

NAPA VALLEY

COMMUNITY FOUNDATION

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www.napavalleycf.org

February 9, 2009

Dear Friends,

Thank you for helping us lean into a fierce headwind.

Because of your support, we've been able to do more for local nonprofits and the vulnerable people they serve this year, even in the midst of a serious recession.

In 2008, we distributed nearly \$650,000 from our *Community Impact Funds*, a 47 percent increase over 2007. Attached please find a document that includes:

- A summary of donors involved and grants distributed
- A one-page report for each *Community Impact Fund*
- A metric in each called Donor Buying Power, which aims to hang a figure on an old adage – that there is strength in numbers.

As you'll see, our grant distributions were heavily tilted in 2008 towards meeting basic human needs. More than half of the dollars we distributed were targeted to this area: our focus was bolstering the safety net – food, housing and emergency assistance – in response to a worsening economy during the third and fourth quarters of the year.

We are proud of the grants we made last year, and the speed at which we turned corners to address changing needs in our community. But dollars alone won't get us through the desert landscape of this economy.

We believe there is a crisis of confidence in the nonprofit sector, and hope you can help us fix it. Organizations are running scared. They see their revenues falling and worry about sustaining vital programs. As a donor and a community leader, we know you are asked almost constantly for help. We also understand that most donors need to scale back their giving this year. Still, if you can be candid with nonprofits about what you are able (and not able) to do, perhaps both this year and next, it will replace uncertainty with a more stable view of the future, and help them make realistic plans to move forward.

Thank you once again. I hope you'll call me or Marla Tofle, Vice President of Philanthropic Services, with any questions you have about the pages that follow.

Sincerely,




Terence P. Mulligan
President

NAPA VALLEY

COMMUNITY FOUNDATION




– Community Impact Funds: Summary –

Fund	2008 Grants	Donors	
 <p>FUND FOR AMERICAN CANYON</p>	\$23,500	<ul style="list-style-type: none"> • Aegis American Canyon, LLC • Anonymous • The James Irvine Foundation 	
 <p>FUND FOR THE ARTS</p>	\$45,000	<ul style="list-style-type: none"> • Lauren Ackerman • Anonymous • Richard & Annie Bennett • Dr. Alvin Lee Block • CDI/Hatt Market • Charter Oak Fund • Dey Leadership Fund • The Estate of Lylah M. Schieck • Freed Family Fund • Jackson Family Foundation • The James Irvine Foundation 	<ul style="list-style-type: none"> • K & J Jaeger Family Fund • Jewish Community of Napa Valley • Bill & Carol Kieschnick • Dave & Jane Meyers • Muh Family Fund • Old Kraft Fund • Optimista Fund • Sato Family Fund • Silverado Farming One Percent Fund • Tulsa and Simone Fund • Turley Family Fund
 <p>FUND FOR CALISTOGA</p>	\$41,650	<ul style="list-style-type: none"> • Anonymous • Dey Community Fund • The James Irvine Foundation • K & J Jaeger Family Fund • Charlie Johnston • The E. Richard Jones Family Foundation • WWJD Fund 	
 <p>CAPACITY GRANTS FUND</p>	\$97,014	<ul style="list-style-type: none"> • Lauren Ackerman • The Estate of Lylah M. Schieck • Jackson Family Foundation • The E. Richard Jones Family Foundation • Sally & Rick Jones Family Fund • The Kobrand Foundation • Bonny Meyer Fund • Justin Meyer Scholarship Fund • Opportunity Fund • Sato Family Fund • Thacher Family Fund • Walton Family Fund 	
 <p>THE GREEN FUND</p>	\$0	<ul style="list-style-type: none"> • Anonymous • Charter Oak Fund • Cort Goldman Family Fund 	

NAPA VALLEY

COMMUNITY FOUNDATION

– Community Impact Funds: Summary –

Fund	2008 Grants	Donors	
 <p>IN SCHOOL & OUT OF SCHOOL FUND</p>	\$30,000	<ul style="list-style-type: none"> • Anonymous (3) • Charter Oak Fund • Cort Goldman Family Fund • The Estate of Lylah M. Schieck • Freed Family Fund • Robert & Ellen Imrie Charity Fund 	<ul style="list-style-type: none"> • The James Irvine Foundation • K & J Jaeger Family Fund • MFL Endowment Fund • Napa Fund • Sally & Rick Jones Family Fund • Sato Family Fund • Tulsa and Simone Fund • Turley Family Fund
 <p>NEIGHBORS FUND</p>	\$0	<ul style="list-style-type: none"> • Anonymous (7) • Bell Products Fund • Blessings from Heaven Fund • Richard & Annie Bennett • Mr. & Mrs. Rodney Block • Bruce & Rosemary Cakebread • Fred Caspersen Fund • Charter Oak Fund • Cort Goldman Fund • Dey, L.P. • Diageo North America • Doctors Company • J.E. Engle • First Presbyterian Church of Napa • Freed Family Fund • Carolyn Fruchtenicht • Mr. & Mrs. David Gilbreth • Patrick & Pamela Gleeson • Margaret Hager • Jaeger Family Trust 	<ul style="list-style-type: none"> • Jaqua Family Fund • Sally & Rick Jones Family Fund • Macke Family Fund • Patsy Mc Gaughy & John Marx • MFL Family Fund • Napa Valley Vintners/Auction Napa Valley • Old Kraft Fund • Opportunity Fund • Optimista Fund • Palmisano Family Foundation • Janet Peterson • Silver Sensations by Saxon & Leonard • Soroptimist International of Napa • St. Mary's Episcopal Church • Kevin Tabb • UBS Financial Services Community Fund • Vanguard Charitable Endowment Program • Ivy Archer Winters
 <p>FUND FOR ST. HELENA</p>	\$45,426	<ul style="list-style-type: none"> • Anonymous (2) • Bruce & Rosemary Cakebread • The James Irvine Foundation • The E. Richard Jones Family Foundation 	<ul style="list-style-type: none"> • Sally & Rick Jones Family Fund • The Kobrand Foundation • Lolo's Second To None • Palmisano Family Foundation • Thacher Family Fund • Mr. & Mrs. Will Wyman III
 <p>STRONG COMMUNITIES FUND</p>	\$366,750	<ul style="list-style-type: none"> • Anonymous • Carver Foundation • Charter Oak Fund • Folio Wine Partners • Jackson Family Foundation • K & J Jaeger Family Fund • Sally & Rick Jones Family Fund • Lorrain Kongsgaard 	<ul style="list-style-type: none"> • Jim & Barbara Maggetti • Sandra Maggioli & Michael Garibald • MFL Endowment Fund • Napa Fund • Sato Family Fund • David & Ruth Sawyer • Silverado Farming One Percent Fund

TOTAL \$649,340

NAPA VALLEY

COMMUNITY FOUNDATION



FUND FOR
AMERICAN CANYON

Mission: To provide more resources to nonprofit programs in American Canyon.

- Inception Date: September 2004
- Total Grants: \$69,515
- 2008 Grants: \$23,500
- Number of Donors: 3
- Donor Buying Power: \$1 = \$4[^]

What's Happening

- Investing in programs that
 - Give American Canyon youths, ages 14-24, opportunities to develop themselves as students and as leaders
 - Expose teens and young adults in American Canyon to the broader world of career and citizenship
 - Provide avenues for kids to get their voices heard and participate in their local communities
- We provided funding in 2008 for four projects, including
 - Peer mentoring afterschool program for high- and middle-school students, geared towards drug and alcohol prevention
 - Teen leadership group to design and implement a variety of youth events, from fundraisers to dances
 - Recreation program, in which experienced high school tennis players mentor elementary-age kids who are novices at the game

What We're Learning (+ and -)

- American Canyon's teens must commute to attend high school, which makes it difficult for them to participate in afterschool programs on their home turf
- In fall of 2010, Napa Valley Unified School District will open its first high school in American Canyon; creating, safe off-campus places for teens to hang out will be of critical importance
- Youth development for teens is expensive—programs need to pay experienced staff who'll stay around for the long haul, so there is consistent mentoring that builds kids' trust

What's Next

- Attracting a broader base of donors to support the Fund
- Ongoing evaluation of Am Canyon needs against the Fund's focus areas
- Continuing to monitor grantees' progress

[^] For every \$1 contributed to the Fund by a donor, how many dollars have been distributed from the Fund? This is the ratio, in dollars, of 1: [(Total Grants from Fund)/(Average Contribution to Fund)].

NAPA VALLEY

COMMUNITY FOUNDATION



FUND FOR THE ARTS

Mission: To help the arts and culture sector in Napa County weather recent challenges and begin to thrive.

- Inception Date: November 2005
- Total Grants: \$257,300
- 2008 Grants: \$45,000
- Number of Donors: 22
- Donor Buying Power: \$1 = \$29[^]

What's Happening

- Completion of a county-wide Cultural Plan earlier this year, with more than 800 artists, business owners, arts patrons and supporters, parents, students and teachers participating in town-hall meetings and interviews
- Investing in implementation of the Cultural Plan, which focuses on three critical initiatives
 - Tourist audience development
 - Public policy that supports the arts
 - A collaborative marketing initiative among arts organizations
- Our investment in Arts Council of Napa Valley (ACNV) helped them attract a new group of private donors
- Major arts groups are now talking with each other on a regular basis and more open to collaboration

What We're Learning (+ and -)

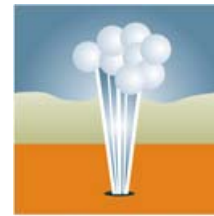
- We must tap into visitors in order for our arts sector to thrive
- Some feel disconnected to the communities in which they live, and they view the arts as a vehicle to build ties with their neighbors
- A strong coordination point (ACNV) is essential to achieve the goals of the cultural plan
- A robust public policy that supports the arts is critical—zoning incentives, dedicated Transient Occupancy Tax (TOT), and arts ordinances are examples of successful models used in other counties

What's Next

- Funding to explore closer cooperation among local arts groups
- Ongoing evaluation of needs against the Fund's focus areas
- Attracting a broader base of donors to support the Fund

[^] For every \$1 contributed to the Fund by a donor, how many dollars have been distributed from the Fund? This is the ratio, in dollars, of 1: [(Total Grants from Fund)/(Average Contribution to Fund)].

NAPA VALLEY COMMUNITY FOUNDATION



FUND FOR
CALISTOGA

Mission: To provide more resources to nonprofit programs in Calistoga.

- Inception Date: June 2004
- Total Grants: \$129,300
- 2008 Grants: \$41,650
- Number of Donors: 7
- Donor Buying Power: \$1 = \$8[^]

What's Happening

- Investing in programs that
 - Give Calistoga youths, ages 14-24, opportunities to develop themselves as students and as leaders
 - Expose Calistoga teens and young adults to the broader world of career and citizenship
 - Provide avenues for kids to get their voices heard and participate in their local community
- We provided funding in 2008 for six projects, including
 - Workshops and counseling to foster resiliency and healthy behaviors among at-risk students attending Calistoga Junior/Senior High School
 - Intervention and diversion program for high school students that commit first-time criminal offences
 - Mentoring, plus academic and financial aid advising for Latino high school students who will be the first in their families to attend college

What We're Learning (+ and -)

- Living in a town with a population of 5,000 is isolating for Calistoga's high school and college-age kids—especially those from families living in poverty; most need significant mentoring and exposure to a wider view of what's possible in order to achieve bigger things for themselves
- Calistoga's nonprofits launched a coordinated effort to map out the needs of local teens and young adults, and to build programs that support these kids with greater efficiency and impact
- Youth development for teens is expensive—programs need to pay experienced staff who'll stay around for the long haul, so there is consistent mentoring that builds kids' trust

What's Next

- Attracting a broader base of donors to support the Fund
- Ongoing evaluation of Calistoga's needs against the Fund's focus areas
- Continuing to monitor grantees' progress

[^] For every \$1 contributed to the Fund by a donor, how many dollars have been distributed from the Fund? This is the ratio, in dollars, of 1: [(Total Grants from Fund)/(Average Contribution to Fund)].

NAPA VALLEY

COMMUNITY FOUNDATION



Mission: To help strengthen the organizational capacity of nonprofit organizations working in Napa County.

- Inception Date: May 2006
- Total Grants: \$142,014
- 2008 Grants: \$97,014
- Number of Donors: 11
- Donor Buying Power: \$1 = \$10[^]

What's Happening

- Investing in programs that
 - Support nonprofits to increase fundraising capacity
 - Provide professional development to nonprofit leadership
 - Help nonprofits conduct business more efficiently and effectively
- We pool our resources with E. Richard Jones Family Foundation, Gasser Foundation and Napa Valley Vintners/Auction Napa Valley, then review and decide on grants together. In 2008, our collective grants totaled \$194,000, and 27 projects were awarded, including
 - Website development for a grassroots, all-volunteer nonprofit that provides animal-assisted therapy to people of all ages
 - I/T equipment and a fundraising database for an agency that offers free legal services to working-poor adults and seniors
 - Board development and strategic planning for an afterschool program that teaches technology skills to middle school children

What We're Learning (+ and -)

- With a soft economy, unrestricted donations are in short supply; nonprofits rely on these kinds of funds to maintain and build infrastructure so they can continue to work effectively
- A group of established nonprofits is hungry for programs that help their Executive Directors deepen their leadership skills and broaden their vision
- Demand for these grants continues to outstrip funds available, even after increasing the amount available from \$75,000 to \$200,000

What's Next

- Attracting a broader base of donors to support the Fund
- Ongoing evaluation of County-wide needs against the Fund's focus areas
- Continuing to monitor grantees' progress

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Mission: To identify the major causes of climate change in Napa County with indisputable data so that citizens, policy makers and organizations can better understand the best steps to take to make progress on this critical issue.

- Inception Date: March 2008
- Total Grants: \$0
- 2008 Grants: \$0
- Number of Donors: 3
- Donor Buying Power: N/A[^]

What's Happening

- In conversation with a potential grantee about expanding the scope of a green house gas (GHG) study now underway in Napa County to include
 - Further technical analysis of possible GHG emissions reduction measures and their impact, cost and return on investment
 - A process to communicate findings and build support for required changes in the broader community
- Tapping into climate change experts outside Napa County to learn from their experience

What We're Learning (+ and -)

- Businesses, citizens, trade associations and other organizations are picking up different pieces of the climate change puzzle in Napa County, and working hard to make a difference; however, they don't have access to data on the major drivers of climate change in our community
- Policymakers will ultimately need to make tough choices in areas like transportation, workforce housing and zoning – which are politically charged everywhere, but especially so in Napa County
- Unbiased, scientific information can foster a more productive community dialogue, give courage to our political leaders and lead more quickly to viable solutions
- Efforts targeted to changes on a broad scale, such as public policy, will have the greatest impact in the shortest amount of time

What's Next

- Making a grant to expand GHG study currently underway
- Attracting a broader base of donors to support the Fund
- Ongoing evaluation of County-wide needs against the Fund's focus areas

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NAPA VALLEY

COMMUNITY FOUNDATION



IN SCHOOL &
OUT OF SCHOOL FUND

Mission: To help children and youth (ages 3-24) succeed in school and improve their chances of becoming confident and contributing adults.

- Inception Date: January 2007
- Total Grants: \$105,000
- 2008 Grants: \$30,000
- Number of Donors: 16
- Donor Buying Power: \$1 = \$8[^]

What's Happening

- Investing in programs that
 - Implement innovative education models designed to improve academic performance, and keep kids and parents engaged in learning
 - Develop leadership and college preparedness among middle and high school students
 - Enrich kids' afterschool experience, at school sites or off-campus
- We provided funding in 2008 for two new projects
 - Youth development for nearly 60 low-income high school students, who would be the first in their families to attend college; combines rigorous mentoring and academic counseling; the program's high school seniors all graduated *and* matriculated to college
 - Afterschool recreation for 160 elementary and middle school girls to help them develop self-confidence and a positive body image; and to experience supportive relationships with peers and adult mentors

What We're Learning (+ and -)

- Students who aren't native English speakers get slotted into basic-level classes; if not released from these by eighth grade, they are not permitted to take the high school classes needed to enter a UC or CSU school
- There is no comprehensive effort to empower Spanish-speaking parents to navigate the complex web of school systems and advocate for their kids on issues like college-readiness
- As a result, hundreds of Hispanic youth graduate from high school each year with limited prospects for employment and leadership

What's Next

- Attracting a broader base of donors to support the Fund
- Ongoing evaluation of County-wide needs against the Fund's focus areas
- Continuing to monitor grantees' progress

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NAPA VALLEY

COMMUNITY FOUNDATION



Mission: To provide assistance to individuals and families affected by community-wide emergencies, such as floods or earthquakes.

- Inception Date: January 2006
- Total Grants: \$506,050
- 2008 Grants: \$0
- Number of Donors: 44
- Donor Buying Power: \$1=\$42[^]

What's Happening

- Fund has not made any distributions since there have been no natural disasters, such as floods or earthquakes

What We're Learning (+ and -)

- Three nonprofits that were active in the 2006 New Year's Flood now have new Executive Directors that are attempting to build the capacity of their organizations
- Napa's emergency response and recovery agencies are still thinly staffed and undercapitalized
- State budget cuts have chipped away at monies available for operating grants to organizations providing emergency response and recovery

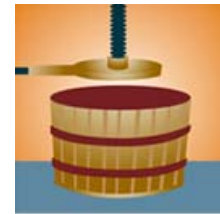
What's Next

- Continued discussions with emergency response and recovery groups, as well as other grantmakers (such as United Way) about roles and responsibilities when the next emergency occurs

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NAPA VALLEY

COMMUNITY FOUNDATION



FUND FOR
ST. HELENA

Mission: To provide more resources to nonprofit programs in St. Helena and surrounding communities of Angwin, Berryessa, Chiles Valley, Oakville, Pope Valley and Rutherford.

- Inception Date: July 2005
- Total Grants: \$130,926
- 2008 Grants: \$45,426
- Number of Donors: 11
- Donor Buying Power: \$1 = \$13[^]

What's Happening

- Investing in programs that
 - Give area youths, ages 14-24, opportunities to develop themselves as students and as leaders
 - Expose teens and young adults in the St. Helena region to the broader world of career and citizenship
 - Provide avenues for kids to get their voices heard and participate in their local communities
- We provided funding in 2008 for eight projects, including
 - Afterschool program for at-risk Latino boys in high school that combines soccer practice with life skills and cultural identity workshops
 - Teen-driven health education programs and events targeted to high school students
 - Drama workshop for 25 St. Helena area teens and college-age kids

What We're Learning (+ and -)

- Many teens and young adults crave programs that candidly address issues not discussed in school, like healthy relationships and sex
- There is a group of local youth who are very committed to building community among their peers and “giving back” to St. Helena through off-campus activities that they design
- Youth development for teens is expensive—programs need to pay experienced staff who'll stay around for the long haul, so there is consistent mentoring that builds kids' trust

What's Next

- Attracting a broader base of donors to support the Fund
- Ongoing evaluation of the region's needs against the Fund's focus areas
- Continuing to monitor grantees' progress

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NAPA VALLEY COMMUNITY FOUNDATION



Mission: To help our County's residents get their basic needs met and engage them in community life.

- Inception Date: January 2007
- Total Grants: \$439,250
- 2008 Grants: \$366,750
- Number of Donors: 15
- Donor Buying Power: \$1 = \$14[^]

What's Happening

- Investing in Napa County programs that
 - Increase financial stability among low-income families
 - Support vulnerable populations with essential services
 - Foster community dialog and inter-cultural awareness
- We provided funding in 2008 for 24 projects, with a year-end focus on the "Safety Net"—organizations that provide food, shelter and emergency aid to families and seniors negatively impacted by the recession, including
 - \$140,750 to family centers to distribute emergency aid monies for things like rent, medicine, transportation or utilities to struggling households
 - \$72,500 to programs that help people stay in their current housing situation and avoid homelessness
 - \$35,000 for nonprofits that provide no-cost food or meals to families and elderly residents

What We're Learning (+ and -)

- More families are falling into poverty due to the collapsed housing market and recession; they are seeking services in larger numbers
- Charities are experiencing big increases in demand for services over a year ago—anywhere from 25 to 350 percent
- Nonprofits are watching revenues dwindle: state budgets for social services are being slashed, donors are giving less, and foundations are limiting their distribution budgets

What's Next

- Attracting a broader base of donors to support the Fund
- Ongoing evaluation of County-wide needs against the Fund's focus areas
- Continuing to monitor grantees' progress

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