

ANNUAL REPORT 2006



COURAGE TO ACT



GRANTMAKERS
for EFFECTIVE
ORGANIZATIONS

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LETTER FROM THE EXECUTIVE DIRECTOR AND BOARD CHAIR

Grantmakers are working every day in communities and with nonprofits as catalysts and facilitators of change. At the same time, our nonprofit partners are doing more with less and are working under increasing pressures, and community leaders and policymakers are increasingly holding foundations accountable for real, demonstrated results. Now more than ever, grantmakers must make sure that they are doing everything in their power to support the nonprofits that are so crucial to their own success.

The opportunity costs of maintaining the status quo are enormous — millions of dollars can be wasted on high transaction costs, top-down initiatives that cannot succeed and nonprofit leadership churn.

We're learning more about the grantmaking practices that help nonprofits succeed as well as those that get in the way. However, some unproductive approaches — like refusing to cover administrative costs, providing short-term support for long-term work and imposing burdensome application and reporting requirements — continue to be the norm.

Recognizing the problem isn't enough. It is time to act.

But there is good news. Across philanthropy, pioneering grantmaking organizations are taking action, reshaping grantmaking practices, redefining relationships with grantees and finding new ways to strengthen nonprofit performance.

The Grantmakers for Effective Organizations community consists of many of these pioneers. In 2006, we listened to and learned from these grantmakers and nonprofits working on the ground. We are beginning to facilitate grantmaker efforts to make changes that strengthen and even transform nonprofit performance.

In this year's annual report, we describe what we've heard, what we've learned and our emerging role in helping committed grantmakers make the changes they know are important. As an organization, GEO is now acting on what we've heard. We are committed to speeding the pace of innovation and reform in philanthropy so that nonprofits achieve broader results in the communities and on the issues we care about.

Like any serious attempt to improve performance, our process is ongoing. As our collective thinking evolves, we welcome your insights and feedback. Thank you for your commitment to this effort and for your continued support.



Kathleen P. Enright
Executive Director



Edward Pauly
Board Chair

Director of Evaluation
The Wallace Foundation

GEO Members

Agua Fund

Alberta EcoTrust
Foundation

Alberta Real Estate
Foundation

The Aloha
Foundation

Amherst H. Wilder
Foundation

Anne Golden

The Annie E. Casey
Foundation

Arizona
Community
Foundation

The Arthur M.
Blank Family
Foundation

ASB Community
Trust

The Aspen Institute

Assisi Foundation
of Memphis

Associated Grant
Makers, Inc.

Association of
Small Foundations

Atlanta Women's
Foundation

The Atlantic
Philanthropies

The Ball
Foundation

Baltimore
Community
Foundation

Bank of America,
Philanthropic
Management
Services

Barr Foundation

Bay Area LISC

BEST Nonprofit
Project

Bill & Melinda
Gates Foundation

Blue Cross Blue
Shield of Michigan
Foundation

Blue Cross and
Blue Shield of
Minnesota
Foundation

Blue Ridge
Foundation
New York

Blue Shield of
California
Foundation

The Boston
Foundation

Bruner Foundation

THE CHANGE AGENT PROJECT: WHAT IT TAKES

Because grantmakers are only successful to the extent that their grantees achieve meaningful results, it's in every grantmaker's interest to do what it can to support nonprofit effectiveness.

A significant portion of GEO's work in 2006 centered on exploring these questions: What does it take to make the changes we know will help nonprofits achieve more? Where can changed practice make the greatest difference? This exploration took shape through the Change Agent Project. From surveys and interviews with more than 200 nonprofits and grantmakers, we identified the most promising opportunities for grantmakers to make changes that will contribute to nonprofit results.

HERE'S WHAT WE HEARD:

Listen. Too often foundation practices and priorities are disconnected from the real needs and challenges of nonprofits on the ground. But for change to stick, those with the greatest stake must be engaged from the outset. When grantmakers seek to better understand the challenges facing the nonprofits and communities with whom they work, grantmaking can become a process of discovery that arrives at solutions everyone can own.

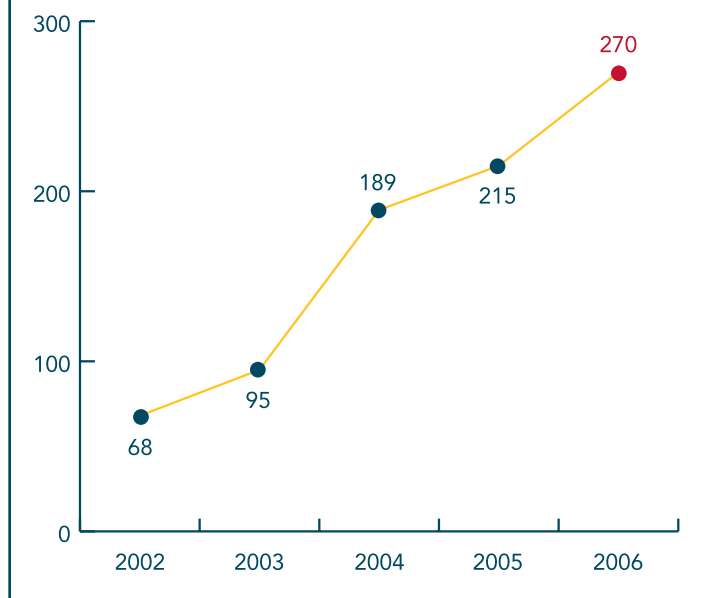
Learn. A consistent and vigilant commitment to learning is key to making progress for any organization. The traditional "Did you do what you said you'd do?" approach to evaluation is disconnected from what both grantmakers and nonprofits need to make better decisions. Worse, it perpetuates a relationship of distrust. But when evaluation focuses on performance improvement, it becomes a tool for grantmakers and grantees to learn together what is needed to bring about the changes both seek in their communities.

Lead. Progress in society depends on leadership. At the same time, studies released in 2006 suggest we are on the verge of a major leadership challenge: Current nonprofit executives are burning out or retiring and the next generation is insufficient in number and may be reluctant to step into leadership. Supporting the people doing the work in nonprofits is one promising way to improve nonprofit performance and, ultimately, the impact grantmakers seek.

“In our rush to practice ‘good grantmaking,’ our conversations with grantees tend to focus on strategic planning, expected outcomes and other due diligence. These are all important. But we should not forget the heart of what we do, expressing our gratitude for the work of our grantees. Then asking what they need in order to do their work well, and really listening and being flexible.”

~ Linda Wood, GEO member, Evelyn and Walter Haas, Jr. Fund

GEO MEMBERSHIP GROWTH (ORGANIZATIONS)



In the spring of 2006, GEO conducted an independent evaluation of its member services. GEO members reported high levels of satisfaction:

- **99 percent** rated their overall experience with GEO as favorable or highly favorable.
- **87 percent** believe GEO is a leader in the field of organizational effectiveness.
- **86 percent** would recommend GEO membership to colleagues.

Even more important than satisfaction, we attempted to understand GEO's contribution to changes in member practices. The responses confirmed that GEO *is* making a difference:

- **85 percent** indicated that participation in GEO has increased their understanding of grantmaker practices that enhance nonprofit success.
- **Nearly half** of respondents said that GEO has inspired positive changes in their grantmaking practices such as:
 - strengthened nonprofit capacity-building programs,
 - greater investments in leadership development,
 - improvement in knowledge management and evaluation practices, and
 - increased unrestricted funding and support of overhead costs.

Trust. Foundations regularly talk about the value of grantmaker-grantee partnership, but reality often falls short of the rhetoric. GEO's research in 2006 found that grantmakers can build stronger relationships by being good at the basics — provide flexible support over the long term; communicate funding priorities clearly; engage in their own learning, sharing with the field what worked and what did not.

Many GEO members are at the forefront of such practices. They are opening up new conversations with their grantees, embracing new transparency and accountability and giving nonprofits the support they need to succeed.

GEO Members, continued

California
Community
Foundation

The California
Dental Association
Foundation

The California
Endowment

The California
Wellness
Foundation

The Cameron
Foundation

The Case
Foundation

The Center for
Effective
Philanthropy

Changemakers

Charles and Helen
Schwab
Foundation

Charles and Lynn
Schusterman
Family Foundation

Charles Stewart
Mott Foundation

Chadrew Fund

Cherokee
Preservation
Foundation

The Chicago
Community Trust

Clarence E. Heller
Charitable
Foundation

The Cleveland
Foundation

Cleveland Social
Venture Partners

Colorado
Foundation for
Families & Children

The Colorado Trust

The Columbus
Foundation

Community
Foundation for
Monterey County

Common Good
Ventures

Community Clinics
Initiative

The Community
Foundation for
Greater Atlanta,
Inc.

Community
Foundation for
Southern Arizona

The Community
Foundation of
Greater
Birmingham

**GEO Members,
continued**

- Community Foundation of Greater Chattanooga
- Community Foundation of Greater Memphis
- Community Foundation of Santa Cruz County
- Community Foundation Silicon Valley
- Community Foundation Sonoma County
- The Community Memorial Foundation
- Community Technology Foundation of California
- Connecticut Health Foundation
- Council of Michigan Foundations
- Council on Foundations
- Covenant Foundation
- Daisy Marquis Jones Foundation
- The David and Lucile Packard Foundation
- Deaconess Community Foundation
- Deaconess Foundation
- Delaware Valley Grantmakers
- Deloitte Services LP
- Donors Forum of Chicago
- Doris Duke Charitable Foundation
- Draper Richards Foundation
- The Dresher Foundation
- The Duke Endowment
- The Durfee Foundation
- The Dyson Foundation
- East Bay Community Foundation
- Echoing Green



THE CONFERENCE

More than 400 grantmakers convened in Atlanta, Ga., in March 2006 to explore topics ranging from organizational effectiveness and leadership development to organizational learning and positive deviance. GEO's national conference, *Powerful Partnerships: Grantmaker Practices that Improve Grantee Performance*, was the launching point for the release of three major reports on nonprofit leadership:

- CompassPoint's *Daring to Lead 2006* raises important questions about the future of nonprofit leadership and calls on boards, grantmakers and other sector stakeholders to support and sustain the best current executives, develop the next cohort of leaders and prepare for inevitable executive transitions.
- Bridgespan Group's *The Nonprofit Leadership Deficit* describes how, despite the tremendous growth of the nonprofit sector over the last two decades, one of its most essential resources is out of scale with demand — leadership. As baby boomers retire and leave the job market, the ranks behind them are not sufficient to fill the gap.
- GEO's *Investing in Leadership: Inspiration and Ideas from Philanthropy's Latest Frontier (Volume 2)* offers a framework to help grantmakers shape the most appropriate and productive leadership investment for their goals and the needs of their grantees.



GEO conference panel (from left to right): Ellen Clear and Dick Matgen of the Peninsula Community Foundation, Kathleen Enright of GEO, and Jerry Sternin of the Positive Deviance Initiative.



“I believe GEO is helping our foundation move toward more strategic relationships with and investments in nonprofits. That GEO continually reminds us of the nonprofit’s point of view is one of its most important contributions.”

~ GEO member

2006 NATIONAL CONFERENCE PLANNING COMMITTEE MEMBERS

Alexa Culwell, formerly, Charles and Helen Schwab Foundation; currently, Stupski Foundation (chair)
 Jim Abernathy, Environmental Support Center
 Audrey Alvarado, National Council of Nonprofit Associations
 Kristin Batson, McKnight Foundation
 Gregg Behr, formerly, The Forbes Funds
 Susan Bell, Hewlett Foundation
 Cristine Betters, Lumpkin Family Foundation
 Leah Gary, Saint Luke's Foundation

Maria Gutierrez, LISC
 Sidney Hargro, The Columbus Foundation
 Richard Moyers, Eugene and Agnes E. Meyer Foundation
 Toya Randall, Grand Victoria Foundation
 Tina Trent, Association for the Study and Development of Community

2006 CONFERENCE HOST COMMITTEE

Evern Cooper Epps, The UPS Foundation (co-chair)
 Penny McPhee, Arthur M. Blank Family Foundation (co-chair)
 John Bare, Arthur M. Blank Family Foundation
 Bobbi Cleveland, Tull Foundation

Ann Cramer, IBM Corporate Community Relations
 Scott Fasnacht, The UPS Foundation
 David Gibbs, The Community Foundation for Greater Atlanta
 Lesley Grady, The Community Foundation for Greater Atlanta
 Gary Nelson, Healthcare Georgia Foundation, Inc.
 Joyce Rhodes, Fulton County Government
 Deborah Richardson, Atlanta Women's Foundation
 Suzanna Stribling, Southeastern Council of Foundations

GEO Members, continued

The Edna McConnell Clark Foundation
 Edyth Bush Charitable Foundation
 Endowment for Health
 Environmental Grantmakers Association
 Environmental Support Center
 Erie Community Foundation
 The Eugene and Agnes E. Meyer Foundation
 The Eurasia Foundation
 Evelyn and Walter Haas, Jr. Fund
 The F.B. Heron Foundation
 Fannie Mae Foundation
 Fetzer Institute
 Fieldstone Foundation
 The Fleishhacker Foundation
 Flintridge Foundation
 Foellinger Foundation
 The Forbes Funds
 Ford Foundation
 Foundation Center
 Foundations of East Chicago
 Fund for Nonviolence
 George Cedric Metcalf Foundation
 Girl's Best Friend Foundation
 Gordon and Betty Moore Foundation
 The Grable Foundation
 Grand Rapids Community Foundation
 Grand Victoria Foundation
 Grantmakers for Education
 Grantmakers in Film and Electronic Media
 Grantmakers in Health

2006 PUBLICATIONS AND ARTICLES

Investing in Leadership: Inspiration and Ideas from Philanthropy's Latest Frontier (Volume 2)
Listen, Learn, Lead: Grantmaker Practices that Support Nonprofit Results
Foundation News & Commentary published "Philanthropy's Greatest Asset" by GEO executive director Kathleen Enright in its September/October 2006 issue.



**GEO Members,
continued**

The Grantmaking
School

Grants
Management
Associates

Greater Worcester
Community
Foundation

Greenlee Family
Foundation

Hallmark
Corporate
Foundation

Harold K.L. Castle
Foundation

The Hartford
Foundation for
Public Giving

Hawai'i Community
Foundation

HealthCare
Foundation for
Orange County

Health Foundation of
Central
Massachusetts

Health Foundation of
South Florida

Heckscher
Foundation for
Children

The Heinz
Endowments

The Hogg
Foundation for
Mental Health

Icicle Fund

The INNW Fund

Institute of Mental
Hygiene

International
Center on
Collaboration

Irene E. and
George A. Davis
Foundation

The J.W.
McConnell Family
Foundation

The Jacob and
Hilda Blaustein
Foundation

The Jacob &
Valeria Langeloth
Foundation

The James Irvine
Foundation

Jessie Ball duPont
Fund

Jessie Smith Noyes
Foundation

John H. and
Wilhelmina D.
Harland Charitable
Foundation

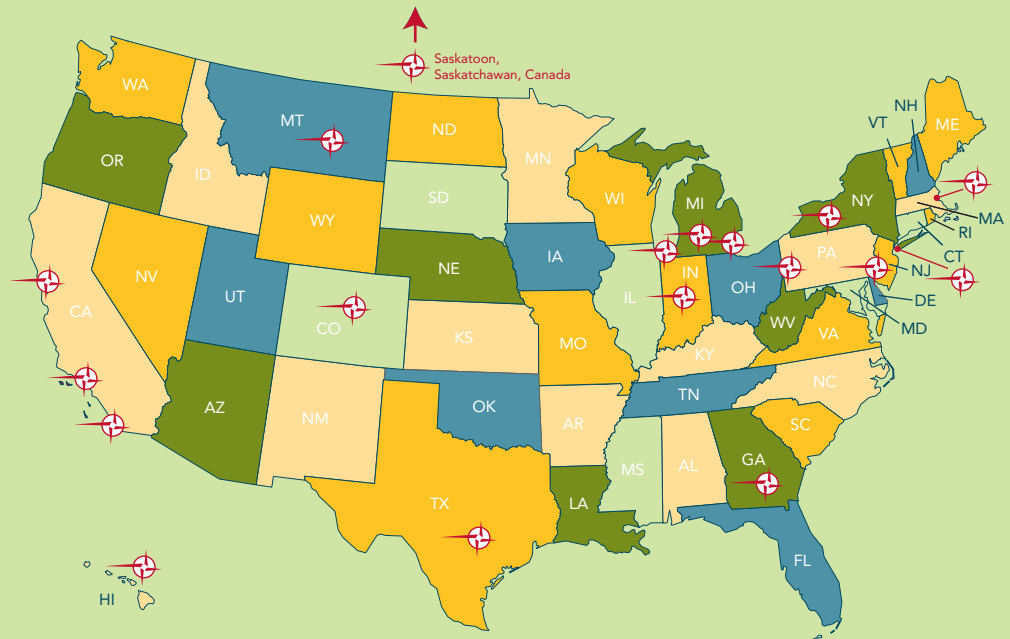
“Perhaps more than anything, GEO helps the staff at this foundation feel part of a larger movement in philanthropy to make philanthropy and nonprofits better, by using unorthodox approaches.”

~ GEO member

IN THE FIELD

In 2006, GEO staff members were increasingly called upon to give speeches, lead discussions and facilitate workshops on our key issues. From as far west as Honolulu, Hawaii, to New York City in the east, from Saskatoon, Canada in the north, to Austin, Texas in the south, GEO staff and board members spoke about GEO's work.

In partnership with regional associations of grantmakers, Council on Foundations and other funder networks, we reached more than 2,000 grantmakers — many of them new to GEO — with information and inspiration through plenaries, dialogues and workshops. For example, in San Francisco, GEO led a two-hour Investing in Leadership workshop for 40 local grantmakers. In upstate New York, we shared what we're learning from the Change Agent Project with 80 grantmakers.



OUR OWN PRACTICES

GEO is committed to continuously assessing and improving our own performance so that we are better able to serve GEO members.

We are listening. To ensure that GEO's work remains in alignment with the needs of our members, we asked members what issues they were struggling with and how they'd like us to help. We heard that members learn best from "people like them" — funders facing similar problems and working under similar constraints, and that they want to meet with each other in small peer groups to solve real issues they are confronting.

We are using what we learn. Our updated member survey and evaluation plan, along with logic models and dashboards, support us in tracking our progress and making midcourse corrections.

We are building our leadership capacity. We took to heart what we heard at our 2006 national conference about the upcoming leadership deficit and executive burnout. We are taking steps to strengthen the leadership capacity of our board and staff. For example, GEO's board commenced an extensive self-assessment in 2006.

We are diversifying and strengthening our finances. In our ongoing commitment to ensuring financial health, we are increasing both our earned income and our board-designated reserve.

“GEO changes our internal conversations in positive ways. For instance, we now talk not only about the core operating support grants that we make, but about how we can share what we've learned about these grants with the field.”

- GEO member

GEO's Indicators of Progress:

1. There are increased levels of operating support, multi-year support and other types of capacity-building support, leading to greater success for grantmakers and their grantees.
2. Grantmakers more broadly adopt mechanisms that value and seek input from appropriate stakeholders through conducting needs assessments, organizing convenings and soliciting anonymous feedback from grantees. That feedback is then incorporated into foundation strategy and practice.
3. GEO's membership grows significantly.
4. An increased number of grantmakers have adopted and strengthened organizational learning practices, contributing to greater grantmaker and grantee effectiveness.
5. Grantmaker support of nonprofit leadership development as a capacity-building strategy is more prevalent and increasingly sophisticated, resulting in improved grantmaker and nonprofit performance.
6. GEO shows higher levels of our own internal effectiveness, including enhanced leadership, higher levels of board involvement in key functions, strengthened organizational learning practices, increased financial security and more effective mission fulfillment.

GEO Members, continued

The John R. Oishei Foundation
John S. and James L. Knight Foundation
JVA Consulting, LLC
Kansas Health Foundation
The Kate B. Reynolds Charitable Trust
Kenneth A. Picerne Foundation
Kern Family Foundation
KnowledgeWorks Foundation
The Kresge Foundation
Kronkosky Charitable Foundation
Laidlaw Foundation
Laird Norton Foundation
Lancaster County Community Foundation
The Leighty Foundation
The Lodestar Foundation
London Housing Foundation
Lotte & John Hecht Memorial Foundation
Lucile Packard Foundation for Children's Health
Lumina Foundation For Education
The Lumpkin Family Foundation
Maddox Foundation
Maine Community Foundation
Maine Health Access Foundation
Marguerite Casey Foundation
The Marion I. and Henry J. Knott Foundation
Mary Black Foundation
Mary Reynolds Babcock Foundation
Massachusetts Service Alliance

GEO Members, continued

- Mathile Family Foundation
- Mattie H. Marshall Foundation
- Medina Foundation
- Metropolitan Association for Philanthropy
- MetroWest Community Health Care Foundation
- Meyer Memorial Trust
- Milton A. & Charlotte R. Kramer Foundation
- Moses Cone-Wesley Long Community Health Foundation
- Ms. Foundation for Women
- Muttart Foundation
- National Arts Strategies
- Neighborhood Funders Group
- Neighborhood Small Grants Network
- NeighborWorks America
- The Nellie Mae Education Foundation
- New Hampshire Charitable Foundation
- New Place Fund
- New Profit
- Nokomis Foundation
- Nonprofit Finance Fund
- Nonprofit Management Fund
- Northern California Grantmakers
- Northwest Area Foundation
- Northwest Health Foundation
- OMG Center for Collaborative Learning
- The Ontario Trillium Foundation
- Open Society Institute
- Oral Health Foundation

THE COMMUNITY: DIVERSE & ENGAGED

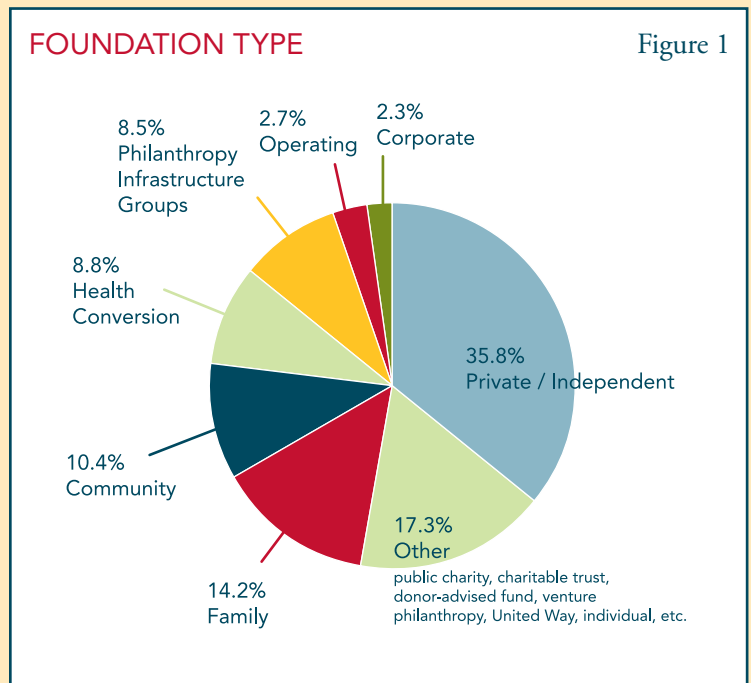
Part of our own learning includes understanding the makeup of our GEO membership and how members like to be engaged. Our biennial member services survey indicated some shifts in GEO membership demographics.

Getting smaller.

In GEO's early years, larger foundations (by asset size) accounted for almost one-third of our membership. More recently our membership has diversified significantly, while the types of organizations have stayed generally the same (figures 1 and 2).

“We have always valued capacity building, but I think that GEO tools (leadership development discussions, due diligence assessment tools) have helped us integrate that more concretely into our work.”

- GEO member



ASSET SIZE Figure 2

Asset Size	2003 All Orgs. (% of 95 Orgs.)	2006 New Orgs. (% of 74 Orgs.)	2006 All Orgs. (% of 260 Orgs.)
Small: less than \$25 million	26.3	43.3	30.4
Medium: \$25 million to \$249 million	35.8	36.5	37.7
Large: Greater than \$250 million	30.5	9.5	16.9
Unknown	5.3	0.0	6.5
Infrastructure (N/A)	2.1	10.7	8.5
Total	100	100	100

Members help shape GEO's agenda.

We are fortunate to have a highly involved membership. Nearly half of the 1,031 individuals in our database have been to at least one event since 2002. A core group has been to more than three events.

Members play a large part in creating our agenda. We work with key constituencies to define problems and seek solutions. Over the past two years, 41 member organizations (16 percent of our current membership) have had representatives on at least one GEO advisory committee. This includes serving on the GEO board, participating in one of our conference committees or involvement in committees that help shape our work in leadership development, organizational learning and the Change Agent Project.

2006 LEADERSHIP DEVELOPMENT ADVISORY COMMITTEE

Cheryl Dorsey,
Echoing Green

Richard Moyers,
The Eugene and Agnes E.
Meyer Foundation

Annemarie Riemer,
Hartford Foundation for
Public Giving

Donna Stark,
The Annie E. Casey
Foundation

Gayle Williams,
Mary Reynolds Babcock
Foundation

Linda Wood,
Evelyn and Walter Haas, Jr.
Fund

2006 ORGANIZATIONAL LEARNING ADVISORY COMMITTEE

Teresa Behrens,
W.K. Kellogg Foundation

Gale Berkowitz,
The David and Lucile Packard
Foundation

Roberto Cremonini,
Barr Foundation

Tom David,
Community Clinics Initiative

Astrid Hendricks-Smith,
The California Endowment

Tom Kern,
The Annie E. Casey
Foundation

Katharine Pearson,
The J.W. McConnell Family
Foundation

Mary Williams,
The Lumina Foundation

2006 CHANGE AGENT ADVISORY GROUP

Gregg Behr,
The Grable Foundation;
formerly of the Forbes Funds

Beth Bruner,
Bruner Foundation

Stephanie Clohesy,
Clohesy Consulting

Courtland Gould,
Sustainable Pittsburgh

David Hunter,
formerly of Edna McConnell
Clark Foundation

Jane Kendall,
North Carolina Center
for Nonprofits

Ricardo Millett,
formerly Woods Fund
of Chicago

Mary Mountcastle,
Mary Reynolds Babcock
Foundation and Z. Smith
Reynolds Foundation

Roxanne Spillet,
Boys and Girls Clubs
of America

GEO Members, continued

Orange County
Community
Foundation

Pact

The Panasonic
Foundation

Partnership for
Excellence in
Jewish Education

Peninsula
Community
Foundation

Peter and Elizabeth
C. Tower
Foundation

The Pew Charitable
Trusts

Philadelphia
Cultural
Management
Initiative

The Philadelphia
Foundation

Prudential
Foundation

Quantum
Foundation

Quixote
Foundation

The Rapides
Foundation

Rappahannock
United Way, Inc

REDF

The Retirement
Research
Foundation

RGK Foundation

Richard and Susan
Smith Family
Foundation

Richard M.
Fairbanks
Foundation

Robert Wood
Johnson
Foundation

Robin Hood
Foundation

Rockefeller
Brothers Fund

Rockefeller
Philanthropy
Advisors

Rosie's For All Kids
Foundation

Rotary Charities of
Traverse City

Ruth Mott
Foundation

Saint Luke's
Foundation of
Cleveland, Ohio

**GEO Members,
continued**

The San Diego Foundation
The San Francisco Foundation
San Luis Obispo County Community Foundation
Santa Barbara Foundation
S.D. Bechtel, Jr. Foundation
The Schimmel Lode
S.H. Cowell Foundation
SI Bank & Trust Foundation
Siebert Lutheran Foundation
Sierra Health Foundation
The Skillman Foundation
The Skoll Foundation
Sobrato Foundation
Social Venture Partners Arizona
Social Venture Partners International
Social Venture Partners Seattle
Southeastern Council of Foundations
Stella and Charles Guttman Foundation
Stupski Foundation
The Sudbury Foundation
Sunflower Foundation
Surdna Foundation
Taproot Foundation
Third Sector New England
Tides Foundation
UJA-Federation of New York
The United Methodist Health Ministry Fund
United Way Greater Toronto
United Way of Winnipeg
Unity Foundation
The UPS Foundation

“The work that GEO has done on leadership development efforts of funders has helped us create better linkages between previously disconnected programs at our foundation and to see them within the context of a bigger framework.”

~ GEO member

“Information from GEO, shared with our Board of Directors, has helped them understand the importance of capacity building.”

~ GEO member

“We often utilize publications and resources available on the website for internal staff development project[s] (staff meeting presentations and exercises). Dissemination of these materials often leads to fruitful dialogue about our internal practices and how we might better our work.”

~ GEO member

INTO ACTION

GEO is moving from defining grantmaker practices that improve nonprofit performance to facilitating change in grant-making such that these practices become more mainstream. What will that look like? GEO’s member programs will include:

Action Labs. GEO is creating opportunities for small groups of peers to work on discrete problems they are facing.

Potential topics include:

- sustaining seasoned non-profit leaders,
- agreeing on targets and metrics with grantees, and
- assessing the impact of general operating support.

Supported by environmental scanning and strong facilitation, each set of peers develops a shared understanding of the issue, identifies promising grantmaking practices that they can test and determines avenues that warrant additional exploration.

Grantmaker Skills Training.

Foundation leaders regularly face the challenge of trying to effectively lead change within their organizations — whether

launching a new initiative, rethinking long-standing policies or articulating a new vision for the foundation. By offering facilitative leadership skills training for foundation leaders, GEO is providing grantmakers with the tools and skills they need to lead such change efforts within their organizations.

Action Guides. The resources members find most useful are those they can literally use. We are launching a series of Action Guides that will help grantmakers make the case for and then implement grantmaking practices that improve nonprofit performance.

Our first Action Guides will focus on:

- investments in leadership development,
- general operating support, and
- organizational learning for social impact.

Pioneering grantmakers are adopting practices they know will better support nonprofit results. And that takes courage. GEO is committed to supporting their efforts because it's the only way we will make progress on the important social, environmental and community issues that philanthropy was created to address.

GEO Members, continued

- The Vermont Community Foundation
- Virginia Tobacco Settlement Foundation
- The W. Clement & Jessie V. Stone Foundation
- W.K. Kellogg Foundation
- Wachovia Regional Foundation
- The Wallace Foundation
- Wallace Global Fund
- Walter & Duncan Gordon Foundation
- Walter and Elise Haas Fund
- Wardle Family Foundation
- The Whitman Institute
- Wicomico Partnership for Families and Children
- Wilburforce Foundation
- The William and Flora Hewlett Foundation
- The William Bingham Foundation
- William Caspar Graustein Memorial Fund
- William J. & Dorothy K. O'Neill Foundation
- The William Penn Foundation
- Williamsburg Community Health Foundation
- Women's Funding Network
- Woods Charitable Fund
- Z. Smith Reynolds Foundation
- Zellerbach Family Foundation

2006 FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

December 31, 2006 and 2005

	2006	2005
<u>Assets</u>		
Cash and cash equivalents	\$ 1,075,456	\$ 951,537
Contributions receivable	211,000	154,000
Prepaid expenses	5,065	4,918
Deposits	4,775	4,775
Other assets	526	1,016
Property and equipment, net	3,748	11,682
Total assets	\$ 1,300,570	\$ 1,127,928
<u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Accounts payable and accrued expenses	\$ 34,947	\$ 18,873
Accrued leave	14,087	8,457
Deferred membership dues	73,710	78,000
Deferred conference registration	14,000	84,450
Total liabilities	136,744	189,780
Net Assets		
<i>Unrestricted:</i>		
Undesignated	341,438	296,470
Board-designated reserve	450,000	350,000
Total unrestricted	791,438	646,470
Temporarily restricted ¹	372,388	291,678
Total net assets	1,163,826	938,148
Total liabilities and net assets	\$ 1,300,570	\$ 1,127,928

STATEMENTS OF ACTIVITIES

For the years ended December 31, 2006, and December 31, 2005

	2006	2005
<u>Revenue and Support</u>		
Grants and contributions	\$ 846,215	\$ 448,875
Membership fees	507,590	425,133
Conference registrations ²	203,255	44,800
Conference sponsorship	36,000	64,783
Publications	6,670	4,076
Contributed services	5,823	2,711
Interest income	21,931	12,251
Other income	558	4,207
Total revenue and support	1,628,042	1,006,836
<u>Expenses</u>		
Program services	1,119,010	844,086
Management and general	209,400	200,302
Fundraising	73,954	74,670
Total expenses	1,402,364	1,119,058
Changes in Net Assets	225,678	(112,222)
Net Assets, beginning of year	938,148	1,050,370
Net Assets, end of year	\$ 1,163,826	\$ 938,148

1. Includes temporarily restricted assets for program and operating support for 2007 and 2008.
2. GEO held a national conference in 2006 but not in 2005.

BOARD OF DIRECTORS

As of 12/31/2006

Edward Pauly, Chair
The Wallace Foundation

Beth Bruner, Vice Chair
Bruner Foundation

Paul Shoemaker,
Treasurer/Secretary
Social Venture Partners
Seattle

Thomas K. Reis,
Governance Committee
Chair
W.K. Kellogg Foundation

John Bare
The Arthur M. Blank
Family Foundation

Gregg Behr
The Grable Foundation

Martha S. Campbell
The James Irvine
Foundation

Cheryl L. Dorsey
Echoing Green

David Hunter
formerly of The Edna
McConnell Clark
Foundation

Valerie Lies
Donors Forum
of Chicago

Dara Major
Surdna Foundation

Clara Miller
Nonprofit Finance Fund

Ricardo Millett
formerly of the Woods
Fund of Chicago

Grant Oliphant
The Heinz Endowments

Gayle Williams
Mary Reynolds Babcock
Foundation

STAFF

Lori Bartczak,
Manager of Special
Projects

Tamar Cloyd,
Development Specialist

Kathleen P. Enright,
Executive Director

Dakota Fine,
Program Assistant

Heather Holliger,
Communications
Specialist

J McCray,
Manager of Operations

Jillaine Smith,
Manager of Programs

Jason Twiss,
Operations Specialist

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