

SONOMA COUNTY ECONOMIC DEVELOPMENT BOARD



FOUNDATION



**ANNUAL REPORT - REVISED**

July 1, 2017 – June 30, 2018

SONOMA COUNTY ECONOMIC DEVELOPMENT BOARD

FOUNDATION

Annual Report

July 1, 2017 – June 30, 2018

Original Submission September 26, 2018

Table of Contents

<b>EXECUTIVE SUMMARY .....</b>	<b>4</b>
HIGHLIGHTS OF 2017-2018 FOUNDATION PROJECTS.....	4
<b>INTRODUCTION .....</b>	<b>6</b>
ABOUT THE FOUNDATION .....	6
MISSION.....	6
HISTORY OF THE FOUNDATION .....	6
<b>FINANCIAL SUMMARY .....</b>	<b>7</b>
STATEMENT OF FINANCIAL POSITION - REVISED.....	8
STATEMENT OF ACTIVITY - REVISED .....	9
<b>UNDERWRITERS.....</b>	<b>10</b>
FOUNDATION UNDERWRITERS .....	11
<b>PROJECT SUMMARIES .....</b>	<b>12</b>
SPIRIT OF SONOMA COUNTY.....	13
SPECIAL EVENTS .....	15
<b>BOARD OF DIRECTORS.....</b>	<b>17</b>
2017-2018 FOUNDATION BOARD MEMBERS.....	17
LEGAL SERVICES .....	17
FINANCIAL SERVICES .....	17
<b>ATTACHMENT A.....</b>	<b>18</b>
CERTIFICATION OF FINANCIAL STATEMENTS .....	18

SONOMA COUNTY ECONOMIC DEVELOPMENT BOARD



FOUNDATION



September 26, 2018

Dear Colleagues,

We are pleased to present this annual summary of activities of the Sonoma County Economic Development Board Foundation (Foundation) for the year ending June 30, 2018. The Foundation's leadership continues to support the Economic Development Board (EDB) to ensure that the Foundation's efforts align with the mission and priorities of the EDB.

As we present the achievements of the projects held in fiscal year 2017-2018, the Board of Directors would like to thank our numerous sponsors and the County of Sonoma for their increasingly important efforts to improve the economic wellbeing of Sonoma County.

Pamela Chanter  
Chair of the Board of Directors

Ben Stone  
Executive Director

# Executive Summary

The Sonoma County Economic Development Board Foundation (Foundation) continues to make strong connections between community needs, county projects, and support from the business and philanthropic communities. The Foundation received and effectively managed \$829,800 in event revenue, donations and grants, supporting more than forty (40) workshops, conferences and special events; more than forty (40) quarterly and annual economic activity reports and forecasts; and more than fifteen (15) customized reports. Through events and sponsorship opportunities, the Foundation provides an excellent way for local businesses to showcase their services and network with other community leaders.

## Highlights of 2017-2018 Foundation Projects

The **Creative Sonoma** program produced a full slate of professional trainings and workshops (22), grant making programs, and special initiatives focused on fire response and recovery. These activities were fully or partially covered through grants and fire recovery donations received by the EDB Foundation, which funded program expenses as well as staff costs. Professional development topics focused generally on the business aspects of art and included workshops on financial management for artists, selling creative work and products, managing nonprofit organizations, and more. Five \$2,500 grants were awarded to Sonoma musicians and bands to further their music careers. In fire response grant making, Creative Sonoma disbursed \$164,000 to 129 creative individuals, organizations, and businesses (in quick grants of up to \$1,500 each) that were either physically or economically impacted by the 2017 wildfires; as well as \$36,000 to eight arts organizations that are producing events or creative works in response to the fires. In addition, a cohort of teaching artists received specialized training to address trauma of school-aged populations, and Creative Sonoma is funding free residencies with these artists to fire-impacted schools throughout the County. Finally, Creative Sonoma continued work on an assessment of the state of arts education in K-12 schools in Sonoma County, which will carry on into 2018-2019.

The Foundation provided funding to defray consultant costs to produce **Strategic Sonoma**, a five-year strategic plan for the county's local economy. The plan addresses some of the region's most pressing issues and opportunities around workforce, economic resilience, innovation and entrepreneurship, and economic inclusion for all Sonoma County residents. The plan also includes a short-term 6-12 month recovery plan that was developed in the wake of the October 2017 fires as part of the Board of Supervisor's recovery plan.

The Foundation also provided funding for: the first-ever **Manufacturing Day Sonoma County**, an event that seeks to inspire the next generation of Sonoma County manufacturers by supporting direct industry engagement with students, creating hands-on learning opportunities, and promoting education and training pathways that lead to careers in manufacturing; the inaugural **Outdoor Recreation & Biking Summit**, that brought together industry leaders and

government officials, and during which a select and diverse panel of influential outdoor recreation businesses communicated insightful stories to the audience of launching and growing their businesses in Sonoma County, and thoughts for the future; and the first **Retail Summit**, where a retail expert shared insights and strategies on how to compete with national and online retailers as part of Sonoma County's first-ever Retail Success Workshop. Small business owners, retail support service providers and representatives from local governments attended this pilot event and were engaged in a discussion regarding the unique challenges and opportunities small retailers face in Sonoma County.

Along with the year-end financial statements, the following pages summarize some of the Foundation's activities, detailed by program. While many of the projects will seek funding through the Foundation again in fiscal year 2018-2019, each year the Foundation Board evaluates the programs to ensure financial stability for the Foundation and the EDB.

# Introduction

## About the Foundation

The Foundation is a supporting organization that provides an alternative funding stream to EDB programs, relieving the burden on the limited funds of local government and strengthening community projects by managing funds from donors and foundations.

## Mission

The Sonoma County Economic Development Board Foundation is a 501(c)(3) that through the creation, development and dissemination of economic research, analysis or programs enhances the value of local, domestic, and international demand for Sonoma County-produced goods and services.

## History of the Foundation

On January 23, 2001, the Sonoma County Board of Supervisors approved the establishment of the Foundation to serve as a supporting organization to the EDB to expand funding sources available for EDB projects. In March 2001, the Foundation was incorporated as a California nonprofit public benefit corporation. During 2001, the Foundation Board of Directors elected officers and began formalizing procedures while awaiting review of its application for tax-exempt status. In February 2002, the Internal Revenue Service notified the Foundation of its approval of tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

In August 2002, the Foundation signed an Operational Memorandum of Understanding with the Sonoma County Board of Supervisors to formally define the relationship between the Foundation and the EDB, an agency of the County of Sonoma. Under that agreement, the Board of Supervisors oversees the Foundation's funding of EDB projects. In late August 2002, the Foundation began accepting funds and reviewing EDB projects in need of support.

In fiscal year 2002-2003, the Foundation's first year of operation, a great deal of care was taken to establish procedures that would guarantee steady and increasing support for EDB projects into the future. The Foundation continues to operate under the Operating Memorandum of Understanding and continues its efforts to create alternative revenue streams for EDB projects.

In September 2008, the Board of Supervisors approved the third Memorandum of Understanding which now contains a clause for automatic renewal annually.

## **Financial Summary**

This section contains information about the Foundation's finances.

**Statement of Financial Position - REVISED**

As of June 30, 2018

(Audited)

**ASSETS**

## Current Assets

Cash and cash equivalents	\$	848,195
Short-term investments		47,425
Accounts receivable		14,340
Prepaid expenses		<u>7,308</u>
Total Current Assets		<u>917,268</u>

TOTAL ASSETS	\$	<u>917,268</u>
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**LIABILITIES AND NET ASSETS**

## Current Liabilities

Accounts payable	\$	35,044
Deferred grants awarded		14,250
Deferred sponsorships		<u>60,700</u>
Total Current Liabilities		<u>109,994</u>

## Net Assets

Unrestricted		9,725
Designated		436,102
Temporarily restricted		<u>361,447</u>
Total Net Assets		<u>807,274</u>

TOTAL LIABILITIES AND NET ASSETS	\$	<u>917,268</u>
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**Statement of Activity - REVISED**  
For the year ended June 30, 2018  
(Audited)

	Unrestricted	Temporarily Restricted	Total
<b>Revenues, Gains and Other Support</b>			
Registration/participation fees	\$ 121,352	\$ -	\$ 121,352
Donations/sponsorships	115,416	217,623	333,039
Grants	-	375,410	375,410
Other Income	14,388	-	14,388
Interest Income	1,364		1,364
Net assets released from restrictions	<u>20,170</u>	<u>(20,170)</u>	<u>-</u>
<b>Total Income</b>	<u>272,690</u>	<u>572,863</u>	<u>845,553</u>
<b>Expenses</b>			
Program services			
Community outreach	68,139	403,568	471,707
Economic outlook	59,057	-	59,057
Research initiatives	55,634	-	55,634
Supporting services			
Administrative Services	<u>24,647</u>	<u>-</u>	<u>24,647</u>
<b>Total Expenses</b>	<u>207,477</u>	<u>403,568</u>	<u>611,045</u>
<b>Change in Net Assets</b>	65,213	169,295	234,508
<b>Net Assets, Beginning of Year</b>	<u>380,614</u>	<u>192,152</u>	<u>572,766</u>
<b>Net Assets, End of Year</b>	<u>\$ 445,827</u>	<u>\$ 361,447</u>	<u>\$ 807,274</u>

## **Underwriters**

This section provides a list of the business, education, and community organizations that provided noteworthy contributions to the Foundation.

**Foundation Underwriters**

***Foundation Level:***

Luther Burbank Savings

***Presenting Level:***

City of Santa Rosa  
Exchange Bank  
Kaiser Permanente  
Pacific Gas & Electric  
Pure Luxury Transportation  
Redwood Credit Union  
Sonoma Raceway  
Tri Counties Bank

***Premier Level:***

Bank of Marin  
Employment Training Panel  
Friedemann Goldberg LLP  
Sonoma Clean Power  
St. Joseph Health

***Executive Level:***

American River Bank  
Comcast  
Keegan & Coppin Co.  
Midstate Constructions  
NorBAR  
Sonoma County Alliance  
Summit State Bank  
Vantreo Insurance Brokerage  
Wells Fargo Bank  
Zainer Rinehart Clarke

***Media Level:***

North Bay Business Journal

## **Project Summaries**

This section provides information on some of the projects funded through the Foundation. Together, the projects served many segments of Sonoma County, including public schools, public agencies, employers, and the business community and residents with an interest in the state of the County's economy.

## **Spirit of Sonoma County**

### Description

The annual Spirit of Sonoma County awards luncheon recognizes business leaders from major chambers and trade associations in the County. The awards ceremony attracted more than 350 people, honoring those awardees from 22 chambers and trade organizations chosen for their contributions to Sonoma County.

### Program Goals

The Spirit awards honor those who contribute to the economic development and enhancement of the communities in which they live, work, and conduct business through generous donations of their time and expertise in support of local business and in helping others.

### Achievements

In 2017-2018, the program celebrated its seventeenth anniversary, having honored more than 348 local business men and women and community leaders since its inception. The Spirit of Sonoma County awards program was started in 2001 with the assistance of banks, media, and elected officials in order to honor the selected award winners. The program grew from 18 area chambers and trade organizations recognizing a business leader from their group to the present 22 organizations involved. The Spirit luncheon is an excellent opportunity for local business leaders to receive countywide recognition.

### Supporters

The Spirit of Sonoma County luncheon, ceremony, and awards are funded through registration fees paid by the participating organizations, corporate sponsors, and individuals who attend and/or sponsor tables. The 2017-18 local organizations that chose to purchase tables in support of honorees included:

Clean River Alliance

Exchange Bank

Family Justice Center

North Bay Leadership Council

Pedroncelli Winery

Poppy Bank

Pure Luxury Transportation

Rotary Club of Petaluma

Sonoma County Tourism Bureau

Awards

The *Spirit of Sonoma County* awards recognized honorees from these 22 organizations:

Cloverdale Chamber of Commerce  
Geyserville Chamber of Commerce  
Healdsburg Chamber of Commerce  
Hispanic Chamber of Commerce  
Mark West Area Chamber of Commerce  
North Bay Leadership Council  
North Coast Builders Exchange  
Northern California Engineering Contractors Association  
Petaluma Area Chamber of Commerce  
Rohnert Park Chamber of Commerce  
Russian River Chamber of Commerce  
Santa Rosa Metro Chamber of Commerce  
Sebastopol Area Chamber of Commerce  
Sonoma County Alliance  
Sonoma County Farm Bureau  
Sonoma County Lodging Association  
Sonoma County Winegrape Commission  
Sonoma County Workforce Investment Board  
Sonoma Valley Chamber of Commerce  
Windsor Chamber of Commerce

## Special Events featuring Keynote Speakers

### Description

In 2017-2018 the Foundation supported three special events featuring professional keynote speakers contributing to a variety of subjects. The speakers are selected keeping current affairs and issues in mind.

### Program Goals

This speaker events series is intended to provide the business community with interesting speakers addressing matters related to the local economy, industry trends and common business interests.

### Achievements

The **Fall Economic Forecast** is an annual event of the Foundation's Research Initiatives Program developed for local businesses, governments, and organizations for detailed regional analysis of economic trends. As part of the Research Initiatives Program benefits, sponsors are invited to the dinner held with the featured speaker, Dr. Christopher Thornberg, the night preceding his presentation. Dr. Thornberg presented an informative and upbeat talk about California and Sonoma County, including GDP growth, oil production and prices, foreign trade, global growth, industrial production, consumer spending, labor market, local economic performance, tourism, wine industry, real estate, construction, and more. He also included a segment addressing the impact of this year's fires on our local economy. The total number of attendees at the event was about 490 people. The pre-event dinner was held at Ca'Bianca Restaurant, and the event was held at the Hyatt Hotel in Santa Rosa.

The **State of the County** is an annual event sponsored by the Economic Development Board (EDB) to present the current and future challenges facing the county in terms of growth and development, especially post-2017 wildfires. It was an opportunity for the County of Sonoma to showcase community leaders as they addressed the recovery efforts, what to expect in 2018, and get community input at post-event breakout workshops. Attendance included about 500 people at this 15th annual breakfast. The event was recorded and made available on the EDB website.

Dr. Steve Cochrane of Moody's Analytics spoke at the **Spring Economic Forecast** to a breakfast group of over 400 people. Well attended by various financial, construction, education and tourism-related businesses, the coalescing theme of the event at this time was Strategic Sonoma's newly completed five-year strategic plan for our local economy. The plan addresses some of our region's most pressing problems around workforce, economic resilience, innovation and entrepreneurship, and economic inclusion for all Sonoma County residents. It

also includes a short-term 6-12 month recovery plan that was developed in the wake of the October 2017 fires as part of the Board of Supervisor's recovery plan. The event included pop-up presentations moderated by Keith Woods, Chief Executive Officer of the North Bay Builders Exchange. The pop-ups focused on highlighting three key initiatives of Strategic Sonoma that are in action: 1)&2) Recover from the October 2017 fires and Build Necessary Housing with David Guhin of City of Santa Rosa speaking of the City's new housing rebuild portal and rebuild successes, and Larry Florin of Burbank Housing speaking to the affordable housing rebuild successes. And 3) Educate and Support our Workforce: Kathy Goodacre spoke of the CTE Foundation grant from Tipping Point that emphasizes the importance of building construction workforce and Oscar Chavez spoke of the WIB grant for helping to train construction workers and how it will work in concert with other programs. The event also had an introduction provided by Supervisor James Gore and Ben Stone from the EDB. The Sonoma County Office of Education (SCOE), Santa Rosa Junior College (SRJC) and Sonoma State University (SSU) had exhibits of Career Technical Education (CTE) programs they each offer students. A "tiny house" constructed by students of Healdsburg High School was also on display.

#### Supporters

Each of these events was supported by direct Foundation sponsors, and by individual attendees and tables sponsored by local organizations and businesses.

# Board of Directors

## 2017-2018 FOUNDATION BOARD MEMBERS

**Officers:** Pam Chanter, President/Chair  
Linda Kachiu, Treasurer  
Ben Stone, Executive Director

**Members:** Jorge Alcazar  
Skip Brand  
Terri Dente  
Terry Garrett  
Kathryn Hecht  
Wayne Leach  
Michael Nicholls  
Michael Tomasini

## LEGAL SERVICES

The Foundation contracts with the Friedemann Goldberg LLP law firm to advise the Board of Directors on general legal matters, including state and federal law, relating to nonprofit tax-exempt organizations.

## FINANCIAL SERVICES

The Foundation retained the services of Ms. Victoria Mwangi, Certified Public Accountant (CPA). The CPA assists with the Foundation's bookkeeping and prepares its tax documentation.



# FOUNDATION



## Attachment A

### Certification of Financial Statements

The undersigned does hereby certify that:

1. She has been duly elected and qualified as, and at this date is, the Chair of the Board of Directors of the Sonoma County Economic Development Board Foundation (the "Foundation");
2. The financial statements contained in the Foundation's Annual Report, covering the period from July 1, 2017 to June 30, 2018, were prepared with audit from the books and records of the Foundation.

Signed: Kathryn Hecht  
Kathryn Hecht Jul 5, 2022 18:17 PDT

Date: Jul 5, 2022

Kathryn Hecht  
Chair of the Board of Directors  
Sonoma County Economic Development Board Foundation


# 17-18 Revised Annual Report


Final Audit Report


2022-07-06


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By:	Rebekah Heinze (Rebekah.Heinze@sonoma-county.org)
Status:	Signed
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