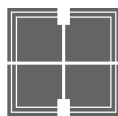


# reflections



GREATER HOUSTON  
COMMUNITY FOUNDATION

2009 Annual Report



A YEAR OF

# reflection

*For the giving community of Houston, 2009 was a year to take a step back and reflect on priorities.*



The further tightening of the credit market, fueled by the economic tensions of a nation in recession, resulted in a prudent tightening of purse strings. But, once again, our GHCF donors proved that they place a premium on philanthropy, digging deeper than ever to donate \$57 million in grants to deserving causes. This is an accomplishment that we believe reflects a core value we share: *commitment to community*.

But this commitment is just one

GHCF quality that echoes with our donor partners. As one of the leading grant-makers in the Houston area, we also possess the passion, strategic thinking and affinity for maximizing funding potential that have made our contributors successful. That's why, since 1995, we have grown to become the *center of philanthropy* in Houston.

By never losing sight of our promise to pair donors with the causes they care about most, we empower funders (individuals, families, businesses and

foundations) to achieve their long-term charitable goals — all while optimizing tax benefits and investment returns. Through smart giving tactics and community insight, we give Houston philanthropists the tools they need to continue spreading hope — even in the most trying times — so they can make a difference when it's needed most.

At GHCF, we help our donors create a tomorrow that's a true reflection of their caring and generosity today.

A REFLECTION OF

# PURPOSE

\$57 million in grants. 2,196 nonprofit organizations funded. 156 scholarships awarded. In the midst of the most challenging economic environment since the Great Depression, our donors stood strong in their amazing commitment to the Houston community and beyond. As the economy struggled and needs soared, our donors dug deeper and continued to make a difference. At GHCF, our board and staff were honored to have the opportunity to support these important efforts.

We maintained our position as the nation's 46th largest community foundation, ranking 19th in gifts received and 23rd in grants distributed. We remain one of the largest grant-makers in the Houston community and continue to grow our donor community, with over 1,600 funds now in place at GHCF.

In addition, our Governing Board spent many hours crafting a new strategic vision to guide GHCF into the future. This vision is built upon the principle that honoring donor intent – the goals and dreams of our donors – remains our guiding light. To fulfill that commitment, we plan to add selected products and services that will offer our donors a complete suite of philanthropic solutions, from mechanisms to make the most tax-efficient gifts possible under current law, to knowledge and grant-making resources empowering our donors to make informed investments in our community and beyond.

With a continuing focus on efficiency and effectiveness, a growing donor base, and increasing support from our community, the future of GHCF is as shiny as our cover!

Chair, Governing Board

President

As the economy struggled and needs soared, our donors dug deeper and continued to make a difference.

A REFLECTION OF

# COMMITMENT

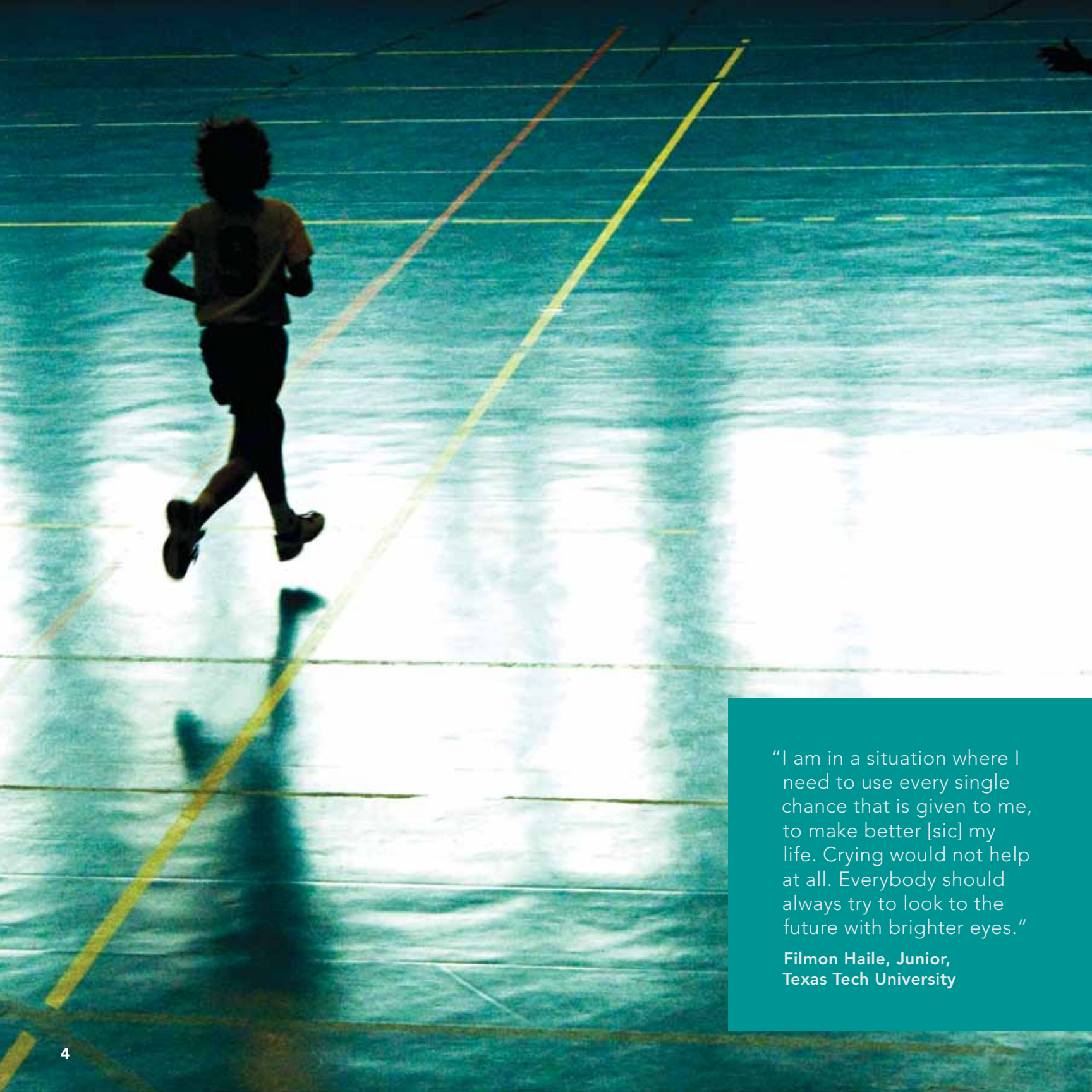
We believe, just like you, that our community is a reflection of the generous spirit of our donors.

Thanks to the big-hearted outreach of benefactors like you — paired with GHCF's unique community knowledge and giving strategies — local nonprofits can count on the aid they need, even in troubling economic times. By leveraging our proven track record of behind-the-scenes administrative expertise and progressive investment planning, we work with our partners to find creative ways to keep donations up, even when the market is down. All of this confirms our favorite truism: *Where there's a will, there's a way.*

Following are some high points from our work together in 2009.



GREATER HOUSTON  
COMMUNITY FOUNDATION



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# Compassion

*Helping students achieve their dreams is the cornerstone of GHCF's work with donor-sponsored scholarship funds. And for higher-education recipients like Filmon Haile, an Eritrean immigrant to the United States, receiving a Houston Country Club Scholarship in 2006 was, in itself, a dream come true.*

## THE HOUSTON COUNTRY CLUB AND JOHN BULLER SCHOLARSHIP FUNDS

"I am in a situation where I need to use every single chance that is given to me, to make better [sic] my life. Crying would not help at all. Everybody should always try to look to the future with brighter eyes."

**Filmon Haile, Junior,**  
Texas Tech University

Haile's application essay echoes the struggles of countless bright, hardworking students who simply seek a chance to create a future for themselves. To help, in 2004 the Houston Country Club established a scholarship fund for its employees and their children and grandchildren. The program, funded directly by club members and administered by GHCF, has since awarded 79 scholarships totaling nearly \$170,000.

Likewise, compassion was at the heart of Jim and Katie Buller's decision in 1997 to establish the John Buller Scholarship Fund, in memory of their

son, to aid students suffering from cystic fibrosis. The Bullers knew all too well the challenges presented by the disease in everyday life, much less in an academic setting. With GHCF navigating everything from the selection process to the complexities of strict IRS regulations, the fund has awarded 43 scholarships totaling \$72,500 since 2003 to some very grateful students, one of whom affirmed: "Without this scholarship, I doubt that I would be where I am today."

Thanks to practical investment policies and far-sighted fund management, GHCF works every day to ensure that,

no matter the economy, our scholarship donors will be able to make such dreams come true.

"Hopefully, I'll be able to pay your generosity forward ten-fold times and more in the future to spread the kindness and support around."

**Jeremiah Hudson, Senior,**  
University of Texas at Austin

A REFLECTION OF

# values

*Founded in 1993, the Spring Branch Education Foundation (SBEF) is a thriving, dynamic product of one community's pledge to enhance its students' quality of education.*

"The students of today will be the workforce, the parents, the teachers and the leaders of tomorrow. That's a legacy worth investing in."

**Warren Matthews, Chair,  
SBEF Board of Directors**

A REFLECTION OF COMMUNITY

# involvement

*When Spectra Energy spun off from Duke Energy in 2007, the natural gas infrastructure company retained not only its roots as a commanding presence in the industry, but also its enduring philanthropic spirit.*

## SPRING BRANCH EDUCATION FOUNDATION

Located in Houston, SBEF finances programs that "broaden [the] perspectives and expand [the] experiences" of the 32,000 primary and secondary students of the Spring Branch Independent School District.

From mentoring programs to arts education, student scholarships and academic enrichment, SBEF's grants bring to life the youthful promise of its beneficiaries. First-graders are treated to a traveling art show; the district's Future Farmers of America chapter receives funds to provide Homes for Heifers; and students

flourish via web-enhanced learning programs at school.

To raise donations for such projects, SBEF channels the creativity of the young minds it serves. Over the years, its fundraising events — including the 5K "Running for the Arts" run/walk and Fall Golf Classic — have become community traditions. *Lucrative ones.* To responsibly manage the contributions entrusted to them, the foundation partners with GHCF.

CeCe Thompson, SBEF's Executive Director, says, "GHCF allows us

to focus on fundraising initiatives rather than worrying about how our funds are invested." This confidence was underscored with the recent creation of the Fund for the Future, a permanent endowment intended to ensure a perpetual source of income for SBEF. Thankfully, its future looks as bright as that of the students whose lives it will touch.

## SPECTRA ENERGY

So when the company was ready to create a charitable giving vehicle to further its long-standing commitment to community, Spectra Energy had a decision to make: face the rigors and regulations of setting up a corporate foundation, or let GHCF handle the administration. Spectra Energy chose the latter.

The resulting donor-advised fund became the Spectra Energy Foundation, the core of the company's philanthropy efforts. The foundation facilitates strategic investments in Spectra Energy's areas

of focus — including education, the environment and employee support and volunteerism — through its matching-gift and volunteer-grant programs, as well as an annual United Way campaign.

Spectra Energy places a great deal of value on volunteerism year-round, with a special focus during its Helping Hands in Action initiative, the company's annual concentrated volunteer effort. Over the years, employees have participated in company-sponsored projects such as cleaning up Galveston beaches,

conducting home repairs for elderly Houstonians and planting gardens on local school campuses. Through it all, GHCF has stood quietly behind the scenes, managing full fund operations. Whether it's cutting donation checks or performing due diligence on recipient organizations, GHCF's boundless administrative energy fuels Spectra Energy's commitment to being the partner of choice.



A REFLECTION OF

unity

*What do you get when you bring like-minded individuals together to work toward the common good of a community? Strength in numbers.*

#### ASIAN AMERICAN GIVING CIRCLE OF GREATER HOUSTON AND LATINO GIVING – HOUSTON

*“It’s fun to see who’s joined our cause. [Our members] are very eclectic, which is great! We’re all bonding over giving back to Houston.”*

**Clarissa L. Valdez,**  
Grants Committee Chair,  
Latino Giving – Houston

Such is the concept behind the remarkable success of two unique GHCF donor-advised fund partners: the Asian American Giving Circle and Latino Giving – Houston.

Founded in 2007, the Asian American Giving Circle encourages philanthropy in the Asian Pacific American (APA) community, one of the fastest-growing populations in the United States. Created by a small but tenacious group who recognized a void in mainstream funding for APA-focused nonprofits, the giving circle achieved \$19,000 in grants to four

deserving organizations by the end of 2009.

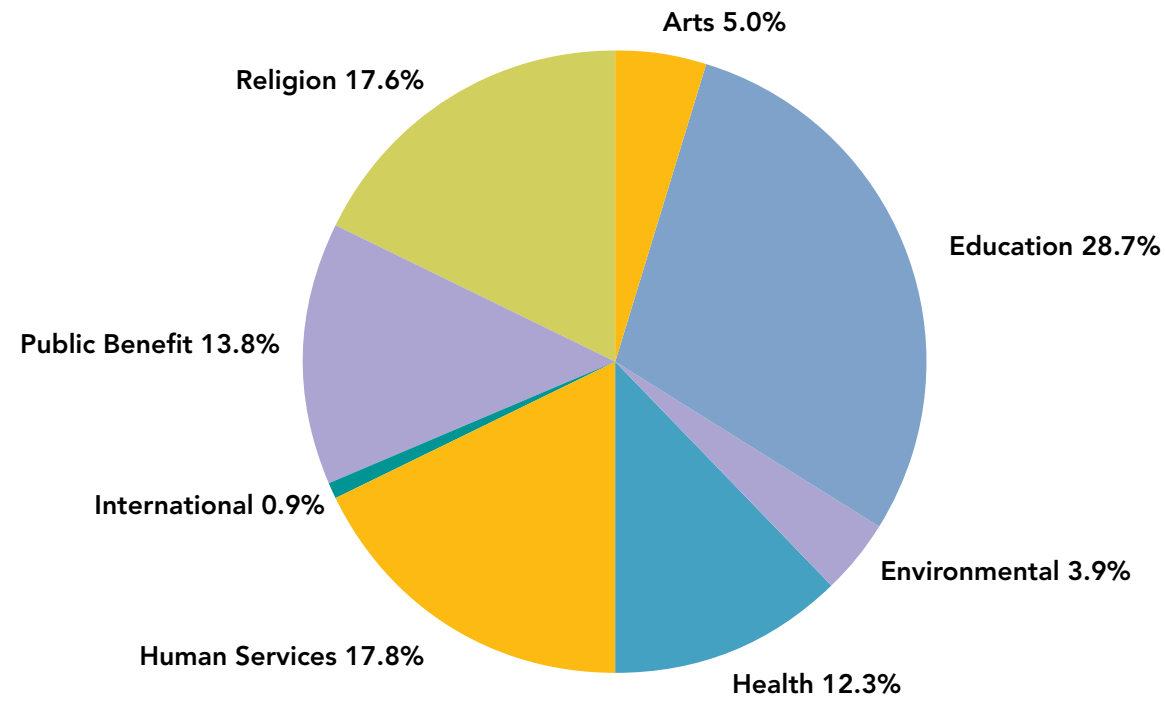
Collective giving is also the focal point of Latino Giving – Houston. With a goal of shedding light on the needs of Houston’s largest demographic segment, the giving circle sprang to life in 2009 as the brainchild of sisters Frances and Clarissa Valdez. Having worked with local nonprofits for years, they resolved to devise a giving vehicle that would more efficiently deliver much-needed help to these groups, while at the same time proving that

a person doesn’t have to be “rich” to make a difference.

With a minimal annual investment (just \$300 for Latino Giving – Houston), anyone can join these giving circles, which operate as a model of *democratized philanthropy*. All members vote equally to decide on grant recipients. And, since funds are pooled, members make a much more powerful impact than would be possible through their individual donations

# Financial Summary

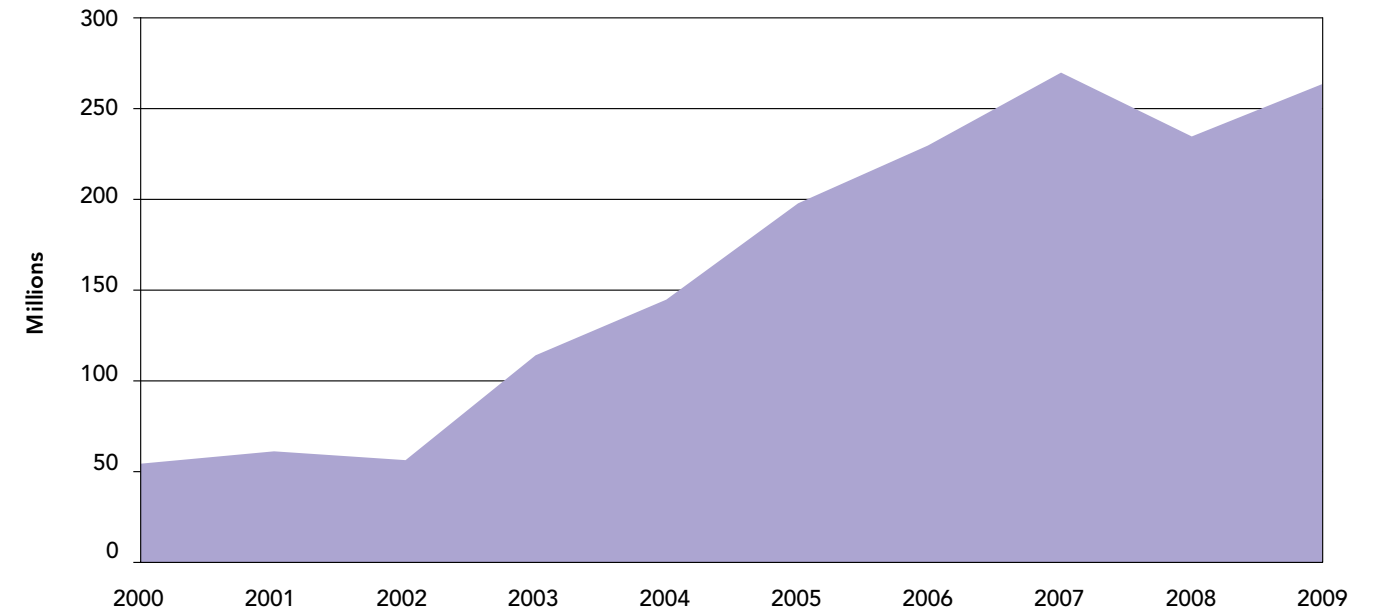
GHCF GRANTS BY PROGRAM AREA (1/1/2009 - 12/31/2009)



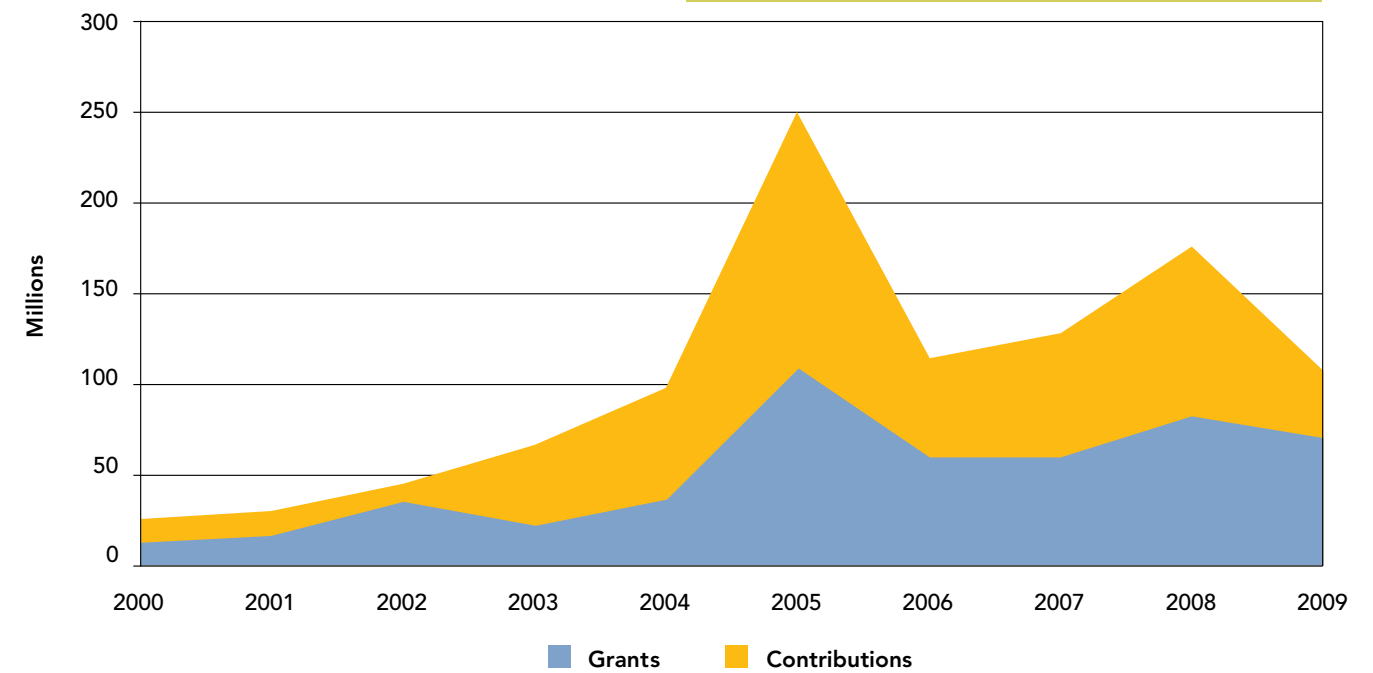
PROGRAM AREA	GRANTS	PERCENTAGE
Arts	2,830,142	5.0%
Education	16,416,667	28.7%
Environmental	2,238,282	3.9%
Health	7,030,578	12.3%
Human Services	10,159,084	17.8%
International	508,288	0.9%
Public Benefit	7,911,337	13.8%
Religion	10,063,118	17.6%
<b>Total</b>	<b>\$57,157,496</b>	<b>100.0%</b>

# Financial Summary

GHCF TOTAL ASSETS (2000-2009)



GHCF CORE CONTRIBUTIONS AND GRANTS (2000-2009)



# Leadership

## GOVERNING BOARD

### CHAIR

Maureen Hackett  
*Community Volunteer*

### IMMEDIATE PAST CHAIR

Rodney H. Margolis  
*Principal, Margolis Interests*

### CHAIR ELECT

Gus Comiskey, Jr.  
*Independent Consultant, Clark Consulting*

Bruce R. Bilger  
*Chairman & Head of Global Energy  
Lazard Freres & Co. L.L.C.*

Ric Campo  
*Chief Executive Officer, Camden*

Melanie Gray  
*Partner, Weil, Gotshal & Manges LLP*

Joseph A. Hafner, Jr.  
*Retired Chief Executive Officer  
Riviana Foods Inc.*

Jeffery D. Hildebrand  
*President & Chief Executive Officer  
Hilcorp Energy Company*

R. Stan Marek  
*Chief Executive Officer  
The Marek Companies*

Steven L. Miller  
*Chairman/President  
SLM Discovery Ventures*

Gasper Mir III  
*Principal, MFR, P.C.*

Gavin H. Smith  
*President, GHS Investments*

### PAST CHAIRS

Ernest H. Cockrell

Emily A. Crosswell

Lee Hogan

Stephen M. Kaufman

Mary Nell Lovett

Randall Meyer

Wilhelmina E. (Beth) Robertson

David M. Weekley

Rodney H. Margolis

## COMMUNITY FOUNDATION COUNCIL

### CHAIR

Maureen Hackett  
*Community Volunteer*

### CHAIR ELECT

Gus Comiskey, Jr.  
*Independent Consultant, Clark Consulting*

Dorothy M. Ables  
*Chief Administrative Officer  
Spectra Energy*

John Arnold  
*CEO/Founder  
Centaurus Energy Management, LP*

Laura Arnold  
*Co-Chair  
Laura & John Arnold Foundation*

John Scott Arnoldy  
*Chairman, President & CEO  
Triten Corporation*

Frances Arnout  
*Community Volunteer*

J. Downey Bridgwater  
*Chairman, President & CEO  
Sterling Bank*

Chip Carlisle  
*Texas Regional President  
Wells Fargo*

Martha Z. Carnes  
*U.S. Energy Assurance Leader  
PricewaterhouseCoopers LLP*

John T. Cater  
*Retired Chairman  
BBVA Compass Bank - Houston*

Ann Cazalot  
*Community Volunteer*

Ernie D. Cockrell II  
*Managing Director  
Pinto Realty Partners*

Stephen M. Kaufman

Mary Nell Lovett

Randall Meyer

Wilhelmina E. (Beth) Robertson

David M. Weekley

Rodney H. Margolis

Emily Burguires Dalicandro  
*Community Volunteer*

Peter C. DeLongchamps  
*Vice President  
Group 1 Automotive, Inc.*

Robert D. Duncan  
*Chairman  
Transwestern Interests*

C. Richard Everett  
*C. Richard Everett Investments LLC*

Jose-Pablo Fernandez  
*Founder & Executive Director  
Parents Alliance, Inc.*

Jill Gracely  
*Gracely, LLC*

Bob Graham  
*Retired Co-Founder, President, CEO  
& Chairman, AIM Investments*

Saundria C. Gray  
*Senior Counsel  
Shell Oil Company*

Bernard Harris, Jr.  
*President & CEO  
Vesalius Ventures*

Charles H. Herder  
*Co-Chairman/Principal  
Colliers International*

Lee Hogan  
*President  
Hogan Investments*

B. B. Hollingsworth, Jr.  
*Chairman  
BBH Capital*

Jill Jewett  
*Jewett Consulting*

Stephen M. Kaufman  
*Independent Executive Benefits Consultant  
Clark Consulting, Inc.*

Susan Kellner  
*Member, Board of Trustees  
Spring Branch Independent School District*

Jack Kendall  
*President  
Westside Lexus/Northside Lexus*

K. Terry Koonce  
*Retired President  
ExxonMobil Production Company*

Leo Linbeck III  
*President & CEO  
Aquinas Companies, LLC*

George Martinez  
*CEO, Allegiance Bank Texas  
Consultant, Chrysalis Partners, LLC*

Anne C. Mendelsohn  
*Associate to the President  
The University of Texas M. D. Anderson  
Cancer Center*

Paul B. Murphy, Jr.  
*Chief Executive Officer  
Community Bancorp LLC*

Carrin Patman  
*Attorney  
Bracewell & Giuliani LLP*

Tina Pyne  
*Community Volunteer*

Wilhelmina E. (Beth) Robertson  
*President, Cocksbur Inc.*

Tom Ryan  
*President & Chief Executive Officer  
Service Corporation International*

Ali Saberioon  
*President/Chief Executive Officer  
Sabco Oil & Gas Corporation*

C. Park Shaper  
*President, Kinder Morgan*

Peter Shaper  
*Chief Executive Officer  
CapRock Communications, Inc.*

Leticia F. Trauber  
*Community Volunteer*

Dan C. Tutcher  
*Retired President, Enbridge Energy Co., Inc.*

Lori Vettes  
*Principal, MFR, P.C.*

John B. Walker  
*President & CEO  
EnerVest Management Partners, Ltd.*

Lane Ward  
*Vice Chairman, Amegy Bank of Texas*

Melvyn L. Wolff  
*Chairman, Star Furniture Co.*

Bob Zinke  
*Community Volunteer*

# Character

*At GHCF, we value hard work, dedication, attention to detail and dependability. These are the same principles that make us the ideal partner for philanthropic families, foundations, corporations and nonprofits seeking to maximize long-term benefit to the communities in which they live and work.*

## FOUNDATION SERVICES

Over the years, we've taken over the burden of private and corporate foundation management from some very appreciative shoulders, providing an all-in-one operational and administrative resource to busy executives. So when the time came for William R. Lummis to hand over the reins of The Frill Foundation to his sons, GHCF was there to help. Rather than face the challenges of setting up a new foundation office, training staff and researching best practices, the Lummis brothers chose GHCF for full fund administration. This strategic move ensured not only that they could instead focus their energies on the more gratifying aspects of grant-making — but also that the foundation's legacy will live on in perpetuity.

## DONOR-ADVISED FUNDS

Ease of set-up and significant tax benefits make the GHCF donor-advised fund a favorite giving tool for today's time-stretched philanthropic families. With as little as \$10,000, you can create a named or anonymous fund that allows maximum privacy and truly efficient grant-making. All cash gifts to your fund are tax-deductible up to 50 percent of your adjusted gross income. Or take advantage of the flexibility of non-cash donations. GHCF can facilitate gifts of stock, mutual fund shares, partnership interests, real estate and other assets, both locally and nationwide. All online. All the time.

## FAMILY FOUNDATION GENERATIONAL PLANNING

Helping to manage the evolving nature and needs of family foundations is a GHCF specialty. We'll aid you in unifying goals and maintaining structural integrity through the development of a coordinated mission, strategy, oversight design and plan for succession. So your philanthropic vision will be protected for years to come.

## GRANT-MANAGEMENT SERVICES

The behind-the-scenes work of grant management is both tedious and time-consuming, so let GHCF handle the paperwork while you enjoy the gift of giving. Whether it's supervising requests, applications, awards and declinations or handling correspondence, processing payments and issuing checks, our all-inclusive grant-management services will even see you through grant closing and evaluation.

## PARTNERS IN PHILANTHROPY ACCOUNTS (PIPA)

GHCF's commitment to outstanding stewardship applies not only to the management of our clients' donor-advised funds, but also to our PIPA accounts. These accounts allow nonprofits and foundations alike to capitalize on GHCF's investment programs alongside our existing donors. So you benefit from the highly competitive rate of return achieved through our proven diversification strategies and risk-mitigated portfolio, all while retaining legal control of your funds.

## SCHOLARSHIPS

We'll help you fund the future of young minds today with customized scholarship programs that achieve your charitable goals. You set the selection criteria, donation amount and number of awards, and we'll manage the rest — from documentation and IRS regulations to enrollment verification and cutting the checks.

## CORPORATE SERVICES

As an invaluable operations partner to corporate foundation managers, GHCF helps maximize both your investment in the local community and the resulting public awareness and goodwill generated by it. To our full-scale grant-management and fund-administration services, we also add unparalleled community outreach knowledge to make the most of your charitable giving program.

*"Having GHCF take care of day-to-day details, by providing grant management and administration, coordinating board meetings, and giving support has been a blessing to our family."*

**Fred Lummis, President,  
The Frill Foundation**

SMART GIVING. BETTER RESULTS.



GREATER HOUSTON  
COMMUNITY FOUNDATION

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[www.ghcf.org](http://www.ghcf.org)