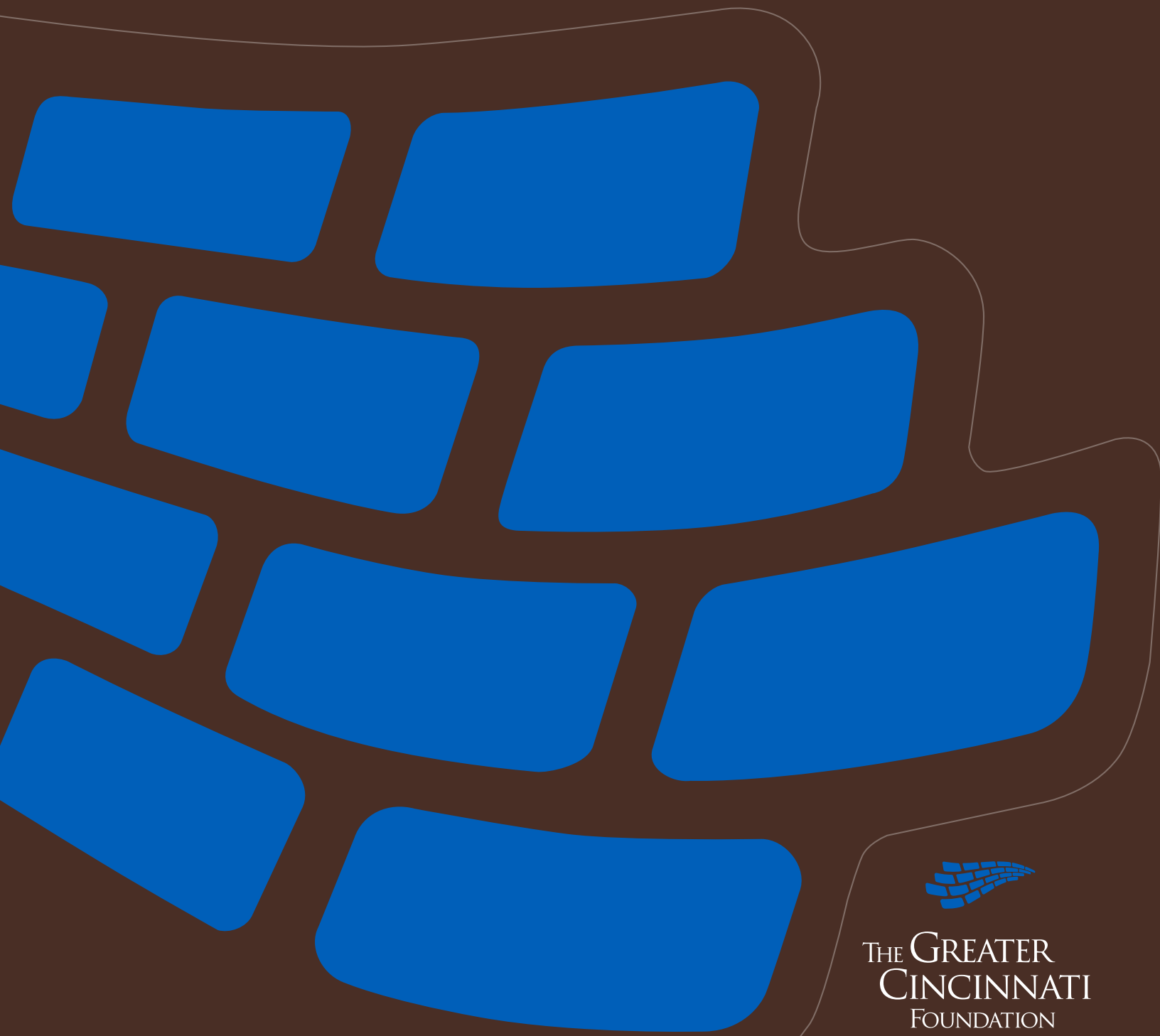


LEADING THE WAY ... TOGETHER

2008 Annual Report to the Community



THE GREATER
CINCINNATI
FOUNDATION

Who We Are

The Greater Cincinnati Foundation is the region's community foundation. As a community foundation, GCF makes grants and provides leadership in six key areas: arts and culture, community and economic development, education, environment, health, and human services. An effective steward of the community's charitable resources since 1963, the Foundation inspires philanthropy in eight counties in Ohio, Kentucky and Indiana. We offer a variety of giving tools to help people achieve their charitable goals and create lasting good work in their communities.

"GCF's leadership role in raising awareness of community needs motivates people looking for direction on how their contributions can make the best impact."

— Bernard L. McKay, member, Frost Brown Todd LLC



"Thank you for the people you are going to save and the families you are going to heal."

— Sojourner Recovery Services client



"I've never been prouder than I am right now to be associated with the community foundation."

— Jeanne-Marie Tapke, chair, Northern Kentucky Fund of GCF



2008 Highlights

Responding in Crisis

In November, as families across the region struggled with basic needs, GCF created the Heat & Eat Fund with \$256,000 for emergency food, rent, shelter and utility assistance across our eight-county region. A critical needs alert to supporters added more than \$200,000 to the fund from individuals and foundations, including the Farmer Family Fund of GCF, Carol Ann and Ralph V. Haile Jr./U.S. Bank Foundation and The Andrew Jergens Foundation. A total of \$458,930 was distributed to 18 agencies.

Other local and global critical needs alerts caught the attention of GCF donors and concerned Cincinnatians. Contributions were made to relief efforts for Cyclone Nargis in Myanmar, Hurricane Ike in the Gulf Coast, and the Sichuan earthquake in China. Donors also joined GCF in emergency funding to replace inoperable boilers at YWCA's historic downtown headquarters. Technology has made it possible for us to get the word out quickly about priority needs, and you have answered the challenge!

All these efforts paved the way for GCF to create the Weathering the Economic Storm Fund in February 2009 to help stabilize and support families affected by the economic downturn, and to help ensure the stability and security of the nonprofit sector. GCF committed \$1 million to this effort and more than doubled that amount from other foundations, corporations, and individual donors. www.gcfnd.org/WTES

Welcome to the Family!

GCF would like to welcome these funds established in 2008:

Donor Advised Funds

Angel Donors Fund (MLCCF)
Anonymous Fund FF
Backgammon For Fun Foundation Fund
Steven and Jennifer Bailey Fund (NKY)
Julie R. Baker and Matthew E. Feldman Fund
Winifred L. and Emil L. Barrows Fund
Herbert and Jean Bloch Fund
Alan and Christine Brown Fund
Elizabeth Knight Cochran Fund
Robin Anderson Cohen Fund
Compton Family Fund (MLCCF)
Michael and Susan Connelly Fund
Hallie Dovich Family Fund

George Fabe Fund
Dennis Fennema Fund
Beckett Fletcher Fund (CC)
Natalie Fossier Fund (CC)
Friends of Community Shares Fund
MJ Ghory Charitable Fund
Barbara Anderson Guthridge Fund
Fred and Patti Heldman Charitable Fund
Paul Heldman and Deborah Kirshner Fund
Julie and Roger Heldman Fund
Hoyt Family Fund
I Can Succeed Fund (NKY)
JenSarJo Family Fund
Tom and Linda Jones Charitable Fund (MLCCF)
Kids To Camp Fund
John F. and MaryW. Kucia Fund
H.R. LaBar Family Foundation Fund
Margaret Gavin Laffey Fund
Little Town Fund
D. Martin Family Fund
Gerald W. and Thomasine B. Miller Charitable Fund
Naber/Senefeld Fund (MLCCF)
Judy Oxman Fund

P&G Live, Learn and Thrive Fund (P&G)
H & S Painter Fund
Pampers/UNICEF Fund (P&G)
Morris and Patricia Passer Family Fund
Joseph and Mary Pauley Fund (MLCCF)
Eric Pohlgeers Memorial Fund
Lowell G. Powers, Jr. Philanthropic Fund
Price Family Fund (MLCCF)
Procter & Gamble Disaster Relief Fund (P&G)
Joseph W. and Louise A. Rhodenbaugh Family Fund
Margaret S. and Durwood G. Rorie, Jr. Fund
Patrick W. Ryan Fund
See Jane Give Fund (NKY)
Catharine S. Smith, C. Kenneth Smith, and Philip S. Smith Family Fund
Charles I. Stratton III Fund (MLCCF)
Charles I. Stratton III Family Fund (MLCCF)
Student Philanthropy Project Fund
Tom and Grace Tate Fund
Sara M. and Michelle Vance Waddell Fund
Francis I Wilks Fund
Wismer Gift Fund
Wuerdeman Family Fund I
Wuerdeman Family Fund II

Designated Funds

Mary and William Bonansinga Charitable Family Funds
Developing Women and Girls Leadership Endowment (WF)
Robert J. and Patricia Erman Animal Welfare Fund
Elmer and Mildred Hettel Fund
Harris K. Loftspring Memorial Fund
Rebecca, Rachel, Grace, and Leah Fund (WF)
Jane E. Wagner Memorial Fund

Field of Interest Fund

Robert J. and Patricia Erman Fund

Scholarship Funds

African American Network Fund
Holmes H.S. Mumm Family Scholarship Fund
Moore-Ellis Family Scholarship Fund

Unrestricted Funds

Otto A. and MaryAnn L. Buenting Memorial Fund
Samuel and Clara Drucker Hermann Family Memorial Fund
Frances A. Raschig Memorial Fund
Betty and Walter Seinsheimer Fund
Lois Aileen Ziegenhardt Memorial Fund
CC Clermont County Family of Funds
MLCCF Merrill Lynch Community Charitable Fund
NKY Northern Kentucky Family of Funds
P&G Procter & Gamble Funds
WF Women's Fund Family of Funds

Balance Sheet

Assets	2008	2007
Cash & Cash Equivalents	\$ 55,071,765	\$ 37,482,983
Investments	304,363,909	461,718,239
Property & Equipment	3,092,548	3,200,143
Other Assets	16,160,054	16,356,945
Total:	<u>\$378,688,276</u>	<u>\$518,758,310</u>

Liabilities and Net Assets

Grants Payable	\$ 4,422,116	\$ 4,761,174
Mortgage Note Payable	766,647	868,006
Assets held on Behalf of Others	2,842,123	4,283,550
Other Liabilities	7,097,706	7,684,423
Net Assets	<u>\$363,559,684</u>	<u>\$501,161,157</u>
Total Liabilities and Net Assets:	<u>\$378,688,276</u>	<u>\$518,758,310</u>

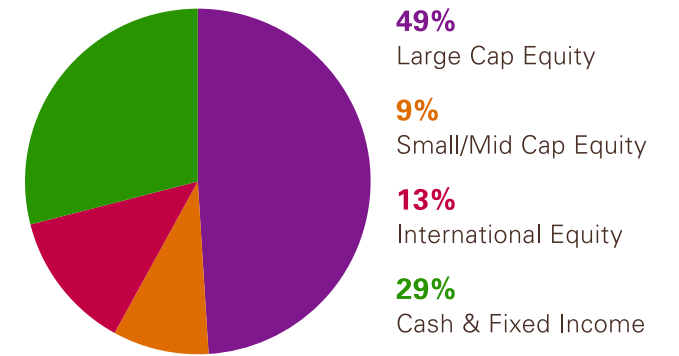
Income Statement

Revenues	2008	2007
Contributions	\$ 74,090,576	\$33,776,551
Investment Appreciation (Depreciation)	(151,288,909)	22,777,628
Investment Income	11,730,651	14,304,813
Other Revenue	<u>1,351,053</u>	<u>804,194</u>
Total:	<u>\$ (64,116,629)</u>	<u>\$71,663,186</u>

Expenses

Grants	\$ 67,134,158	\$39,998,633
Administrative	5,765,812	5,505,825
Other Expenses	<u>584,874</u>	<u>669,099</u>
Total:	<u>\$ 73,484,844</u>	<u>\$46,173,557</u>
Change in Net Assets:	<u>\$(137,601,473)</u>	<u>\$25,489,629</u>

Investment Allocation



GCF's Investments Committee sets long-term asset allocation ranges and re-evaluates them periodically. Investment managers increased fixed income holdings from 24% to 29% to help minimize the impact of the recession.

Investment Performance

For the year ended 12/31/08

	1 year	3 year	5 year
GCF	-31.1%	-5.6%	-.9%
S&P 500	-.37%	-8.4%	-2.2%

GCF's 29% allocation in fixed income securities helped cushion the impact of a declining stock market.

On Our Web Site www.gcfnd.org

In order to make responsible use of limited resources, we are publishing a very abbreviated report this year. However, you can find a wide range of information about GCF and its activities on our Web site, including:

- Listing of all funds managed by GCF
- Responsive grants made in 2008
- Complete audited financial statements and IRS Form 990
- GCF's volunteer committees, advisory boards and staff
- Stories about our impact in the community
- Giving Connection, an online catalog of giving opportunities in Greater Cincinnati
- Knowledge Center, featuring reports and research about our community
- Complete grant guidelines

Get Connected!

To reduce expense and conserve resources, GCF is moving many of its publications to electronic formats. Please visit our home page to sign up for e-mail notifications. Find our pages on LinkedIn and Facebook and follow us on Twitter (GrCinciFdn).

2008 Highlights

A Proud Partnership

Last year, The P&G Fund of GCF (est. in late 2007) awarded roughly \$25 million in grants. The fund is part of a social investment program that provided more than \$100 million in cash and product around the world as part of P&G's *Live, Learn and Thrive* cause that improves life for children in need. Seven other funds were set up to help carry out *Live, Learn and Thrive*, such as the Children's Safe Drinking Water Fund and Pampers/UNICEF Fund.

A Better Community for All

Better Together Cincinnati (BTC) released *Cincinnati in Black & White*, a baseline "report card" on racial disparities in education, economics and criminal justice. Managed by GCF, BTC's committed community leaders, foundations, and companies have been working since 2001 to improve race relations and racial inequity by addressing both the symptoms and the causes of disparities. Read the report at www.greatercincinnati.org/BTC.

The 2008 Jacob E. Davis Volunteer Leadership Award was presented to Herbert R. Brown for his long history of service to this community, particularly in the areas of education and racial justice and equality.

Letter from the Chair and President/CEO

Without question, these are trying times for our nation and in our community. We face them with confidence, knowing this isn't the first time we've been through tough times in the Foundation's 46-year history. This is the seventh recession The Greater Cincinnati Foundation (GCF) has faced and weathered successfully since it was created in 1963.

The reality we all face in the world of charitable giving is that assets for most charitable foundations are 25-30% lower than a year ago. Corporate giving has slowed as business challenges have mounted. Individual giving is cautious at best. The government sector cannot pick up all the pieces.

GCF prepared for this downturn during good times, and we're actively managing the situation to mitigate the challenges. Like everyone else, we've had to tighten our belts more than once in the last year. We have tapped reserve funds we set aside earlier to help us get through difficult times just like this. We apply a conservative spending policy to our endowment funds, which means that we have been able to maintain our grant commitments to the community even in this economy.

So we face these difficult times with optimism, confident that we will get through this economic downturn as we have in the past.

Your generosity, especially in tough times, is inspiring. 2008 was a record year of contributions to the Foundation, and we distributed more than \$60 million in grants. Community foundations have a unique ability to develop solutions to a broad range of critical community issues that span years, decades, even generations. We have forged new community partnerships that fuel our passion to engage more people like you in the work of keeping our community stable and helping it grow.

Our new logo reinforces a powerful notion about community foundations and the concept of "doing well by doing good" – many parts make up a whole. As we continue to build on positive forces at work in our community, and endeavor to climb out of an economic crisis, each act of compassion, each contribution, each person makes a difference.

We hope that you are proud of the work that YOUR community foundation is doing to help our region weather this economic storm, and to help generous people make a difference in our community, today and for many years to come.

Kathryn E. Merchant
President/CEO

Nancy K. Swanson
Chair



Governing Board

Nancy K. Swanson, Chair
Paul W. Chellgren, Vice Chair
Thomas A. Brennan
Thomas G. Cody
Cathy T. Crain
Alva Jean Crawford (Jean)
Jane V. Domaschko
David W. Ellis III
Linda C. Fath
John L. Henderson, Ph.D.
Marie E. Michel-Tucker
William C. Portman III (Wym)
Marvin H. Rorick, M.D.
Dianne M. Rosenberg
Peter S. Strange
Joseph P. Tomain

Daniel J. Hoffheimer, Legal Counsel
Kathryn E. Merchant, President/CEO

LEADING THE WAY ... TOGETHER

2008 Annual Report to the Community

2008 Highlights

Helping Build Our Economy

Our region's economic success depends on raising the skill level of our workforce. Yet, even in this troubled economy, employers struggle to find qualified workers, and many residents don't have the skills to succeed in the labor market. GCF launched the Greater Cincinnati Workforce Network in 2008, building on collaborative initiatives like GO Cincinnati and Agenda 360, with support from the National Fund for Workforce Solutions and local funders. A regional partnership of philanthropy, government, employers, education, and community organizations, the Network will develop career pathways to prepare 1,500 low-skilled adults for better jobs and long-term careers in healthcare, advanced manufacturing, and construction by 2011. www.cincinnatiworkforce.org

Last summer, the Annual National NAACP Convention and the National Baptist Convention collectively attracted tens of thousands of visitors to Cincinnati, pumping millions into the local economy and making national headlines. GCF's investment of \$50,000 added to a pool of almost \$1 million raised to support these conventions.

Education for Tomorrow

In October, GCF secured a three-year grant of \$918,700 from the Lumina Foundation for Education to establish a College Preparation/Readiness Fund for Greater Cincinnati/Northern Kentucky. The Fund will help local nonprofits improve student outcomes and increase college enrollment, working closely with Strive and the Ohio College Access Network.

GCF continued its close alignment with the Strive education partnership, working together to help each child in our Ohio/Kentucky urban core succeed from birth through some form of college and into a meaningful career. We continue to provide leadership in exploring the feasibility of a college Promise scholarship program and third year support of Community Learning Centers, now in 14 Cincinnati Public schools.



The Greater Cincinnati Foundation

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By the Numbers

- GCF had a record year in contributions received (\$76.4 million) and grants distributed (\$65.5 million).
- Individuals, families and businesses with donor advised funds made \$52 million in grants to causes they cared about.
- More than \$272,000 was granted to 176 schools and 127 nonprofit groups through GCF's Grants for Kids programs.
- GCF marked its 45th anniversary in May 2008. Since 1963, GCF has made almost \$465 million in grants.
- \$10.2 million was received from bequests or other deferred gifts.
- 84 new funds were established in 2008, bringing the total number of funds at GCF to more than 1,600.
- Two-thirds of new funds were referred to the Foundation by trusted professional advisors.
- Like all foundations, GCF has lost net asset value due to market volatility, ending the year with net assets valued at \$362 million.