

## *Annual Report*

*In seeking to achieve the primary goal of catalyzing positive change in the community, the Foundation accepted its responsibility to catalyze change in itself as well,*

and 2006 marked the start of a comprehensive strategic review and planning process that will extend well into 2007 and beyond.

Beginning in March of 2006, the directors and staff of the Foundation embarked on the process under the guidance of The TCC Group of New York City. Combining information that the Foundation had gathered through a Grantee Perception Report conducted by the Center for Effective Philanthropy in 2005 with additional focus groups and personal interviews with a number of individuals, TCC provided a framework through which the Foundation could build a plan.

By the close of 2006, a number of events had occurred. Perhaps most significant was the decision by Tom Baker to step down as President

of the Foundation earlier than planned so that his successor could participate in the formulation of the strategic plan rather than only in its implementation. This was a difficult passage both for Tom and for the board and staff, even though all recognized that such a move, at a critical time of planning for and implementing change, was in the best interest of the Foundation. More about Tom's achievements appear later in this letter.

### *2006 Grantmaking by Category*

<i>Health Care/ Medical Research</i>	<b>\$3,869,000</b>
<i>Arts Culture</i>	<b>\$3,519,000</b>
<i>Human Services</i>	<b>\$2,737,000</b>
<i>Education</i>	<b>\$3,526,000</b>
<i>Civic &amp; Community</i>	<b>\$1,090,000</b>
<i>Total</i>	<b>\$14,741,000</b>



Certainly, this made for rough waters at the Foundation when these critical activities converged: the search for a new president; the pursuit of a new strategic direction; and the usual work of making grants. Nonetheless, total value of grants awarded in 2006 did exceed that of 2005, and the year finished with 83 grants totaling \$14,741,000 being awarded. The categories in which these grants were made (in decreasing percentages) were Medical Research and Healthcare (26%); Education (24%); Arts and Culture (24%); Human Services (19%); and Civic and Community (7%). And while the total *number* of grants decreased by 13 from 2005 to 2006, the total *value* increased by just under \$1 million, and represented about 5.2% of the Foundation's average annual asset value .

*"Mr. Gioia's breadth of experience resonated precisely with the qualities in a candidate that the board had outlined..."*

The roiling climate of change at the Foundation was calmed somewhat with the selection and appointment of Robert D. Gioia as the next president of the Oishei Foundation's modern era. Mr. Gioia emerged from an astounding field of candidates, representing the best of the best of Western New York's leadership. With his direct experience as chairman of the Community Foundation for Greater Buffalo, coupled with his service on a variety of non-profit organization boards of directors and his strong background in the private sector, his breadth of experience resonated precisely with the qualities in a candidate that the board had outlined. Mr. Gioia began a transition period with Mr. Baker in November of 2006, and officially assumed his duties as president as of January 1, 2007. As hoped, he was able to contribute directly to the formulation of the strategic plan, and is charged with its implementation.

While much is known about the general direction of the new strategic plan at the close of 2006, much is yet to be determined regarding its implementation. In general, and to respond at least in part to the interest of the community, the plan calls for the Foundation to address its grantmaking to broad issues of need in the community on a cross-sector basis rather than the traditional "silo" approach to giving in specific areas. For example, one focus would be to promote stable neighborhoods, and organizations from any sector, such as arts, healthcare, or education, would have the opportunity to



submit proposals. At this point in time, however, grantmaking will proceed in 2007 as it has in the past, and much more will be brought to the community by the end of the year. As a general statement, it is likely that any organization that was eligible to apply to the Foundation in the past will still be eligible.

Several grants made in 2006 are worthy of highlighting.

Continuing to support the regionwide coordination of arts activity related to economic development both through marketing and organizational development, new support was granted to the Advancing Arts and Culture/Buffalo Niagara initiative, which allowed for the hiring of a full-time executive director. AAC, which grew directly out of the Buffalo Niagara Cultural Tourism Initiative (BNCTI), is chaired by Leslie Zemsky, and has been refining its strategic plan, to be shared with the community later in 2007. Additionally, a grant was made to a cooperative venture between Niagara University's School of Hospitality and Tourism and the Binational Tourism Alliance for comprehensive data-gathering, communications, curriculum development, and technical assistance and training for cultural and tourism-related organizations.

Building upon earlier support to Good Schools for All, the Foundation partnered with the Community Foundation and the Margaret L. Wendt Foundation to provide significant implementation dollars to an important collaborative effort involving all sectors of the community to implement the *Read to Succeed*, city-wide literacy campaign to eradicate the high rates of illiteracy that plague our region. Funding supported the organizational structure necessary to support the implementation of a comprehensive action plan developed by more than 40 actively engaged non-profits working on literacy initiatives in one of our region's most significant collaborative partnerships. It is our hope that all sectors of the community will work together on this important initiative

Continuing and expanding the Foundation's interest in improving organizational performance, a grant was made to help the Coun-

*"a critical component of consistent, high-quality assistance for non-profits in all sectors will be added ..."*



cil of Community Services of New York State (CCSNYS) set up a Western New York regional office. CCS has a long history in technical assistance to non-profits, beginning in Albany and moving west and south. They have been doing workshops in this region for some time, and had more than 40 member organizations in the eight county area. This will add a critical component of consistent, high-quality assistance for non-profits in all sectors.

*“these collaborative efforts seek primarily to pool resources, share talent and ideas, and build and implement regional activities ...”*

In addition, the Foundation hosted several meetings of organizations that offer technical assistance with a goal of compiling, understanding, and ultimately coordinating what is offered in technical assistance and training. The Non-Profit Technical Assistance Coalition (NPTAC) includes representatives from Canisius College, UB, the United Way, the Tonawandas and the Buffalo & Erie County Councils on the Arts, and others. The outcome we’re looking to achieve is a single source of good information about organizational development that can be easily accessed by anyone in the non-profit sector, and our hope is to have a working document by the end of 2007.

Several key grants were made to enrich educational opportunities provided to the youth in our region. First Hand Learning and the Buffalo Boys & Girls Clubs entered into a unique partnership to bring engaging hands-on science to young people in an after school science program that allows teen mentors to receive training and act as peer leaders to younger Club participants. A grant to the University at Buffalo supported an interdisciplinary team-based science research program allowing for Buffalo teachers to work with UB faculty and graduate students to provide rich after school science experiences to students at the Seneca Math/Science Technology School and the Native American Magnet School. Finally, a grant to Hilbert College allowed inner city youth to experience life on a college campus during the summers of their sophomore and junior years, introducing them to the possibility of college and perhaps further diversifying the student population at Hilbert. The initiative is based on new alliances with several east side churches in an effort to prepare local youth for greater educational



and employment opportunities. The Foundation firmly believes in the youth of our region and viewed each of these efforts as critical to their future growth and development.

Progress was also made toward the Foundation's interest in building coalitions and collaborative efforts. Several of these have been launched over the past several years, the oldest going back to 1999 with the formation of the Care Management Coalition, which is still functioning despite weathering some rough seas. Planning and/or implementation grants were made to the Stop the Violence Coalition, under the auspices of the Buffalo Urban League; the teen mental health coalition now known as Helping Every Adolescent Rally Together (HEART for Teen Mental Health) via the Mental Health Association of Erie County; the African American Cultural Collective (via the African American Cultural Center) begun during the funder's collaborative known as the Fund for the Arts; and the WNY Service Learning Coalition (via Daemen College), which currently has participation by over 15 local colleges. Each of these collaborative efforts seeks primarily to pool resources, share talent and ideas, and build and implement regional activities that advance the missions of several organizations at once. Without question, these are difficult engagements for all concerned, but all so far have agreed that the benefits are outweighing the costs, and they are continuing.

And so for 2007, we welcome new leadership, new direction, new challenges, and new opportunities for guiding the region back toward a new greatness. Much more will be communicated to the community in the latter half of 2007, and we look forward to working with all of you to refine and focus our work in the best ways possible.

James M. Wadsworth  
Chair

Thomas E. Baker  
President

*"A unique program of hands-on science in an after school program that allows teen mentors to receive training and act as peer leaders ..."*





***PS:  
A Tribute to  
Tom Baker***

The discussion above about collaborative efforts is a perfect segue to acknowledging the myriad contributions made during the tenure of Thomas E. Baker, president of the Oishei Foundation since 1998, who steps down at the close of 2006 after a truly great run. Perhaps in no other area did Tom “catalyze change” throughout the community than in urging and supporting organizations to work together and create shared visions and agendas. As noted above, such work is difficult for the people and organizations involved, and the benefits can sometimes be elusive to demonstrate. However, Tom’s belief in this approach was matched not only with financial support, but with a commitment of his own involvement and that of the Foundation staff. Tom rolled up his sleeves, so to speak, and worked with people to get things started, keep them moving, and make a tangible impact.

To cite two outstanding examples of this approach, Tom understood that the region’s healthcare system could not compete its way out of the difficulties it was in – or that to take that approach was not in the best interest of the community. He assembled representatives of all the healthcare systems and other critical stakeholders into the Healthcare Task Force, which met a number of times, and was able to complete an inventory of existing services that would have laid the groundwork for a more cooperative approach to restructuring the overall healthcare delivery system. Although the effort had to end when some members elected to end their participation, the effort – which was the first time such a group had been gathered – continues to pay off in a number of cooperative ventures between and among the systems.

Similarly, Tom long recognized the need to bring the arts and cultural community together on a broad scale in order to best leverage the tremendous assets this sector represents. He initiated the first meeting of the volunteer leadership of a number of organizations to discuss the formula-



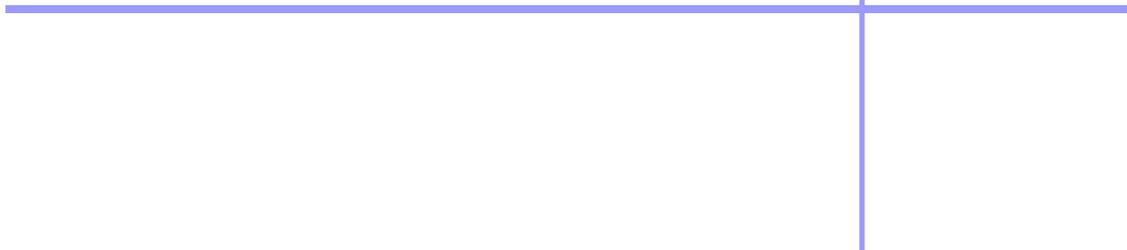
tion of a regional planning process, which ultimately led to the beginnings of the Buffalo Niagara Cultural Tourism Initiative, which is now known as Advancing Arts and Culture. Again, the benefits that have been derived from this initial “convening” work by Tom continue to be realized.

Finally, his straight-up dedication to making the region a better place is nowhere more evident than in his volunteer work for 18 months as the first chairman of the Buffalo Fiscal Stability Authority. As a representation of all his work, Tom handled this nearly impossible situation with dignity, perseverance, and an absolute passion for fostering positive change. He has certainly been honored as a member of the community for this work; we are pleased to honor him here as a member and representative of the John R. Oishei Foundation. We are very happy that Tom will continue his involvement as a member of the board of directors, and it is our privilege to continue to serve with him.

*“Tom’s belief in this approach was matched not only with financial support, but with a commitment of his own involvement ...”*

*James M. Wadsworth*  
Chair

*And the entire Board of Directors and Staff*





### ***Financial Highlights***

2006 was another good year for our portfolio performance. The very diversified portfolio grew at an aggregate rate of 14.5% (6.5% in 2005). Total assets of the Foundation reached \$311.3 million, which include a number of related trusts in which the Foundation is the income beneficiary. The current value of these trusts approximates \$22.1 million at the end of 2006.

Investment income approximated \$37 million (\$16 million in 2005) and Foundation expenses were approximately \$1.5 million (\$1.3 million in 2005). Total grants paid from the Foundation were approximately \$14 million (\$14 million in 2005).

	<u>2006</u>	<u>2005</u>
Cash & cash equivalents	\$ 1,295,000	\$ 2,363,000
Investments	287,883,000	263,951,000
Assets in related trusts	22,112,000	21,181,000
Net Assets	<u>\$ 311,290,000</u>	<u>\$ 287,495,000</u>

### ***Statement of Revenue, Grants and Expenses and Changes in Net Assets:***

Revenues from investments, net	\$ 37,258,000	\$ 16,001,000
Distributions from related trusts	978,000	986,000
	<u>38,236,000</u>	<u>16,987,000</u>
Grants paid	13,832,000	14,112,000
Expenses, including excise tax	1,540,000	1,273,000
Excess of revenue over grants and expenses	22,864,000	1,602,000
Adjustment to assets in related trusts	931,000	(410,000)
Increase in net assets	23,795,000	1,192,000
Net assets - beginning	287,495,000	286,303,000
Net assets - ending	<u>\$ 311,290,000</u>	<u>\$ 287,495,000</u>



## ***Board of Directors***

James M. Wadsworth  
*(Chair)*

Mary S. Martino  
*(Vice Chair)*

Allan R. Wiegley  
*(Treasurer)*

Thomas E. Baker

Robert M. Bennett

Ruth D. Bryant

Clotilde Perez-Bode Dedecker

Christopher T. Dunstan

Erland E. Kailbourne

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Gayle L. Houck  
*(Recording Secretary)*

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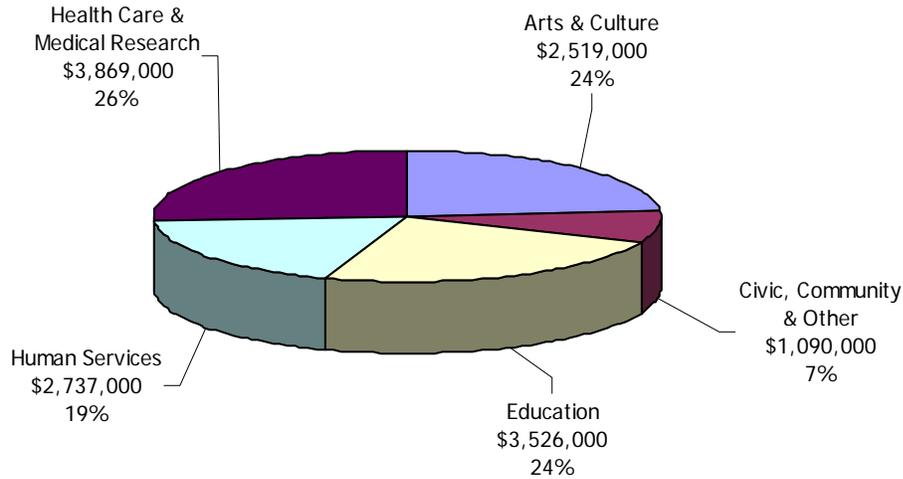
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### 2006 Grants by Program

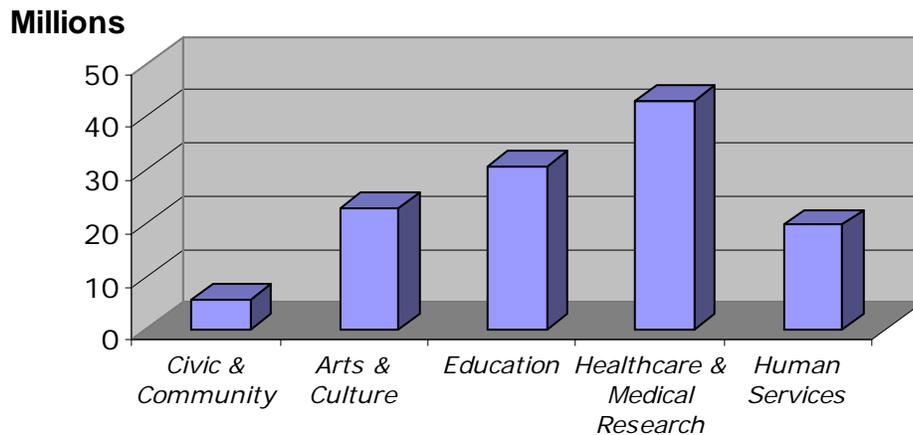


*In 2006, giving in the three major program areas was essentially equal, while giving for Human Service and Civic and Community programs increased somewhat from historical levels. As the Foundation moves into the new strategic approach, these*

*When viewed in the aggregate over the eight years since 1998, total funds committed have exceeded \$121 million. When added to Mr. Oishei's giving between 1940 and 1998, the overall total exceeds \$150 million.*

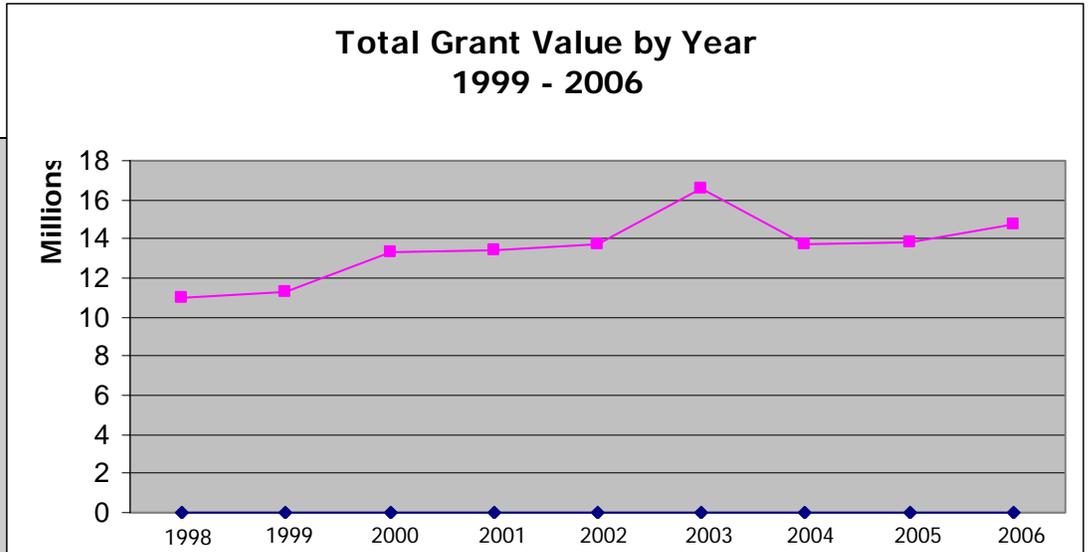
*program categories will be succeeded by issue areas, mainly in response to the fact that working across sectors is the best approach to addressing the challenges the community must address.*

### Grant History by Category, 1999 - 2006 Total of Grants: \$121,428,000



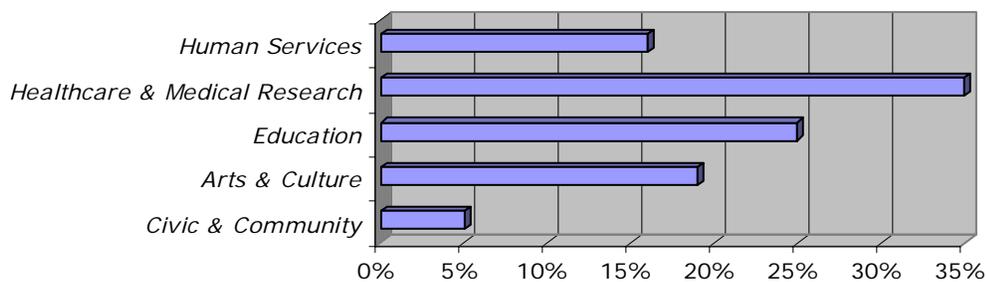


*The Foundation has exceeded the 5% payout required by the IRS every year by a range of .25 to 2%. As the value of the endowment has grown with the absorption of the trusts of Mr. Oishei's children, the amount by which the community has benefited has grown rapidly. We expect this growth to continue with the favorable performance of our investment portfolio.*



*Although Healthcare and Medical Research has received the largest percentage of grant funds, this is somewhat skewed by the historical grant of \$9 million made in 2003 to support the development of the institutions of the Buffalo Niagara Medical Campus. In most years, the distribution looks much more like 2006 (top facing page). The Foundation does not predetermine or budget amounts to be given in each category, electing instead to respond to needs and opportunities as they arise.*

### Grant Percentage by Category 1999 - 2006





# Foundation Grants, 2006

## Arts & Culture

<b>Albright-Knox Art Gallery</b>	
• (as fiscal agent) support "Beyond/In WNY 2007"	\$150,000
• support two additional years of "Gusto at the Gallery"	\$200,000
<b>Antecesores</b>	\$10,000
support the production of "Bienvenido Don Goyito"	
<b>Buffalo &amp; Erie County Historical Society</b>	\$10,000
support a feasibility study related to co-location with Explore & More Museum	
<b>Buffalo Olmsted Parks Conservancy</b>	\$160,000
support the completion of the 20-year Mangement & Restoration Plan	
<b>Buffalo Philharmonic Orchestra (BPO)</b>	\$200,000
support the BPO 2006 Summerfest at Artpark	
<b>Buffalo State College Foundation</b>	\$395,000
support three additional years of Advancing Arts & Culture Buffalo Niagara	
<b>The Burchfield-Penney Art Center</b>	\$1,000,000
support the New Museum Project	
<b>Graycliff Conservancy, Inc.</b>	\$325,000
support Phase IIIB restoration of the Graycliff Estate	
<b>Kenan Center</b>	\$150,000
support the ongoing organizational stabilization program (also funded by the Kenan and Grigg Lewis Foundations)	
<b>MusicalFare Theatre Company Inc.</b>	\$75,000
support the "Inclusion Campaign for Audiences and Performers"	
<b>The Niagara Aquarium Foundation</b>	\$50,000
support matching grant for the Aquarium Master Plan	
<b>Niagara University</b>	\$600,000
support the Cultural Tourism Asset Development Program with the Binational Tourism Alliance	
<b>Polish Arts Club of Buffalo, Inc.</b>	\$5,000
support the restoration of the sgraffito mural that was moved from Graycliff to Buffalo State College campus	
<b>Shakespeare in Delaware Park, Inc.</b>	\$10,000
support summer work and ongoing educational work	
<b>Studio Arena Theatre</b>	\$50,000
support for transition planning and operating support	



**Young Audiences of WNY, Inc.** \$119,200  
support the Writing for Life Project in collaboration with Renaissance House, Compass House, and People Inc.

**UB Regional Institute** \$10,000  
support a study of financial impact of cultural organizations

**Total Arts & Culture** **\$3,519,200**

**Association of Small Foundations** \$1,500  
in recognition of outstanding work on behalf of the field

**Buffalo Niagara Medical Campus** \$200,000  
support the strategic planning and implementation

**Buffalo Urban League, Inc. (fiscal agent)** \$140,000  
support the start-up and implementation phases of the Stop the Violence Coalition

**Community Action Information Center, Inc.** \$10,000  
support the V.I.C.T.O.R.Y. Gardens Project

**Council of Community Services of New York State, Inc.** \$300,000  
support to open a CCSNYS Western Regional Technical Assistance Office in Buffalo

**Daemen College** \$10,000  
support "Paying For Our Political Class" project

**The Dominik Hasek Youth Hockey League, Inc.** \$25,000  
support long-term stability plan

**Habitat for Humanity/Buffalo Inc.** \$20,000  
support strategic planning with Urban Community Corp. and Habitat for Humanity, Inc.

**Leadership Buffalo, Inc.** \$25,000  
support the LB Connect and LB Fellows Programs

**UB Regional Institute** \$336,371  
support "Regional Intelligence: Building Regional Capacity for Informed Decision-Making and Action"

**Total Civic & Community** **\$1,067,871**





# Foundation Grants, 2006

## Education

<b>Buffalo Independent Secondary Schools Network (BISSNET)</b>	
• support the ninth year of the BISSNET scholarship program	\$550,000
• support the BISSNET Diversity and Community Engagement Program	\$100,000
• support the BISSNET scholarship program to allow full scholarship support through 2009	\$95,000
<b>Community Foundation for Greater Buffalo</b>	
• support the 2006-2007 John R. Oishei Foundation college scholarship program	\$200,000
• support Good Schools for All for the start-up of the "Read to Succeed" Citywide Literacy Campaign	\$225,000
<b>Daemen College</b>	\$22,000
support the WNY Service Learning Coalition Strategic Plan	
<b>Diocese of Buffalo</b>	\$35,000
support planning for the "Journey in Faith & Grace"	
<b>First Hand Learning/Boys &amp; Girls Clubs of Buffalo</b>	\$440,333
support the After-School Science for Kids (ASK) Project	
<b>Health Association of Niagara County, Inc.</b>	\$285,560
support an After-School Academic Intervention Program	
<b>Hilbert College</b>	\$450,000
support the High School Summer Program	
<b>The King Urban Life Center, Inc.</b>	\$270,000
support the Parent-Child Home Program (PCHP)	
<b>Ss. Columba-Brigid Montessori School</b>	\$40,000
support the Transportation Program	
<b>University at Buffalo Foundation, Inc.</b>	
• support the City Voices, City Visions Digital Video (CVCV) Composing Program	\$290,650
• support "Interdisciplinary Science Research-Based Curricular Innovations for Middle and High School Science and Teacher Professional Development" Project in collaboration with Buffalo Public Schools	\$485,000
<b>Total Education</b>	<b>\$3,488,543</b>



<b>AIDS Community Services of WNY, Inc.</b> support basic human needs	\$25,000
<b>AIDS Family Services of WNY, Inc.</b> support basic human needs	\$15,000
<b>Be-A-Friend Program, Inc.</b> support One-On-One Mentoring and Group Mentoring	\$240,000
<b>Buffalo City Mission</b> support basic human needs	\$50,000
<b>Child &amp; Family Services of Erie County</b> support new technology that will allow for improved communications and program delivery	\$500,000
<b>Community Action Organization of Erie County Inc.</b> support basic human needs	\$25,000
<b>Community Missions of Niagara Frontier, Inc.</b> support basic human needs	\$50,000
<b>Concerned Ecumenical Ministry of Buffalo, Inc.</b> support Loaves & Fishes Dining Room	\$25,000
<b>Food Bank of WNY</b> support basic human needs	\$50,000
<b>Gerard Place Housing Development Fund Company, Inc.</b> support basic human needs	\$25,000
<b>Goodwill Industries of WNY, Inc.</b> support basic human needs	\$50,000
<b>Harvest House of South Buffalo, Inc.</b> support basic human needs	\$15,000
<b>Hearts for the Homeless</b> support basic human needs for Mobile Soup Kitchen	\$15,000
<b>Homespace Corporation</b> support succession implementation	\$40,000
<b>Hope of Buffalo, Inc./Bissonette House</b> support transition costs of the Bissonette House related to the death of Sister Karen Klimczak	\$50,000
<b>The International Institute of Buffalo, NY, Inc.</b> support the merger with Buffalo/Niagara World Connect	\$50,000
<b>The King Urban Life Center, Inc.</b> support business plan development for the Parent Child Home Program	\$4,500





# Foundation Grants, 2006

## **Human Services** *(continued)*

<b>Meals on Wheels Foundation of WNY</b> support a feasibility study	\$25,000
<b>Mental Health Association of Erie County, Inc.</b> support the Teen Mental Health Coalition: Music is Art, Healthy Community Alliance and Crisis Services	\$302,534
<b>Network of Religious Communities (BAMM)</b> support basic human needs	\$15,000
<b>Sisters of Mercy of the Americas</b> support basic human needs for St. Brigid Outreach	\$25,000
<b>Society of St. Vincent de Paul</b> support basic human needs	\$25,000
<b>St. Adalbert's Response to Love Center</b> support program expansion	\$250,000
<b>St. John the Baptist Church</b> support St. John the Baptist Outreach Center	\$15,000
<b>Town of Hamburg Domestic Violence Citizens Advisory Board Inc. (fiscal agent)</b> support basic human needs for Kathleen Mary House	\$15,000
<b>United Way of Buffalo &amp; Erie County</b> support start-up cost to initiate the 2-1-1 WNY Program	\$750,000
<b>Vive La Casa</b> support basic human needs	\$25,000
<b>The Women and Children's Hospital of Buffalo</b> support the WNY Early Childhood Direction Center	\$53,500
<b>Total Human Services</b>	<b>\$2,780,534</b>



*This year's grants bring the Foundation's total giving to over \$150 million since 1940. Over 60% of that total has been awarded since the Foundation changed its focus in 1998.*



**Medical  
Research  
&  
Healthcare**

<b>The Buffalo Niagara Medical Campus</b>	\$400,000
Program Related Investment (loan) to support the acquisition of land and buildings	
<b>Church Mission of Help Inc.</b>	\$10,000
support to continue to provide counseling services to low-income individuals and families on the East Side	
<b>Hospice Foundation of WNY, Inc.</b>	\$100,000
support the St. John Baptist Hospice Project	
<b>Lake Shore Behavioral Health Inc.</b>	\$495,000
support the New Connections Safe Haven House Project for homeless people with mental illness	
<b>Planned Parenthood of Buffalo &amp; Erie County</b>	\$50,000
support extraordinary costs in the merger between Planned Parenthoods in Erie & Niagara Counties	
<b>Roswell Park Alliance Foundation</b>	\$370,000
support a Center for Robotic Surgery in collaboration with Women & Children's Hospital and Trocaire College	
<b>Sheehan Memorial Hospital</b>	
• support the submission of an application to designate the East Side as a Dental Health Professional shortage area	\$15,000
• support new dental services on the East Side of Buffalo	\$400,000
<b>Suburban Adult Services, Inc.</b>	\$420,000
support a direct care training program in collaboration with People Inc. and several other agencies	
<b>The University at Buffalo Foundation, Inc.</b>	
• support additional work on a "Cancer vaccine designed to eradicate primary and metastatic tumors"	\$300,000
• support "Developing New Advances in Medical Imaging through Nanotechnology"	\$1,108,820
• support one additional year for research entitled "Improved Diagnosis of Metabolic Myopathies"	\$145,000
<b>Women and Children's Hospital Foundation of Buffalo</b>	
support a second year of start-up activity related to the Tourette Counseling Program	\$55,000
<b>Total Medical Research/Healthcare</b>	<b>\$3,868,820</b>
<b>Total Grants, 2006</b>	<b>\$14,741,000</b>





## ***MISSION STATEMENT***

*The John R. Oishei Foundation  
strives to be a catalyst for change  
to enhance the economic vitality  
and the quality of life for  
the Buffalo Niagara region*

For information on applying to the Foundation,  
please visit our website:  
***[www.oisheifdt.org](http://www.oisheifdt.org)***, or contact us at 716 856-9490.

Letters of Inquiry should be addressed to:

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The John R. Oishei Foundation  
One HSBC Center, Suite 3650  
Buffalo, NY 14203