

2009

Report *to the* Community



COMMUNITY FOUNDATION
SANTA CRUZ COUNTY

www.cfsc.org

Building the Future Together

2009 WAS A MEMORABLE and challenging year for us... and probably for you, too.

The stock market plummeted, the world economy stumbled and California struggled with a growing budget crisis that put counties, communities and our leaders at odds.

As all this unfolded, we continued to focus on our strengths—community leadership, grants to nonprofits and investing for the future.

We also moved forward on the vision of our founding donors and trustees to establish a permanent home for the Foundation, a center where we could control costs and devote full attention to the work of local philanthropy.

This work began in 2004, before the market dropped. In 2005, Jack and Peggy Baskin made their \$1 million gift to purchase the property in Aptos. Those of you that followed with your own gifts were already starting to feel the personal effects of market losses when we contacted you. You stepped up anyway, understanding the long-term benefits of your investment.

We've made certain our building campaign did not distract us from our mission. In 2009, we awarded \$3.95 million in grants to 338 organizations in Santa Cruz County and beyond, ranking us among the top 40 community foundations in the U.S. as most active per total asset size and the top 60 in giving per capita.

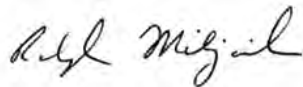
Through our *BoardMatch* program, we trained and placed a dozen people into first-time nonprofit board service. We also met with professional advisors to encourage local philanthropy, and provided leadership around issues such as health care, social justice and diversity.

How we chose to respond during these difficult times flows from our core values. Thank you for your trust in our ability to plan prudently and act swiftly for the future.

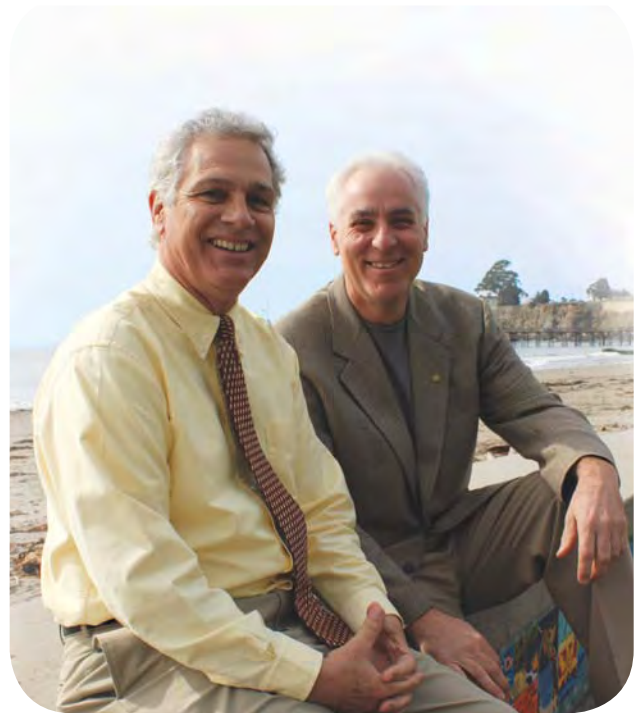
The future we're creating is one we're building **together**.



Lance Linares
Executive Director



Ralph Miljanich
Board President



Making a Difference

CORPORATE PARTNERS



A girl participates in a science and math program offered by Girl Scouts of California's Central Coast.

DRISCOLL'S HAS BEEN part of the local berry farming tradition since 1904. In 2001, they established the Driscoll's Charitable Fund, which has awarded over \$2.8 million in grants since its inception.

"The Foundation has been a tremendous resource for our philanthropy program," said Kelley Bell, Driscoll's Director of Community and Environmental Initiatives. "They've been so much more than just a 'back office'."

One of the grants completed last year thanks to the fund was with the Girl Scouts of California's Central Coast to help girls in Watsonville and East Salinas build courage, confidence and character.

PROFESSIONAL ADVISORS



Estate planning attorney, Dina Hoffman, with her husband, Tony, and daughters, Margo and Alexis.

BOARD MEMBER DINA HOFFMAN has been an estate planning lawyer in Santa Cruz County for 24 years. When asked about engaging her clients with local giving, she said, "I've noticed that most people find they can leave something to charity in their estate plan. My most memorable client is a 90 year old woman who received \$100,000 from an investment she ultimately didn't need. I told her about the Foundation, and now she is making grants to her favorite causes through her own donor-advised fund. It's such a joy to be a part of that!"

Dina recently received the Roland K. Hall Award from the Santa Cruz Bar Association for her exceptional public service to the community.

DONOR-ADVISED GRANTS



CASA friends Marilyn Koll, Leola Lapides, Mary Solari and Executive Director, Nancy Sherrod, breaking ground.

FIVE FOUNDATION DONORS contributed a total of \$73,500 through their donor-advised funds to help Court Appointed Special Advocates of Santa Cruz County (CASA) purchase a home in Watsonville in 2009.

After renovations were made to the foreclosed property, the home now serves as the administrative office and center for CASA's advocacy programs for abused and neglected foster children.

"It gives kids a vision of what could be in their future—a warm home," said Executive Director Nancy Sherrod, who oversees volunteers helping more than 180 children a year.

Board of Directors



Ralph Miljanich
Board President
Retired Associate Vice President,
Morgan Stanley Smith Barney



Cynthia Druley
Admissions Director,
Georgiana Bruce Kirby Preparatory School



Ginny Solari Mazry
Partner,
Solari Associates



Rachel Wedeen
Board Vice President
CFP, Senior Vice President,
Morgan Stanley Smith Barney



Linda Fawcett
Retired Director of Training,
Education Training Research Associates



Terry Medina
Retired Chief of Police,
Watsonville Police Department



Ceil Cirillo
Board Secretary
Retired Executive Director,
Santa Cruz City Redevelopment Agency



Dina Hoffman
Attorney at Law



Eric Mendelson
Founder,
InBalance Business Services



Michael Meara
Board Treasurer
CFP, President,
Pacific Mountain Advisors



Leola Lapidés
Community Volunteer



Michael O'Farrell
Retired Vice President,
Global Community Affairs,
Applied Materials



Tom Brezsný
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Monterey Bay Properties



Mario Maldonado
Assistant to the City Manager,
City of Watsonville



Robert Ridino
President & CEO,
S.A.R. Enterprises



Martin Chemers
Professor Emeritus of Psychology,
University of California,
Santa Cruz



Rachel Mayo
Director,
Watsonville Center,
Cabrillo College



Donna Ziel
Retired Associate Director,
Student Outreach and Recruitment,
San Jose State University

Honorary Trustees

Jack Baskin, Director Emeritus • Ian McPhail, Director Emeritus • Georgia Brauer • Jess Brown
Nell Sesnon Cliff • Diane Porter Cooley • George Couch III • Nancy Driscoll • Mary Hammer
Harold Hyde • Samuel Leask IV • William Locke-Paddon • Fred McPherson III
Harvey Nickelson • Martina O'Sullivan • Richard Polse • Rowland Rebele • J. Miles Reiter
Norman Schwartz • Robert Stephens • James Thompson • James Watson

2009 Financials

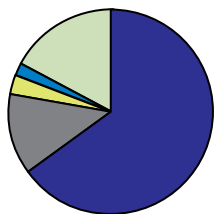
GENEROUS DONORS and prudent investment strategies helped our assets recover in 2009. We also acted decisively to manage costs while continuing to support programs and nonprofits working to help local people.

Our ability to serve the community is directly tied to our role as financial stewards. We feel secure behind the leadership and oversight of our board, its finance and audit committees, our financial advisors at UBS Institutional Consulting and our auditors at Novogradac & Company.

This financial snapshot is drawn from our 2009 audit. The complete audit is available online at www.cfsc.org.

WHERE OUR FUNDS ARE INVESTED

Total Market Value
December 31, 2009
\$38,452,972



INVESTMENT POOL	VALUE	%
Long Term	\$26,046,866	68%
Non-Donor Funds	\$ 6,127,553	16%
Socially Responsible	\$ 4,932,491	13%
Short-Term Fixed	\$ 767,745	2%
Money Market	\$ 578,317	2%
TOTAL	\$38,452,972	100%

OUR STATEMENT OF ACTIVITIES December 31, 2009

REVENUE	
Contributions	\$ 6,264,193
Grants	\$ 1,711,715
Investment Income	\$ 5,910,233
Other Income	\$ 46,361
TOTAL REVENUE & SUPPORT	\$ 13,932,502
EXPENSES	
Grant Expenses	\$ 6,234,941
Other Program Expenses	\$ 724,207
Fundraising	\$ 366,719
Administration	\$ 394,512
TOTAL EXPENSES	\$ 7,720,379
CHANGE IN NET ASSETS	\$ 6,212,123

OUR INVESTMENT PERFORMANCE

INVESTMENT POOL	2009 YTD	3 years	Since Inception
Long Term	26.76 %	.61 %	7.91 %
Socially Responsible	23.49 %	1.58 %	4.03 %
Short Term	5.39 %	7.25 %	5.08 %
Money Market	1.10 %	3.91 %	4.08 %

OUR STATEMENT OF FINANCIAL POSITION December 31, 2009

ASSETS	
Cash & Equivalents	\$ 2,830,143
Investments	\$ 39,347,257
Contributions & Other Accounts Receivable	\$ 1,019,227
Leasehold Improvements & Equipment, Net	\$ 3,480,861
Deposits & Prepaid Expenses	\$ 37,854
Other Assets	\$ 30,000
TOTAL ASSETS	\$ 46,745,342
LIABILITIES	
Accounts Payable	\$ 650,342
Grants Payable	\$ 1,833,276
Agency Funds	\$ 2,904,567
Charitable Gift Annuities	\$ 420,270
TOTAL LIABILITIES	\$ 5,808,455
NET ASSETS (EQUITY)	
Unrestricted	\$ 6,853,651
Temporarily Restricted	\$ 13,672,969
Permanently Restricted	\$ 20,410,267
TOTAL NET ASSETS (EQUITY)	\$ 40,936,887
TOTAL LIABILITIES & NET ASSETS	\$ 46,745,342

Powerful Philanthropy

Here are a few ways we work to make a difference here at home...



RESPOND

Donor advisors join us to respond to current needs, like increasing participation in the 2010 Census.



STRENGTHEN

Through trainings for nonprofit professionals, we're strengthening the nonprofit sector.



LISTEN

Listening to the sector helps us make high-impact grants and share data with our partners.



INFORM

Taking donors on tours of the county informs them about changing community needs.

Local Giving

If you want to work with an expert in charitable giving or learn about our free services, *come talk to us.*

SOLUTIONS - We can help you address a variety of needs, from making a planned gift to developing an agency endowment program.

IMPACT - We can help you or your clients develop a personalized approach to giving that makes a lasting, local impact.

BUSINESS - We understand the needs of businesses and can work with you to help manage an effective giving program.



**COMMUNITY FOUNDATION
SANTA CRUZ COUNTY**

www.cfsc.org



Confirmed in Compliance with National Standards for U.S. Community Foundations

For good. For ever.™