideas.com](http://www.NSideas.com)

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