

The George Gund Foundation

2013 Annual Report

President's Letter

Of all the formidable challenges facing the human family, none is more potentially destructive and deeply perplexing than global climate change. It seems that nearly every day brings news of additional scientific evidence that humans have dangerously altered the earth's ecological balance. Proof of these changes includes irreversible damage to coral reefs, accelerating extinction of animal species, harsher and longer droughts. The evidence from these and other alarming changes continues to grow.

And, yet, significant portions of the American population simply ignore or, worse, deny the overwhelming scientific consensus that climate change is occurring. How can this be?

It seems that both psychological and political factors have erected a barrier that no amount of evidence or reason can penetrate. All humans have difficulty imagining that we could actually be putting our existence at risk by our unsustainable production and consumption of fossil fuels. The thought may simply be too horrible. In addition, the effects of climate change are virtually invisible to most of us and, although rapidly worsening, are also incremental. Furthermore, changes in climate are somewhat erratic even as the general path of global warming continues to relentlessly move forward. We simply have a hard time integrating such a pervasive, difficult-to-grasp threat into our thinking.

Politically, it has become expedient to deny the evidence of climate change because those of an antigovernment stripe assume that action to deal with the threat will require an expansion of government power. It is not surprising that many people who find the science arcane will happily heed voices that denigrate it as "political science" and "the greatest hoax ever perpetrated on the American people." And those comments by a former and a current member of the U.S. Senate are just two among many in the chorus of climate change deniers.

What is a foundation like ours, with a long history of support for the environment, to do?

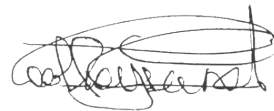
It is apparent that we must join forces with other organizations to change the conversation on this issue. Politically motivated attacks on environmental organizations have marginalized them and their message. At the same time, "green" groups have too often played into the hands of their opponents by speaking in language that is overly technical, narrow and, frankly, too often focused on the environment as if it were a thing apart from people.

If the hyper-partisan tenor of our politics has taught us anything, it is the vital role of communications in persuading people to take action. But to break through the barriers that have been erected around climate change, successful communication must be new and different. Scientific data and dire

warnings will not work. The messages that motivate people to demand action from policy makers must resonate with their values, with what we all care about — jobs, prosperity, family, health and fairness.

If we do not address the challenge of climate change, people throughout the world will suffer tremendously. The difficulty lies in finding the actual words that carry the message effectively. Once crafted, messages must be used consistently and persuasively by those in a position to create an impact.

Our Foundation has been working with several other foundations and nonprofit organizations to find the words that can pierce the psychological and political fog, especially of those independent-minded citizens who hold the balance of power in battleground states like Ohio. This is not easy work, but it is essential if we are to meet the greatest challenge of our time.



Geoffrey Gund
President and Treasurer

Executive Director's Letter

Urban farming?

It was not long ago that this phrase would have been regarded as an oxymoron. Urban gardening, on the other hand, has a long and treasured place in cities, including Cleveland. In fact, our Foundation's 1996 annual report featured a photo essay on the urban gardens that each summer festoon our neighborhoods. This year, we widen the photographic lens to embrace that more expansive expression of city agriculture – the urban farm.

Cleveland neighborhoods have abundant vacant land, the result of many damaging forces in recent decades. But creative urbanists saw the verdant potential in that land. Cleveland Neighborhood Progress, Kent State University's Cleveland Urban Design Collaborative and the Cleveland City Planning Commission spearheaded creative thinking about that land with a program called Re-Imagining a More Sustainable Cleveland. Cleveland became the nation's first city to adopt an urban agriculture overlay district in its zoning code. This work helped jump start the urban farming boom, putting vacant land back into productive use, and the city now has 55 farms, a threefold increase in the past five years.

For some parcels, farming was conceived as a transitional use. But the benefits of farming have proven to be so overwhelming that any effort to repurpose many farms, including the three that are visually captured in this annual report, would certainly meet stiff resistance. The George Gund Foundation's support for the urban farming movement in Cleveland has its roots in many of the values that animate our work, and they are captured in these additional ways that city farming pays off:

- Agriculture puts people to work. Some of those who are tilling city soil might have difficulty finding jobs. This includes the new immigrants who work at the Ohio City Farm under the sponsorship of The Refugee Response and the clients of the Cuyahoga County Board of Developmental Disabilities who operate the Stanard Farm on Cleveland's east side. Both of these farms are portrayed in the photography in this year's annual report.
- It puts a dent in food deserts. As money and people have sprawled out in our region, many inner city neighborhoods have been left without easy access to fresh, healthy foods. Some estimate that obstacle faces more than half of the city's residents. Farms are helping Cleveland achieve the goal set by City Council that every resident lives within a quarter mile of a community garden or farm.
- We all benefit from a smaller carbon footprint. When food is grown locally, it not only is fresher and tastier but also means that it does not have to be shipped from some place across the country or beyond. That helps curb the use of fossil fuels. Many local restaurants are embracing

this cause by purchasing fruits and vegetables from Cleveland farms. In addition, land used for farming also absorbs storm water, diverting it from our aged sewer system.

- Farms create a sense of community in their neighborhoods. Farming is not just about the crop harvest. Many farms in the city also have festivals and events, farm stands for the sale of produce, educational programs, training sessions and more.

This unexpected bounty from urban farming should make all of us with a stake in Northeast Ohio consider it afresh, as I hope Greg Miller's striking photographs do. One of his subjects is Rid-All Green Partnership, which creatively interconnects food, art and education on a three-acre site on the southeast side. At Rid-All, fish farming is also part of the mix. Tilapias grow in tanks next to greenhouses nurturing tomatoes, watercress and kale. And the mission transcends the crops and food, as it does at every urban farm. Keymah Durden, a cofounder of Rid-All, told Edible Cleveland, that Rid-All's work is actually a "mission to transform the city of Cleveland."

That is a major part of our mission too, and it humbles us to observe and, where we can, to support the inspiring farmers in our midst.



David T. Abbott
Executive Director

2013 Commitments Summary

Arts

57 grants | \$6,049,050

1 program-related investment | \$500,000

Economic Development & Community Revitalization

37 grants | \$5,527,356

1 program-related investment | \$350,000

Education

20 grants | \$3,351,750

Environment

42 grants | \$4,983,325

Human Services

61 grants | \$2,621,589

Special Commitments

16 grants | \$2,233,075

Grand Total

233 grants | \$24,766,145

2 program-related investments | \$850,000

Total since inception of the Foundation in 1952

\$631,897,841

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. The Foundation made a \$3 million gift to the world-renowned Cleveland Orchestra's Sound for the Centennial endowment campaign. Arts grantmaking totaled \$6,049,050.

EDUCATION

Art House, Inc.

Cleveland, Ohio
Studio2Go. | \$10,000

Broadway School of Music & the Arts

Cleveland, Ohio
Operating support. | \$10,000

Cleveland Music School Settlement

Cleveland, Ohio
New website. | \$35,000

Cleveland State University Foundation, Inc.

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

Eleanor B. Rainey Memorial Institute, Inc.

Cleveland, Ohio
El Sistema@Rainey. | \$30,000

Grantmakers in the Arts

Seattle, Washington
Arts Education Funders Coalition. | \$5,000

Great Lakes Theater Festival, Inc.

Cleveland, Ohio
Education department. | \$90,000

Near West Theatre, Inc.

Cleveland, Ohio
Operating support. | \$20,000

Northern Ohio Children's Performing Music Foundation, Inc.

Cleveland, Ohio
Technology upgrades. | \$10,000

Ohio City Near West Development Corporation

Cleveland, Ohio
Ohio City Writers. | \$20,000

Young Audiences of Northeast Ohio Inc.

Cleveland, Ohio
Art is Education initiative. | *Up to \$70,000*

Young Audiences of Northeast Ohio Inc.

Cleveland, Ohio
Summer Artworks program. | \$10,000

Young Audiences of Northeast Ohio Inc.

Cleveland, Ohio
Summer ArtWorks program. | \$10,000

FILM & MEDIA

Cleveland Institute of Art

Cleveland, Ohio
Cinematheque endowment in memory of George Gund III. | \$100,000

The Cleveland International Film Festival, Inc.

Cleveland, Ohio
Endowment of annual George Gund III Memorial Central and Eastern European Film Competition. | \$250,000

The Cleveland International Film Festival, Inc.

Cleveland, Ohio
Festival opening night in memory of George Gund III. | \$55,000

The Cleveland International Film Festival, Inc.

Cleveland, Ohio
Operating support and festival enhancements. | \$100,000

National Public Radio, Inc.

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

Playhouse Square Foundation

Cleveland, Ohio
Fresh Water Cleveland arts coverage. | \$10,000

PERFORMING ARTS

Apollo's Fire The Cleveland Baroque Orchestra

Cleveland Heights, Ohio
Administrative capacity building. | \$20,000 *over 2 years*

ChamberFest Cleveland

Cleveland Heights, Ohio
Start-up support. | \$20,000

CityMusic Cleveland Inc.

Cleveland, Ohio
Cleveland performances and outreach. | \$35,000

Cleveland Chamber Symphony Council Inc.

Cleveland, Ohio
NEOSonicFest – A New Music Festival. | \$10,000

Cleveland Classical Guitar Society

Cleveland, Ohio
Marketing. | \$3,000

Cleveland Jazz Orchestra

Bedford, Ohio
Hanna Theatre concerts and development plan implementation. | \$60,000 *over 2 years*

Cleveland Modern Dance Association

Cleveland, Ohio
Operating support. | \$45,000

The Cleveland Play House

Cleveland, Ohio
Operating support and apprenticeship program. | \$110,000

The Cleveland Pops Orchestra, Inc.

Beachwood, Ohio
New website. | \$20,000

Cleveland Public Theatre, Inc.

Cleveland, Ohio
Operating support and Danceworks. | \$80,000

Dobama Theatre, Inc.

Cleveland Heights, Ohio
Operating support. | \$25,000

Groundworks Dancetheater

Cleveland Heights, Ohio
Operating support. | \$38,000

InLet Dance Theatre

Cleveland, Ohio
Strategic planning. | \$9,250

Karamu House

Cleveland, Ohio
Theater support. | \$50,000

The Musical Arts Association

Cleveland, Ohio
Sound for the Centennial Campaign. | \$3,000,000 *over 6 years*

Opera Circle, Inc.

Cleveland, Ohio
Operating support. | *Up to \$20,000*

Professional Flair, Inc.

Cleveland, Ohio
Rock that Rolls project. | \$10,000

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

Cleveland, Ohio
Strategic planning. | \$40,000

SPACES

Cleveland, Ohio
Cleveland Performances Art Festival. | \$10,000

Theater Ninjas Inc.

Cleveland, OH
Administrative and artistic support. | \$8,000

Verb Ballets

Cleveland, Ohio
Operating and project support. | \$38,000

SPECIAL PROGRAMS**Arts Collinwood Inc.**

Cleveland, Ohio
Operating support. | \$30,000

Cleveland Festival of Art and Technology Inc.

Cleveland, Ohio
Operating support. | \$75,000

Community Partnership for Arts and Culture

Cleveland, Ohio
Operating support. | \$210,000

Cultural Data Project

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

Gordon Square Arts District

Cleveland, Ohio
Capital campaign. | \$800,000

Grantmakers in the Arts

Seattle, Washington
Operating support. | \$3,000

LAND studio, Inc.

Cleveland, Ohio
AHA! Festival of Lights. | \$100,000

Ohio City Near West Development Corporation

Cleveland, Ohio
Literary Lots. | \$5,000

St. Clair-Superior Development Corporation

Cleveland, Ohio
Night Market CLE. | \$20,000

Western Reserve Historical Society

Cleveland, Ohio
Public needs assessment. | \$30,000

VISUAL ARTS**Building Bridges Murals, Inc.**

Cleveland, Ohio
Forsythia project. | \$3,000

Cleveland Institute of Art

Cleveland, Ohio
Praxis Integrated Fiber Workshop in Waterloo Arts District. | \$10,000

Cleveland West Art League Inc.

Cleveland, Ohio
Strategic planning. | \$8,500

Heights Arts Collaborative Inc.

Cleveland Heights, Ohio
Working Artist Membership Program. | \$9,500

Sculpture Center

Cleveland, Ohio
Exhibition and marketing support. | \$8,800

SPACES

Cleveland, Ohio
Operating support and director search. | \$60,000

Zygote Press Inc.

Cleveland, Ohio
Operating support and Zygote Press Annex in Waterloo Arts
District. | \$55,000

PROGRAM-RELATED INVESTMENT

The Cleveland International Film Festival, Inc.

Cleveland, Ohio
Digital equipment purchase | \$500,000

Economic Development & Community Revitalization

The Foundation renewed its multiyear commitment to Neighborhood Progress, Inc. with a three-year, \$3.75 million grant, affirming our longtime and continued interest in the revitalization of Cleveland's neighborhoods. The Foundation also supported other organizations working effectively to create a vibrant city, including the Downtown Cleveland Alliance, Greater Cleveland Media Development Corporation, University Circle Incorporated and LAND studio. Economic development and community revitalization grantmaking totaled \$5,527,356.

ECONOMIC DEVELOPMENT

AIA Foundation

Washington, DC
Remaking Cities Congress. | \$10,000

Downtown Cleveland Alliance

Cleveland, Ohio
Operating support. | *Up to \$250,000*

Economic Growth Foundation

Cleveland, Ohio
Operating support. | \$5,000

Global Cleveland

Cleveland, Ohio
Operating support. | \$50,000

Greater Cleveland Media Development Corporation

Cleveland, Ohio
Economic impact analysis of filmmaking in Greater Cleveland. | \$7,500

Greater Cleveland Media Development Corporation

Cleveland, Ohio
Economic impact analysis of filmmaking in Greater Cleveland. | \$7,500

Greater Cleveland Media Development Corporation

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

Hispanic Roundtable Community Programs

Cleveland, Ohio
Convencion Hispana. | \$7,500

Presidents' Council Foundation Inc.

Cleveland, Ohio
Evaluation of Emerging Entrepreneurs Program. | \$16,000

Summer on the Cuyahoga

Bay Village, Ohio
Operating support. | \$10,000

HOUSING & COMMUNITY REVITALIZATION

Cleveland Housing Network, Inc.

Cleveland, Ohio
Housing stabilization and community development initiatives. | \$100,000

Neighborhood Progress, Inc.

Cleveland, Ohio
Operating support and strategic plan implementation. | \$3,750,000 *over 3 years*

Village Capital Corporation

Cleveland, Ohio
Match for U.S. Treasury Community Development Financial Institution grant. | \$10,000

SPECIAL PROGRAMS

Cleveland Leadership Center

Cleveland, Ohio
Civic Leadership Institute scholarships. | \$3,150

Cleveland Leadership Center

Cleveland, Ohio
Operating support. | \$40,000

Cleveland State University Foundation, Inc.

Cleveland, Ohio
Public Sphere Pedagogy planning. | \$10,000

Council for Economic Opportunities in Greater Cleveland

Cleveland, Ohio
Former Congressman Louis Stokes memoirs. | \$10,000

Downtown Cleveland Alliance

Cleveland, Ohio
Next City Vanguard Conference. | \$3,750

Greater Cleveland Congregations

Cleveland, Ohio
Operating support. | \$40,000

Greater Cleveland Sports Commission

Cleveland, Ohio
National Senior Games community programs. | \$40,000

LAND studio, Inc.

Cleveland, Ohio
Fresh Water Cleveland collaborative. | \$10,000

Near West Theatre, Inc.

Cleveland, Ohio
Capital expenses. | \$25,000

Policy Matters Ohio

Cleveland, Ohio
Operating support. | \$60,000

PolicyBridge

Cleveland, Ohio
Operating support. | \$30,000

University Circle Incorporated

Cleveland, Ohio
TEDxCLE. | \$7,800

URBAN DESIGN, PLANNING & AMENITIES**American Planning Association**

Columbus, Ohio
Ohio Planning Conference. | \$3,500

Cleveland Restoration Society, Inc.

Cleveland, Ohio
Operating support. | \$20,000

Detroit Shoreway Community Development Organization

Cleveland, Ohio
Shoreway shutdown support. | \$2,000

Kent State University Foundation

Kent, Ohio
Design-Build Studio. | \$30,000

LAND studio, Inc.

Cleveland, Ohio
Operating support. | \$350,000

Presidents' Council Foundation Inc.

Cleveland, Ohio
Public Square New Year's Eve celebration. | \$10,000

Project For Public Spaces

New York, New York
Placemaking Leadership Council. | \$10,000

Trinity Cathedral

Cleveland, Ohio
Trinity Commons operations. | \$25,000

University Circle Incorporated

Cleveland, Ohio
21st Century University Circle Action Planning Process. | \$100,000

University Circle Incorporated

Cleveland, Ohio
Fresh Water partnership. | \$10,000

University Circle Incorporated

Cleveland, Ohio
Pedicabs. | \$3,656

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

Cleveland, Ohio
New downtown facility. | \$400,000 *over 2 years*

PROGRAM-RELATED INVESTMENT**Manufacturing Advocacy & Growth Network Inc.**

Cleveland, Ohio
Expansion of PRISM fee-for-service program | \$350,000

Education

The Foundation continued its investments in key areas of Cleveland's Plan for Transforming Schools to grow and expand the number of excellent schools—both district and charter—so that families in every Cleveland neighborhood have great choices for their children. Grants included start-up support for the newly established Cleveland Transformation Alliance; support for the Cleveland Metropolitan School District's (CMSD) school portfolio, talent and academic efforts; and support for the Higher Education Compact. The Foundation also supported new school design for CMSD high schools, Breakthrough Charter Schools and Stepstone Academy. The Foundation also supported Teach For America's expansion in Cleveland. Total education grantmaking was \$3,351,750.

HIGHER EDUCATION

The Cleveland Foundation

Cleveland, Ohio
Higher Education Compact of Greater Cleveland. | \$65,000

College Now Greater Cleveland Inc.

Cleveland, Ohio
College access and advising services and scholarships for Cleveland Metropolitan School District students. | \$150,000

PRIMARY & SECONDARY EDUCATION

Berea Children's Home

Berea, Ohio
Stepstone Academy. | \$100,000

Cleveland Development Foundation

Cleveland, Ohio
Cleveland Transformation Alliance. | \$175,000

The Cleveland Foundation

Cleveland, Ohio
Portfolio of Excellent Schools Initiative. | \$917,000

The Cleveland Foundation

Cleveland, Ohio
Transformation Alliance. | \$75,000

The Cleveland Foundation

Cleveland, Ohio
Weighted student funding model development for the Cleveland Metropolitan School District. | \$250,000 *over 2 years*

Cleveland Municipal School District

Cleveland, Ohio
Cleveland Plan support and capacity building. | \$229,750

Esperanza Incorporated

Cleveland, Ohio
Program support. | \$50,000

Friends of Breakthrough Schools

Cleveland, Ohio
Breakthrough Charter Schools growth plan. | \$300,000

Friends of the Cleveland School of the Arts

Cleveland, Ohio
Cleveland School of the Arts redesign. | \$75,000

Mass Insight Education and Research Institute Inc.

Boston, Massachusetts
Creation of Cleveland Metropolitan School District Partnership Zone. | \$250,000 *over 2 years*

Progress with Chess, Inc.

Cleveland, Ohio
Cleveland Metropolitan School District program. | \$10,000

Teach for America, Inc.

New York, New York
Teach for America - Cleveland. | \$390,000

Youth Opportunities Unlimited

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

SPECIAL PROGRAMS

City Year, Inc.

Boston, Massachusetts
City Year Cleveland. | \$40,000

Grantmakers for Education

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

Literacy Cooperative of Greater Cleveland

Cleveland, Ohio
Program support. | \$125,000

That Can Be Me Inc.

Cleveland, Ohio
Books@work project. | \$5,000

STATE EDUCATION POLICY

Ohio Grantmakers Forum

Columbus, Ohio
Ohio Education Policy Initiative. | \$50,000

Environment

The Foundation's grantmaking reflected its long-standing commitment to preserving Northeast Ohio's distinctive ecosystem, supporting efforts to help Cleveland become a model of urban sustainability and addressing climate change. In addition, grants were provided for policy analysis and advocacy efforts aimed at increasing the percentage of renewable energy and energy efficiency in our state, promoting a robust local foods infrastructure and encouraging smart growth. A \$2 million grant was made to The Trust for Public Land for a public-private partnership that will better connect Cleveland's downtown and neighborhoods to Lake Erie and the Cuyahoga River. Environment grantmaking totaled \$4,983,325.

CONSERVATION OF NATURAL SYSTEMS & BIODIVERSITY

Alliance for the Great Lakes

Chicago, Illinois
Operating support. | \$100,000 *over 2 years*

Great Lakes Museum of Science, Environment and Technology

Cleveland, Ohio
LakeStat Initiative. | \$5,526

Great Lakes United

Amherst, New York
Operating support. | \$30,000

Water Watch of Oregon

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

West Creek Preservation Committee

Parma, Ohio
Operating support. | \$60,000

NONPROFIT CAPACITY BUILDING

Institute for Conservation Leadership

Takoma Park, Maryland
Strengthening Ohio Leaders and Organizations program. | \$185,000 *over 2 years*

Ohio Environmental Council

Columbus, Ohio
Ohio Energy Advocates. | \$10,000

Shaker Lakes Regional Nature Center

Cleveland, Ohio
Facilities master plan. | \$10,000

PROTECTION OF HUMAN HEALTH

Beyond Pesticides

Washington, DC
Safe Lawn, Landscapes and Public Spaces Campaign. | \$50,000

Duquesne University of the Holy Spirit

Pittsburgh, Pennsylvania
Fracking symposium. | \$5,000

Natural Resources Defense Council, Inc.

New York, New York
Community Fracking Defense Project work in Ohio. | \$30,000

Ohio Citizen Action Education Fund

Cincinnati, Ohio
Fracking project. | \$35,000

The Ohio Organizing Collaborative

Columbus, Ohio
Community organizing on fracking-related issues. | \$100,000

Virginia Organizing, Inc.

Charlottesville, Virginia
Hydrofracking Funders Working Group. | \$10,000

SMART GROWTH

Cuyahoga Valley Countryside Conservancy

Peninsula, Ohio
Consulting program. | \$10,000

Funders' Network for Smart Growth and Livable Communities

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

Greater Ohio Policy Center Inc.

Columbus, Ohio
Work with Ohio's Metropolitan Planning Organizations. | \$35,000

SPECIAL PROGRAMS

Cleveland Metroparks System

Cleveland, Ohio
Economic benefits analysis. | \$10,000

Environmental Grantmakers Association

New York, New York
Operating support. | \$7,000

SUSTAINABILITY, ENERGY & CLIMATE CHANGE

Bike Cleveland

Cleveland, Ohio
Operating support. | \$200,000 *over 2 years*

Clean Fuels Ohio

Columbus, Ohio
Operating support. | \$35,000

Consultative Group on Biological Diversity Inc.

San Francisco, California
Climate and Energy Funders Group. | \$5,000

Council of Michigan Foundations, Inc.

Grand Haven, Michigan
Great Lakes Funder Collaborative. | \$10,000

Cuyahoga Valley Countryside Conservancy

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

The Energy Foundation

San Francisco, California
Ohio Clean Energy Initiative. | \$350,000

Environmental Law & Policy Center of the Midwest

Chicago, Illinois
Ohio Clean Energy Initiative. | \$200,000 *over 2 years*

Franklin County Historical Society

Columbus, Ohio
Advanced Energy Economy Ohio Institute start-up support. | \$50,000

Great Lakes Museum of Science, Environment and Technology

Cleveland, Ohio
Cleveland Water Alliance. | \$100,000

Health Care Without Harm

Reston, Virginia
Ohio Healthier Hospitals and Climate Leadership project. | \$10,000

Manufacturing Advocacy & Growth Network Inc.

Cleveland, Ohio
MAGNET-ME3 program. | \$9,000

National Caucus of Environmental Legislators

Washington, DC
Great Lakes Network. | \$25,000

The Nature Conservancy, Inc.

Arlington, Virginia
Public policy work to support conservation. | \$150,000 *over 2 years*

New Agrarian Center

Oberlin, Ohio
Operating support. | \$30,000

North Union Farmers Market

Cleveland, Ohio
A Time to Grow conference. | \$3,500

Ohio Council of Churches Foundation

Columbus, Ohio
Ohio Interfaith Power and Light community organizing. | \$10,000

Ohio Ecological Food and Farm Association

Columbus, Ohio
Public policy work. | \$141,813 *over 2 years*

Ohio Environmental Council

Columbus, Ohio
Law Clinic and Clean Energy Team. | \$75,000

Ohio State University Foundation

Columbus, Ohio
Farm-to-school programs. | \$166,486 *over 2 years*

Rails to Trails Conservancy

Washington, DC
Cleveland/Detroit reciprocal greenways and trails visit. | \$5,000

SAW, Inc.

Cleveland, Ohio
Cleveland Crops food processing project. | *Up to \$400,000 over 2 years*

The Sierra Club Foundation

San Francisco, California
Ohio chapter operating support. | \$35,000

Trust for Public Land

San Francisco, California
Connecting Cleveland Campaign. | \$2,000,000 *over 2 years*

Human Services

The Foundation continued to invest in innovative, timely public policy efforts resulting from the ever-changing government landscape in Cuyahoga County, Columbus and Washington, D.C. A primary focus was support to adopt the state Medicaid expansion authorized under the Affordable Care Act and to develop robust outreach and enrollment support for tens of thousands of Greater Clevelanders and other Ohioans newly eligible for health care coverage. Support continued for state and local early childhood and juvenile justice reforms. Significant funding and staff engagement focused on developing social innovation financing mechanisms, particularly a county-based Pay for Success initiative. Grant funding continued to emphasize identifying, testing and scaling evidence-based policies and programs. Human services grantmaking totaled \$2,621,589.

CHILD & FAMILY STABILITY

Advocates for Youth

Washington, DC
Promotion of science-based comprehensive sexuality education. | \$84,000

Center for Community Solutions

Cleveland, Ohio
Collaborative for Comprehensive School-Age Health. | \$10,000

Center for Law and Social Policy

Washington, DC
Public policy work on economic security for children and families. | \$160,000 *over 2 years*

Cleveland Rape Crisis Center

Cleveland, Ohio
Sexual Assault Public Policy Project. | \$40,000

Community Care Network, Inc.

Cleveland, Ohio
Cudell Boys Summer Basketball League. | \$9,000

Community Care Network, Inc.

Cleveland, Ohio
Cudell Girls Summer Basketball League. | \$9,000

Community Re-Entry, Inc.

Cleveland, Ohio
Development and integration of trauma-informed care model for Women's Re-Entry Network. | \$60,000 *over 2 years*

Council for a Strong America

Washington, DC
Ohio office operating support. | \$60,000

Flying Horse Farms

Columbus, Ohio
Camp programs. | \$10,000

Lutheran Metropolitan Ministry

Cleveland, Ohio
Public policy initiatives. | \$30,000

New Profit, Inc.

Cambridge, Massachusetts
Cuyahoga County social innovation financing /Pay For Success initiative. | \$100,000

Northern Kentucky Children's Law Center, Inc.

Covington, Kentucky
Juvenile justice consultant. | \$3,400

Northern Kentucky Children's Law Center, Inc.

Covington, Kentucky
Ohio Juvenile Justice Reform Initiative. | \$100,000

Ohio Alliance to End Sexual Violence

Cleveland, Ohio
Operating support. | \$10,000

Ohio Domestic Violence Network

Columbus, Ohio
Affordable Care Act implementation work. | \$10,000

Open Doors, Inc.

Cleveland Heights, Ohio
Enrichment programs for middle and high school students. | \$5,000

Public Children Services Association of Ohio, Inc.

Columbus, Ohio
Child behavioral health initiatives. | \$10,000

Riverdale Neighborhood House, Inc.

Bronx, New York
Operating support. | \$10,000

Rutgers University Foundation

Piscataway, New Jersey
Operating support and Cuyahoga County training. | \$75,000 *over 2 years*

Third Sector New England, Inc.

Boston, Massachusetts
Early Childhood Funders Collaborative Federal Philanthropic Fund. | Up to \$75,000

Towards Employment, Incorporated

Cleveland, Ohio
Public policy advocacy. | \$60,000

United Way of Greater Cincinnati

Cincinnati, Ohio
Ohio Partnership to Build Stronger Families. | \$25,000

MEETING BASIC NEEDS

Catholic Charities Health & Human Services

Cleveland, Ohio
Immigration legal services for juveniles. | \$25,000

Center for Community Solutions

Cleveland, Ohio
AIDS Funding Collaborative. | \$70,000

Center for Families and Children

Cleveland, Ohio
Mental Health and Addiction Advocacy Coalition. | \$30,000

Center on Budget and Policy Priorities

Washington, DC
State budget analysis and advocacy. | \$50,000

Coalition on Homelessness and Housing in Ohio

Columbus, Ohio
Housing policy initiatives. | \$140,000 *over 2 years*

Coalition on Homelessness and Housing in Ohio

Columbus, Ohio
Voting rights education and advocacy. | \$10,000

Coalition on Human Needs

Washington, DC
Operating support. | \$90,000 *over 2 years*

Community Catalyst, Inc.

Boston, Massachusetts
Technical assistance on Ohio Affordable Care Act implementation. | \$100,000 *over 2 years*

Community Service Alliance

Cleveland, Ohio
Transitional housing services. | \$6,000

County of Cuyahoga

Cleveland, Ohio
Cuyahoga County human services survey. | \$10,000

Cuyahoga Health Access Partnership

Cleveland, Ohio
Operating support. | \$25,000

Enterprise Community Partners, Inc.

Columbia, Maryland
Housing First health care integration. | \$30,000

Family Planning Services of Lorain County

Elyria, Ohio
Operating support. | \$50,000 *over 2 years*

Hands On Northeast Ohio

Cleveland, Ohio
Homeless Stand Down. | \$5,000

Health Policy Institute of Ohio

Columbus, Ohio
Ohio Medicaid expansion study. | \$10,000

Health Policy Institute of Ohio

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

Lake County Free Clinic

Painesville, Ohio
Board training and strategic planning and implementation. | \$9,800

Lutheran Metropolitan Ministry

Cleveland, Ohio
2100 Lakeside Men's Shelter volunteer program. | \$37,500

MDRC

New York, New York
Social innovation financing consultation and analysis. | \$50,000

Metanoia Project Inc.

Cleveland, Ohio
Operating support. | \$20,000

NARAL Pro-Choice Ohio Foundation

Cleveland, Ohio
Freedom of Choice Cleveland Coalition's annual Roe v. Wade commemoration event. | \$3,060

Near West Side Multi-Service Corporation

Cleveland, Ohio
Operating support and health and wellness initiative. | \$30,000

Neighborhood Health Care Incorporated

Cleveland, Ohio
Communications and outreach related to Affordable Care Act implementation. | \$35,000

Northeast Ohio Coalition for the Homeless

Cleveland, Ohio
Operating support. | \$10,000

Nueva Luz Urban Resource Center

Cleveland, Ohio
Legal services. | \$31,329

Ohio Grantmakers Forum

Columbus, Ohio
Health funders initiative on health care policy. | \$30,000

Ohio State Legal Services Association

Columbus, Ohio
Advocacy on health care reform. | \$80,000 *over 2 years*

Planned Parenthood of Northeast Ohio

Cleveland, Ohio
Planned Parenthood of Greater Ohio Health Access Fund. | \$75,000

PRETERM Cleveland, Inc.

Cleveland, Ohio
Operating support. | \$51,000 *over 2 years*

Public Children Services Association of Ohio, Inc.

Columbus, Ohio
Advocates for Ohio's Future operating support. |
\$100,000 *over 2 years*

Public Children Services Association of Ohio, Inc.

Columbus, Ohio
Medicaid expansion amicus brief. | \$5,000

The Refugee Response

Cleveland, Ohio
Operating support. | \$45,000

Shoes and Clothes for Kids Inc.

Cleveland, Ohio
Operating support. | \$7,500

St. Malachi Center

Cleveland, Ohio
Homeless services. | \$10,000

United Way of Greater Cincinnati

Cincinnati, Ohio
Ohio Partnership to Build Stronger Families. | \$10,000

Universal Health Care Action Network of Ohio

Columbus, Ohio
Affordable Care Act implementation in Ohio. | \$75,000

SPECIAL PROGRAMS

HELP Foundation, Inc.

Cleveland, Ohio
Summer program. | \$10,000

Ohio Campus Compact

Granville, Ohio
Voter education and engagement. | \$10,000

**The President and Directors of Georgetown
College**

Washington, DC
HIV Health Care Transitions Initiative. | \$80,000 *over 2 years*

Special Commitments

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 \$2,233,075.

PHILANTHROPIC SERVICES

Business Volunteers Unlimited
Cleveland, Ohio
Services to nonprofits. | \$35,000

The Center for Effective Philanthropy
Cambridge, Massachusetts
Grantee Perception Report. | \$26,200

Cleveland Social Venture Partners
Cleveland, Ohio
bigBANG! conference. | \$5,000

Cleveland Social Venture Partners
Cleveland, Ohio
bigBANG! conference. | \$2,500

Council on Foundations, Inc.
Arlington, Virginia
Operating support. | \$39,500

Diocese of Ohio Episcopal Community Services Foundation
Cleveland, Ohio
Episcopal community services. | \$20,000

The Foundation Center
Cleveland, Ohio
Operating support. | \$30,000

Grants Managers Network, Inc.
Washington, DC
Operating support. | \$2,000

Independent Sector
Washington, DC
Operating support. | \$12,500

Media In The Public Interest Inc.
Boulder, Colorado
Ohio News Connection, video production and media training. | \$23,400

Ohio Grantmakers Forum
Columbus, Ohio
Annual conference. | \$10,000

Ohio Grantmakers Forum
Columbus, Ohio
Operating support. | \$11,975

Philanthropy Northwest
Seattle, Washington
Mission Investors Exchange. | \$5,000

Philanthropy Northwest
Seattle, Washington
Mission Investors Exchange. | \$5,000

RETINITIS PIGMENTOSA RESEARCH

The Foundation Fighting Blindness
Columbia, Maryland
Retinal degenerative disease research. | \$2,000,000

The Foundation Fighting Blindness
Columbia, Maryland
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 almost \$632 million toward the advancement of human welfare.

By **Geoffrey Gund**, President

Financial Statements

STATEMENTS OF FINANCIAL POSITION

December 31	2013	2012
Assets		
Cash and cash equivalents	\$ 17,127,006	\$ 20,415,635
Investments	511,839,710	433,384,703
Interest and dividends receivable	284,713	453,735
Pending security sales	—	1,453,489
Federal excise tax	18,332	261,032
Other assets	249,476	281,809
Total assets	\$ 529,519,237	\$ 456,250,403
Liabilities		
Accounts payable and accrued expenses	\$ 745,782	\$ 497,563
Grants payable	12,881,455	10,540,500
Deferred federal excise tax	4,162,892	3,118,449
Total liabilities	17,790,129	14,156,512
Net Assets		
Unrestricted	511,729,108	442,093,891
Total liabilities and net assets	\$ 529,519,237	\$ 456,250,403

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

STATEMENTS OF ACTIVITIES

For the years ended December 31	2013	2012
Revenues, Gains and Losses		
Net realized investment gains	\$ 25,070,192	\$ 17,194,800
Net unrealized investment gains	70,552,123	34,735,830
Dividend income	4,884,918	4,928,867
Interest income	1,208,659	1,192,071
Other income	1,463	32,788
Net revenue, gains and losses	101,717,355	58,084,356
Expenses		
Grants expensed	24,766,101	25,494,672
Administrative expenses	5,121,263	4,334,082
Total expenses	29,887,364	29,828,754
Increase in net assets before federal excise tax provision	71,829,991	28,255,602
Federal excise tax provision	2,194,774	908,655
Net increase in net assets	69,635,217	27,346,947
Net assets – beginning	442,093,891	414,746,944
Net assets – ending	\$ 511,729,108	\$ 442,093,891

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

STATEMENTS OF CASH FLOWS

For the years ended December 31

2013

2012

Cash Flows From Operating Activities

Increase in net assets	\$ 69,635,217	\$ 27,346,947
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation and amortization	68,674	71,836
Net realized gains on investments	(25,070,192)	(17,194,800)
Net unrealized losses on investments	(70,586,811)	(34,771,446)
Deferred federal excise tax	1,044,443	480,029
Changes in assets and liabilities:		
Receivables	1,865,211	(1,510,870)
Other assets	(4,468)	(14,652)
Accounts payable and accrued expenses	248,219	24,175
Grants payable	2,340,955	4,819,406
Net cash used in operating activities	(20,458,752)	(20,749,375)

Cash Flows from Investing Activities

Proceeds from sale of investments	141,844,748	64,144,449
Purchase of investments	(124,642,752)	(38,816,215)
Purchase of equipment and improvements	(31,873)	(43,987)
Net cash provided by investing activities	17,170,123	25,284,247
Net (decrease) increase in cash and cash equivalents	(3,288,629)	4,534,872
Cash and cash equivalents - beginning	20,415,635	15,880,763
Cash and cash equivalents - ending	\$ 17,127,006	\$ 20,415,635

Supplemental Disclosure of Cash Flow Information

Cash paid during the year:		
Income taxes, excise	\$ 900,000	\$ 490,000
Interest	\$ —	\$ —

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

NOTES TO FINANCIAL STATEMENTS – DECEMBER 31, 2013 AND 2012

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 located 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 \$9,824,067 and \$9,510,667 at December 31, 2013 and 2012, respectively. The notes receivable are due at various dates, from 2016 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, 2013 and 2012, as provided by the fund managers. Market values as of December 31, 2013 and 2012 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, 2013 and 2012, the Foundation had total unfunded capital commitments to alternative investments of \$2,580,662 and \$3,595,445, 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.

Allowance for uncollectible interest Interest receivable is stated at the present value of the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for uncollectible interest and a credit to a valuation allowance based on its assessment of the current status of individual accounts. At December 31, 2013, an allowance for uncollectible interest in the amount of \$221,411 is netted against interest receivable. There was no allowance for uncollectible interest at December 31, 2012.

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 \$68,674 and \$71,836 for the years ended December 31, 2013 and 2012, 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:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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, 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.

Note 2 – Investments

Cost and market value of investments were as follows:

	2013		2012	
	Market Value	Cost	Market Value	Cost
Fixed income securities	\$ 11,550,524	\$ 11,968,628	\$ 13,217,551	\$ 13,094,899
Common stocks and alternative investments	500,289,186	291,402,819	420,167,152	264,240,260
Total	\$ 511,839,710	\$ 303,371,447	\$ 406,746,691	\$ 274,166,602

Market values of investments are based on December 31, 2013 and 2012 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, program-related investments, and investments in limited partnerships.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Fair Value Disclosure and Measurement

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.

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:

December 31, 2013	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)	
Corporate Stock				
Consumer Goods	\$ 132,339,479	—	—	\$ 132,339,479
Financial	13,420,379	—	—	13,420,379
Services	15,249,822	—	—	15,249,822
Industrial Goods	13,166,901	—	—	13,166,901
Basic Materials	8,799,900	—	—	8,799,900
Technology	16,256,434	—	—	16,256,434
Healthcare	5,734,625	—	—	4,086,018
Closely-held	4,086,018	—	100	100
Bonds				
Corporate	—	5,140,787	—	5,140,787
United States Treasury and Agency	—	4,909,533	—	4,909,533
State and Municipal	—	693,371	—	693,371
Foreign	—	806,834	—	806,834
Limited Partnerships	—	203,291,197	78,095,168	281,386,365
Other Investments				
Program Related Compensating Balances	—	25,095	—	25,095
Program Related Loans	—	—	9,824,067	9,824,067
Total Investments	209,053,558	214,866,817	87,919,335	511,839,710
Common Trust Fund (included in cash and cash equivalents)	—	10,026,878	—	10,026,878
Total Fair Value Assets	\$209,053,558	\$224,893,695	\$ 87,919,335	\$ 521,866,588

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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)	
December 31, 2012				
Corporate Stock				
Consumer Goods	\$ 118,493,844	—	—	\$ 118,493,844
Financial	19,646,931	—	—	19,646,931
Services	15,970,124	—	—	15,970,124
Industrial Goods	14,172,688	—	—	14,172,688
Basic Materials	9,120,180	—	—	9,120,180
Technology	5,386,076	—	—	5,386,076
Healthcare	1,369,561	—	—	1,369,561
Closely-held	—	—	100	100
Bonds				
Corporate	—	5,737,739	—	5,737,739
United States Treasury and Agency	—	5,901,894	—	5,901,894
State and Municipal	—	773,074	—	773,074
Foreign	—	804,844	—	804,844
Limited Partnerships	—	161,904,139	64,303,400	64,303,400
Other Investments				
Program-Related Compensating Balances	—	275,045	—	275,045
Program-Related Interest in Limited Partnership	—	—	14,397	14,397
Program-Related Loans	—	—	9,510,667	9,510,667
Total Investments	184,159,404	175,396,735	73,828,564	433,384,703
Common Trust Fund (included in cash and cash equivalents)	—	10,997,127	—	10,997,127
Total Fair Value Assets	\$184,159,404	\$186,393,862	\$ 73,828,564	\$ 444,381,830

The following table provides a reconciliation of changes in Level 3 assets and liabilities measured at fair value on a recurring basis for the year ended December 31, 2013:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
	Limited Partnerships	Other Investments	Common Stock	Total
Beginning balance – January 1, 2013	\$ 64,303,400	\$ 9,525,064	\$ 100	\$ 73,828,564
Total gains or losses (realized/unrealized) Included in changes in net assets	15,388,201	2,536	—	15,390,737
Purchases	1,014,783	500,000	—	1,514,783
Sale proceeds	(2,611,216)	(203,533)	—	(2,814,749)
Ending balance – December 31, 2013	\$ 78,095,168	\$ 9,824,067	\$ 100	\$ 87,919,335
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	\$ 13,741,461	\$ 2,536	\$ —	\$ 13,743,997

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Fair Value Disclosure and Measurement (continued)

The following table provides a reconciliation of changes in Level 3 assets and liabilities measured at fair value on a recurring basis for the year ended December 31, 2012:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
	Limited Partnerships	Other Investments	Common Stock	Total
Beginning balance – January 1, 2012	\$ 55,130,898	\$ 9,983,883	\$ 100	\$ 65,114,881
Total gains or losses (realized/unrealized) Included in changes in net assets	11,010,732	1,623	—	11,012,355
Purchases	943,713	—	—	943,713
Sale proceeds	(2,781,943)	(460,442)	—	(3,242,385)
Ending balance – December 31, 2013	\$ 64,303,400	\$ 9,525,064	\$ 100	\$ 73,828,564
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	\$ 9,631,085	\$ 1,623	\$ —	\$ 9,632,708

At December 31, 2013, the Foundation's limited partnerships are subject to withdrawal restrictions as follows:

	Limited Partnerships
Available for redemption:	
Monthly	\$ 266,793,738
Subject to distribution	14,592,627
Total	\$ 281,386,365

Investments that are available for redemption may be redeemed by the Foundation generally with 15- to 30-day advance notice on a monthly basis subject to the terms of the investment agreement.

Investments subject to distribution cannot be redeemed by the Foundation but rather will be distributed by the limited partnership upon the liquidation of the underlying assets of the partnership. Distributions are generally expected, but not guaranteed, over the next five to ten years.

The investment objective for limited partnerships is long-term capital appreciation in excess of what is available in the public markets. Private equity funds generally hold illiquid debt and equity securities of public and/or privately-held companies. This asset class includes venture capital, buyout and distressed funds.

Gains and losses (realized and unrealized) from Level 3 investments included in changes in net assets include net investment gains of \$1,646,740 and \$1,379,647 for the periods ended December 31, 2013 and 2012, respectively, and net unrealized investment gains of \$13,743,997 and \$9,632,708 for the periods ended December 31, 2013 and 2012, 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, 2013 and 2012, 24% and 27%, respectively, of the total market value of securities, and 74% of dividend income in each year are attributable to ownership of Kellogg Company stock.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 and \$800,000 for the periods ended December 31, 2013 and 2012, respectively, 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, 2013 and 2012 amounted to \$143,787 and \$133,355, respectively.

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

2014	\$	127,585
2015		127,585
2016		129,461
2017		131,337
2018		131,337
	\$	647,305

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:

	2013	2012
Cash	\$ 2,023,249	\$ 2,152,863
Receivables	303,045	714,767
Other assets	57,708	53,240
Due to principal fund	(2,412,437)	(1,986,206)
Accounts payable	(745,782)	(497,563)
Grants payable	(12,881,455)	(10,540,500)
Deferred federal excise tax	6,473	2,542
	\$ (13,649,199)	\$ (10,100,857)

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

	2013	2012
Income fund	\$ (3,548,342)	\$ (4,594,895)
Principal fund	73,183,559	31,941,842
Increase (decrease) in net assets	69,635,217	(19,308,519)
Net assets – beginning	442,093,891	414,746,944
Net assets – ending	\$ 511,729,108	\$ 442,093,891

The change in individual funds includes transfers by the Foundation of \$21,006,348 in 2013 and \$20,258,568 in 2012, respectively, from the principal fund to the income fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 \$255,000 and \$250,000 of compensation for the years ended December 31, 2013 and 2012, respectively. Employer contributions to the plan for the years ended December 31, 2013 and 2012 amounted to \$128,584 and \$119,974, 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 2013 and 2012, respectively, and deferred excise taxes were provided at 2% for both 2013 and 2012. The current and deferred portions of the excise tax provisions were \$1,150,331 and \$1,044,443 respectively, netting to \$2,194,774 in 2013. The current and deferred portions of the excise tax provisions were \$428,626 and \$480,029, respectively, netting to \$908,655 in 2012.

The Organization follows 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.

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 tax returns of the Organization for 2011, 2012, and 2013 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, 2014.

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees, The George Gund Foundation

We have audited the accompanying financial statements of The George Gund Foundation (an Ohio private foundation), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Independent Auditors' Report (continued)

financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2013 and 2012, and the results of its activities and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

The image shows a handwritten signature in black ink that reads "Walthall, LLP". The signature is written in a cursive, flowing style.

Certified Public Accountants

Cleveland, Ohio

April 10, 2013

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.

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 Metropolitan 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 & 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

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 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.

GRANT GUIDELINES (CONTINUED)

neighborhoods and its 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 those contributions, 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 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 all applicants to use an online application form that is available at the Foundation's website, www.GundFoundation.org. Applicants will receive email notification of proposal receipt. 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.

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.

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 & Staff

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Ann K. Mullin, Senior Program Officer

Alecia Pretel, Executive Assistant

Denise Stoudenmire, Assistant/Receptionist

*Retired July 2013

**Fellowship ended June 2013

Credits

THE PHOTOGRAPHS

Greg Miller effectively used his 8 x 10 view camera to document the vitality, activity and pride that are so evident on Cleveland's growing number of urban farms. A native of Nashville, Tennessee, he moved to New York at the age of 19 to study at the School of Visual Arts where he graduated with a Bachelor of Fine Arts in photography. His work, which uses street photography, found moments and portraiture to capture human relationships and a sense of suspended reality, has appeared in numerous publications, including The New York Times Magazine, Esquire and LIFE and is widely collected and exhibited both in the United States and abroad. Miller, recipient of a John Simon Guggenheim Memorial Foundation fellowship, teaches photography at the International Center of Photography in New York and conducts workshops at several venues including Maine Media Workshops.

The Organizations

The Foundation would like to thank the Ohio City Farm, Rid-All Green Partnership and Stanard Farm staff, clients and volunteers for their assistance in making the photo essay in this report possible.

www.OhioCityFarm.wordpress.com

www.GreenGhetto.org

www.cuyahogabdd.org/en-US/ClevelandCrops.aspx

Site Design & Programming

Nesnadny + Schwartz

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