

2005

**CAROLYN FOUNDATION
Annual Report**



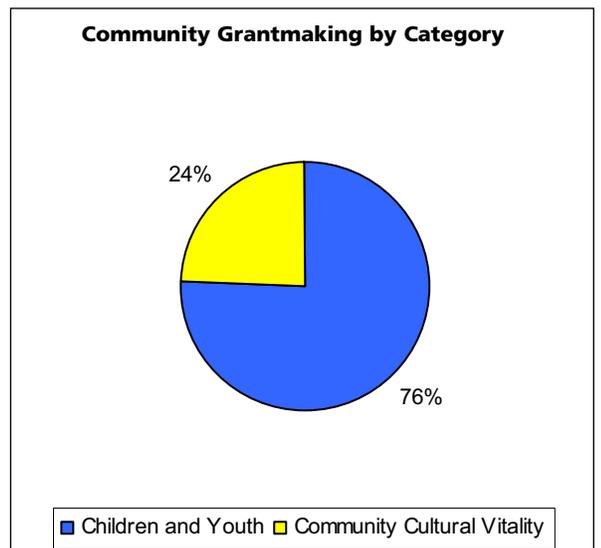
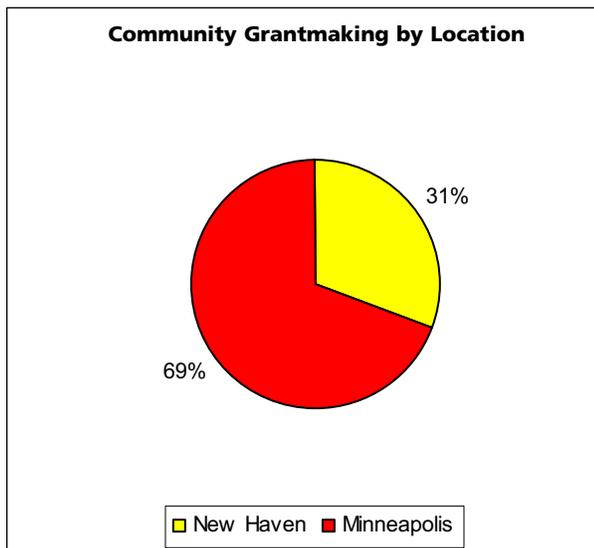
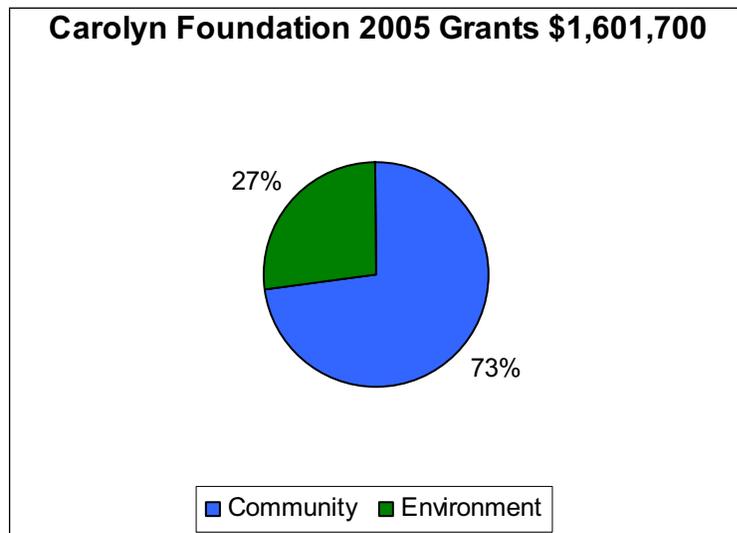
Carolyn Mission

The mission of the Carolyn Foundation is to act with concern and compassion for communities and focus areas by supporting programs that make a meaningful difference now and in the future.

Carolyn Values

- ★ Making a Difference
- ★ Supporting Long-term Systemic Change
- ★ Concern for Community
- ★ Compassion

Carolyn 2005 Grantmaking Snapshot



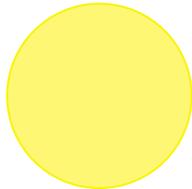
Dear friends and colleagues,

2005 has been an exciting year for Carolyn Foundation. Based on our success with Advancing Community Wind we have invested more fully in environmental proactive grantmaking and we are testing proactive styles of grantmaking in our community category. By doing this we have made good grants and learned more about a specific topic and/or community, enriching our experience and increasing the quality of our work.

Our environmental grantmaking has continued to increasingly focus on our energy work. Approximately 40% of grantmaking this year was proactive energy funding and 31% of our responsive grantmaking went to energy related projects. Our energy work has expanded to include continued support for advancing community wind- small locally owned projects that play a significant role in revitalizing rural economies while enabling our transition to a 21 century energy system. To address our concern that many new coal plants are being considered to meet rising energy demand, we made a planning grant to a project called the Better Energy Option. This project is designed to be a fully developed, very large scale wind project that could provide a better clean alternative to coal.

A version of proactive grantmaking has also emerged in our community grantmaking. A visit to New Haven spotlighted the serious shortage of after-school programs for middle school aged children. We researched best practice youth development strategies and developed a criteria for what we wanted to encourage in New Haven. An RFP process was used to identify six organizations that seemed willing and able to expand their outreach and or enrich their programs. We set aside \$150,000 over two years to expand the opportunities for young people while we continue to learn more about how we can make a positive difference for youth in New Haven.

We are excited to find that as we delve deeper into the issues and communities we've targeted, our volunteers are more engaged than ever and our grantmaking continues to improve.



Chm C. Dobson

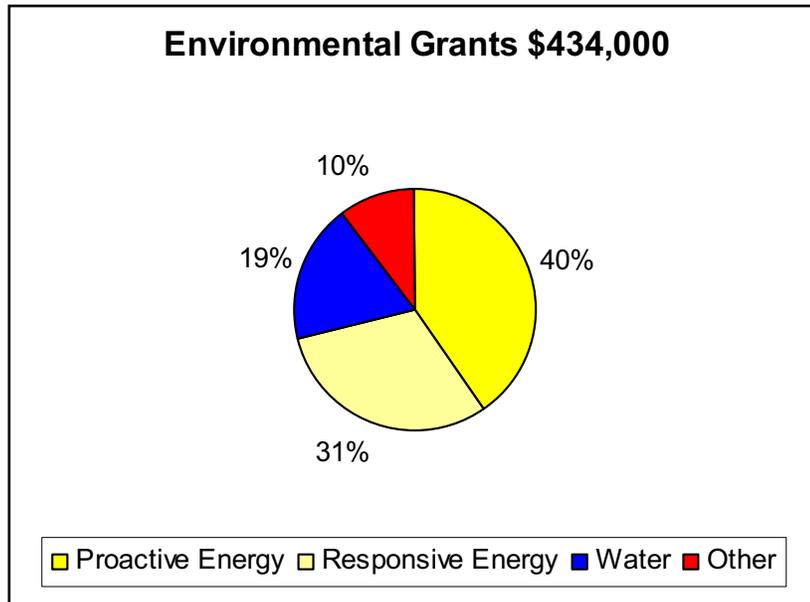
Charles Dobson



2005 Grant Recipients Environmental Grantmaking

Our environmental program area is divided between foundation initiated grantmaking for which we will not accept unsolicited requests and responsive grantmaking for which we will consider unsolicited grant requests.

After intensive research the Carolyn Environmental Grant Review Committee identified decreasing energy related pollution and promoting renewable energy as a key funding priority for both proactive and responsive grantmaking. By doing so Carolyn Foundation can help create healthier environments and economic opportunities for our communities. The 2005 funding distribution reflects this priority.



Foundation Initiated Proactive Grantmaking \$175,000

Energy – Advancing Community Wind Projects. Collaborating organizations: Minnesotans for an Energy-Efficient Economy (ME3), North American Water Office (NAWO), Minnesota Project and Windustry. www.me3.org
\$75,000 for Advancing Community Wind (initiated December 2003)

Renewable Energy – RE-AMP Phase II: A collaborative project initiated with the involvement of foundations, non-profit organizations, private sector representatives and government agencies interested in advancing renewable energy.
\$25,000 Advancing renewable energy in the Midwest in order to reduce current greenhouse gas emissions by 80% by 2030 and build a thriving, low carbon Midwestern economy.

Energy - the Better Energy Option. Minnesotans for an Energy Efficient Economy (ME3) www.me3.org
\$75,000 to initiate the development of a viable business plan for a large scale wind project. The project will deliver 3,000-4,000 megawatts of wind power across Minnesota, South Dakota, Iowa and Wisconsin.



Responsive Environmental Grantmaking

Although we will accept a wide range of environmental proposals, in 2005 the Carolyn Foundation Environmental Grant Review Committee was most interested in renewable energy programs and watershed projects that:

- **Develop and implement solutions that can be replicated in other areas;**
- **Collaborate effectively with others in the community: government, non-government, foundations and private parties;**
- **Address root causes and create systemic solutions and change;**
- **Address global issues with local interventions that address both local and global needs.**

Renewable Energy \$133,000:

Audubon Washington www.wa.audubon.org Seattle, WA
\$20,000 for wind power siting guidelines

Northwest Sustainable Energy for Economic Development www.nwseed.org Seattle, WA
\$15,000 for general operating support.

Oregon Environmental Council www.oeconline.org Portland, OR
\$20,000 for promoting renewable energy use

Redefining Progress www.redefiningprogress.org Oakland, CA
\$20,000 for the State Budget Crises Project – Pollution Pay Program

RENew Northfield www.renewnorthfield.org Northfield, MN
\$18,000 general operating support

Sierra Club Foundation www.tscf.org/tscf San Francisco CA
\$40,000 for the Minnesota Clean Air Campaign

Watershed Protection and Restoration \$81,000 (last year as a priority funding area):

Delaware Center for Horticulture www.dehort.org Wilmington, DE
\$16,000 for an urban forest study

EcoTrust www.ecotrust.org Portland, OR
\$20,000 for the Siuslaw Watershed Certification Project

Friends of the Mississippi River www.fmr.org St. Paul, MN
\$20,000 for the Mississippi River's Watershed Initiative

River Network www.rivernetwork.org Portland, OR
\$20,000 for a new project; Fighting the Effects of Sprawl with the Clean Water Act in the Pacific Northwest

San Luis Valley Ecosystem Council www.slvec.org Alamosa, CO
\$5,000 for general operating support

Other Environmental \$45,000:

Environmental Support Center www.envsc.org Washington, DC
\$25,000 for general operating support

Northwest Natural Resource Group www.nnrg.org Port Townsend WA
\$20,000 for the Northwest Certified Forestry program



Toward a Clean Energy Future

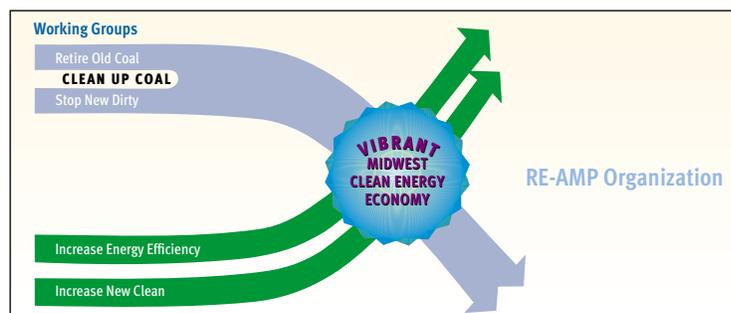
As the Carolyn Environmental Committee researched environmental challenges we came to realize that problems associated with the environment and sustainability are, almost by definition, “wicked problems” -- i.e. problems that cannot be resolved with traditional analytical thinking. In an effort to think globally and act regionally, Carolyn Foundation has been participating in RE-AMP, a learning community convened in 2004 and comprised of foundations and NGOs from the upper Midwest. Over a focused two-year period this diverse group worked together to ultimately form a commitment to three interlocking strategies to influence movement towards a large-scale shift in the region to a clean, efficient, secure energy system. Constructing this energy system will revitalize the region’s economy, take advantage of our natural endowment of renewable energy resources like wind and bio-mass, and cut our global warming pollution by 80%.

RE-AMP is a diverse group. There are eight foundations and 35 NGOs committed to distinct and different approaches to the opportunities and problems associated with catalyzing the transition to a clean energy system. Some participants are interested in reducing global warming pollution. Others see clean energy production as a way of revitalizing local economies. Still others are concerned with creating a sustainable energy policy—moving towards greater reliance on safe, clean and renewable sources and away from fossil fuel or nuclear power. Combining both NGOs and funders in a strategy development process was new for most of us. While their participation increased the difficulty factor in coming into alignment, we all agree that it greatly enriched the discussion and moved us in directions we may never have considered alone.

RE-AMP’s approach to collective learning centered on “systems thinking” – a method for mapping the dynamics of complex problems, developed 40 years ago. Systems-thinking is able to accommodate a high level of detail within a wide-angle lens and helps identify critical leverage points in complex systems. It is based on the idea that the behavior of all systems follows certain common principles and interdependencies that go far beyond our normal ways of thinking about cause and effect. It has been popularized by Peter Senge. It is an approach that many on our committee had heard of but we had not the opportunity to use in the past.

The interlocking and counterbalancing strategies we finally came up with are: Increase Energy Efficiency, Clean up Coal, and Increase New Clean Energy. As we work with these strategies, it is increasingly clear that they are all critical to our ambitious but necessary goal. But not all had been on the philanthropic radar screen before RE-AMP. For example, although there are 75 existing coal fired plants (contributing as much global warming pollution as 45 million cars) and 24 new ‘dirty coal’ plants on the drawing board, the “Clean up Coal” strategy had never been identified as a funding priority for any of the participating foundations.

For Carolyn RE-AMP provides a view into the wide range of projects currently being considered and the opportunity to see if there are places in the system where a foundation of our size can make a significant difference through foundation initiated grantmaking. One of those projects is A Better Energy Option, a plan to carefully research and perhaps complete a fully developed business plan that would be capable of effectively competing with proposed new dirty coal plants. RE-AMP also provides a framework and increased understanding of energy issues to use in deciding what types of energy related projects we want to fund through our responsive grantmaking. The challenge is to keep the learning dynamic alive and to maintain our systems perspective. We need to keep in touch with the work each other is doing as well as developments in the external environment so that our work continues to be vital and connected within in the entire system. Carolyn Foundation made a \$25,000 grant to support the continued development of the RE-AMP process.



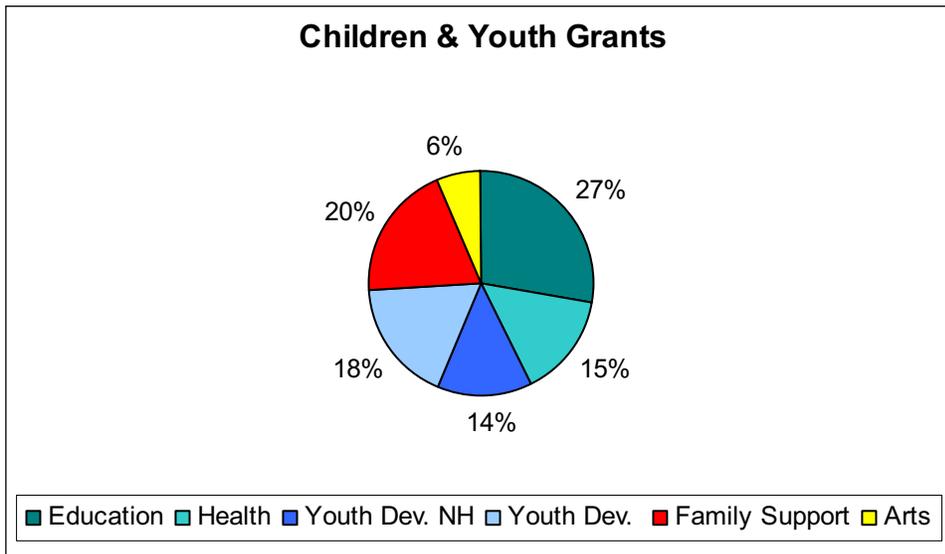
2005 Grant Recipients Community Grantmaking in Minneapolis, MN and New Haven, CT

Supporting Economically Disadvantaged Children and Youth

We seek to empower economically disadvantaged children and youth by supporting their families and other caring adults to inspire, nurture educate and guide them to achieve long-term stability and well-being.

We believe that all children and families have a collection of strengths and assets that they can use to build positive lives for themselves. However many families' economic circumstances severely limit their access to information and the range of opportunities necessary for their children to achieve long-term stability and well-being. We believe that this is a gap that the Carolyn Foundation can help address. Therefore, as we review proposals we carefully look at the populations being served and focus our efforts on those with significant economic challenges.

As our committee researched "best practice" youth development programs and the needs of our community we became aware of a serious shortage of high quality after-school programs for middle school youth in New Haven Connecticut. The committee decided to target that problem by issuing a request for proposals. Over 100 community organizations attended information sessions, 20 submitted proposals and 6 organizations received grants designed to increase the number of youth participating in high quality programming. Those organizations will be eligible to apply for a second year of funding of up to 50% of the original grant. In this way the foundation is extending proactive grantmaking into the community grantmaking category.



We will Support Economically Disadvantaged Children and Youth by funding programs that:

Enable children and youth to be successful in school.

Our objective in this area is to help young people capitalize on their strengths and overcome obstacles to school success thereby preparing them for positive post secondary options. In this area we fund early education programs that help prepare children for kindergarten, after-school tutoring and enrichment programs and programs that help high school students transition to continuing education and/or meaningful work.

Centre for Asians and Pacific Islander www.capiusa.org Minneapolis, MN
\$10,000 for implementation of the Hmong School Partnership project

The City www.thecityinc.org Minneapolis, MN
\$15,000 for general operating support

Connecticut Children's Museum www.thechildrensbuiding.org New Haven, CT
\$30,000 for general operating support

Interfaith Refugee Ministry www.interfaithrefugee.org New Haven, CT
\$18,000 for the Refugee Program for Acculturation and Literacy Skills (PALS)

Learning Center for Children – LCC
<http://alternative.mpls.k12.mn.us/ed2a3f14-427d-4f5f-b9fd-573a736b9f6a.html> Minneapolis, MN
\$20,000 for general operating support

Minnesota Advocates for Human Rights www.mnadvocates.org Minneapolis, MN
\$10,000 for the 'Rights Sites' education program

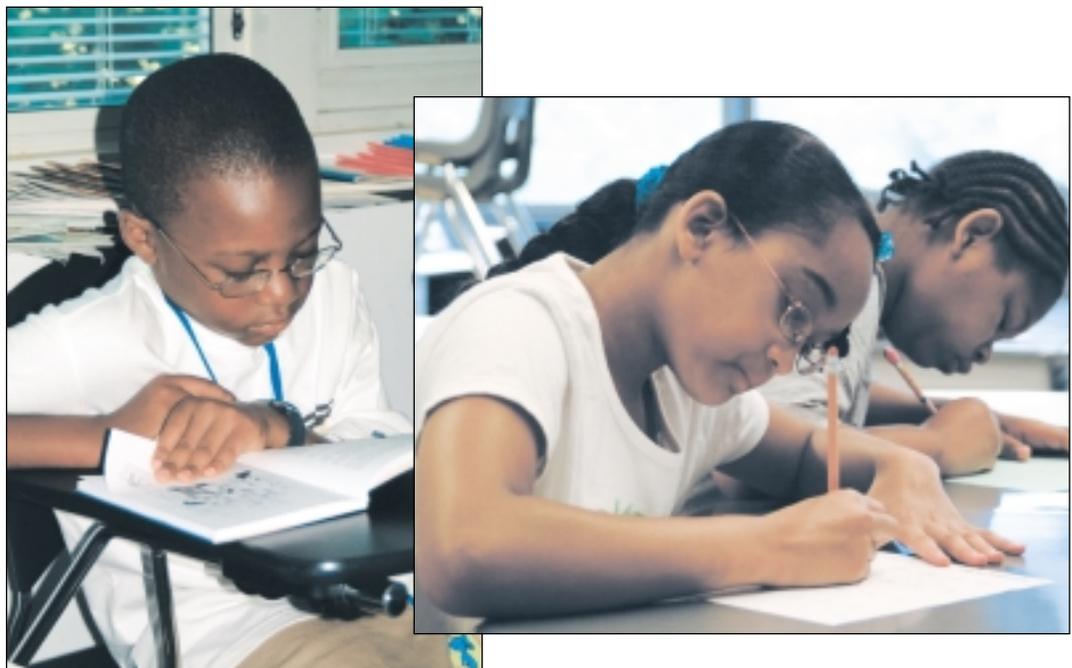
Pillsbury United Communities www.puc-mn.org Minneapolis, MN
\$20,000 for the POWER project

Northwestern Health Sciences University www.nwhealth.edu Minneapolis MN
\$30,000 for the Science Academy Demonstration project

Project Success www.projectsuccess.org Minneapolis MN
\$50,000 for general operating support

Twin Cities International Elementary School www.tiesmn.org Minneapolis, MN
\$23,200 for family literacy resources

Way to Grow www.ycb.org/waytogrow.asp Minneapolis, MN
\$20,000 for general operating support



We will provide access to resources to promote a healthy lifestyle for children and families.

In this area we want to enable children and families to make wise lifestyle choices by providing access to information, ideas and support. We trust individual families to make good decisions when they have access to a full range of information and alternatives.

African American Family Services www.aafs.net Minneapolis, MN
\$10,000 for the African American Counseling Center

Concordia University www.dadsmakeadifference.org St Paul, MN
\$17,500 the Dads make a Difference program in Minneapolis

Chrysalis A Center for Women www.chrysaliswomen.org Minneapolis, MN
\$10,000 for a new program, Thunder Spirit Center (TSC)

Katahdin <http://alternative.mpls.k12.mn.us/e784e30e-7816-46aa-86a8-a86ba2e4c5d3.html>
Minneapolis, MN
\$30,000 for the Organizational Capacity Building project

Midwest Health Center for Women www.midwesthealthcenter.org Minneapolis, MN
\$7,500 for the Second Pregnancy Prevention Project

New Haven Ecology Project Inc. Common Ground School www.nhep.com New Haven, CT
\$30,000 for Common Ground Seed-to-Table Initiative

Pro-Choice Resources www.birdsandbees.org Minneapolis, MN
\$25,000 for the Birds and Bees project

We fund programs that provide positive youth development opportunities.

We fund programs that provide a wide range of age appropriate youth development and youth leadership opportunities. Young people who are competent and confident about their future can accomplish great things. Helping young people develop their skills and see their potential is perhaps the most critical gift anyone can give a child.

Amicus www.amicususa.org Minneapolis, MN
\$5,000 for the Girls' Restorative Justice program

Boys & Girls Club of New Haven www.bgcnewhaven.org New Haven, CT
\$20,000 for the Afterschool Program

Catholic Charities of St. Paul & Minneapolis www.ccspm.org Minneapolis, MN
\$20,000 for the Northside Child Development Center

Friends of Children Foundation www.friendsofchildren.com Minneapolis, MN
\$10,000 for the Foster Child Enrichment Grant program

La Escuelita www.laescuelita.org Minneapolis, MN
\$10,000 for general operating support

Leg Up Inc. New Haven CT
\$30,000 for general operating support

New Haven Urban Resources Initiative www.yale.edu/uri New Haven, CT
\$20,000 for the Open Spaces as Learning Places

Old Arizona Collaborative www.olderizona.com Minneapolis, MN
\$15,000 for the Arizona Bridge Project

Youth Farm and Market Project www.youthfarm.net Minneapolis, MN
\$25,000 for general operating support

We support families' ability to nurture and support their children.

Parents and families are far and away the single most important resources for children. Yet there are many challenges that can impede a family's ability to nurture and support their children therefore we fund programs that help build effective parenting skills and provide support systems to enable families to care for their children.

African Credit Education and Financial Agency www.africancreditededucation.org Minneapolis, MN
\$10,000 for general operating support

English Learning Center www.englishlc.org Minneapolis, MN
\$20,000 for general operating support

Families in Crisis, Inc www.familiesincrisis.org Hartford, CT
\$20,000 for FIC programs that benefit children of offenders in the New Haven area

Families Moving Forward www.familiesmovingforward.org Minneapolis, MN
\$10,000 for a new program - Self-Sufficient Families

Hmong American Mutual Assistance Association www.hamaa.org Minneapolis, MN
\$5,000 for the Family Empowerment Network (FEN)

Legal Aid Society of Minneapolis www.midmnlegal.org Minneapolis, MN
\$20,000 for the Safe at Home project

Loft Literary Center www.loft.org Minneapolis, MN
\$10,000 for the Partnership for Access to Literacy (PAL) initiative

MELD www.meld.org Minneapolis, MN
\$10,000 for enhancing families' ability to nurture and support their children

North Memorial Community Foundation www.northmemorial.com Minneapolis, MN
\$20,000 for the 'Bright Beginnings' program

People Serving People www.peopleservingpeople.org Minneapolis, MN
\$10,000 for the Family & Children's Program

Progressive Training Associates Inc. www.progressivetraining.org Bridgeport, CT
\$17,000 for therapeutic extended day, mentoring and respite program for youth in New Haven

Simpson Housing Services www.simpsonhousing.org Minneapolis, MN
\$10,000 for general operating support

Tubman Family Alliance www.tubmanfamilyalliance.org Minneapolis, MN
\$14,000 the Holistic Counseling Program



We support programs that provide direct access to quality arts experiences and creative expression.

We recognize the importance of creative expression for all children and we want to provide opportunities for high quality “hands on” opportunities for young people in our communities to create art. It may be performing in a play, painting a picture, writing a story or learning an instrument whatever it is it provides the opportunity to uniquely enrich the passion and spirit by working with talented artists and teachers.

American Composers Forum www.composersforum.org St Paul, MN
\$5,500 for the Lullaby Project in Minneapolis

Artspace, Inc. www.artspacenh.org New Haven, CT
\$25,000 the Youth View program

Free Arts Minnesota www.freeartsmn.org Minneapolis, MN
\$20,000 for general operating support

Galumph Interactive Theater www.galumph.org Minneapolis, MN
\$5,000 for the Art for the Differently-Abled Project



Proactive Community Grantmaking Providing High Quality Youth Development programs

Given our breadth of giving, limited resources and 3 year funding restriction in our traditional process, it has at times been difficult to see the impact of our grants. In an effort to increase the impact of our grantmaking Carolyn began proactive foundation initiated environmental grant-making in the late 90's. Since then there have been several successful projects with clear and significant outcomes. However until 2005 Carolyn's proactive work has been limited to environmental projects. This year Carolyn Foundation branched out and successfully used proactive grantmaking techniques to identify funding opportunities in Community Grantmaking. This process has provided a valuable learning opportunity and a way to continue to explore strategies to more fully leverage resources and make a greater impact in both environmental and community funding.

In the summer of 2004 an ad hoc committee was formed to research the needs of the New Haven Community. The committee identified a serious shortage of high quality, out-of-school time youth development programs for middle school children. They reviewed the research about what “best practice” program design looks like and then solicited proposals in early 2005 to provide more opportunities for young people to participate in programs that met the “best practice” criteria.

The Best Practice Criteria includes the following elements:

- A theoretically sound framework that demonstrates a solid understanding of youth development, flexible individualized strategies and positive relationships.
- Sufficient structure and intensity to develop caring relationships with adults.
- Responsive to the unique needs and interest of kids – kids play an important role in structuring and designing the program and enjoy participating.
- Age-appropriate opportunities to build “real world” competencies and skills.
- Intentional yet informal learning to build social/emotional development.
- Authentic youth leadership.
- Engaged families and communities.
- Evaluation and high expectations.

Twenty one proposals were received and fully researched including conversations with directors, site visits and discussions with other community members to test our understanding. Based on that review the six programs listed were chosen for funding. We will monitor these programs over the

next year and conduct site visits to see what impact is being made and make decisions about continued funding, evaluate our process and determine what the next steps should be to continue to increase our impact in community grantmaking.

The value of this proactive work goes beyond the impact of these grants. We have learned more about the challenges and issues in New Haven, we have developed more relationships with a wide range of community partners and we believe we are better able to make wise grants now and in the future. In addition, it has informed and enhanced our traditional responsive grantmaking by expanding our understanding of best practice and creating an easy to use reference for evaluation of youth development grant requests.

New Haven Youth Development Initiative (RFP):

Out-of-School time youth development programs servicing middle school age children in Inner City New Haven: (\$20,000 provided by Annie E. Casey Foundation)

Alliance Theatre www.Alliancechildrenstheatre.org New Haven, CT
\$23,500 for the Literacy Through the Dramatic Arts program

Eli Whitney Museum www.eliwhitney.org New Haven, CT
\$15,600 for creating after-school apprenticeships for 16 New Haven Middle School students

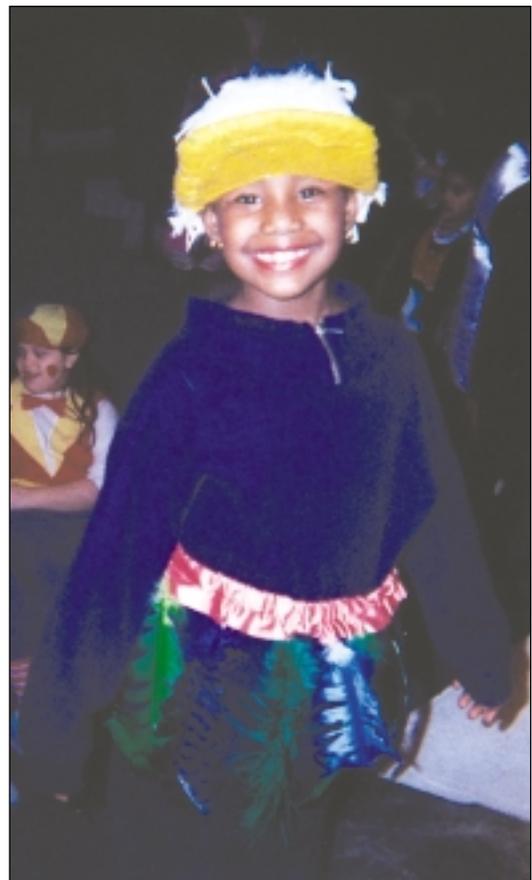
Farnam Neighborhood House, Inc. <http://www.uwgnh.org/commimpact/farnam.cfm> New Haven, CT
\$27,148 for a year round program targeting adolescents

Leadership, Education & Athletics in Partnership (LEAP)

www.leapforkids.org New Haven, CT
\$14,000 for the Leaders-in-Training (LIT) program

Pequeñas Ligas Hispanas de New Haven, New Haven, CT
\$19,752 for the whole person development of New Haven children

Solar Youth, Inc. www.solaryouth.org
New Haven, CT
\$20,000 for the Neighborhood Steward Team program



Alliance Theater



Community and Cultural Vitality

We seek to support the vitality of our communities through a variety of programs, such as arts, civic and cultural organizations. We believe that the quality of life for all communities' members is enhanced by having a diverse and vibrant cultural community that nurtures and challenges its members.

We will do this by funding programs that:

Built the capacity of the arts and cultural community to deliver quality programs.

In this area we seek to support the ability of diverse arts and cultural organizations to share their gifts with the community. Given the limitations on our funds we clearly cannot sponsor every production and every troupe but we hope to be able to help make organizations stronger and healthier over time so they can continue to grow and change with the community.

Forecast Public Artworks www.forecastart.org St. Paul, MN
\$10,000 for the Spontaneous Storefronts project

In the Heart of the Beast Puppet and Mask Theatre www.hobt.org Minneapolis, MN
\$15,000 for a capital campaign

Minnesota Opera www.mnopera.org Minneapolis, MN
\$25,000 for the Opera at the Ordway Initiative

Minneapolis Institute of Arts www.artsmia.org Minneapolis, MN
\$25,000 for a capital campaign

Midtown Public Market Corcoran Neighborhood Org. www.midtownpublicmarket.org
Minneapolis, MN
\$5,000 for a community arts program at the Midtown Public Market

Online Journalism Project www.newhavenindependent.org New Haven, CT
\$30,000 for an environmental and cultural reporting initiative in New Haven

Pangea World Theater www.pangeaworldtheater.org Minneapolis, MN
\$20,000 for general operating support

Teatro del Pueblo www.teatrodelpueblo.org St. Paul, MN
\$10,000 for expansion of a theater-based literacy program in an elementary school in Minneapolis





Build the capacity of the communities to deal with the major challenges they confront

The intent in this category is to support efforts that the “community” has identified as critical to sustain or enhance the quality of life. While we understand that all nonprofits exist to address critical community needs in this category we are looking for ways the foundation can participate with others to address identified community priorities and build the communities capacity to meet that need.

Please note: this is the last year that this subcategory is part of our responsive grantmaking. In the future these types of issues may be addresses through foundation initiated proactive grantmaking.

American Indian Services Inc. Minneapolis, MN
\$15,000 for the new Diabetes nutritional maintenance program

Centro Legal Inc www.centro-legal.org St. Paul, MN
\$25,000 for the Latino Community Advocacy project in Minneapolis

Corporation for Supportive Housing www.csh.org New York, NY
\$30,000 for the support of activities in Minneapolis/St. Paul (\$10,000) and New Haven areas (\$20,000)

Minneapolis Mediation Program www.mplsmediationprogram.org Minneapolis, MN
\$10,000 for general operating support

Minnesota AIDS Project www.mnaidsproject.org Minneapolis, MN
\$5,000 for PrideAlive, a community health and empowerment program

Powderhorn Park Neighborhood Association www.ppna.org Minneapolis, MN
\$30,000 for the Midtown Community Restorative Justice program

Walk-In Counseling Center www.walkin.org Minneapolis, MN
\$15,000 for general operating support

Minnesota Council of Nonprofits www.mncn.org St. Paul, MN
\$15,000 for general operating support

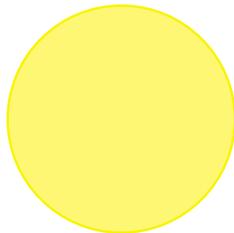
GUIDELINES AND APPLICATION PROCEDURES

Please visit our website www.carolynfoundation.org for complete information about the Carolyn Foundation Grant Application Process.

Financial Information

As of December 31, 2005

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|-------------------------------|---------------|
| Unrestricted Net Assets:..... | \$ 29,239,351 |
| Income: | \$ 1,183,337 |
| Expenses: | \$ 283,247 |
| Grants paid in 2005:..... | \$ 1,601,700 |
| Miscellaneous Grants:..... | \$ 28,636 |



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