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.
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
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.
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.
ON THE BANK OF THE CUYAHOGA RIVER NEAR BOSTON STORE
A bend in the CUYAHOGA RIVER near Stumpy Basin.
CUYOHGA VALLEY SCENIC RAILROAD ALONG THE CUYAHOGA RIVER
VIADUCT OF THE OHIO TURNPIKE
## 2005

<table>
<thead>
<tr>
<th>Category</th>
<th>Grants/Investment</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts</td>
<td>71 grants</td>
<td>$5,983,335</td>
</tr>
<tr>
<td>Economic Development &amp; Community Revitalization</td>
<td>47 grants</td>
<td>$1,765,622</td>
</tr>
<tr>
<td>Education</td>
<td>52 grants</td>
<td>$2,760,400</td>
</tr>
<tr>
<td>Environment</td>
<td>53 grants &amp; 1 program-related investment</td>
<td>$2,959,172</td>
</tr>
<tr>
<td>Human Services</td>
<td>44 grants</td>
<td>$2,831,920</td>
</tr>
<tr>
<td>Special Commitments</td>
<td>25 grants</td>
<td>$2,256,230</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>292 grants &amp; 1 program-related investment</strong></td>
<td><strong>$18,556,679</strong></td>
</tr>
<tr>
<td>Total since inception of the Foundation in 1952</td>
<td></td>
<td><strong>$455,882,660</strong></td>
</tr>
</tbody>
</table>
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 TOTED $5,983,335.

- EDUCATION

$15,000
Americans for the Arts
Washington, D.C.; 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)
ieastream
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)
$3,000
CityMusic Cleveland Inc.
Cleveland, OH; Musician fees.

$22,000
Cleveland Contemporary Dance Theatre
Cleveland, OH; Operating and planning support.

$35,000
The Cleveland Modern Dance Association
Cleveland, OH; Operating support.

$110,000
The Cleveland Play House
Cleveland, OH; Operating support.

$70,000
The Cleveland Public Theatre, Inc.
Cleveland, OH; Operating and DanceWorks support.

$7,500
Cleveland Shakespeare Festival
Cleveland, OH; Free outdoor summer performances.

$10,000
The Cleveland Theater Collective
Cleveland, OH; Operating support.

$5,000
Convergence-Continuum
Cleveland, OH; Artistic expenses.

$25,000
Cuyahoga Community College Foundation
Cleveland, OH; Tri-C JazzFest.

$20,000
Dobama Theatre, Inc.
Cleveland Heights, OH; Operating support.

$25,000
The Ensemble Theater
Cleveland Heights, OH; Artistic and marketing support.

$5,000
Gabrod, Inc.
Cleveland, OH; Pointe of Departure marketing.

$30,000 (over 15 months)
Groundworks DanceTheater
Cleveland Heights, OH; Operating support.

$5,000
Groundworks DanceTheater
Cleveland Heights, OH; Planning activities.

$50,000
Karamu House
Cleveland, OH; Theater support.

$40,000
Lyric Opera Cleveland
Cleveland, OH; Operating support.

$40,000
Lyric Opera Cleveland
Cleveland, OH; Operating support.

$1,000,000 (over 4 years)
Musical Arts Association The Cleveland Orchestra
Cleveland, OH; Transition funding.

$15,000
New Cleveland Opera Company, dba Cleveland Opera
Cleveland, OH; Merger exploration.

$10,000
New Cleveland Opera Company, dba Cleveland Opera
Cleveland, OH; Emergency operating support.

$25,000
The New Orchestra of Cleveland
Solon, OH; Operating support.

$18,000
Opera Circle, Inc.
Cleveland, OH; Operating and special project support.

$5,000
Piano International Association of Northern Ohio
Cleveland, OH; Competition expenses.

$25,000
Professional Flair, Inc.
Cleveland, OH; 25th anniversary season.

$5,750
Safmod Performance Ensemble
Cleveland, OH; Transitional expenses.

$7,500
University Circle Incorporated
Cleveland, OH; Wade Oval Wednesdays.

$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.

- **$72,250**  
  **Cleveland Institute of Art**  
  Cleveland, OH; Market analysis and facility plan.

- **$75,000**  
  **The Cleveland International Film Festival, Inc.**  
  Cleveland, OH; “Millionaires’ Row: The Legacy of Euclid Avenue” exhibition.

<table>
<thead>
<tr>
<th>Grant Amount</th>
<th>Organization</th>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100,000</td>
<td>Cleveland Public Art, Inc.</td>
<td>Cleveland, OH</td>
<td>Operating and project support.</td>
</tr>
<tr>
<td>$210,000</td>
<td>The Community Partnership for Arts and Culture</td>
<td>Cleveland, OH</td>
<td>Operating support.</td>
</tr>
<tr>
<td>$25,000</td>
<td>Downtown Cleveland Partnership</td>
<td>Cleveland, OH</td>
<td>Sparx in the City.</td>
</tr>
<tr>
<td>up to $20,000</td>
<td>Poets’ &amp; Writers’ League of Greater Cleveland</td>
<td>Cleveland, OH</td>
<td>Strategic planning.</td>
</tr>
<tr>
<td>$7,000</td>
<td>Spirit of Cleveland, Inc.</td>
<td>Cleveland, OH</td>
<td>Arts and Cultural Marketing Resource Center.</td>
</tr>
<tr>
<td>$20,000</td>
<td>The Western Reserve Historical Society</td>
<td>Cleveland, OH</td>
<td>“Millionaires’ Row: The Legacy of Euclid Avenue” exhibition.</td>
</tr>
<tr>
<td>$10,000</td>
<td>The Cleveland Museum of Art</td>
<td>Cleveland, OH</td>
<td>NEO Show.</td>
</tr>
<tr>
<td>$7,980</td>
<td>Cleveland Public Art, Inc.</td>
<td>Cleveland, OH</td>
<td>Unity Walk sculpture restoration.</td>
</tr>
<tr>
<td>$2,100,000 (over 5 years)</td>
<td>Museum of Contemporary Art Cleveland</td>
<td>Cleveland, OH</td>
<td>Capital campaign for a new facility in University Circle.</td>
</tr>
<tr>
<td>$90,000</td>
<td>Museum of Contemporary Art Cleveland</td>
<td>Cleveland, OH</td>
<td>Operating support.</td>
</tr>
<tr>
<td>$25,000 (over 2 years)</td>
<td>Parkworks, Inc.</td>
<td>Cleveland, OH</td>
<td>Mural My Neighborhood program.</td>
</tr>
<tr>
<td>$20,000</td>
<td>St. Vincent Quadrangle, Inc.</td>
<td>Cleveland, OH</td>
<td>Flat Files Project.</td>
</tr>
<tr>
<td>$7,500</td>
<td>Zygote Press Inc.</td>
<td>Cleveland, OH</td>
<td>Staff support.</td>
</tr>
<tr>
<td>$2,266,980</td>
<td>Subtotal (9 grants)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$5,983,335</td>
<td>Total (71 grants)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### VISUAL ARTS

- **$3,500**  
  **Artists Archives of the Western Reserve**  
  Cleveland, OH; Greg Gund memorial.

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

<table>
<thead>
<tr>
<th>Grant Amount</th>
<th>Organization</th>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,000</td>
<td>Christ the King Catholic Church</td>
<td>East Cleveland, OH</td>
<td>Progress with Paint mural project.</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Organization</th>
<th>Amount</th>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleveland Development Foundation</td>
<td>$7,500</td>
<td>Cleveland, OH; Workforce Summit</td>
<td></td>
</tr>
<tr>
<td>Ohio MEMS Association Inc.</td>
<td>$1,500</td>
<td>Cleveland, OH; Economic Summit for Microsystems and Nanotechnology.</td>
<td></td>
</tr>
<tr>
<td>Westside Industrial Retention &amp; Expansion Network</td>
<td>$65,000</td>
<td>Cleveland, OH; Manufacturing Innovation Initiative.</td>
<td></td>
</tr>
<tr>
<td>Subtotal (3 grants)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Employment and Training

<table>
<thead>
<tr>
<th>Organization</th>
<th>Amount</th>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Growth Foundation</td>
<td>$10,000</td>
<td>Cleveland, OH; National Development Council Training for Northeast Ohio</td>
<td></td>
</tr>
<tr>
<td>Hard Hatted Women</td>
<td>$30,000</td>
<td>Cleveland, OH; University Circle diversity in economic development project.</td>
<td></td>
</tr>
<tr>
<td>Subtotal (2 grants)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Housing and Community Development

<table>
<thead>
<tr>
<th>Organization</th>
<th>Amount</th>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alliance of Cleveland HUD Tenants</td>
<td>$4,000</td>
<td>Cleveland, OH; 10th anniversary conference.</td>
<td></td>
</tr>
<tr>
<td>Cleveland Housing Network, Inc.</td>
<td>$80,000</td>
<td>Cleveland, OH; Business plan implementation.</td>
<td></td>
</tr>
<tr>
<td>Cleveland Neighborhood Development Corporation</td>
<td>$35,000</td>
<td>Cleveland, OH; Operating support.</td>
<td></td>
</tr>
<tr>
<td>Cleveland Restoration Society, Inc.</td>
<td>$40,000</td>
<td>Cleveland, OH; Neighborhood housing and landmark preservation programs.</td>
<td></td>
</tr>
<tr>
<td>First Suburbs Consortium Development Council</td>
<td>$30,000</td>
<td>Cleveland Heights, OH; Development assistance to Cleveland’s first-ring suburbs.</td>
<td></td>
</tr>
<tr>
<td>Ohio CDC Association</td>
<td>$20,000</td>
<td>Columbus, OH; Operating support.</td>
<td></td>
</tr>
<tr>
<td>Shaker Square Area Development Corporation</td>
<td>$10,000</td>
<td>Cleveland, OH; Livington Park Apartments parkscape improvements.</td>
<td></td>
</tr>
<tr>
<td>Subtotal (7 grants)</td>
<td>$219,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Neighborhood Revitalization

<table>
<thead>
<tr>
<th>Organization</th>
<th>Amount</th>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleveland Historic Warehouse District Development Corp.</td>
<td>$20,000 (over 6 months)</td>
<td>Cleveland, OH; Downtown redevelopment activities.</td>
<td></td>
</tr>
<tr>
<td>Cleveland State University Foundation, Inc.</td>
<td>$29,958</td>
<td>Cleveland, OH; Project on form-based zoning for Cleveland’s neighborhood commercial corridors.</td>
<td></td>
</tr>
<tr>
<td>Downtown Cleveland Partnership</td>
<td>$7,500</td>
<td>Cleveland, OH; Creation of Business Improvement District.</td>
<td></td>
</tr>
<tr>
<td>The Historic Gateway Neighborhood Corporation</td>
<td>$20,000 (over 6 months)</td>
<td>Cleveland, OH; Downtown redevelopment activities.</td>
<td></td>
</tr>
<tr>
<td>Neighborhood Progress, Inc.</td>
<td>$10,000</td>
<td>Cleveland, OH; “Cleveland at the Crossroads: Turning Abandonment Into Opportunity,” a report on vacant properties.</td>
<td></td>
</tr>
<tr>
<td>Parkworks, Inc.</td>
<td>$35,000</td>
<td>Cleveland, OH; Lakefront programming.</td>
<td></td>
</tr>
</tbody>
</table>
$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, D.C; 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.

$5,000
Baldwin-Wallace College
Berea, OH; Study to improve the efficiency of fire and emergency services in five southwestern Cuyahoga County suburbs.

$7,500
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.

$2,000
American Council of Young Political Leaders Inc.
Washington, D.C; 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.

$5,000
Baldwin-Wallace College
Berea, OH; Study to improve the efficiency of fire and emergency services in five southwestern Cuyahoga County suburbs.

$7,500
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.

$25,000
Educational Fund to Stop Gun Violence
Washington, D.C; 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, D.C; Social Equity in Governance Summit in Cleveland.

$50,000
Northeast Ohio Technology Coalition
Cleveland, OH; OneCleveland initiative.

$7,500
Economic Policy Institute
Washington, D.C; EARN Conference.

$25,000
Educational Fund to Stop Gun Violence
Washington, D.C; 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, D.C; Social Equity in Governance Summit in Cleveland.

$40,000
Northeast Ohio Alliance for Hope We-Can
Cleveland, OH; Faith-based organizing in Greater Cleveland.

$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.

$25,000
Educational Fund to Stop Gun Violence
Washington, D.C; 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, D.C; Social Equity in Governance Summit in Cleveland.

$40,000
Northeast Ohio Alliance for Hope We-Can
Cleveland, OH; Faith-based organizing in Greater Cleveland.

$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.

$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
Cleveland, 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.

$739,950
Subtotal (21 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.

$40,000
Northeast Ohio Council on Higher Education
Fairlawn, OH; Strategic planning.

$100,000
Northeast Ohio Council on Higher Education
Fairlawn, OH; College 360 program to encourage students to attend college and remain in Northeast Ohio.

HIGHER EDUCATION

$10,000
Cuyahoga Community College Foundation
Cleveland, OH; Education and workforce training outreach.

$10,000
Thurgood Marshall Scholarship Fund
New York, NY; Operating support.

$10,000
United Negro College Fund, Inc.
Fairfax, VA; Operating support.

$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.

$75,000
Cleveland Municipal School District
Cleveland, OH; Cleveland Literacy System curriculum design.

$313,750
Subtotal (10 grants)

NATIONAL SCHOOL IMPROVEMENT

$75,000
Public Education Network
Washington, D.C.; Public hearings on the No Child Left Behind Act.

$138,250
Subtotal (2 grants)

PRINCIPAL 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.

$35,000
Cleveland Heights/University Heights Public Schools Foundation
Cleveland Heights, OH; Reaching Heights operating support.

$33,750
Subtotal (10 grants)

PRIMARY AND SECONDARY EDUCATION

$7,000
Chess for Success Inc.
Boston, MA; Young Heroes Program.

$35,000
Cleveland Heights/University Heights Public Schools Foundation
Cleveland Heights, OH; Reaching Heights operating support.

$10,000
City Year, Inc.
Boston, MA; Young Heroes Program.

$65,000
The University of Cincinnati Foundation
Cincinnati, OH; Teacher Quality Partnership program.

$35,000
Cleveland Heights/University Heights Public Schools Foundation
Cleveland Heights, OH; Teacher seminars.

$100,000
Cleveland Municipal School District
Cleveland, OH; Search firm expenses for CEO search.

$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.
<table>
<thead>
<tr>
<th>Amount</th>
<th>Organization</th>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$23,000</td>
<td>Cleveland Municipal School District</td>
<td>Cleveland, OH</td>
<td>Staffing for CEO search.</td>
</tr>
<tr>
<td>$100,000</td>
<td>Cleveland Scholarship Programs, Inc.</td>
<td>Cleveland, OH</td>
<td>College advisory services and last-dollar scholarships for Cleveland and first-ring suburban high school and middle school students.</td>
</tr>
<tr>
<td>$50,000</td>
<td>Cleveland SCORES</td>
<td>Cleveland, OH</td>
<td>Operating support.</td>
</tr>
<tr>
<td>$100,000</td>
<td>Cleveland Scholarship Programs, Inc.</td>
<td>Cleveland, OH</td>
<td>College advisory services and last-dollar scholarships for Cleveland and first-ring suburban high school and middle school students.</td>
</tr>
<tr>
<td>$85,000</td>
<td>Cleveland State University Foundation, Inc.</td>
<td>Cleveland, OH</td>
<td>First Ring Leadership Academy.</td>
</tr>
<tr>
<td>$54,000</td>
<td>Cleveland State University Foundation, Inc.</td>
<td>Cleveland, OH</td>
<td>First Ring Leadership Academy.</td>
</tr>
<tr>
<td>$320,000</td>
<td>Community Renewal Society</td>
<td>Chicago, IL</td>
<td>Catalyst Cleveland news magazine.</td>
</tr>
<tr>
<td>$50,000</td>
<td>Cuyahoga Community College Foundation</td>
<td>Cleveland, OH</td>
<td>Cleveland Municipal School District Talent Search Program.</td>
</tr>
<tr>
<td>$25,000</td>
<td>E City</td>
<td>Cleveland, OH</td>
<td>Operating support.</td>
</tr>
<tr>
<td>$2,400</td>
<td>East Cleveland Concerned Pastors for Progress</td>
<td>East Cleveland, OH</td>
<td>Concord Baptist Church Summer Program.</td>
</tr>
<tr>
<td>$27,000</td>
<td>East Cleveland Neighborhood Center, Inc.</td>
<td>East Cleveland, OH</td>
<td>Truancy reduction program.</td>
</tr>
<tr>
<td>$50,000</td>
<td>Esperanza Incorporated</td>
<td>Cleveland, OH</td>
<td>Programs for Hispanic students.</td>
</tr>
<tr>
<td>$30,000</td>
<td>Hathaway Brown School</td>
<td>Shaker Heights, OH</td>
<td>Aspire Program.</td>
</tr>
<tr>
<td>$30,000</td>
<td>Helen Keller International, Inc.</td>
<td>New York, NY</td>
<td>Childsight Cleveland Program.</td>
</tr>
<tr>
<td>$25,000</td>
<td>ideastream</td>
<td>Cleveland, OH</td>
<td>Regional Alliance of Informal Education.</td>
</tr>
<tr>
<td>$150,000</td>
<td>John Carroll University</td>
<td>University Heights, OH</td>
<td>Institute for Educational Renewal's school improvement work in first-ring suburbs.</td>
</tr>
<tr>
<td>$25,000</td>
<td>KnowledgeWorks Foundation</td>
<td>Cincinnati, OH</td>
<td>Ohio Eight Coalition.</td>
</tr>
<tr>
<td>$20,000</td>
<td>Lake Erie Junior Nature and Science Center</td>
<td>Bay Village, OH</td>
<td>Astronomy project.</td>
</tr>
<tr>
<td>$10,000</td>
<td>Lesbian-Gay Community Service Center of Greater Cleveland</td>
<td>Cleveland, OH</td>
<td>Safe Schools for Everyone Program.</td>
</tr>
<tr>
<td>$50,000</td>
<td>Ohio Fair Schools Campaign</td>
<td>Athens, OH</td>
<td>Operating support.</td>
</tr>
<tr>
<td>$30,000</td>
<td>Ohio Fair Schools Campaign</td>
<td>Athens, OH</td>
<td>Ohio Close the Gap campaign.</td>
</tr>
<tr>
<td>$7,500</td>
<td>The Old Stone Foundation</td>
<td>Cleveland, OH</td>
<td>Health Care Education Program.</td>
</tr>
<tr>
<td>$30,000</td>
<td>Shaker Lakes Regional Nature Center</td>
<td>Cleveland, OH</td>
<td>Nature Outreach Program.</td>
</tr>
<tr>
<td>$25,000</td>
<td>Womens Business Ownership Educational Conferences Inc</td>
<td>University Heights, OH</td>
<td>&quot;The New Little Book&quot; social studies graduation test guide.</td>
</tr>
<tr>
<td>$70,000</td>
<td>Youth Opportunities Unlimited</td>
<td>Cleveland, OH</td>
<td>Operating support.</td>
</tr>
<tr>
<td>$30,000</td>
<td>Youth Opportunities Unlimited</td>
<td>Cleveland, OH</td>
<td>Operating support.</td>
</tr>
<tr>
<td>$1,943,400</td>
<td>SUBTOTAL (32 GRANTS)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SPECIAL PROGRAMS**

<table>
<thead>
<tr>
<th>Amount</th>
<th>Organization</th>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$7,500</td>
<td>Cleveland Area Metropolitan Library System</td>
<td>Shaker Heights, OH</td>
<td>North Coast Neighbors Share a Book reading campaign.</td>
</tr>
<tr>
<td>$250,000</td>
<td>The Cleveland Foundation</td>
<td>Cleveland, OH</td>
<td>Literacy Cooperative of Greater Cleveland.</td>
</tr>
<tr>
<td>$35,000</td>
<td>The Cleveland Foundation</td>
<td>Cleveland, OH</td>
<td>Literacy Cooperative of Greater Cleveland.</td>
</tr>
<tr>
<td>$10,000</td>
<td>Cleveland Municipal School District</td>
<td>Cleveland, OH</td>
<td>Public green space at the Lonnie Burten Recreation Center.</td>
</tr>
<tr>
<td>$2,500</td>
<td>The Great Lakes Museum of Science, Environment and Technology</td>
<td>Cleveland, OH</td>
<td>Northeastern Ohio Science and Engineering Fair.</td>
</tr>
<tr>
<td>$30,000</td>
<td>ideastream</td>
<td>Cleveland, OH</td>
<td>FIRST Buckeye High School Robotics Competition.</td>
</tr>
<tr>
<td>$5,000</td>
<td>Project Love Remember the Children Foundation</td>
<td>Beachwood, OH</td>
<td>Motivational program.</td>
</tr>
<tr>
<td>$340,000</td>
<td>SUBTOTAL (7 GRANTS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$2,764,400</td>
<td>TOTAL (52 GRANTS)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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 TOOK $2,959,172.

## ENVIRONMENT

### CONSERVATION OF BIODIVERSITY AND NATURAL SYSTEMS

<table>
<thead>
<tr>
<th>Grant Amount ($)</th>
<th>Organization</th>
<th>Location</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50,000 (over 2 years)</td>
<td>Alaska Conservation Foundation</td>
<td>Anchorage, AK</td>
<td>Operating support.</td>
</tr>
<tr>
<td>$20,000</td>
<td>The Buckeye Forest Council, Inc.</td>
<td>Athens, OH</td>
<td>Operating support.</td>
</tr>
<tr>
<td>$50,000</td>
<td>Chagrin River Land Conservancy</td>
<td>Novelty, OH</td>
<td>Merger expenses.</td>
</tr>
<tr>
<td>$7,164</td>
<td>City of Cleveland</td>
<td>Cleveland, OH</td>
<td>Dike 14 initiative.</td>
</tr>
<tr>
<td>$5,000</td>
<td>Cuyahoga Valley National Park Association</td>
<td>Peninsula, OH</td>
<td>Visitor study.</td>
</tr>
<tr>
<td>$45,000</td>
<td>Great Lakes United</td>
<td>Buffalo, NY</td>
<td>Habitat and Biodiversity Task Force and projects on Great Lakes water quality agreement and Lake Erie lakebed alterations.</td>
</tr>
<tr>
<td>$30,000</td>
<td>The Land Trust Alliance, Inc.</td>
<td>Washington, DC</td>
<td>Technical assistance and training for land trusts in Ohio and creation of statewide land trust.</td>
</tr>
<tr>
<td>$20,000</td>
<td>National Fish and Wildlife Foundation</td>
<td>Washington, DC</td>
<td>Northeast Ohio Conservation Fund development.</td>
</tr>
<tr>
<td>$35,000</td>
<td>The Nature Conservancy, Inc.</td>
<td>Arlington, VA</td>
<td>Western Allegheny Plateau Ecoregion program.</td>
</tr>
</tbody>
</table>

### ENVIRONMENTAL JOURNALISM/PUBLIC EDUCATION

<table>
<thead>
<tr>
<th>Grant Amount ($)</th>
<th>Organization</th>
<th>Location</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30,000</td>
<td>The Nature Conservancy, Inc.</td>
<td>Arlington, VA; Northeast Ohio regional conservation initiatives.</td>
<td></td>
</tr>
<tr>
<td>$5,000</td>
<td>Portage County Park District</td>
<td>Ravenna, OH</td>
<td>Park district strategic plan.</td>
</tr>
<tr>
<td>$20,000</td>
<td>Rural Action, Inc.</td>
<td>Trimbly, OH</td>
<td>Building Sustainable Forest Economics project.</td>
</tr>
<tr>
<td>$2,000</td>
<td>Tip of the Mitt Watershed Council</td>
<td>Petoskey, MI</td>
<td>Scholarships for Lake Erie Basin participants in Great Lakes Grassroots Symposium Training.</td>
</tr>
<tr>
<td>$50,000</td>
<td>Trust for Public Land</td>
<td>San Francisco, CA</td>
<td>Ohio field office operating support.</td>
</tr>
<tr>
<td>$30,000</td>
<td>Union of Concerned Scientists</td>
<td>Cambridge, MA</td>
<td>Stemming the Tide of Invasive Species project.</td>
</tr>
<tr>
<td>$50,000 (over 2 years)</td>
<td>Water Watch of Oregon</td>
<td>Portland, OR</td>
<td>Operating support.</td>
</tr>
</tbody>
</table>

### GREEN BUILDINGS, SUSTAINABLE BUSINESS AND ENERGY

<table>
<thead>
<tr>
<th>Grant Amount ($)</th>
<th>Organization</th>
<th>Location</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50,000</td>
<td>The Cleveland Green Building Coalition, Inc.</td>
<td>Cleveland, OH</td>
<td>Operating support.</td>
</tr>
<tr>
<td>$10,000</td>
<td>The Cleveland Green Building Coalition, Inc.</td>
<td>Cleveland, OH</td>
<td>Documentation of Northeast Ohio green building community.</td>
</tr>
<tr>
<td>$45,730 (over 18 months)</td>
<td>Cleveland State University Foundation, Inc.</td>
<td>Cleveland, OH</td>
<td>Development of curriculum related to green campus buildings.</td>
</tr>
<tr>
<td>$4,000</td>
<td>Geauga Park District Foundation</td>
<td>Chardon, OH</td>
<td>West Woods Green Roof project interpretive signage and information brochure.</td>
</tr>
<tr>
<td>Grant Amount</td>
<td>Organization and Location</td>
<td>Description</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>---------------------------</td>
<td>-------------</td>
<td></td>
</tr>
<tr>
<td>$35,000</td>
<td>Green Energy Ohio, Columbus, OH</td>
<td>Operating support.</td>
<td></td>
</tr>
<tr>
<td>$7,500</td>
<td>Oberlin College, Oberlin, OH</td>
<td>Book on the evolution of the Environmental Studies Center.</td>
<td></td>
</tr>
<tr>
<td>$30,000</td>
<td>Shaker Lakes Regional Nature Center, Cleveland, OH</td>
<td>Green building.</td>
<td></td>
</tr>
<tr>
<td>$182,230</td>
<td>Subtotal (7 grants)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$2,500</td>
<td>Cleveland Metroparks System, Cleveland, OH</td>
<td>Park and Recreation National Symposium.</td>
<td></td>
</tr>
<tr>
<td>$2,500</td>
<td>Cuyahoga River Community Planning Organization, Cleveland, OH</td>
<td>Environmental Collaboration Project.</td>
<td></td>
</tr>
<tr>
<td>$15,000</td>
<td>EcoCity Cleveland, Cleveland, OH</td>
<td>Burning River Fest.</td>
<td></td>
</tr>
<tr>
<td>$70,000</td>
<td>Lake Erie Region Conservancy, Inc., Erie, PA</td>
<td>Great Lakes AID project.</td>
<td></td>
</tr>
<tr>
<td>$40,000</td>
<td>Ohio PIRG Education Fund Inc., Columbus, OH</td>
<td>Ohio environmental fellowship program.</td>
<td></td>
</tr>
<tr>
<td>+ $70,000</td>
<td>Subtotal (5 grants)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PROTECTION OF HUMAN HEALTH</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$58,119 (over 2 years)</td>
<td>American Lung Association of Ohio, Independence, OH</td>
<td>Cleveland Clean Air Century Campaign.</td>
<td></td>
</tr>
<tr>
<td>$45,000</td>
<td>Beyond Pesticides, Washington, DC</td>
<td>Pesticide reduction in Northeast Ohio schools.</td>
<td></td>
</tr>
<tr>
<td>$43,399</td>
<td>Buckeye Environmental Network, Grove City, OH</td>
<td>Operating support.</td>
<td></td>
</tr>
<tr>
<td>$70,000</td>
<td>Environmental Defense, Incorporated, New York, NY</td>
<td>Keep Antibiotics Working campaign.</td>
<td></td>
</tr>
<tr>
<td>$200,000</td>
<td>The Ohio Environmental Council, Columbus, OH</td>
<td>Operating support.</td>
<td></td>
</tr>
<tr>
<td>$30,000</td>
<td>Ohio PIRG Education Fund Inc., Columbus, OH</td>
<td>Restore Lake Erie project.</td>
<td></td>
</tr>
<tr>
<td>+ $471,518</td>
<td>Subtotal (7 grants)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SMART GROWTH</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$210,000 (over 2 years)</td>
<td>EcoCity Cleveland, Cleveland, OH</td>
<td>Greater Ohio operating support.</td>
<td></td>
</tr>
<tr>
<td>$70,000</td>
<td>EcoCity Cleveland, Cleveland, OH</td>
<td>Operating support.</td>
<td></td>
</tr>
<tr>
<td>$9,625</td>
<td>Buckeye Environmental Network, Grove City, OH</td>
<td>Operating support.</td>
<td></td>
</tr>
<tr>
<td>$40,000</td>
<td>The Environmental and Energy Study Institute, Washington, DC</td>
<td>Energy policy and smart growth/energy efficiency programs.</td>
<td></td>
</tr>
<tr>
<td>$70,000 (over 2 years)</td>
<td>Ohio Association of Railroad Passengers, Columbus, OH</td>
<td>Policy advocacy on rail transportation.</td>
<td></td>
</tr>
<tr>
<td>$5,000</td>
<td>Ohio to Erie Trail Fund, Columbus, OH</td>
<td>Operating support.</td>
<td></td>
</tr>
<tr>
<td>$45,000 (over 2 years)</td>
<td>Rails to Trails Conservancy, Washington, DC</td>
<td>Operating support for Ohio office and Ohio trail advocates' participation in annual conference.</td>
<td></td>
</tr>
<tr>
<td>$120,000 (over 2 years)</td>
<td>Smart Growth America, Washington, DC</td>
<td>Advocacy and communications plan.</td>
<td></td>
</tr>
<tr>
<td>$5,635</td>
<td>Smart Growth America, Washington, DC</td>
<td>Annual meeting scholarships for Ohio participants.</td>
<td></td>
</tr>
<tr>
<td>$10,000</td>
<td>Smart Growth America, Washington, DC</td>
<td>Growth Management Leadership Alliance.</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$634,260</td>
<td>Subtotal (12 grants)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SPECIAL/EXPLORATORY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$500,000 (over 2 years)</td>
<td>Cuyahoga County Planning Commission, Cleveland, OH</td>
<td>Cuyahoga Valley Initiative organizational planning and start-up.</td>
<td></td>
</tr>
<tr>
<td>+ $510,000</td>
<td>Subtotal (2 grants)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PROGRAM-RELATED INVESTMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$500,000</td>
<td>Enterprise Housing Financial Services, Columbia, MD</td>
<td>Affordable green housing in Cleveland.</td>
<td></td>
</tr>
<tr>
<td>+ $500,000</td>
<td>Subtotal (1 program-related investment)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>$2,959,172</strong></td>
<td>Total (53 grants &amp; 1 program-related investment)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**HUMAN SERVICES**

**CHILD AND FAMILY DEVELOPMENT**

$35,000
Action Against Crime and Violence Education Fund

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

$100,000
Adoption Network Cleveland
Cleveland, OH; Adopt Cuyahoga 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 adoption 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, D.C.; 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, D.C.; Fiscal policy project.

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

$75,000
The Urban Institute

$120,000
Subtotal (3 grants)

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.
MEETING BASIC NEEDS

$270,000 (over 2 years)
Case Western Reserve University
Cleveland, O H; Center on Urban
Poverty and Social Change.

$75,000
The Center for Community Solutions
Cleveland, O H; Campaign to Protect
Ohio’s Future.

$8,000
Coalition on Homelessness and Housing
in Ohio
Columbus, O H; Operating support.

$6,500
Contact Center, Inc.
Cincinnati, O H; Ohio Empowerment
Coalition.

$35,000
The Free Medical Clinic of Greater
Cleveland
Cleveland, O H; Syringe Exchange
Program.

$50,000
Georgetown University
Washington, D C; Federal Medicaid
advocacy.

$20,000
Greater Cleveland Healthcare
Association
Cleveland, O H; Northeast Ohio
Nursing Initiative.

$225,000 (over 2 years)
Health Policy Institute of Ohio
Columbus, O H; Operating support.

$1,500
InterReligious Partners in Action of
Greater Cleveland
Cleveland, O H; Homeless Stand Down
and Community Health Fair.

$25,000
Juvenile Justice Coalition Inc.
Bath, O H; Statewide juvenile rights
initiative.

$40,000 (over 2 years)
Legal Aid Society of Cincinnati
Cincinnati, O H; Transition to
Employment program.

$45,000
Ohio Association of Free Clinics
Columbus, O H; Operating support and technology assistance
for member clinics.

$10,000
Ohio Citizen Action Education Fund
Columbus, O H; Operating support.

$10,000
Stop Targeting Ohio’s Poor
Cleveland, O H; Family Connection
Center.

$30,000
Young Men’s Christian Association of
Cleveland Ohio, Inc.
Cleveland, O H; Y-Haven transitional expenses.

+ $851,000
Subtotal (15 grants)

REPRODUCTIVE HEALTH

$60,000
American Civil Liberties Union
Foundation, Inc.
New York, N Y; 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, M D; Washington policy
briefing.

$40,000
National Abortion Rights Action League
of Ohio Education Foundation
Cleveland, O H; Operating support.

$90,000 (over 18 months)
Planned Parenthood Affiliates of Ohio
Institute for Research
Columbus, O H; State education and advocacy expansion.

$100,000
Planned Parenthood of Cleveland, Inc.
Cleveland, O H; Campaign for a
Healthier Tomorrow.

+ $316,000
Subtotal (6 grants)

SPECIAL PROGRAMS

$100,000
Care Alliance
Cleveland, O H; Care Alliance Health
Center renovation.

$8,000
Ohio Association of County Behavioral
Health Authorities
Columbus, O H; Legislative briefings.

+ $108,000
Subtotal (2 grants)

+ $2,831,920
Total (44 grants)
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.

### Special Commitments

<table>
<thead>
<tr>
<th>Organization</th>
<th>Grant Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>BoardSource</td>
<td>$5,000</td>
<td>Operating support.</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Volunteers Unlimited</td>
<td>$30,000</td>
<td>Assistance to nonprofit organizations.</td>
</tr>
<tr>
<td>Cleveland, OH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication Network</td>
<td>$5,000</td>
<td>Annual conference in Cleveland.</td>
</tr>
<tr>
<td>Silver Spring, MD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Council on Foundations, Inc.</td>
<td>$34,600</td>
<td>Operating support.</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diocese of Ohio Episcopal Community Services Foundation</td>
<td>$25,000</td>
<td>Social outreach programs.</td>
</tr>
<tr>
<td>Cleveland, OH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Foundation Center</td>
<td>$25,000</td>
<td>Operating support.</td>
</tr>
<tr>
<td>Cleveland, OH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funders for Lesbian and Gay Issues Inc.</td>
<td>$2,500</td>
<td>Operating support.</td>
</tr>
<tr>
<td>New York, NY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grantmakers for Children, Youth &amp; Families, Inc.</td>
<td>$5,000</td>
<td>Operating support.</td>
</tr>
<tr>
<td>Silver Spring, MD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grantmakers for Education</td>
<td>$10,000</td>
<td>Operating support.</td>
</tr>
<tr>
<td>Portland, OR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grantmakers for Effective Organizations</td>
<td>$5,000</td>
<td>Operating support.</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grantmakers in the Arts</td>
<td>$3,000</td>
<td>Operating support.</td>
</tr>
<tr>
<td>Seattle, WA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grantmakers in Health</td>
<td>$4,000</td>
<td>Operating support.</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Greater Cleveland Community Shares</td>
<td>$5,000</td>
<td>Operating support.</td>
</tr>
<tr>
<td>Cleveland, OH; 20th anniversary events.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent Sector</td>
<td>$25,000</td>
<td>Operating support.</td>
</tr>
<tr>
<td>Independent Sector</td>
<td>$12,500</td>
<td>Operating support.</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Committee for Responsive Philanthropy</td>
<td>$7,500</td>
<td>Operating support.</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neighborhood Funders Group, Inc.</td>
<td>$5,000</td>
<td>Operating support.</td>
</tr>
<tr>
<td>Washington, D.C.; Program-Related Investment Makers Network.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rockefeller Family Fund, Inc.</td>
<td>$2,130</td>
<td>Environmental Grantmakers Association.</td>
</tr>
<tr>
<td>New York, NY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rockefeller Family Fund, Inc.</td>
<td>$1,000</td>
<td>Sustainable Agriculture and Food Systems Funders.</td>
</tr>
<tr>
<td>New York, NY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rockefeller Family Fund, Inc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal (24 grants)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Foundation Fighting Blindness</td>
<td>$2,000,000</td>
<td>Retinal degenerative disease research.</td>
</tr>
<tr>
<td>Owings Mills, MD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neighborhood Funders Group, Inc.</td>
<td>$3,500</td>
<td>Operating support.</td>
</tr>
<tr>
<td>Washington, D.C.; Program-Related Investment Makers Network.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (25 grants)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$2,256,230</td>
<td></td>
</tr>
</tbody>
</table>
### STATEMENTS OF FINANCIAL POSITION

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

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

### STATEMENTS OF ACTIVITIES

For the Years Ended December 31

<table>
<thead>
<tr>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES AND GAINS (LOSSES)</strong></td>
<td></td>
</tr>
<tr>
<td>Net realized investment gains</td>
<td>$24,986,447</td>
</tr>
<tr>
<td>Net unrealized investment gains (losses)</td>
<td>(18,298,693)</td>
</tr>
<tr>
<td>Dividend income</td>
<td>4,940,761</td>
</tr>
<tr>
<td>Interest income</td>
<td>4,059,675</td>
</tr>
<tr>
<td>Other income</td>
<td>2,434</td>
</tr>
<tr>
<td><strong>Total revenues and gains (losses)</strong></td>
<td>$15,690,624</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
</tr>
<tr>
<td>Grants authorized</td>
<td>18,003,179</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>4,265,980</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>22,269,159</td>
</tr>
<tr>
<td>Increase (decrease) in net assets before federal excise tax provision</td>
<td>(6,578,525)</td>
</tr>
<tr>
<td>Federal excise tax provision</td>
<td>310,733</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in net assets</strong></td>
<td>(6,889,268)</td>
</tr>
<tr>
<td><strong>Net assets – beginning</strong></td>
<td>470,043,106</td>
</tr>
<tr>
<td><strong>Net assets – ending</strong></td>
<td>$463,153,838</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31

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 ............................... 18,296,693 (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 ............................... (4,042,79) 6,995,910
Grants payable ................................................................... (3,239,864)
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 ............................. $ 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 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
Nature of operations The George Gund Foundation (“the Foundation”) is a private foundation which makes grants to educational, community service and philanthropic organizations, basically in Greater Cleveland.
Basis of accounting The Foundation's financial statements are presented on the accrual basis of accounting. Accordingly, revenues are recorded when earned, and expenses are recognized when incurred. The Foundation has only unrestricted net assets.
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.
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:

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Market Value</td>
<td>Cost</td>
</tr>
<tr>
<td>Fixed income securities</td>
<td>$ 45,476,840</td>
<td>$ 46,922,688</td>
</tr>
<tr>
<td>Common stocks and alternative investments</td>
<td>$ 427,693,812</td>
<td>$ 244,219,568</td>
</tr>
<tr>
<td>Total</td>
<td>$ 473,170,652</td>
<td>$ 291,142,256</td>
</tr>
</tbody>
</table>

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:

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

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

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

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.
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:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$129,461</td>
</tr>
<tr>
<td>2007</td>
<td>$129,461</td>
</tr>
<tr>
<td>2008</td>
<td>$129,461</td>
</tr>
<tr>
<td>2009</td>
<td>$129,461</td>
</tr>
<tr>
<td>2010</td>
<td>$10,789</td>
</tr>
</tbody>
</table>

Total $528,633

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.

Watt, Hall, Drake & Wallace LLP
Certified Public Accountants

Cleveland, Ohio
March 14, 2006
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.

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. 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.

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.
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 timeline, 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 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
BOARD
OF TRUSTEES

1. Geoffrey Gund, President and Treasurer
2. Llura A. Gund, Vice President
3. Ann L. Gund, Secretary
4. Marjorie M. Carlson, Trustee*
5. Catherine Gund, Trustee
6. George Gund III, Trustee
7. Zachary Gund, Trustee
8. Cathy M. Lewis, Trustee

------------------------------------------

ADMINISTRATIVE
STAFF

David T. Abbott, Executive Director
Alice M. Cardillo, Office Manager
Marcia Egbert, Senior Program Officer
Deena M. Epstein, Senior Program Officer
Cynthia M. Gasparro, Executive Secretary/Assistant
Joyce M. Hancock, Senior Secretary
Catherine Herrold, Foundation Fellow
Robert B. Jaquay, Associate Director
Jon M. Jensen, Senior Program Officer
Ann K. Mullin, Senior Program Officer
Jill M. Paulsen, Foundation Fellow
Lynn Ryan, Senior Secretary
Denise Stoudenmire, Receptionist

*Term ended December 2005.