



THE **GEORGE GUND FOUNDATION** ANNUAL REPORT 2005

THE **GEORGE GUND FOUNDATION** WAS ESTABLISHED IN 1952 AS A PRIVATE, NONPROFIT INSTITUTION WITH THE SOLE PURPOSE OF CONTRIBUTING TO HUMAN



WELL-BEING AND THE PROGRESS OF SOCIETY.

OVER THE YEARS, PROGRAM OBJECTIVES AND EMPHASES HAVE BEEN MODIFIED TO MEET THE CHANGING OPPORTUNITIES AND PROBLEMS OF OUR SOCIETY,

BUT THE **FOUNDATION'S** BASIC GOAL OF ADVANCING HUMAN WELFARE REMAINS CONSTANT.





STATION ROAD BRIDGE

PRESIDENT'S LETTER

WE SEEM TO LIVE IN AN AGE OF SCANDALS: ENRON, LOBBYISTS ON CAPITOL HILL, "COINGATE" IN THE OHIO STATEHOUSE. THESE AND OTHER SHAMEFUL EPISODES TESTIFY TO THE CAPACITY OF SOME FOR TAKING UNFAIR ADVANTAGE. YET, WE ALSO LIVE IN AN AGE OF PERVASIVE MEDIA, AND THE CONVERGENCE OF "SPIN" WITH AN INSATIABLE MEANS OF DISPLAYING IT TENDS TO MAKE US NUMB, DISTRACTED AND SUSPICIOUS. AS A CONSEQUENCE, WE LOSE CONFIDENCE IN PEOPLE AND INSTITUTIONS IN NEARLY EVERY ORGANIZED SECTOR OF SOCIETY—GOVERNMENT, BUSINESS, NONPROFITS. AND, YES, EVEN PHILANTHROPY IS NOT IMMUNE.

The media have reported numerous instances of self-dealing and mismanagement among nonprofits and foundations over the past few years. Each revelation appalls us. Each case warrants severe response by the organization's board and sometimes by an appropriate government agency. However, each example also must be seen as a separate incident and not as cause to condemn an entire field. It is neither our observation nor our experience that the nonprofit field needs an extensive new regime of regulation. More often than not, nonprofits do impressive work under great stress. They make vital contributions to society because their volunteers and employees fuel their missions with a passion that is unmatched in other sectors.

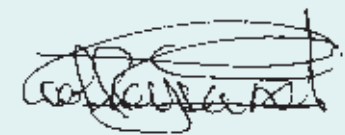
It is frustrating to be tarred by another's misdeeds, but it is not enough to merely lament what others do. Those of us in the nonprofit sector must also take action if we are to sustain public confidence in our work. That is why we support the efforts of Independent Sector, a coalition of nonprofits and philanthropies, to lead the creation of a comprehensive set of reforms that balance the needs for accountability and independence. As of this writing, many of those recommendations are in legislative limbo. We urge Congress to act and to do so responsibly. But we should not let this debate distract us from our real business—improving human well-being and the progress of society. Nonprofits do their best when they can function as laboratories which generate ideas that contribute to the nation's vitality even as they provide a wide array of services. Financial limitations make that job demanding. The strain is made greater by the incremental shift of historic public sector programs to nonprofits. It would

be deeply regrettable if Congress were to overregulate in response to a relatively few bad acts.

The Foundation had several noteworthy transitions during the past year. Marjorie Carlson's term as a community trustee concluded at the end of 2005, and all of us associated with the Foundation pay deep homage to Marge for her service. She unfailingly contributed keen assessments and gentle prodding to our deliberations. She was always informed by her deep knowledge of the community and motivated by her long-standing commitment to Greater Cleveland. We will miss her.

We are pleased and excited to be joined by two new Trustees. Cathy Lewis, a leading community volunteer, joined the Board in 2005. She brings to us expertise honed through many years in philanthropy, nonprofit organizations and the private sector.

David Goodman, an attorney who also possesses a long record of nonprofit leadership, began his service on our Board in 2006. Their combination of local knowledge and contextual breadth will make us an ever more effective grantmaker. We welcome them to the challenging and worthwhile work of our Foundation.



Geoffrey Gund
President and Treasurer

EXECUTIVE DIRECTOR'S LETTER

INVENTIVE PEOPLE THROUGHOUT NORTHEAST OHIO ARE PLANTING THE SEEDS OF A NEW ECONOMY. MANY ARE IN ESTABLISHED BUSINESSES, SOME ARE ENTREPRENEURS AND OTHERS WORK FOR NONPROFIT ORGANIZATIONS THAT PROMOTE THE TRANSFORMATION OF OUR REGIONAL ECONOMY.

But in what sort of soil are those seeds being planted? Is our region truly prepared to excel in a world of intense global competition — not simply among companies but also among regions? Our Foundation is an active participant in the Fund for Our Economic Future, a collaboration of grantmakers that wrestles with these questions.

The Fund has supported several organizations that are catalyzing economic change, but we also realized that if Northeast Ohio is to be truly competitive, grants are not enough. Our region has to think seriously about issues that go far beyond the normal definition of economic development but that significantly affect our competitiveness — issues like education, governmental fragmentation and divisions of race and class. This is tough stuff. Indeed, these are among the issues that we often say are just too tough to confront.

The Fund felt that saying they were too difficult was tantamount to surrender, so we began exploring ideas for reaching out to people all over Northeast Ohio to create a common understanding of what is at stake, tap into a resilient spirit that will not give up and restore the conviction that we can be great again. That exploration led the Fund last year to launch Voices & Choices, a public engagement effort of unprecedented scope. (Learn more about it and our partners at www.voiceschoices.org.)

This is not a typical role for philanthropy, but it reflects the need for all of us to think and act differently. It further reflects our core conviction that the challenges we face are, in fact, regional. They are not confined by the many political boundaries that divide us. In global economic competition, it is regions that matter. Our responses must be regional.

Voices & Choices is deliberately organized as an inclusive initiative because only broadly based collective thinking, deliberation and action can make a difference. A top-down approach will not work. We are simply too diverse.

Voices & Choices hopes to fuel the understanding that for purposes of competing in the world economy, we are all on the same team. There is really no alternative to that, but how we act as teammates *is* up to us. Why do we keep competing against each other instead of against other teams? How can we effectively compete if some of our teammates are suffering, left out or left behind? How can we effectively compete if we are so down on ourselves that we do not believe we can win?

There is no room for defeatism in global competition. Likewise, we must manage an otherwise appealing feature of our regional character — our humility. Charming though it is in many circumstances, that self-deprecating quality sometimes makes us question whether we should any longer take a place on the world stage. In answer, I recommend the wisdom of Nelson Mandela, who said in a very different context, “It is our light that frightens us, not our darkness. We ask ourselves, who am I to be powerful, beautiful? Well, who are you *not* to be? You are a child of God, and playing *small* does not serve the world.”

I would add only that playing small also does not *win* in the world — nor does it serve this special corner of the world that we call home.



David T. Abbott
Executive Director



ALONG THE TOWPATH TRAIL NEAR STUMPY BASIN

ABOVE THE BRANDYWINE FALLS ♦







ON THE BANK OF THE CUYAHOGA RIVER NEAR BOSTON STORE

GEOFFREY JAMES beautifully illustrates the uniqueness of one of Northeast Ohio's defining assets through his panoramic images of the Cuyahoga Valley National Park. His photographs capture not only the natural beauty of the park but also the reminders of our shared history, such as the long-abandoned locks of the Ohio & Erie Canal, that are scattered throughout this natural link between the region's two major cities, Cleveland and Akron. The Foundation has made significant investments over the years to preserve and support what James, looking through his camera lens, described as "a great democratic open space... like no other national park I have seen." James, who has been photographing man-made landscapes for more than two decades and whose work is included in major museum collections throughout North America and Europe, is a recipient of fellowships from the John Simon Guggenheim Foundation and the Graham Foundation for Advanced Studies in the Fine Arts.



DEEP LOCK



LOCK 30 PENINSULA FEEDER LOCK



SITE OF THE CHAMPION ELECTRIC COMPANY BRANDYWINE FALLS

LOCK 30 PENINSULA FEEDER LOCK ♦







BLUE HEN FALLS



RITCHIE LEDGES



MILLSTONE NEAR DEEP LOCK QUARRY



ON THE BANK OF THE CUYAHOGA RIVER NEAR BOSTON STORE



FORMER CANAL BASIN NEAR BEAVER MARSH



A BEND IN THE CUYAHOGA RIVER

THE CUYAHOGA RIVER NEAR STUMPY BASIN ♦







BEAVER MARSH



KENDALL LAKE



FORMER CANAL BASIN NEAR BEAVER MARSH



CUYAHOGA VALLEY SCENIC RAILROAD ALONG THE CUYAHOGA RIVER



VIADUCT OF THE OHIO TURNPIKE



OUR COMMITMENTS

GRANTS

2005

Arts (71 GRANTS)	\$5,983,335
Economic Development & Community Revitalization (47 GRANTS)	\$1,765,622
Education (52 GRANTS)	\$2,760,400
Environment (53 GRANTS & I PROGRAM-RELATED INVESTMENT)	\$2,959,172
Human Services (44 GRANTS)	\$2,831,920
Special Commitments (25 GRANTS)	\$2,256,230
Grand Total (292 GRANTS & I PROGRAM-RELATED INVESTMENT)	\$18,556,679
Total since inception of the Foundation in 1952	\$455,882,660

THE FOUNDATION MADE GRANTS TO HELP ORGANIZATIONS, INCLUDING THE WORLD-CLASS CLEVELAND ORCHESTRA, EXPLORE AND IMPLEMENT NEW PARTNERSHIPS AND BUSINESS MODELS THAT REFLECT A CHANGING ARTS AND CULTURAL ENVIRONMENT. LEADERSHIP GRANTS WERE MADE TO THE MUSEUM OF CONTEMPORARY ART FOR ITS MOVE TO UNIVERSITY CIRCLE AND TO INGENUITY, CLEVELAND'S NEW DOWNTOWN FESTIVAL OF ART AND TECHNOLOGY. WE CONTINUED SIGNIFICANT SUPPORT FOR THE COMMUNITY PARTNERSHIP FOR ARTS AND CULTURE AND ITS EFFORTS TO SECURE LOCAL PUBLIC FUNDING FOR THE ARTS IN CUYAHOGA COUNTY. ARTS GRANTMAKING TOTALED \$5,983,335.

ARTS

EDUCATION

\$15,000
Americans for the Arts
Washington, DC; Arts education activities.

\$20,000
The Broadway School of Music and the Arts
Cleveland, OH; Operating support.

\$10,000
The Contemporary Youth Orchestra
Cleveland, OH; Rock the Orchestra project.

\$6,000
The Eleanor B. Rainey Memorial Institute, Inc.
Cleveland, OH; Summer arts camp.

\$17,000
Friends of the Cleveland School of the Arts
Cleveland, OH; New Plays Festival.

\$100,000
Great Lakes Theater Festival, Inc.
Cleveland, OH; Education department.

\$5,000
In Let Dance Theatre
Cleveland Heights, OH; Summer Dance Intensive scholarships.

\$60,000
New Cleveland Opera Company, dba Cleveland Opera
Cleveland, OH; Education department.

\$5,000
Ohio Arts Council
Columbus, OH; Focusing the Light project.

\$7,500
Passport Project Inc.
Cleveland, OH; Administrative and artist stipends.

\$20,000
Playhouse Square Foundation
Cleveland, OH; "The Things They Carried" Project.

\$24,400 (over 2 years)
Progressive Arts Alliance Incorporated
Cleveland, OH; Operating support.

\$6,000
Thea Bowman Center
Cleveland, OH; Youth music program.

\$125,000
Young Audiences of Greater Cleveland, Inc.
Cleveland, OH; Initiative for Cultural Arts in Education.

\$30,000
Young Audiences of Greater Cleveland, Inc.
Cleveland, OH; Cleveland Integrated Arts Collaborative.

◀ \$450,900
Subtotal (15 GRANTS)

FILM AND MEDIA

\$35,000
The Cleveland International Film Festival, Inc.
Cleveland, OH; Operating support.

\$500,000 (over 2 years)
ideastream
Cleveland, OH; News and public affairs programming.

\$14,000
Independent Pictures
Cleveland, OH; Ohio Independent Film Festival.

\$100,000 (over 2 years)
National Public Radio, Inc.
Washington, DC; Midwest news bureau.

◀ \$649,000
Subtotal (4 GRANTS)

PERFORMING ARTS

\$5,000
African Soul
Cleveland, OH; International Conference on Dance and Culture.

\$25,000
Apollo's Fire The Cleveland Baroque Orchestra
Cleveland Heights, OH; Artistic support.

\$4,905
Charenton Theater Co.
Cleveland, OH; Free outdoor summer performances.

(CONTINUED)

ARTS (CONTINUED)

\$3,000 CityMusic Cleveland Inc. Cleveland, OH; Musician fees.	\$20,000 Dobama Theatre, Inc. Cleveland Heights, OH; Operating support.	\$15,000 New Cleveland Opera Company, dba Cleveland Opera Cleveland, OH; Merger exploration.
\$22,000 Cleveland Contemporary Dance Theatre Cleveland, OH; Operating and planning support.	\$25,000 The Ensemble Theater Cleveland Heights, OH; Artistic and marketing support.	\$10,000 New Cleveland Opera Company, dba Cleveland Opera Cleveland, OH; Emergency operating support.
\$35,000 The Cleveland Modern Dance Association Cleveland, OH; Operating support.	\$5,000 Gabrod, Inc. Cleveland, OH; Pointe of Departure marketing.	\$25,000 The New Orchestra of Cleveland Solon, OH; Operating support.
\$110,000 The Cleveland Play House Cleveland, OH; Operating support.	\$30,000 (over 15 months) Groundworks Dancetheater Cleveland Heights, OH; Operating support.	\$18,000 Opera Circle, Inc. Cleveland, OH; Operating and special project support.
\$70,000 The Cleveland Public Theatre, Inc. Cleveland, OH; Operating and DanceWorks support.	\$5,000 Groundworks Dancetheater Cleveland Heights, OH; Planning activities.	\$5,000 Piano International Association of Northern Ohio Cleveland, OH; Competition expenses.
\$7,500 Cleveland Shakespeare Festival Cleveland, OH; Free outdoor summer performances.	\$50,000 Karamu House Cleveland, OH; Theater support.	\$25,000 Professional Flair, Inc. Cleveland, OH; 25th anniversary season.
\$10,000 The Cleveland Theater Collective Cleveland, OH; Operating support.	\$40,000 Lyric Opera Cleveland Cleveland, OH; Operating support.	\$5,750 Safmod Performance Ensemble Cleveland, OH; Transitional expenses.
\$5,000 Convergence-Continuum Cleveland, OH; Artistic expenses.	\$40,000 Lyric Opera Cleveland Cleveland, OH; Operating support.	\$7,500 University Circle Incorporated Cleveland, OH; Wade Oval Wednesdays.
\$25,000 Cuyahoga Community College Foundation Cleveland, OH; Tri-C JazzFest.	\$1,000,000 (over 4 years) Musical Arts Association The Cleveland Orchestra Cleveland, OH; Transition funding.	\$30,000 Verb Ballets Cleveland, OH; Operating support.
		◀ \$1,678,655 Subtotal (30 GRANTS)

SPECIAL PROGRAMS

\$20,000
Arts Collinwood Inc.
Cleveland, OH; Start-up staff support.

\$50,000
Cleveland Botanical Garden
Cleveland, OH; Cleveland Cultural Collaborative.

\$8,550
Cleveland Botanical Garden
Cleveland, OH; Artist involvement in The Garden as Art flower show.

\$125,000
Cleveland Festival of Art and Technology Inc.
Cleveland, OH; 2006 Ingenuity Festival of Art, Culture and Technology.

\$100,000
Cleveland Festival of Art and Technology Inc.
Cleveland, OH; 2005 Ingenuity Festival of Art, Culture and Technology.

\$77,250
Cleveland Institute of Art
Cleveland, OH; Market analysis and facility plan.

\$175,000
The Cleveland International Film Festival, Inc.
Cleveland, OH; Greg Gund memorial.

\$100,000
Cleveland Public Art, Inc.
Cleveland, OH; Operating and project support.

\$210,000
The Community Partnership for Arts and Culture
Cleveland, OH; Operating support.

\$25,000
Downtown Cleveland Partnership
Cleveland, OH; Sparx in the City.

up to \$20,000
Poets' & Writers' League of Greater Cleveland
Cleveland, OH; Strategic planning.

\$7,000
Spirit of Cleveland, Inc.
Cleveland, OH; Arts and Cultural Marketing Resource Center.

\$20,000
The Western Reserve Historical Society
Cleveland, OH; "Millionaires' Row: The Legacy of Euclid Avenue" exhibition.

✦ \$937,800
Subtotal (13 GRANTS)

VISUAL ARTS

\$3,500
Artists Archives of the Western Reserve
Cleveland, OH; Operating expenses.

\$3,000
Christ the King Catholic Church
East Cleveland, OH; Progress with Paint mural project.

\$10,000
The Cleveland Museum of Art
Cleveland, OH; NEO Show.

\$7,980
Cleveland Public Art, Inc.
Cleveland, OH; Unity Walk sculpture restoration.

\$2,100,000 (over 5 years)
Museum of Contemporary Art Cleveland
Cleveland, OH; Capital campaign for a new facility in University Circle.

\$90,000
Museum of Contemporary Art Cleveland
Cleveland, OH; Operating support.

\$25,000 (over 2 years)
Parkworks, Inc.
Cleveland, OH; Mural My Neighborhood program.

\$20,000
St. Vincent Quadrangle, Inc.
Cleveland, OH; Flat Files Project.

\$7,500
Zygote Press Inc.
Cleveland, OH; Staff support.

✦ \$2,266,980
Subtotal (9 GRANTS)

✦ \$5,983,335
Total (71 GRANTS)

ECONOMIC DEVELOPMENT & COMMUNITY REVITALIZATION

THE FOUNDATION RENEWED SUPPORT FOR SHOREBANK ENTERPRISE GROUP CLEVELAND AND ITS CONTINUED EFFORTS TO CREATE ECONOMIC OPPORTUNITIES IN THE CITY OF CLEVELAND. NUMEROUS OTHER GRANTS FURTHER DEMONSTRATED THE FOUNDATION'S ABIDING COMMITMENT TO MAINTAINING VITAL NEIGHBORHOODS IN CLEVELAND AND ITS FIRST-RING SUBURBS. SUPPORT FOR KENT STATE UNIVERSITY'S URBAN DESIGN COLLABORATIVE WAS ONE OF SEVERAL GRANTS FOR PLANNING AND DESIGN ACTIVITIES. ECONOMIC DEVELOPMENT AND COMMUNITY REVITALIZATION GRANTMAKING TOTALED \$1,765,622.

ECONOMIC DEVELOPMENT

\$7,500
Cleveland Development Foundation
Cleveland, OH; Workforce Summit.

\$1,500
Ohio MEMS Association Inc.
Cleveland, OH; Economic Summit for
Microsystems and Nanotechnology.

\$65,000
Westside Industrial Retention
& Expansion Network
Cleveland, OH; Manufacturing
Innovation Initiative.

✦ \$74,000
Subtotal (3 GRANTS)

EMPLOYMENT AND TRAINING

\$10,000
Economic Growth Foundation
Cleveland, OH; National Development
Council Training for Northeast Ohio
economic development practitioners.

\$30,000
Hard Hatted Women
Cleveland, OH; University Circle
diversity in economic development
project.

✦ \$40,000
Subtotal (2 GRANTS)

HOUSING AND COMMUNITY DEVELOPMENT

\$4,000
Alliance of Cleveland HUD Tenants
Cleveland, OH; 10th anniversary
conference.

\$80,000
Cleveland Housing Network, Inc.
Cleveland, OH; Business plan
implementation.

\$35,000
Cleveland Neighborhood Development
Corporation
Cleveland, OH; Operating support.

\$40,000
Cleveland Restoration Society, Inc.
Cleveland, OH; Neighborhood
housing and landmark preservation
programs.

\$30,000
First Suburbs Consortium
Development Council
Cleveland Heights, OH; Development
assistance to Cleveland's first-ring
suburbs.

\$20,000
Ohio CDC Association
Columbus, OH; Operating support.

\$10,000
Shaker Square Area Development
Corporation
Cleveland, OH; Livingston Park
Apartments parkscape improvements.

✦ \$219,000
Subtotal (7 GRANTS)

NEIGHBORHOOD REVITALIZATION

\$20,000 (over 6 months)
Cleveland Historic Warehouse District
Development Corp.
Cleveland, OH; Downtown
redevelopment activities.

\$29,958
Cleveland State University
Foundation, Inc.
Cleveland, OH; Project on form-based
zoning for Cleveland's neighborhood
commercial corridors.

\$7,500
Downtown Cleveland Partnership
Cleveland, OH; Creation of Business
Improvement District.

\$20,000 (over 6 months)
The Historic Gateway Neighborhood
Corporation
Cleveland, OH; Downtown
redevelopment activities.

\$10,000
Neighborhood Progress, Inc.
Cleveland, OH; "Cleveland at the
Crossroads: Turning Abandonment
Into Opportunity," a report on
vacant properties.

\$35,000
Parkworks, Inc.
Cleveland, OH; Lakefront
programming.

\$300,000

Shorebank Enterprise Group Cleveland
Cleveland, OH; Creation of economic
opportunities in Cleveland's East Side
neighborhoods.

\$20,000

Slavic Village Development
Cleveland, OH; Diversity in Progress
initiative.

◀ \$442,458

Subtotal (8 GRANTS)

SPECIAL PROGRAMS

\$2,000

American Council of Young Political
Leaders Inc.
Washington, DC; Venezuelan delegation
visit to Cleveland.

\$10,000

American Institute for Social Justice, Inc.
Cleveland, OH; Cleveland Earned
Income Tax Project.

\$7,500

American Youth Hostels, Inc.
Peninsula, OH; Stanford Hostel.

\$7,500

Baldwin-Wallace College
Berea, OH; Study to improve the
efficiency of fire and emergency services
in five southwestern Cuyahoga
County suburbs.

\$5,000

Bulldogs on the Cuyahoga
Cleveland, OH; Summer on the
Cuyahoga internship program.

\$7,500

Citizens League Research Institute
Cleveland, OH; Assistance with
closing and archiving records.

\$10,000

City of South Euclid
South Euclid, OH; Tri-City
Regional Collaborative recreation
center planning.

\$9,500

Cleveland Bridge Builders,
Incorporated
Cleveland, OH; Technology and
marketing capacity building.

\$50,000

Cleveland Development Foundation
Cleveland, OH; City of Cleveland
Mayoral Transition Committee.

\$10,000

The Cleveland Foundation
Cleveland, OH; Marshall Memorial
Fellowship alumni conference in
Cleveland.

\$10,000

Downtown Cleveland Partnership
Cleveland, OH; Winterfest 2005.

\$9,000

Economic Growth Foundation
Cleveland, OH; Leadership
organization consolidation feasibility
study.

\$5,000

Economic Policy Institute
Washington, DC; EARN Conference.

\$25,000

Educational Fund to Stop Gun Violence
Washington, DC; Firearms Litigation
Clearinghouse.

\$50,000

Greater Cleveland Sports Commission
Cleveland, OH; NCAA Women's Final
Four Tournament in Cleveland.

\$5,000

National Academy of Public
Administration
Washington, DC; Social Equity in
Governance Summit in Cleveland.

\$40,000

Northeast Ohio Alliance for Hope We-Can
Cleveland, OH; Faith-based organizing
in Greater Cleveland.

\$300,000

Northeast Ohio Technology Coalition
Cleveland, OH; OneCleveland
initiative.

\$1,950

Ohio Planning Conference
Cleveland, OH; Ohio Planning
Conference speakers.

\$100,000

Parkworks, Inc.
Cleveland, OH; Operating support.

\$75,000

Policy Matters Ohio
Cleveland, OH; Policy research on
economics affecting working families
in Ohio.

◀ \$739,950

Subtotal (21 GRANTS)

URBAN DESIGN, PLANNING AND AMENITIES

\$982

Coventry Village Special Improvement
District of Cleveland Heights
Cleveland Heights, OH; Marketing
conference participation.

\$982

Ecological Design Innovation Center
Oberlin, OH; Marketing conference
participation.

\$60,000

Harbor Heritage Society
Cleveland, OH; Mather Museum
operating support.

\$100,000

Kent State University Foundation, Inc.
Kent, OH; Cleveland Urban Design
Collaborative.

\$7,000

Parkworks, Inc.
Cleveland, OH; Analysis of funding
strategies for park and open space
development.

\$81,250

University Circle Incorporated
Cleveland, OH; University Circle town
center planning.

◀ \$250,214

Subtotal (6 GRANTS)

◀ \$1,765,622

Total (47 GRANTS)

THE FOUNDATION CONTINUED ITS LONG-STANDING SUPPORT FOR SCHOOL IMPROVEMENT ACTIVITIES RELATED TO THE CLEVELAND MUNICIPAL SCHOOL DISTRICT, FOCUSING ON CURRICULUM DEVELOPMENT AND STRENGTHENED GOVERNANCE AND MANAGEMENT. WE ALSO FUNDED EFFORTS TO FOSTER LEADERSHIP DEVELOPMENT AMONG TEACHERS AND PRINCIPALS, PARTICULARLY THOSE WORKING IN URBAN AND FIRST-RING SCHOOL DISTRICTS. THE FOUNDATION MADE A MAJOR COMMITMENT TO IMPROVING THE LITERACY RATE IN OUR COMMUNITY THROUGH START-UP SUPPORT FOR THE LITERACY COOPERATIVE OF GREATER CLEVELAND. TOTAL EDUCATION GRANTMAKING WAS \$2,760,400.

EDUCATION

EARLY CHILDHOOD EDUCATION		
\$25,000	The Children's Museum of Cleveland	
	Cleveland, OH; Operating support.	
◀ \$25,000	Subtotal (1 GRANT)	
HIGHER EDUCATION		
\$10,000	Cuyahoga Community College	
	Foundation	
	Cleveland, OH; Education and	
	workforce training outreach.	
\$50,000	KnowledgeWorks Foundation	
	Cincinnati, OH; Cuyahoga	
	Community College's Achieving the	
	Dream initiative.	
\$10,000	Lakeland Foundation	
	Kirtland, OH; Men's Resource Center	
	school project on boys' and girls'	
	learning styles.	
\$3,750	Lakeland Foundation	
	Kirtland, OH; Men's Resource Center	
	training seminar on boys' and girls'	
	learning styles.	
\$100,000	Northeast Ohio Council on Higher	
	Education	
	Fairlawn, OH; College 360 program	
	to encourage students to attend college	
	and remain in Northeast Ohio.	
\$40,000	Northeast Ohio Council on Higher	
	Education	
	Fairlawn, OH; Strategic planning.	
\$10,000	Thurgood Marshall Scholarship Fund	
	New York, NY; Operating support.	
\$15,000	United Negro College Fund, Inc.	
	Fairfax, VA; Operating support.	
\$65,000	The University of Cincinnati Foundation	
	Cincinnati, OH; Teacher Quality	
	Partnership program.	
\$10,000	The Washington Center for Internships	
	and Academic Seminars	
	Washington, DC; Scholarships for	
	Northeast Ohio students.	
◀ \$313,750	Subtotal (10 GRANTS)	
NATIONAL SCHOOL IMPROVEMENT		
\$75,000	Public Education Network	
	Washington, DC; Public hearings on	
	the No Child Left Behind Act.	
\$63,250	Teaching Quality Foundation Inc.	
	Chapel Hill, NC; TeacherSolutions	
	initiatives in Cleveland.	
◀ \$138,250	Subtotal (2 GRANTS)	
PRIMARY AND SECONDARY EDUCATION		
\$230,000 (over 2 years)	The Center for Community Solutions	
	Cleveland, OH; Continued	
	implementation of the Cleveland	
	Municipal School District	
	Comprehensive Health Plan.	
\$7,000	Chess for Success Inc.	
	Cleveland Heights, OH; Cleveland	
	Municipal School District chess	
	program.	
\$40,000	City Year, Inc.	
	Boston, MA; Young Heroes Program.	
\$35,000	Cleveland Heights/University Heights	
	Public Schools Foundation	
	Cleveland Heights, OH; Reaching	
	Heights operating support.	
\$7,000	Cleveland Heights/University Heights	
	Public Schools Foundation	
	Cleveland Heights, OH; Teacher	
	seminars.	
\$300,000	Cleveland Municipal School District	
	Cleveland, OH; Cleveland Literacy	
	System curriculum design.	
\$35,000	Cleveland Municipal School District	
	Cleveland, OH; Search firm expenses	
	for CEO search.	

\$23,000
Cleveland Municipal School District
Cleveland, OH; Staffing for CEO
search.

\$100,000
Cleveland Scholarship Programs, Inc.
Cleveland, OH; College advisory
services and last-dollar scholarships for
Cleveland and first-ring suburban high
school and middle school students.

\$50,000
Cleveland SCORES
Cleveland, OH; Operating support.

\$85,000
Cleveland State University
Foundation, Inc.
Cleveland, OH; First Ring Leadership
Academy.

\$54,000
Cleveland State University
Foundation, Inc.
Cleveland, OH; First Ring Leadership
Academy.

\$320,000 (over 2 years)
Community Renewal Society
Chicago, IL; Catalyst Cleveland
newsmagazine.

\$500
Cuyahoga Community College
Foundation
Cleveland, OH; Cleveland Municipal
School District Talent Search Program.

\$25,000
E City
Cleveland, OH; Operating support.

\$2,400
East Cleveland Concerned Pastors
for Progress
East Cleveland, OH; Concord Baptist
Church Summer Program.

\$27,000
East Cleveland Neighborhood
Center, Inc.
East Cleveland, OH; Truancy
reduction program.

\$50,000
Esperanza Incorporated
Cleveland, OH; Programs for Hispanic
students.

\$30,000
Hathaway Brown School
Shaker Heights, OH; Aspire Program.

\$30,000
Helen Keller International, Inc.
New York, NY; Childsight Cleveland
Program.

\$25,000
ideastream
Cleveland, OH; Regional Alliance of
Informal Education.

\$150,000
John Carroll University
University Heights, OH; Institute
for Educational Renewal's school
improvement work in first-ring suburbs.

\$25,000
KnowledgeWorks Foundation
Cincinnati, OH; Ohio Eight Coalition.

\$20,000
Lake Erie Junior Nature and
Science Center
Bay Village, OH; Astronomy project.

\$10,000
Lesbian-Gay Community Service
Center of Greater Cleveland
Cleveland, OH; Safe Schools for
Everyone Program.

\$50,000
Ohio Fair Schools Campaign
Athens, OH; Operating support.

\$30,000
Ohio Fair Schools Campaign
Athens, OH; Ohio Close the Gap
campaign.

\$7,500
The Old Stone Foundation
Cleveland, OH; Health Care
Education Program.

\$30,000
Shaker Lakes Regional Nature Center
Cleveland, OH; Nature Outreach
Program.

\$25,000
Womens Business Ownership
Educational Conferences Inc.
University Heights, OH; "The New
Little Book" social studies graduation
test guide.

\$70,000
Youth Opportunities Unlimited
Cleveland, OH; Operating support.

\$50,000
Youth Opportunities Unlimited
Cleveland, OH; Operating support.

✦ \$1,943,400
Subtotal (32 GRANTS)

SPECIAL PROGRAMS

\$7,500
Cleveland Area Metropolitan
Library System
Shaker Heights, OH; North Coast
Neighbors Share a Book reading
campaign.

\$250,000
The Cleveland Foundation
Cleveland, OH; Literacy Cooperative
of Greater Cleveland.

\$35,000
The Cleveland Foundation
Cleveland, OH; Literacy Cooperative
of Greater Cleveland.

\$10,000
Cleveland Municipal School District
Cleveland, OH; Public green space at
the Lonnie Burten Recreation Center.

\$2,500
The Great Lakes Museum of Science,
Environment and Technology
Cleveland, OH; Northeastern Ohio
Science and Engineering Fair.

\$30,000
ideastream
Cleveland, OH; FIRST Buckeye High
School Robotics Competition.

\$5,000
Project Love Remember the
Children Foundation
Beachwood, OH; Motivational program.

✦ \$340,000
Subtotal (7 GRANTS)

✦ \$2,760,400
Total (52 GRANTS)

THE FOUNDATION'S GRANTMAKING REFLECTED CONTINUING PROGRAM PRIORITIES THAT INCLUDED BIODIVERSITY AND CONSERVATION OF NATURAL SYSTEMS, PROTECTION OF HUMAN HEALTH, NONPROFIT CAPACITY BUILDING, GREEN BUILDINGS, SUSTAINABLE BUSINESS AND ENERGY, URBAN SPRAWL/SMART GROWTH AND ENVIRONMENTAL JOURNALISM AND MEDIA. GRANTMAKING FOCUSED PRIMARILY ON GREATER CLEVELAND, OHIO AND THE LAKE ERIE AND OHIO RIVER WATERSHEDS AND INCLUDED FUNDING FOR A RANGE OF PUBLIC EDUCATION, POLICY, CAPACITY BUILDING, TRAINING, PROTECTION AND PROGRAM ACTIVITIES IN THESE AREAS. ENVIRONMENT GRANTMAKING AND A PROGRAM-RELATED INVESTMENT TOTALED \$2,959,172.

ENVIRONMENT

CONSERVATION OF BIODIVERSITY AND NATURAL SYSTEMS

\$50,000 (over 2 years)
Alaska Conservation Foundation
Anchorage, AK; Operating support.

\$20,000
The Buckeye Forest Council, Inc.
Athens, OH; Operating support.

\$50,000
Chagrin River Land Conservancy
Novelty, OH; Merger expenses.

\$7,164
City of Cleveland
Cleveland, OH; Dike 14 initiative.

\$5,000
Cuyahoga Valley National Park
Association
Peninsula, OH; Visitor study.

\$45,000
Great Lakes United
Buffalo, NY; Habitat and Biodiversity
Task Force and projects on Great Lakes
water quality agreement and Lake Erie
lakebed alterations.

\$30,000
The Land Trust Alliance, Inc.
Washington, DC; Technical assistance
and training for land trusts in Ohio
and creation of statewide land trust.

\$20,000
National Fish and Wildlife Foundation
Washington, DC; Northeast Ohio
Conservation Fund development.

\$35,000
The Nature Conservancy, Inc.
Arlington, VA; Western Allegheny
Plateau Ecoregion program.

\$30,000
The Nature Conservancy, Inc.
Arlington, VA; Northeast Ohio
regional conservation initiatives.

\$5,000
Portage County Park District
Ravenna, OH; Park district strategic plan.

\$25,000
Rural Action, Inc.
Trimble, OH; Building Sustainable
Forest Economics project.

\$2,000
Tip of the Mitt Watershed Council
Petoskey, MI; Scholarships for Lake
Erie Basin participants in Great Lakes
Grassroots Symposium Training.

\$50,000
Trust for Public Land
San Francisco, CA; Ohio field office
operating support.

\$30,000
Union of Concerned Scientists
Cambridge, MA; Stemming the Tide of
Invasive Species project.

\$50,000 (over 2 years)
Water Watch of Oregon
Portland, OR; Operating support.

◀ \$454,164
Subtotal (16 GRANTS)

ENVIRONMENTAL JOURNALISM/ PUBLIC EDUCATION

\$10,000
Field Notes Productions Inc.
Saratoga Springs, NY; Radio series on
the impact of climate change on the
Great Lakes region.

\$30,000
Ohio Citizen Action Education Fund
Columbus, OH; Open Secrets Project
on political campaign contributions.

\$90,000
Ohio League of Conservation Voters
Education Fund
Columbus, OH; Environmental
message development.

\$7,000
The Society of Environmental
Journalists Inc.
Jenkintown, PA; Conference fellowships
for Ohio journalists.

◀ \$137,000
Subtotal (4 GRANTS)

GREEN BUILDINGS, SUSTAINABLE BUSINESS AND ENERGY

\$50,000
The Cleveland Green Building
Coalition, Inc.
Cleveland, OH; Operating support.

\$10,000
The Cleveland Green Building
Coalition, Inc.
Cleveland, OH; Documentation of
Northeast Ohio green building community.

\$45,730 (over 18 months)
Cleveland State University
Foundation, Inc.
Cleveland, OH; Development of curric-
ulum related to green campus buildings.

\$4,000
Geauga Park District Foundation
Chardon, OH; West Woods Green
Roof project interpretive signage and
information brochure.

\$35,000
Green Energy Ohio
Columbus, OH; Operating support.

\$7,500
Oberlin College
Oberlin, OH; Book on the evolution
of the Environmental Studies Center.

\$30,000
Shaker Lakes Regional Nature Center
Cleveland, OH; Green building.

◀ \$182,230
Subtotal (7 GRANTS)

NONPROFIT LEADERSHIP DEVELOPMENT AND COALITION BUILDING

\$2,500
Cleveland Metroparks System
Cleveland, OH; Park and Recreation
National Symposium.

\$2,500
Cuyahoga River Community Planning
Organization
Cleveland, OH; Environmental
Collaboration Project.

\$15,000
EcoCity Cleveland
Cleveland, OH; Burning River Fest.

\$10,000
Lake Erie Region Conservancy, Inc.
Erie, PA; Great Lakes Aid project.

\$40,000 (over 18 months)
Ohio PIRG Education Fund Inc.
Columbus, OH; Ohio environmental
fellowship program.

◀ \$70,000
Subtotal (5 GRANTS)

PROTECTION OF HUMAN HEALTH

\$58,119 (over 2 years)
American Lung Association of Ohio
Independence, OH; Cleveland Clean
Air Century Campaign.

\$45,000
Beyond Pesticides
Washington, DC; Pesticide reduction
in Northeast Ohio schools.

\$43,399
Buckeye Environmental Network
Grove City, OH; Operating support.

\$25,000
Environmental Defense, Incorporated
New York, NY; Keep Antibiotics
Working campaign.

\$70,000 (over 2 years)
National Wildlife Federation
Reston, VA; Clean the Rain/Mercury
Phaseout Project in Ohio.

\$200,000 (over 2 years)
The Ohio Environmental Council
Columbus, OH; Operating support.

\$30,000
Ohio PIRG Education Fund Inc.
Columbus, OH; Restore Lake Erie
project.

◀ \$471,518
Subtotal (7 GRANTS)

SMART GROWTH

\$210,000 (over 2 years)
EcoCity Cleveland
Cleveland, OH; Greater Ohio operating
support.

\$70,000
EcoCity Cleveland
Cleveland, OH; Operating support.

\$9,625
EcoCity Cleveland
Cleveland, OH; Travel scholarships for
Advancing Regional Equity Summit.

\$40,000
The Environmental and Energy
Study Institute
Washington, DC; Energy policy and
smart growth/energy efficiency programs.

\$70,000 (over 2 years)
Ohio Association of Railroad
Passengers
Columbus, OH; Policy advocacy on
rail transportation.

\$5,000
Ohio to Erie Trail Fund
Columbus, OH; Operating support.

\$45,000 (over 2 years)
Rails to Trails Conservancy
Washington, DC; Operating support
for Ohio office and Ohio trail advocates'
participation in annual conference.

\$120,000 (over 2 years)
Smart Growth America
Washington, DC; Advocacy and
communications plan.

\$5,635
Smart Growth America
Washington, DC; Annual meeting
scholarships for Ohio participants.

\$4,000
Smart Growth America
Washington, DC; Growth
Management Leadership Alliance.

\$10,000
Surface Transportation Policy Project
Washington, DC; Moving from the
Margins to the Mainstream workshop
in Ohio.

\$45,000
Western Reserve RC&D, Inc.
Painesville, OH; Farmland Center.

◀ \$634,260
Subtotal (12 GRANTS)

SPECIAL/EXPLORATORY

\$500,000 (over 2 years)
Cuyahoga County Planning Commission
Cleveland, OH; Cuyahoga Valley
Initiative organizational planning and
start-up.

\$10,000
The Nature Conservancy, Inc.
Arlington, VA; Greg Gund memorial.

◀ \$510,000
Subtotal (2 GRANTS)

PROGRAM-RELATED INVESTMENT

\$500,000
Enterprise Housing Financial Services
Columbia, MD; Affordable green
housing in Cleveland.

◀ \$500,000
Subtotal (1 PROGRAM-RELATED
INVESTMENT)

◀ \$2,959,172
Total (53 GRANTS & 1 PROGRAM-
RELATED INVESTMENT)

HUMAN SERVICES

THE FOUNDATION PRIORITIZED INVESTMENT IN STATE AND FEDERAL POLICY ANALYSIS AND ADVOCACY EFFORTS AIMED AT PRESERVING SAFETY NET PROGRAMS FOR OUR MOST VULNERABLE CITIZENS, PARTICULARLY CHILDREN. A HIGHLIGHT WAS FURTHER EXPANSION OF OUR COMMITMENT TO INCREASING ACCESS TO HIGH-QUALITY EARLY CARE AND EDUCATION FOR CHILDREN AGES BIRTH TO 6. WE ALSO HELPED LAUNCH EFFORTS TO CATALYZE REFORM IN OHIO'S CHILD PROTECTION AND JUVENILE JUSTICE SYSTEMS. HUMAN SERVICES GRANTMAKING TOTALED \$2,831,920.

CHILD AND FAMILY DEVELOPMENT

\$35,000
Action Against Crime and Violence
Education Fund
Washington, DC; Fight Crime: Invest
In Kids Ohio office.

\$40,000
The Action for Children of
Franklin County
Columbus, OH; Coordination
of existing Ohio early childhood
development initiatives.

\$100,000
Adoption Network Cleveland
Cleveland, OH; Adopt Cuyahoga's
Kids initiative and operating support.

\$10,000
Boys & Girls Clubs of Cleveland
Cleveland, OH; Summer programs.

\$7,500
Catholic Diocese of Cleveland
Foundation
Cleveland, OH; Greater Cleveland
Camping Alliance.

\$250,000 (over 3 years)
Center for Families and Children
Cleveland, OH; Building on Hope
Campaign.

\$300,000 (over 2 years)
Civil Society Institute, Inc.
Newton Centre, MA; Building
Early Learning Systems in the States
initiative.

\$137,000
Cuyahoga County Board of
Commissioners
Cleveland, OH; Invest in Children.

\$60,000 (over 2 years)
General Assembly of The Christian
Church Disciples of Christ Inc.
Indianapolis, IN; Cleveland Christian
Home adoptive homes recruitment.

\$10,000
Glenville Community Youth Center
Cleveland, OH; Youth Summer
Employment and Youth Enrichment
Program.

\$200,000 (over 2 years)
National Women's Law Center
Washington, DC; Operating support.

\$100,000
Northern Kentucky Children's Law
Center, Inc.
Covington, KY; Ohio office operating
support.

\$7,500
Northern Kentucky Children's Law
Center, Inc.
Covington, KY; Litigation expenses
related to conditions at state youth
services facilities.

\$17,500
Parkworks, Inc.
Cleveland, OH; Community Park
Liaisons program.

\$9,920
Police Athletic League
Cleveland, OH; Cudell Summer
Basketball League.

\$30,000
Towards Employment, Incorporated
Cleveland, OH; Bridge operating
support.

up to \$67,500
Voices for Children of Greater
Cleveland
Cleveland, OH; Operating support and
juvenile justice convening.

\$55,000
Voices for Children of Greater
Cleveland
Cleveland, OH; Operating support.

◀ \$1,436,920
Subtotal (18 GRANTS)

EMERGING NEEDS

\$40,000
The Focus Project
Washington, DC; Fiscal policy project.

\$5,000
Media In The Public Interest Inc.
Boise, ID; Operating support.

\$75,000
The Urban Institute
Washington, DC; Tax Policy Center.

◀ \$120,000
Subtotal (3 GRANTS)

MEETING BASIC NEEDS

\$270,000 (over 2 years)

Case Western Reserve University
Cleveland, OH; Center on Urban
Poverty and Social Change.

\$75,000

The Center for Community Solutions
Cleveland, OH; Campaign to Protect
Ohio's Future.

\$8,000

Coalition on Homelessness and Housing
in Ohio
Columbus, OH; Operating support.

\$6,500

Contact Center, Inc.
Cincinnati, OH; Ohio Empowerment
Coalition.

\$35,000

The Free Medical Clinic of Greater
Cleveland
Cleveland, OH; Syringe Exchange
Program.

\$50,000

Georgetown University
Washington, DC; Federal Medicaid
advocacy.

\$20,000

Greater Cleveland Healthcare
Association
Cleveland, OH; Northeast Ohio
Nursing Initiative.

\$225,000 (over 2 years)

Health Policy Institute of Ohio
Columbus, OH; Operating support.

\$1,500

InterReligious Partners in Action of
Greater Cleveland
Cleveland, OH; Homeless Stand Down
and Community Health Fair.

\$25,000

Juvenile Justice Coalition Inc.
Bath, OH; Statewide juvenile rights
initiative.

\$40,000 (over 2 years)

Legal Aid Society of Cincinnati
Cincinnati, OH; Transition to
Employment program.

\$45,000

Ohio Association of Free Clinics
Columbus, OH; Operating
support and technology assistance
for member clinics.

\$10,000

Ohio Citizen Action Education Fund
Columbus, OH; Operating support.

\$10,000

Stop Targeting Ohio's Poor
Cleveland, OH; Family Connection
Center.

\$30,000

Young Men's Christian Association of
Cleveland Ohio, Inc.
Cleveland, OH; Y-Haven transitional
expenses.

✦ \$851,000

Subtotal (15 GRANTS)

REPRODUCTIVE HEALTH

\$60,000

American Civil Liberties Union
Foundation, Inc.
New York, NY; Reproductive Freedom
Project.

\$25,000

The Christian Community Inc.
Fort Wayne, IN; Gift of Sexuality
education program.

\$1,000

Funders Network on Population
Reproductive Health & Rights
Takoma Park, MD; Washington policy
briefing.

\$40,000

National Abortion Rights Action League
of Ohio Education Foundation
Cleveland, OH; Operating support.

\$90,000 (over 18 months)

Planned Parenthood Affiliates of Ohio
Institute for Research
Columbus, OH; State education and
advocacy expansion.

\$100,000

Planned Parenthood of Cleveland, Inc.
Cleveland, OH; Campaign for a
Healthier Tomorrow.

✦ \$316,000

Subtotal (6 GRANTS)

SPECIAL PROGRAMS

\$100,000

Care Alliance
Cleveland, OH; Care Alliance Health
Center renovation.

\$8,000

Ohio Association of County Behavioral
Health Authorities
Columbus, OH; Legislative briefings.

✦ \$108,000

Subtotal (2 GRANTS)

✦ \$2,831,920

Total (44 GRANTS)

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 COMMITMENTS GRANTMAKING TOTALED \$2,256,230.

PHILANTHROPIC SERVICES

\$5,000
BoardSource
Washington, DC; Operating support.

\$30,000
Business Volunteers Unlimited
Cleveland, OH; Assistance to nonprofit organizations.

\$5,000
Communication Network
Silver Spring, MD; Annual conference in Cleveland.

\$34,600
Council on Foundations, Inc.
Washington, DC; Operating support.

\$25,000
Diocese of Ohio Episcopal Community Services Foundation
Cleveland, OH; Social outreach programs.

\$25,000
The Foundation Center
Cleveland, OH; Operating support.

\$2,500
Fundors for Lesbian and Gay Issues Inc.
New York, NY; Operating support.

\$5,000
Grantmakers for Children, Youth & Families, Inc.
Silver Spring, MD; Operating support.

\$10,000
Grantmakers For Education
Portland, OR; Operating support.

\$5,000
Grantmakers for Effective Organizations
Washington, DC; Operating support.

\$3,000
Grantmakers in the Arts
Seattle, WA; Operating support.

\$4,000
Grantmakers in Health
Washington, DC; Operating support.

\$5,000
The Greater Cleveland Community Shares
Cleveland, OH; 20th anniversary events.

\$25,000
Independent Sector
Washington, DC; 25th anniversary.

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

\$10,000
National Committee for Responsive Philanthropy
Washington, DC; Operating support.

\$7,500
Neighborhood Funders Group, Inc.
Washington, DC; Program-Related Investment Makers Network.

\$3,500
Neighborhood Funders Group, Inc.
Washington, DC; Operating support.

\$15,000
Ohio Association of Nonprofit Organizations
Columbus, OH; Operating support.

\$8,000
Ohio Grantmakers Forum
Columbus, OH; Operating expenses.

\$7,500
Ohio Grantmakers Forum
Columbus, OH; Policy briefing report.

\$5,000
Philanthropic Research Inc.
Williamsburg, VA; Guidestar operating expenses.

\$2,130
Rockefeller Family Fund, Inc.
New York, NY; Environmental Grantmakers Association.

\$1,000
Rockefeller Family Fund, Inc.
New York, NY; Sustainable Agriculture and Food Systems Funders.

◀ \$256,230
Subtotal (24 GRANTS)

RETINAL DISEASE RESEARCH

\$2,000,000
The Foundation Fighting Blindness
Owings Mills, MD; Retinal degenerative disease research.

◀ \$2,000,000
Subtotal (1 GRANT)

◀ \$2,256,230
Total (25 GRANTS)

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

December 31	2005	2004
ASSETS		
Cash and cash equivalents	\$ 885,573	\$ 18,557,143
Marketable and U.S. Government securities	473,170,652	465,480,729
Interest and dividends receivable	475,735	673,106
Federal excise tax	207,947	353,621
Other assets	280,243	286,508
Total assets	<u>\$ 475,020,150</u>	<u>\$ 485,351,107</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 546,042	\$ 374,684
Grants payable	9,341,846	12,581,710
Deferred federal excise tax	1,978,424	2,351,607
Total liabilities	<u>11,866,312</u>	<u>15,308,001</u>
NET ASSETS		
Unrestricted	<u>463,153,838</u>	<u>470,043,106</u>
Total liabilities and net assets	<u>\$ 475,020,150</u>	<u>\$ 485,351,107</u>

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

STATEMENTS OF ACTIVITIES

For the Years Ended December 31	2005	2004
REVENUES AND GAINS (LOSSES)		
Net realized investment gains	\$ 24,986,447	\$ 15,918,494
Net unrealized investment gains (losses)	(18,298,693)	34,412,096
Dividend income	4,940,761	5,940,373
Interest income	4,059,675	3,918,997
Other income	2,434	42,773
Total revenues and gains (losses)	<u>15,690,624</u>	<u>60,232,733</u>
EXPENSES		
Grants authorized	18,003,179	27,818,047
Administrative expenses	4,265,980	3,657,382
Total expenses	<u>22,269,159</u>	<u>31,475,429</u>
Increase (decrease) in net assets before federal excise tax provision	(6,578,535)	28,757,304
Federal excise tax provision	310,733	1,177,288
Net increase (decrease) in net assets	<u>(6,889,268)</u>	<u>27,580,016</u>
Net assets – beginning	470,043,106	442,463,090
Net assets – ending	<u>\$ 463,153,838</u>	<u>\$ 470,043,106</u>

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

FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

For the Years Ended December 31

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (6,889,268)	\$ 27,580,016
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Depreciation and amortization	55,171	70,157
Net realized gains on securities	(24,986,447)	(15,918,494)
Net unrealized losses (gains) on securities	18,298,693	(34,412,096)
Deferred federal excise tax	(373,183)	685,353
Changes in assets and liabilities:		
Receivables	343,045	665,567
Other assets	113	(2,313)
Accounts payable and accrued expenses	171,358	(71,583)
Grants payable	(3,239,864)	6,995,910
Net cash used in operating activities	(16,620,382)	(14,407,483)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of securities	175,270,728	178,237,635
Purchase of investments	(176,272,897)	(221,901,591)
Purchase of equipment and improvements	(49,019)	(44,334)
Net cash used in investing activities	(1,051,188)	(43,708,290)
Net decrease in cash and cash equivalents	(17,671,570)	(58,115,773)
Cash and cash equivalents – beginning	18,557,143	76,672,916
Cash and cash equivalents – ending	\$ 885,573	\$ 18,557,143
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year:		
Income taxes, excise	\$ 500,000	\$ —
Interest	\$ —	\$ —

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2005 and 2004

NOTE I – 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.

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

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.

FINANCIAL STATEMENTS

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.

Investments Marketable and U.S. securities are reported at their market value. 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. Presenting the fair value of program-related investments is impractical since the purpose of these investments is to provide low interest loans to nonprofit organizations to assist them in their specific projects.

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, 2005 and 2004, as provided by the fund managers. Market values as of December 31, 2005 and 2004 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, 2005 and 2004, the Foundation had total unfunded capital commitments to alternative investments of \$8,951,093 and \$11,725,663, 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 expense amounted to \$55,171 and \$70,157 for the years ended December 31, 2005 and 2004, respectively.

NOTE 2 – INVESTMENTS

Cost and market value of investments held at December 31, 2005 and 2004 were as follows:

	2005		2004	
	Market Value	Cost	Market Value	Cost
Fixed income securities	\$ 45,476,840	\$ 46,922,688	\$ 48,064,804	\$ 48,542,990
Common stocks and alternative investments	427,693,812	244,219,568	417,415,925	216,541,337
Total	\$ 473,170,652	\$ 291,142,256	\$ 465,480,729	\$ 265,084,327

Market values of investments are based on December 31, 2005 and 2004 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 – EMPLOYEE BENEFIT PLAN

The Foundation has an employee's tax-sheltered annuity plan for substantially all employees. Employer contributions are required at 9% of participants' compensation up to the Social Security wage base and 14.7% of the participant's compensation in excess of this wage base, with a limit of \$210,000 of compensation. Contributions to the plan for the years ended December 31, 2005 and 2004 amounted to \$99,175 and \$94,301, respectively.

FINANCIAL STATEMENTS

NOTE 4 – CREDIT CONCENTRATION

Aside from their holdings in the Kellogg Company, the Foundation's portfolio of investments is highly diversified; however, at December 31, 2005 and 2004, 27% and 28%, respectively, of the total market value of securities and 64% and 50%, respectively, of dividend income in each year are attributable to ownership of Kellogg Company stock. The Foundation has a concentration of risk in its cash position as of December 31, 2005 in that the Foundation has approximately \$7,100,000 in one checking account that is insured by the F.D.I.C. up to a limit of \$100,000.

NOTE 5 – EXCISE TAXES

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (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 and deferred excise taxes were provided at 2% for 2005 and 2004. The current and deferred portions of the excise tax provisions were \$683,916 and \$(373,183), respectively, netting to \$310,733 in 2005. The current and deferred portions of the excise tax provisions were \$491,935 and \$685,353, respectively, netting to \$1,177,288 in 2004.

NOTE 6 – NET ASSETS

Net assets include the accounts of 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. At December 31, the statements of financial position included the following income fund accounts:

	2005	2004
Cash	\$ 323,315	\$ 478,111
Receivables	683,682	1,026,727
Other assets	18,508	18,622
Due from (to) principal fund	(28,043)	58,057
Accounts payable	(546,042)	(374,684)
Grants payable	(9,341,846)	(12,581,710)
Deferred federal excise tax	2,994	(4,215)
	<u>\$ (8,887,432)</u>	<u>\$ (11,379,092)</u>

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

	2005	2004
Income fund	\$ 2,491,660	\$ (8,622,911)
Principal fund	(9,380,928)	36,202,927
Increase (decrease) in net assets	(6,889,268)	27,580,016
Net assets – beginning	470,043,106	442,463,090
Net assets – ending	<u>\$ 463,153,838</u>	<u>\$ 470,043,106</u>

The change in individual funds includes transfers by the Foundation of \$16,434,656 in 2005 and \$13,439,421 in 2004 from the principal fund to the income fund.

FINANCIAL STATEMENTS

NOTE 7 – LEASES

The Foundation occupies office space in the Landmark Office Towers under a lease that extends to January 31, 2010. Base annual rentals are \$123,833 through February 1, 2005 and \$129,461 for the remaining term of the lease, with escalation charges from these base rentals. There are renewal options for two additional periods of five years each. Rental expense for the years ended December 31, 2005 and 2004 amounted to \$141,866 and \$132,559, respectively.

The future minimum lease commitments under leases with terms in excess of one year are as follows:

2006	\$ 129,461
2007	129,461
2008	129,461
2009	129,461
2010	10,789
	<u>\$ 528,633</u>

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, 2005 and 2004, 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, 2005 and 2004, 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
March 14, 2006

GRANT PROGRAM GUIDELINES

The George Gund Foundation's long-standing interests in the arts, economic development and community revitalization, education, the environment and human services are reflected in the guidelines below. Uniting them and coursing through the history of the Foundation is a deep commitment to place, to the Greater Cleveland community that is the home of the Foundation. The Foundation's philanthropic stewardship of this region derives from its roots, from our belief that Cleveland can continue to develop original solutions to urban problems 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 our belief that thriving cities are the nation's best hope for addressing our essential problems. This sense of stewardship increasingly causes the Foundation to acknowledge that many grant proposals do not fit neatly into one program area. Indeed, the work of many nonprofit organizations brings together aspects of several of our core concerns.

Recognition of these interrelationships draws the Foundation toward support of funding opportunities that cross program boundaries and that integrate elements of these various disciplines. Program areas remain points of focused attention, but we expect to be ever more interdisciplinary in our approach. This will be particularly evident with regard to initiatives that aim to make urban areas, in particular Cleveland, globally competitive and increasingly livable because it is in this domain that the greatest need and opportunity converge with the Foundation's primary interests and ongoing stewardship.

Although our focus is centered in Greater Cleveland, a portion of Foundation grantmaking will continue to support state and national policymaking that bolsters our work.

ARTS

The Foundation values and supports the role the arts play in making Cleveland and its region a more desirable place to live, fostering 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 local projects that emphasize artistic quality, innovative programming, reaching new audiences and organizational development. We also try to balance support for Cleveland's long-standing institutions with funding for newer organizations that promise to reach different audiences and cultures and to expand the city's artistic offerings. Arts education continues to be a high 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 & 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. Specific physical development proposals in Cleveland neighborhoods are usually

not considered directly but are referred to Neighborhood Progress, Inc., a local intermediary supported by the Foundation. Likewise, specific proposals for economic development initiatives are referred to the Fund for Our Economic Future, a collaboration of many philanthropic organizations in the region.

Highest priority is given to initiatives that bolster the impact of Foundation-supported intermediary organizations working to improve the competitiveness of Cleveland and its metropolitan region. Examples of such initiatives include quality urban planning and design efforts, improvements to urban parks and other public spaces and promotion of equal opportunity and diversity in housing and the workplace. Also receiving serious consideration are proposals that significantly leverage other resources for redevelopment of Cleveland's downtown, neighborhoods and first-ring suburbs. Proposals of national or statewide significance are considered, but they must demonstrate a substantial contribution toward the Foundation's locally oriented economic development and community revitalization objectives.

EDUCATION

Education is fundamental to success, and the Foundation is especially conscious of the vital role of the Cleveland Municipal School District in any successful strategy to advance this region's prospects. Consequently, the Foundation's concern for improving primary and secondary education is focused on that school district and, to a lesser degree, on public schools in the first-ring suburbs. Our emphasis is on systemic school improvements, particularly in the areas of management and teacher quality, academic programs that address the needs of

disadvantaged children and efforts to better connect schools with their communities.

Colleges and universities are playing an ever larger role in the economic and community lives of their regions, and the Foundation supports efforts of public and private universities in Greater Cleveland to forge these innovative ventures. An additional area of interest is increasing access to higher education for disadvantaged students.

Some support is provided to organizations that work to advance educational equity and excellence through state and national policy and to build and strengthen support for public education.

ENVIRONMENT

Human well-being is inextricably linked to the quality of the environment, and urban areas bring this fact into sharp focus as historic disregard for the environment and modern development pressures create great challenges. The Foundation responds by making grants to organizations that work to address environmental issues in Northeast Ohio and statewide policies that affect Northeast Ohio. In addition, we have an interest in the environment of the Lake Erie ecosystem. The Foundation focuses on six substantive areas: Smart Growth and Livable Communities, which promotes alternatives to urban sprawl; Green Buildings, Sustainable Business and Energy, which seeks to advance approaches to reduced energy consumption and waste; Conservation of Natural Systems and Biodiversity, which focuses on conserving intact, high-quality ecosystems and threatened biodiversity; Protection of Human Health, which supports organizations that work to reduce environmental health threats; Journalist Training, which

provides support for media to increase public awareness of environmental issues; and Leadership Development, which seeks to enhance skills of nonprofit environmental organization leaders.

Within these areas, a wide range of proposals will be considered for Northeast Ohio. Statewide emphasis is on policy issues and organizations that assist grassroots groups. Limited support is provided to organizations that work at the national level on federal policies and programs that affect Ohio.

HUMAN SERVICES

The Foundation believes that heightened focus on developing a more globally competitive city and region demands direct concurrent attention to the needs of those most at risk of being left out of social and economic transformation. We recognize this by helping to meet immediate human needs in Greater Cleveland and, especially, by supporting organizations working to alleviate those needs through policy changes locally, in the state of Ohio and at the national level. Areas of particular interest are tax and fiscal policy analysis and building the analytical and advocacy capacity of nonprofit organizations.

As a means of investing in the future, the Foundation pays special attention to the needs of disadvantaged children through grants to support early childhood care and education, abuse prevention, improved foster care and adoption systems and assessment of the impact of welfare reform. 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, to the legal system, to

community support following release from prison and to safe and affordable reproductive health services.

The Foundation normally does not consider grants for endowments or capital needs, including renovation, equipment or construction, except in special circumstances or when part of a larger project. Grants are not made for debt reduction or to fund benefit events. Funding for conferences, publications and media is limited to projects directly related to priorities in the Foundation’s five program areas.

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.

GRANT APPLICATION PROCEDURES

Proposals are considered by the Foundation's Trustees in March, June, September and December. Deadlines for submitting proposals for consideration at the next regularly scheduled meeting of the Trustees are December 30, March 30, June 30 and September 30. Proposals are due the next business day if a deadline falls on a weekend. Faxed or electronic proposals are not accepted. Please do not submit proposals in notebooks, binders or plastic folders.

Each proposal should include a one-page cover letter describing the project and the amount of funds being requested. The proposals should also include:

ORGANIZATIONAL BACKGROUND

History, mission, 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

Current year budget and proposed budget for project year(s) showing both income and expenses, the organization's most recent audited financial statement.

SUPPORTING DOCUMENTS

List of current trustees, letters of support, readily available printed material about organization such as annual reports or brochures, IRS letter confirming Internal Revenue Code 501(c)(3) status and classification as a public charity or information confirming status as a government unit or agency.

All grant applications and requests for information should be addressed to: The George Gund Foundation, 1845 Guildhall Building, 45 Prospect Avenue West, Cleveland, Ohio 44115 (telephone 216.241.3114).

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

Grantseekers 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.

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 \$455 million toward the advancement of human welfare.

By Geoffrey Gund, President

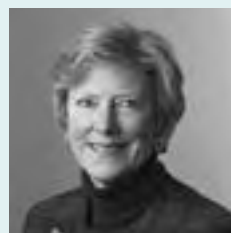
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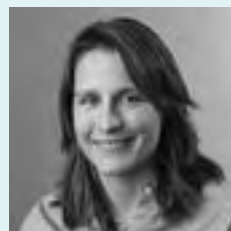
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