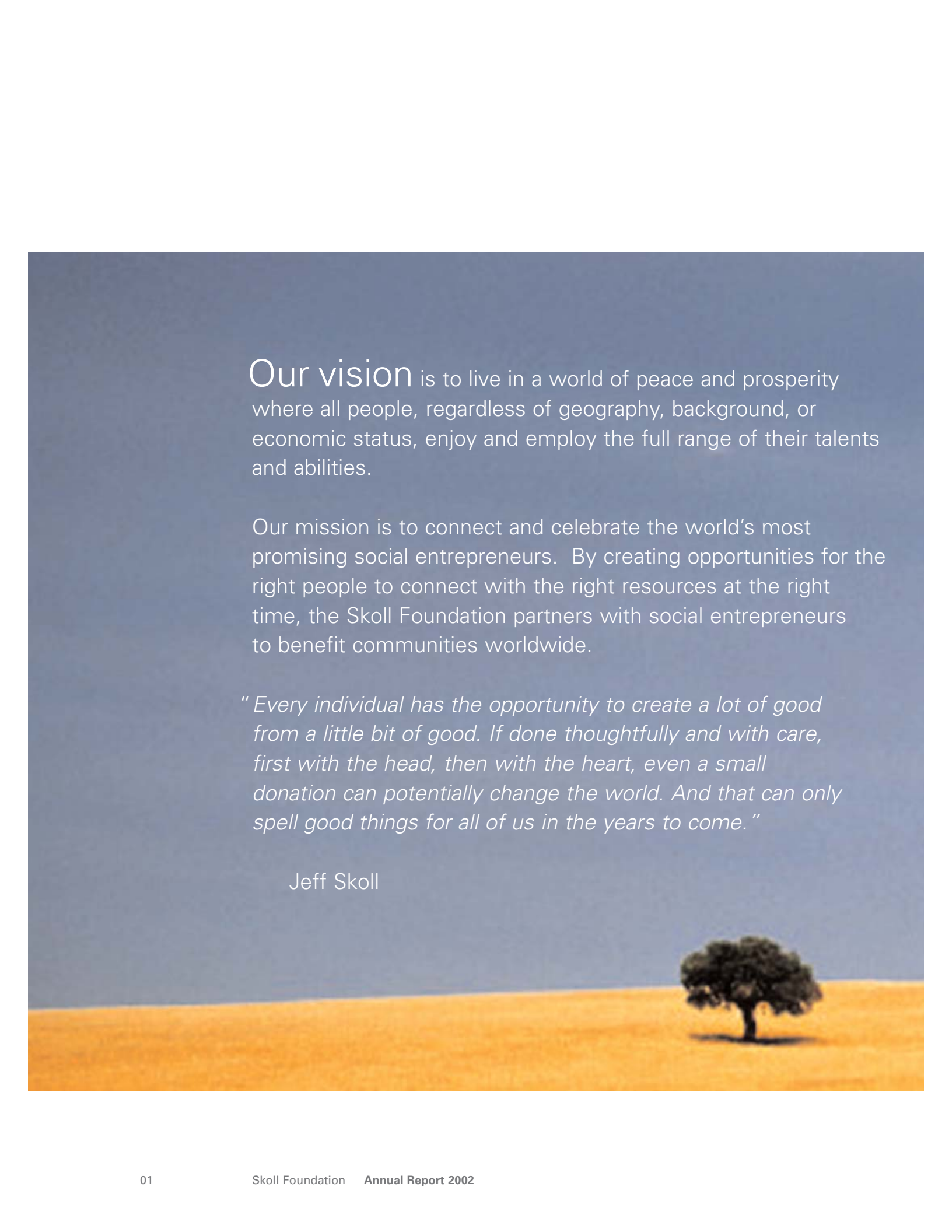


Annual Report 2002



Uncommon Heroes. Common Good.



Our vision is to live in a world of peace and prosperity where all people, regardless of geography, background, or economic status, enjoy and employ the full range of their talents and abilities.

Our mission is to connect and celebrate the world's most promising social entrepreneurs. By creating opportunities for the right people to connect with the right resources at the right time, the Skoll Foundation partners with social entrepreneurs to benefit communities worldwide.

"Every individual has the opportunity to create a lot of good from a little bit of good. If done thoughtfully and with care, first with the head, then with the heart, even a small donation can potentially change the world. And that can only spell good things for all of us in the years to come."

Jeff Skoll



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“True wealth is being able to spend one’s time in the pursuit of worthwhile endeavors, in the practice of activities that satisfy the heart, and in the quest to improve the world in a manner that is consistent with one’s view of right and wrong. It is only through such a course that we can achieve fulfillment and accumulate the true riches of life.”

Jeff Skoll
The Stanford Reporter, October 6, 1994

Dear Friends,

For the Skoll Foundation, as for almost everyone, the 2001–2002 year marked a turning point, reinforcing our responsibility within a global community. Even as those unforgettable images burned into our collective memories, millions responded with courage and generosity.

In the weeks following September 11th, the Skoll Foundation initiated the Urgency Fund — an effort acknowledging the importance of the public benefit organizations in our own backyard and designed to help them through a particularly tough time. With this initiative, our first, we demonstrated the Skoll Foundation’s ability to respond quickly and creatively while maintaining our long-term strategic focus on social entrepreneurs. In total, the Skoll Foundation awarded \$6.1 million to 80 nonprofit organizations, a dramatic increase from the \$1.5 million awarded to 50 nonprofits in 2001. Skoll grantee organizations, many of them social entrepreneurs, are working tirelessly to create a peaceful and prosperous world, in communities throughout the Silicon Valley, the nation, and the world.

Today, social entrepreneurs and the challenges they are tackling seem more vital than ever before. It is these change-makers sowing the seeds of hope and opportunity in some of the most impoverished corners of the planet that constitute our best means of restoring humanity to the condition of human beings everywhere.

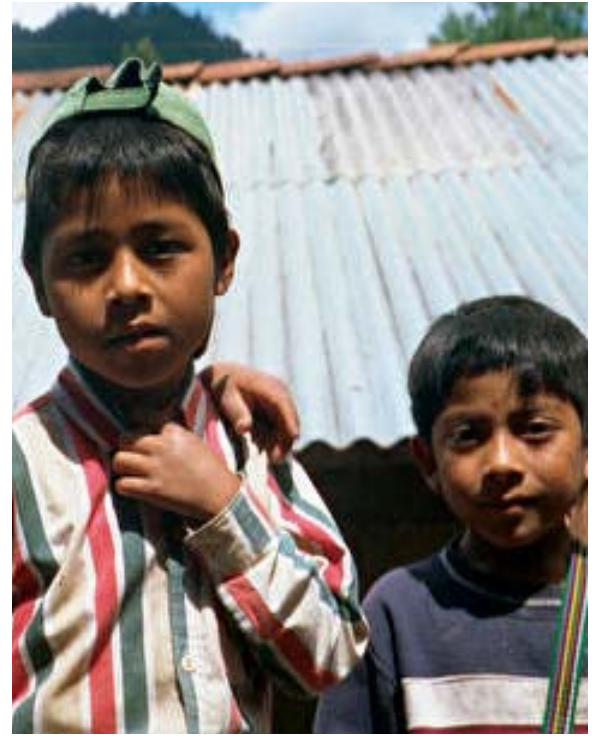
Looking back on this watershed year, we recognize that our work and our aspirations have new meaning: our vision of a peaceful and prosperous world which seemed at first more distant, now seems more urgent and more vital — and with the steadfast efforts of us all to work together, within our reach.

All the best,

Jeff Skoll
Chairman

Sally Osberg
President

(Clockwise from top-left):
Solar Electric Light Fund, South Africa. Agros
Foundation, Guatemala. Eastside College
Preparatory School, USA.



Jeff Skoll's Philanthropy

Jeff Skoll, eBay's first president and first employee, has demonstrated outstanding philanthropic leadership. He created the groundbreaking Urgency Fund in 2001, the Skoll Foundation in 1999, the eBay Foundation in 1998, and contributed to the creation of Silicon Valley Social Venture Fund (SV2) in 1999.

Over only five years, this young philanthropist's giving exceeds \$165 million. Not yet forty, Jeff truly represents philanthropy's future — a responsibility he welcomes, knowing that with each change-making investment, he can inspire others to join him.


An entrepreneur by nature and an engineer by training, Jeff seeks opportunities to leverage his philanthropic commitments. Jeff believes philanthropy at its best finds points of leverage so that a little bit of good can lead to a lot more good; he also believes in providing more support in bad times when support is most needed.

Jeff is inspired by social entrepreneurs: those who see “breathtaking opportunities disguised as insoluble problems,” in the words of the late civic leader John Gardner. His hope is that you, too, will be inspired by the stories of these uncommon heroes working for a common good.

The Skoll Foundation

In 1999, Jeffrey S. Skoll founded the Skoll Foundation as a supporting foundation of Community Foundation Silicon Valley.

Growing since that time to more than \$100 million in assets in 2002, the Foundation awarded \$6.1 million in grants, in its four program areas: Microenterprise - Cultivating Entrepreneurship; Philanthropy and the public benefit sector; Technology; and Transformational Learning.



“My hope is that you, too, will be inspired
by the stories of these uncommon heroes
working for a common good.”

Jeff Skoll



Urgency Fund

In response to September 11, 2001, Jeff Skoll conceived of and initiated the Urgency Fund with a \$2.5 million grant.

The Urgency Fund, the Skoll Foundation's first initiative, was designed to help Silicon Valley non-profits weather the economic downturn, following the terrorism attack on September 11, 2001.

Eighty-seven grants ranging from \$1,000 to \$175,000 were awarded to 54 public benefit organizations that provided safety net services for low-income families and individuals.

This pioneering effort was carried out in collaboration with two partners, the Steven and Michelle Kirsch Foundation and Community Foundation Silicon Valley. In addition, several Silicon Valley foundations and philanthropists contributed \$500,000 to the Fund. Eighty-seven grants totaling \$2.99 million were awarded in two separate rounds to 54 different organizations. Most of these recipients provided basic services, including food, housing and health care assistance. Over one million individuals were served through the Urgency Fund grants.

Urgency Fund Profile

Second Harvest Food Bank of Santa Clara and San Mateo Counties was an Urgency Fund recipient. In December of 2001 the Food Bank was awarded a grant in the amount \$175,000 from the Silicon Valley Urgency Fund. This grant was invaluable to the Food Bank during a time of limited resources and increased need. In November 2001, the Food Bank served 170,768 individuals and in December 2001 this number jumped to 195,166.

Microenterprise: Cultivating Entrepreneurship

Lenders for Community Development

Lenders for Community Development builds new pathways to increase the flow of capital into low-income communities, by developing financial products and services for low-income individuals and communities throughout Silicon Valley. These programs help small businesses grow, create jobs, finance affordable housing and other needed community facilities, and help people develop savings and assets. The goal of these programs is to create lasting opportunity and revitalization in Silicon Valley's neighborhoods.

Regarded as the backbone of microenterprise activity in the Valley, Lenders for Community Development is a comprehensive solution and long-term support system.

Skoll recognizes Lenders for Community Development as an uncommon organization of heroes working toward a common good. In April 2002, Skoll awarded \$75,000 to support its Small Business Program, an innovative social enterprise model which empowers minorities, women, and lower-income entrepreneurs through its three components: business loans, technical assistance & training, and individual development accounts.

Lenders for Community Development
creates lasting opportunity and revitalization
in our local neighborhoods.

(From top):
Lenders for Community Development clients:
Misa Florist and Hub Cap City,
San Jose, California, USA



Nurturing private enterprise

Philanthropy and the Public Benefit Sector

Acumen Fund

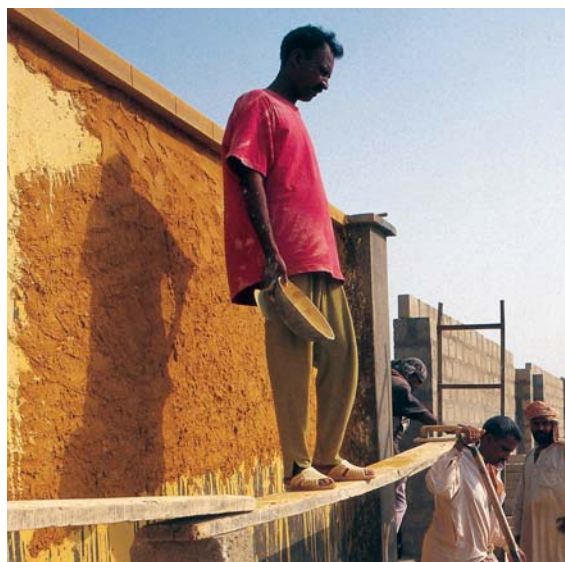
In 1991, Jacqueline Novogratz, a seasoned Rockefeller Foundation professional, founded the Acumen Fund to address the underdeveloped field of global philanthropy. Seeking to accelerate global change, Jacqueline created an innovative new model — a global network of individuals and foundations worldwide whose philanthropic capital can be invested to solve challenging world problems. Skoll recognizes Jacqueline Novogratz as an uncommon hero working for the common good.

Acumen Fund's mission is to accelerate Novogratz's positive global change by connecting committed philanthropists to strategic portfolios of social change enterprises. It seeks to build a global network of individuals and foundations worldwide whose philanthropic capital can be invested to solve challenging world problems.

In April 2002, Skoll awarded \$100,000 to leverage Acumen's development as an innovative philanthropic organization focused on the underdeveloped international grant making arena and provide a lead investment for Acumen's second portfolio, which will focus on building civil society in developing nations.

Seeking to accelerate global change, Jacqueline Novogratz created an innovative new model—a global network of individuals and foundations worldwide whose philanthropic capital can be invested to solve challenging world problems.

(Clockwise from top-left)
Acumen investments: Kashf Foundation, Pakistan;
the Sekem Project, Egypt; a weaver; and the
Saiban Project, Pakistan.



Empowering communities

Technology

ApproTEC

In 1985, Martin Fisher, armed with a Stanford doctorate in mechanical engineering, went to Kenya on a Fulbright Scholarship to study appropriate technology. Six years later, disillusioned with foreign aid, Martin Fisher and Nick Moon, created ApproTEC. Their belief is that self-motivated private entrepreneurs managing small-scale enterprises are the most effective agents for developing emergent economies. Since inception, ApproTEC has started over 26,000 new businesses that generate \$32 million a year in new profits and wages. Today, ApproTEC is creating 1,000 new businesses each month. Skoll recognizes Martin Fisher and Nick Moon as uncommon heroes working toward a common good.

ApproTEC's mission is to promote sustainable economic growth and employment creation in Kenya and other countries by developing and promoting technologies that can be used by dynamic entrepreneurs to establish and run profitable small scale enterprises.

In June 2002, Skoll awarded ApproTEC a grant of \$300,000 over two years to launch a new U.S.-based office to generate the capital needed expand their work in African business development, resulting in 20,000 new businesses that will generate \$80 million in new wages and profit. Skoll's investment will enable Approtec's expansion into new markets in Uganda, Rwanda, Burundi, and South Africa.

Martin Fisher and Nick Moon believe that self-motivated private entrepreneurs managing small-scale enterprises are the most effective agents for developing emergent economies.

(Clockwise from top):
ApproTEC entrepreneurs: a Kilimombogo family,
Kenya; Hay Baler entrepreneur Maina Mburu; the
MoneyMaker-Plus irrigation pump in use, Kenya.



Proven innovations

Transformational Learning

The Nepalese Youth Opportunity Foundation

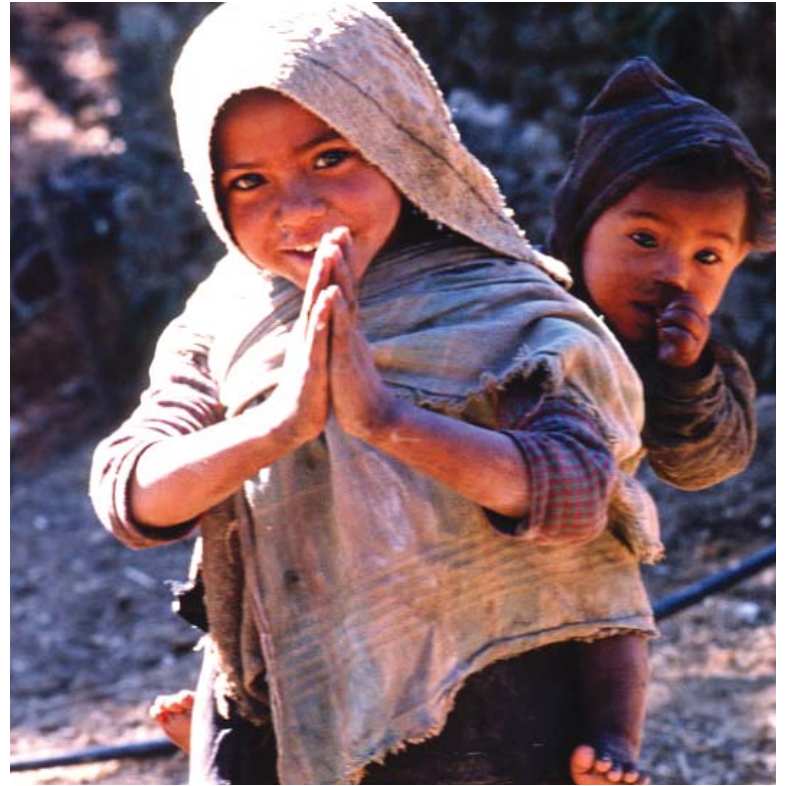
In 1984, Olga Murray, a lawyer at the California Supreme Court, was drawn to Nepal by the beauty of the landscape and the exotic surroundings. Overwhelmed by the poverty of Nepalese children, Olga found a way — and ultimately several ways — to make a significant difference in their lives. Today, over 800 Nepalese children's lives have been transformed by the Nepalese Youth Opportunity Foundation (NYOF). The Skoll Foundation recognizes Olga Murray as an uncommon hero working for the common good.

NYOF is a U.S.-based nonprofit organization devoted to bringing hope to the most destitute children in the beautiful but impoverished Himalayan King of Nepal. With a personal touch, NYOF provides them with what should be every child's birthright — education, housing, medical care, and loving support. Empowered to reach their potential, these children blossom, enriching the world we all share.

In April 2002, Skoll awarded \$64,350 over three years to help launch the Skoll Scholarships for Rural Development Program. This new program supports Nepal's brightest young low-caste and extremely poor adults complete Nepal's first graduate-level Rural Development Program or medical school — thus preparing them to serve the communities that make up the vast majority of Nepal's impoverished population and begin to address the huge deficit in medical care available for Nepal's poor.

Overwhelmed by the poverty of the Nepalese children, Olga Murray found a way—and ultimately several ways—to make a significant difference in their lives. Today, over 800 Nepalese children's lives have been transformed by the Nepalese Youth Opportunity Foundation.

(From left):
NYOF founder, Olga Murray with a Nepalese
girl.
One of NYOF's children offering a *Namaste*.



Liberating spirits

List of 2002 Grants Competitive Grants

Transformational Learning

<p>Across the Bridge/Downtown College Prep San Jose, CA www.downtowncollegeprep.org \$50,000</p>	<p>The Jewish Community Endowment Fund, San Francisco, CA www.sjfcef.org \$10,000</p>	<p>Ecotrust Canada British Columbia, USA www.ecotrust.org \$90,000</p>
<p>Bayview Hunter's Point Academy for the Arts and Technology Pittsburg, CA www.manchesterguild.org \$500,000</p>	<p>Nepalese Youth Opportunity Foundation Sausalito, CA www.nyof.org \$64,350</p>	<p>Enterprise Development International Fairfax, VA www.endpoverty.com \$25,000</p>
<p>Center for Innovation at Foothill College Los Altos Hills, CA www.foothill.edu/cfi/ \$49,151</p>	<p>Partners in School Innovation San Francisco, CA www.partnersinschools.org \$100,000</p>	<p>Lenders for Community Development San Jose, CA www.l4cd.com \$75,000</p>
<p>College Track East Palo Alto, CA www.ctrck.org \$20,000</p>	<p>San Jose Conservation Corps San Jose, CA www.sjcc-ep.org \$50,000</p>	<p>Pedals for Progress Arlington, VA www.p4p.org \$25,000</p>
<p>Community Action Board of Santa Cruz County, Inc. Santa Cruz, CA www.cabinc.org \$25,000</p>	<p>Schools Online San Jose, CA www.schoolsonline.org \$75,000</p>	<p>San Francisco State University Foundation San Francisco, CA http://whirlwind.sfsu.edu/ \$7,535</p>
<p>Facing History and Ourselves National Foundation, Inc. Fremont, CA www.facing.org \$21,970</p>	<p>Weill Cornell Medical College New York, NY www.med.cornell.edu \$25,000</p>	<p>Trickle Up New York, NY www.trickleup.org \$125,000</p>
<p>Global Education Partnership Washington, DC http://www.globaledpartnership.org \$50,000</p>	<p>Women in Community Service (WICS) San Jose, CA www.wics.org \$50,000</p>	<p>Village Enterprise Fund San Carlos, CA http://www.villageef.org/ \$50,000</p>
<p>The Global Fund for Children, Washington, DC www.globalfundforchildren.org \$50,000</p>	<p>YMCA of Santa Clara Valley San Jose, CA www.scvymca.org \$100,000</p>	<p>YWCA of Santa Clara Valley San Jose, CA http://www.ywca-scv.org/ \$20,000</p>
<p>Haiti Community Development Inc Scotch Plains, NJ \$35,000</p>	<p>Microenterprise: Cultivating Entrepreneurship</p>	<p>Skoll Web Survey Drawing Grants</p>
<p>HomeSafe Mountain View, CA www.snbw.org/homesafe \$150,000</p>	<p>The Agros Foundation, Seattle, WA www.agros.org \$30,000</p>	<p>American Red Cross - Bay Area Chapter San Francisco, CA www.bayarea-redcross.org \$2,500</p>
<p>I Have A Dream Foundation Menlo Park, CA www.ihad.org \$15,000</p>	<p>Appropriate Technologies for Enterprise Creation (ApproTEC) San Francisco, CA www.approtec.org \$300,000</p>	<p>Live Oak Adult Day Services San Jose, CA www.liveoakadultdaycare.org \$2,500</p>
	<p>East Palo Alto Micro-Business Initiative a.k.a. Start Up East Palo Alto, CA www.startupepa.org \$40,000</p>	

Philanthropy and the Public Benefit Sector

Acumen Fund
New York, NY
www.acumenfund.org
\$100,000

Center for Excellence in Nonprofits
San Jose, CA
www.cen.org
\$10,000

The Commonwealth Club Silicon Valley,
San Jose, CA
www.commonwealthclub.org
\$500

Community Foundation Silicon Valley
Gardner Fellows Endowment at Stanford
University
Palo Alto, CA
www.gardnercenter.stanford.edu
\$52,500

Community Foundation Silicon Valley
Partners In Philanthropy
San Jose, CA
www.cfsv.org
\$200,000

Community Foundation Silicon Valley
SV2
San Jose, CA
www.sv2.org
\$10,867

Council on Foundations
Washington, DC
www.cof.org
\$5,620

The Entrepreneurs' Foundation
Palo Alto, CA
www.ebayarea.org
\$100,000

The Foundation Incubator
Palo Alto, CA
www.foundationincubator.org
\$7,120

Silicon Valley Council of Nonprofits
San Jose, CA
www.svcn.org
\$2,500

The Benetech Initiative,
Palo Alto, CA
www.benetech.org
\$50,000

Girls Club of the Mid-Peninsula
East Palo Alto, CA
www.eccentrix.com/business/girlsclub/
\$57,600

Interplast, Inc.
Mountain View, CA
www.interplast.org
\$25,000

SeniorNet
San Francisco, CA
www.seniornet.com
\$250,000

The Seymour Papert Institute,
The Learning Barn
Blue Hills, ME
www.papert.net
\$50,000

Solar Electric Light Fund
Washington, DC
www.self.org
\$100,000

Chairman's Grants

ALS Therapy Development Foundation
Newton, MA
www.als-tdf.org
\$5,000

The Chrysalis Center,
Santa Monica, CA
www.chrysalisworks.org
\$5,000

Community Foundation Silicon Valley
Silicon Valley Urgency Fund
San Jose, CA
www.cfsv.org
\$ 2,500,000

Global Security Institute
San Francisco, CA
www.gsinsitute.org
\$50,000

Northern California Innocence Project
Santa Clara, CA
www.ncip.scu.edu
\$5,000

Town Crier Holiday Fund
Los Altos Community Foundation
Los Altos, CA
www.losaltoscf.org
\$5,000

Woodside Atherton Auxiliary to
Lucile Salter Packard Children's Hospital
Menlo Park, CA
www.lpch.org
\$5,000

World Fellowship for Schizophrenia &
Allied Disorders
www.world-schizophrenia.org
\$25,000

Directors' Grants

Academy for the Development of
Philanthropy in Poland
Warsaw, Poland
www.filantropia.org.pl
\$7,000

American Musical Theatre of San Jose
San Jose, CA
www.amtsj.org
\$10,000

Amie Karen Cancer Fund for Children
Los Angeles, CA
\$5,000

Association of Children's Museums
Washington, DC
www.childrensmuseums.org
\$10,000

California Culinary Academy Educational
Foundation
San Francisco, CA
www.ccaedfoundation.org
\$5,000

Children's Discovery Museum
San Jose, CA
www.cdm.org
\$62,000

Foothill-DeAnza Colleges Foundation
Los Altos Hills, CA
www.foundation.fhda.edu
\$20,000

Foundation for a Civil Society
New York, NY
www.fcsny.org
\$2,500

The Fund for Peace
Washington, DC
www.fundforpeace.org
\$5,000

HomeSafe
Mountain View, CA
www.snbw.org/homesafe
\$12,500

Jewish Vocational and Career
Counseling Services
San Francisco, CA
www.jvs.org
\$5,000

Mexican American Community
Services Agency
San Jose, CA
www.macsa.org
\$5,000

Opera San Jose
San Jose, CA
www.operasj.org
\$5,000

Philharmonia Baroque Orchestra
San Francisco, CA
www.philharmonia.org
\$5,000

Poets and Writers, Inc.
New York, NY
www.pw.org
\$3,000

Rotary Club of San Jose
San Jose, CA
www.sjrotary.org
\$3,000

Stanford Law School, Stanford University
Stanford, CA
\$7,500

Temple Emek Shalom
Ashland, OR
www.mind.net/tesweb/info.html
\$2,500

The VIA Foundation for Local Initiatives,
Prague 1, Czech Republic
www.nadacevia.cz
\$10,000

YMCA Midpeninsula
Palo Alto, CA
www.ymcamidpen.org
\$12,500

Board of Directors

Jeffrey S. Skoll
Chairman

Leo Chavez
Chancellor, Foothill-DeAnza Community College District

Peter deCourcy Hero
*Secretary and Acting Chief Financial Officer
President, Community Foundation Silicon Valley*

Debra Engel
Private Investor and Consultant

Richard M. Maltzman
Partner, Titchell, Maltzman, Mark and Ohleyer

Staff

Sally Osberg
President and CEO

Christy Chin
Director of Strategy and Programs

Keely Stevenson
Program Associate

Cristina Yoon
Program and Executive Assistant

Statement of Financial Position

Year ended June 30, 2002

Revenues and support:

Contributions	\$ 42,406,560
Net realized and unrealized losses on investments	(10,752,127)
Investment income	2,711,725
Other income (loss)	(191,368)
Total revenues and support	<u>34,174,790</u>

Expenses:

Program services:	
Grant expenses	6,041,303
Other program expenses	47,644
Management and general:	
CFSV Support Fee	570,597
Other administrative expenses	370,271
Total expenses	<u>7,029,815</u>
Increase in net assets	27,144,975
Net assets, beginning of year	<u>89,282,312</u>
Net assets, end of year	<u>\$ 116,427,287</u>

As a supporting foundation of Community Foundation Silicon Valley, the Skoll Foundation consolidated its assets on the audited financial statements of Community Foundation Silicon Valley. In addition, Community Foundation Silicon Valley presents supplemental schedules in their audited financial statements.

Statement of Activities and Changes in Net Assets

Year ended June 30, 2002

Assets

Cash and equivalents	\$	18,608
Investments, at fair value		114,228,487
Program Related Investment		<u>3,000,000</u>
Total Assets		<u>\$ 117,247,095</u>

Liabilities and Net Assets

Liabilities:

Accounts payable and accrued liabilities	\$	83,398
Grants payable		<u>736,410</u>
Total Liabilities		819,808

Net assets

Unrestricted		<u>116,427,287</u>
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Total liabilities and net assets		<u>\$ 117,247,095</u>
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