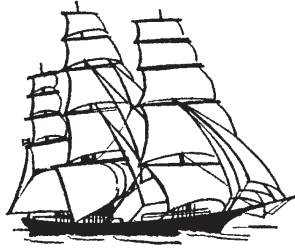


CLIPPER SHIP FOUNDATION, INC.



ANNUAL REPORT
For Fiscal Year Ended
October 31, 2010

INTRODUCTION

HISTORY AND PURPOSE OF THE FOUNDATION

Clipper Ship Foundation, Inc. was founded in 1979 by the late David Weatherhead. It is a non-profit corporation organized under Chapter 180 of the Massachusetts General Laws to benefit the sick and the poor. The Foundation makes grants to federally tax-qualified, non-profit operating organizations serving residents of the Greater Boston communities, and the cities of Brockton and Lawrence, to assist them in fulfilling their goals and broadening the scope of their activities. Priority is given to organizations that help the homeless and under-housed, people in need, children, elders, and people with disabilities, as well as those addressing the needs of new immigrants and of low-income communities and neighborhoods. Special consideration is also given to emergency disaster situations, worldwide.

GRANT ACTIVITIES AND OBSERVATIONS

Clipper Ship Foundation made grants totaling \$1,471,200 during the foundation's fiscal year ended October 31, 2010. A breakdown among grant categories is shown below while the individual grants are listed on the following pages.

Grant Category	2010	2009	2008
Aid to Persons with Disabilities	\$ 58,500	\$ 67,500	\$ 94,500
Children and Young People	\$ 713,500	\$ 653,500	\$ 706,000
Community Affairs	\$ 352,700	\$ 289,200	\$ 349,900
Food and Shelter	\$ 301,500	\$ 373,500	\$ 348,500
Emergency and Disaster Aid	\$ 45,000	\$ 35,000	\$ 70,000
Total Grants	\$ 1,471,200	\$ 1,418,700	\$ 1,568,900

The \$52,500 increase over 2009 in total grants reflects the \$1,687,171 recovery in the value of the foundation's portfolio during 2009. The recovery continued in 2010 to the extent of a further increase in fiscal year-end net value of \$944,695. This two-year improvement over the foundation's financial position at October 2008 has allowed Clipper Ship, in accordance with its usual practice (based on a rolling three-year average of quarter year end net values) to increase its quarterly grant making targets in 2010 and 2011. It also encouraged the Board during the second half of 2010 to institute a program of making, annually, two or three extraordinary (\$50,000 to \$100,000) capital grants to operating human service providers chosen from among the foundation's prior regular grantees. The competitive process by which the first grantees under this program were chosen was initiated, by a committee of the

board ably chaired by Donald J. Greene, toward the end of 2010 and carried to completion in the third quarter of fiscal 2011.

During 2010 Clipper Ship devoted a good deal of attention to and made many grants in support of the improvement of public and free independent primary and secondary schools serving poor communities. We supported the Boston Education Funders in their monitoring of the Boston Public Schools, the Edvestors program of special grants to selected Boston schools, the Chelsea Education Foundation's Chelsea REACH School Success Program, the tutoring services of the Cambridge School Volunteers and the Greater Lawrence Educational Multicultural Enrichment Program. In support of charter public schools we made grants to the Boston Collegiate Charter School, the City on a Hill Charter Foundation and the Codman Academy Foundation. Among independent schools providing intensive free schooling to poor children we supported the after school and evening study program of the Bellesini Academy and the after school success program of Esperanza Academy, both in Lawrence. A great many – perhaps a majority – of the 70 other programs for children and youth to which we made grants contained a strong educational element.

The decline in grants in the Food and Shelter category is largely attributable to the fact that in 2009 there were two extraordinary grants, of \$50,000 each, to the Local Initiative Support Corporation and Merrimack Valley Habitat for Humanity and no equivalent grants in 2010. We hope for growth in this important area in 2011.

We wish to express our appreciation for the excellent service which we have received during the past 4 years from our Foundation Assistant and Clerk, Kirstie David, who left us at the end of the year to assume increased responsibilities with GMA Foundations, Inc.

AID TO PERSONS WITH DISABILITIES

Beaverbrook STEP, Inc. Irving Street Project	\$10,000
First Night, Inc. ASL First Night 2010	\$2,500
Living Independently for Equality, Inc. Support for social and recreational programming for physically disabled adults	\$5,000
MATCH-UP Interfaith Volunteers, Inc. Support Friendly Visiting & Medical Escort Services	\$5,000
Northern Essex Community College Shared Reading Saturdays program	\$7,500
Pass It On, Inc. Used Medical Supply Exchange	\$4,000
Piers Park Sailing Center Support of the Youth Development Program	\$5,000
Project Triangle, Inc. School-to Career Project	\$5,000
Wellmet Project, Inc. Food, housing and counseling services	\$7,000
Young Entrepreneurs Alliance, Inc. Teen Business at Horace Mann School	\$7,500
Total Aid to Persons with Disabilities	\$58,500

CHILDREN & YOUNG PEOPLE

YEAR-ROUND PROGRAMS

826 Boston Raising a Community of Writers in Roxbury's Egleston Square	\$5,000
Adelante, Inc. School Success program in Lawrence	\$5,000
All Dorchester Sports League, Inc. Education Resource Center	\$5,000
America Scores New England Combined Academic/Soccer Youth Development Program	\$5,000

Artists for Humanity, Inc. Educational Initiatives within Arts Micro-enterprise	\$10,000
Associated Grant Makers, Inc. f/b/o Boston Education Funders Membership Support	\$2,000
Ballet Theatre of Boston, Inc. Dance for the Commonwealth	\$5,000
Benevolent Fraternity of Unitarian Churches Roxbury Youth Programs	\$7,500
Beverly Children's Learning Center, Inc. Happy, Healthy, Fit Kids Project	\$5,000
Bikes Not Bombs, Inc. Leadership Development Pathway	\$7,500
Blessed Stephen Bellesini, O.S.A. After-school & Evening Study Program	\$7,500
Boston Ballet, Inc. Taking Steps program	\$5,000
Boston Collegiate Charter School After School Program	\$10,000
Boston Symphony Orchestra, Inc. Support for Chelsea youths attending the Days in the Arts Program at Tanglewood	\$5,000
Boston Ten Point Coalition, Inc. Gang Mediation Initiative	\$10,000
Boys & Girls Clubs of Dorchester Teen Program at the McLaughlin Youth Center	\$7,500
Boys & Girls Clubs of Middlesex County Support for youth programming in Somerville, Medford, and Cambridge	\$5,000
Boys and Girls Club of Lynn, Inc. Making Minutes Count Program	\$5,000
Brookview House, Inc. Above & Beyond: Youth Enrichment Program	\$7,500
Cambridge Community Center, Inc. Out-of-School Time Program	\$5,000
Cambridge Family & Children's Service Capital support for bathroom renovations	\$5,000

Cambridge School Volunteers, Inc. Operating support	\$10,000
Catholic Charitable Bureau/Boston Archd. SOAR - P.A.L.S. Program	\$5,000
Central United Methodist Church f/b/o Brockton Church and Community School Program Operating support	\$5,000
Chameleon Arts Ensemble of Boston, Inc. Music Education Project	\$5,000
Chelsea Education Foundation, Inc. Chelsea REACH school success program	\$20,000
Child Care Resource Center, Inc. General operating support	\$10,000
City on a Hill Charter School Foundation CoaHCORPS Tutorial Program	\$5,000
City School Pathways to Change Program	\$5,000
City Stage Company, Inc. After School with City Stage/Teen Stages program	\$5,000
CitySprouts, Inc. CitySprouts Youth Summer Intern Program	\$8,000
Codman Academy Foundation Staffing for Special Education curriculum	\$5,000
Community Day Care Center of Lawrence Up with Music Program	\$6,000
Community Providers of Adolescent Serv. COMPASS Cafe	\$5,000
Crispus Attucks Childrens Center, Inc. Natural Playground Learning Center	\$5,000
Dorchester Community Ctr Visual Arts Inc. Shakespeare & Picasso are Alive & Well	\$7,500
Earthen Vessels, Inc. Tutoring/Mentoring & Family Advocacy Program	\$10,000
EdVestors BPS Algebra Expansion (10K), Countdown to High School (10K), admin (2K)	\$22,000

Eliot School of Fine and Applied Arts School Partnership Program	\$5,000
Esperanza Academy, Inc. Esperanza Afterschool Success Program	\$10,000
Essex Art Center Operating support	\$7,500
Essex County Community Foundation FirstJobs Program in Lynn	\$10,000
Everybody Wins Metro Boston, Inc. Power Lunch in the city of Boston	\$5,000
Family and Community Solutions Mental health services for children and families	\$10,000
Federated Dorchester Neighborhood House Out of School Time Program	\$10,000
Foster & Adoption Mentoring & Enrichment Adoption and Foster Care (AFC) Mentors	\$5,000
Friends of the Children-Boston, Inc. Friends-Boston Mentoring Program	\$7,500
Gavin Foundation, Inc. Cushing House/Medicine Wheel Art Therapy Program	\$5,000
Generations Incorporated Experience Corps Program	\$5,000
Girls Incorporated of Lynn Eureka Math, Science & Personal Development Teen Program	\$5,000
Greater Lawrence Ed. Collaborative Multicultural Enrichment Partnership	\$10,000
Handel and Haydn Society Karen S. and George D. Levy Educational Outreach Program	\$7,500
Horizons for Homeless Children Community Children's Centers and Playspace Programs	\$7,500
Hull Lifesaving Museum, Inc. Home Waters	\$10,000
Independence Route Day Care Ctr/Kids Stop Capital Projects to improve handicap access	\$10,000
JFY Networks Operating support	\$7,500

Justice Resource Institute A Path to Healing: Mentoring Exploited Girls	\$10,000
Kids' Karate Roxbury Branch	\$4,000
La Vida, Inc. La Vida Scholars Program	\$10,000
LEAP Self-Defense, Inc. Partnerships with Citizen's Schools and Umana Middle School	\$10,000
Life Resources, Inc. Kitchen renovation project	\$10,000
Mass. Coalition Occup. Safety/Health Teens Lead @ Work Program	\$5,000
Massachusetts Adoption Resource Exchange Operating support and child support services	\$5,000
MissionSAFE: A New Beginning Inc. Youth Leadership Services Corp.	\$5,000
North Shore Community Action Programs Salem CyberSpace Youth Programs	\$5,000
Notre Dame Education Center - Lawrence Adult education classes	\$10,000
Oiste Civic Education Initiative Despierta program	\$10,000
Parent-Child Home Program, Inc. School Readiness & School Success for Lawrence Families in Need	\$5,000
RAW Art Works, Inc. Artists' Group for Elementary & Middle School	\$7,500
Rediscovery, Inc. YouthHarbors Program	\$5,000
Samaritans, Inc. Youth Suicide Prevention Services	\$7,500
School on Wheels of Massachusetts, Inc. Academic support services for homeless children in Brockton	\$10,000
Sociedad Latina, Inc. Mission Enrichment After-School Program (MEP)	\$5,000

South End Lower Roxbury Youth Workers Expanding Our Reach Program	\$7,500
Sportsmen’s Tennis Club, Inc. Support of Children’s Program	\$10,000
St. Stephen’s Youth Programs B-READY After-school Program	\$7,500
Strongest Links AIDS Services, Inc. HIV Prevention Education Program	\$5,000
The Food Project, Inc. Summer Youth, Academic Year and Internship Programs	\$7,500
Thompson Island Outward Bound Ed. Ctr Inc Connections program	\$7,500
United Way of Greater Plymouth County Brockton’s Promise’s Drop Out Prevention Program	\$75,000
US Conference of Catholic Bishops Renovations to the North Cambridge Catholic High School’s new facility in Dorchester	\$7,500
Youth and Families Enrichment Services Youth Builders After-School Program	\$7,500
Total Children & Young People	\$664,500
 SUMMER PROGRAMS	
Associated Grant Makers, Inc. Summer Fund	\$42,000
Essex County Community Foundation Greater Lawrence Summer Fund	\$12,000
Total Summer Programs	\$54,000
 COMMUNITY AFFAIRS	
Asian Center Merrimack Valley, Inc. Support for programming for new immigrants	\$7,500
Associated Grant Makers, Inc. Membership support	\$10,200
Bonnie CLAC Boston Expansion	\$10,000

Boston Medical Center Birth Sisters Program	\$5,000
Boston Minstrel Company Charitable Trust Van purchase	\$7,500
Brazilian Immigrant Center Brazilian Immigration Center	\$5,000
Brockton Interfaith Community, Inc. Support for community programming in Brockton	\$5,000
Brockton Neighborhood Health Center Certified Medical Interpreter program	\$10,000
Career Connections Collaborative, Inc. Building Careers, Changing Lives Program	\$5,000
Casa Myrna Vazquez, Inc. SafeLink Program	\$8,000
Centro Presente Education for Empowerment (EFE) Program	\$7,500
Chelsea Collaborative New location for the Collaborative	\$25,000
Community Legal Services & Counseling Center, Inc. Affordable Counseling Services for Low Income People	\$10,000
East End House, Inc. Support for family and community programming	\$7,500
Ecumenical Social Action Committee GED Plus Expansion Project	\$7,500
Edinburg Center, Inc. Jail Diversion Program	\$7,500
Educational Development Group, Inc. Accelerated English Plus Program	\$5,000
Emerge, Inc. Counseling Scholarship Program	\$6,000
Families First Parenting Programs, Inc. Parenting education and prof. support programs for low-income families	\$10,000
Family Self-Sufficiency Center, Inc. Work Readiness/Literacy Project	\$7,500

Friends of Children’s Trust Fund, Inc. Parenting Education and Support Program	\$5,000
Harbor COV Emergency & Transitional Housing Program	\$10,000
Healing Abuse Working for Change Domestic Violence Service in Lynn	\$10,000
Interseminarian - Project Place, Inc. Workforce Development Program	\$10,000
John F. Kennedy Family Service Ctr., Inc. Comprehensive Integrated Case Management Program	\$5,000
Julie’s Family Learning Program Inc. Support for social service programming for single-parent families in South Boston	\$10,000
Latino Health Institute, Inc. MENTA (Minorities Engaged Toward Achievement)	\$10,000
Literacy Connection Literacy Connection Program	\$6,000
Lutheran Social Services of New England The Ruth House-Capital Renovation Project (Brockton)	\$10,000
Lynn Community Health, Inc. Capital campaign to expand Primary Care in Lynn	\$20,000
On The Rise, Inc. Safe Haven Program	\$7,500
Refugee Immigration Ministry, Inc. Community programming support	\$5,000
Saint Francis House, Inc. Under One Roof Capital Campaign	\$10,000
South Boston en Accion Support for community organizing	\$5,000
Southwest Boston Senior Services d/b/a Ethos Emotional Support and Memoir Writing for Haitian Elders	\$5,000
STEP, Inc. Recovery Engagement & Support Services	\$7,500
Sudanese Education Fund, Inc. Volunteer Program	\$5,000

Web of Benefit, Inc. Transition to Self-Sufficiency Program	\$5,000
Woburn Council of Social Concern Support for community-based, family focused programs	\$10,000
Women of Means, Inc. Aging in Shelters Collaborative	\$25,000
Total Community Affairs	\$347,700

EMERGENCY & DISASTER RELIEF

CARE USA CARE's Pakistan Flood Emergency Fund	\$25,000
CARE USA Haitian earthquake relief efforts	\$10,000
Oxfam America Haitian earthquake relief efforts	\$10,000
Total Emergency & Disaster Relief	\$45,000

FOOD & SHELTER

Associated Early Care & Education, Inc. Nutrition Project	\$10,000
Beverly Affordable Housing Coalition Evaluation of the merger of BAHC and the Salem Harbor CDC	\$7,500
Boston Affordable Housing Coalition Healthy Homes Campaign	\$10,000
Boston Building Materials Cooperative Building Materials Resource Center	\$10,000
Boston Living Center, Inc. Nutrition and Meals Enhancement (N.A.M.E.) Program	\$10,000
Boston Rescue Mission, Inc. Women's Parole Re-Entry Program	\$5,000
Bread & Roses, Inc. Operating Support	\$5,000
The Bridge Fund of MA, Inc. Homelessness prevention loans and grants	\$10,000

CAN-DO	\$10,000
Support for operations and pursuit of new two-family home purchase and redevelopment	
Caritas Communities, Inc.	\$12,500
Housing operations	
Casa Nueva Vida, Inc.	\$10,000
Educational and operating support	
CASPAR, Inc.	\$10,000
ACCESS (A Client-Centered Experience Staying Sober)	
Charity Guild Inc.	\$7,500
Support to employ an executive director for the CGB Food Pantry and Thrift Store	
Citizens for Adequate Housing, Inc.	\$10,000
Family housing and support services	
Community Day Center of Waltham	\$5,000
Micah Intern	
Community Farms Outreach, Inc.	\$7,500
Hunger Relief/Food Access Program	
Crittenton Women’s Union, Inc.	\$10,000
Transitional Housing Programs/Horizons Housing Program	
EMH Recovery Inc.	\$10,000
Women’s residential alcohol and drug addiction program	
Father Bill’s & MainSpring	\$10,000
Triage to Housing First for Individuals	
German Home Old Folks Home, Inc.	\$12,000
Security System Project	
Hearth	\$5,000
Support for affordable elderly housing	
hopeFound	\$15,000
Recovery, employment and housing services	
Housing Families, Inc.	\$5,000
Children & Family Program	
Interfaith Social Services, Inc.	\$5,000
Pantry Shelf Program	
Lazarus House, Inc.	\$15,000
Operating support	

Margaret Fuller Neighborhood House, Inc. MFNH Emergency Food Pantry	\$5,000
Metropolitan Boston Housing Partnership Rapid Re-Housing and Stabilization Initiative	\$10,000
Mission of Deeds 2010 Beds for Kids Campaign	\$12,000
Mount Pleasant Home Outfitting a new kitchen-redevelopment plan	\$5,000
Second Step, Inc. Capital improvements and repair/renovation	\$5,000
Solutions At Work, Inc. Operating support	\$7,500
Span, Inc. Span Grant Center Meals Program	\$10,000
Travelers Aid Family Services, Inc. Continuum of Care	\$10,000
Victory Programs, Inc. Portis Family House	\$5,000
Women's Lunch Place, Inc. Meals Program	\$5,000
Total Food & Shelter	\$301,500



INDEPENDENT AUDITOR'S REPORT

THE BOARD OF DIRECTORS
CLIPPER SHIP FOUNDATION, INC.
Boston, Massachusetts

We have audited the accompanying statements of financial position of Clipper Ship Foundation, Inc. (a not-for-profit organization) as of October 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clipper Ship Foundation, Inc. as of October 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, reading "Parent, McLaughlin & Nangle". The signature is written in a cursive, flowing style.

Parent, McLaughlin & Nangle
Certified Public Accountants, Inc.

February 1, 2011

STATEMENTS OF FINANCIAL POSITION

	October 31	
	2010	2009
ASSETS		
Cash	\$ 54,099	\$ 39,865
Accrued interest receivable	4,240	7,196
Refundable federal excise taxes	12,909	9,618
Investment Securities (Note A):		
Corporate and other obligations	615,332	799,014
Equities	2,321,582	2,812,980
Mutual funds		
Cash management	59,342	247,043
Balanced	15,827,928	15,338,832
International equity	1,879,464	1,745,536
Domestic equity	690,456	883,064
Global bond	942,211	708,398
Domestic bond	1,174,821	816,408
Hedge	1,598,294	817,512
Limited partnership	760,507	771,026
	25,869,937	24,939,813
Total Assets	\$ 25,941,185	\$ 24,996,492

LIABILITIES AND NET ASSETS

Liabilities:		
Deferred Federal Excise Tax	\$ 30,852	\$ 11,122
Accrued Expenses	\$ 13,072	30,546
Total Liabilities	43,924	41,668
Net Assets:		
Unrestricted net assets	25,897,261	24,954,824
Total Liabilities and Net Assets	\$ 25,941,185	\$ 24,996,492

STATEMENTS OF ACTIVITIES

	Year ended October 31	
	2010	2009
Revenue and Support		
Investment return:		
Net realized and unrealized gains	\$ 1,949,527	\$ 1,411,873
Dividends	613,995	1,853,378
Interest	25,462	34,834
Deferred federal excise taxes on on net unrealized gains	(19,730)	(35,901)
Investment management expense	(52,228)	(45,517)
Federal excise taxes on net investment income	(12,091)	(18,382)
Total revenue and support	2,504,980	3,200,285
Expenses:		
Administrative	59,136	58,827
Directors' fees	16,500	20,000
Accounting	10,400	10,400
Miscellaneous	5,307	5,187
Total expenses	91,343	94,414
Excess of Revenues Over Expenses		
Before Charitable Disbursements	2,413,637	3,105,871
Charitable Disbursements:		
Grant payments made	(1,471,200)	(1,418,700)
Net Increase in Unrestricted Net Assets	942,437	1,687,171
Unrestricted Net Assets, beginning of year	24,954,824	23,267,653
Unrestricted Net Assets, end of year	\$ 25,897,261	\$ 24,954,824

HOW TO APPLY

Note: All applicants must submit proposals through the on-line application form. Please visit www.agmconnect.org/clipper for the foundation's guidelines and detailed instructions for submitting an application.

Please review instructions thoroughly before starting your application

Consideration

Proposals are considered by the Grantmaking Committee and the Board four times a year, in January, April, June/July, and October. The corresponding deadlines are in November, March, May, and August – please check the Clipper Ship website for specific dates. Complete proposals must be received by 5 p.m. on the day of the deadline to be considered at the following Committee meeting. Applications that are received after these dates will be deferred until the next review cycle. Applicants should visit the Foundation's website for updates regarding required materials prior to submitting a proposal.

Final Reports

A grantee must submit a final report within two months of the termination of the subject project or program, or of the period of operations in which the grant is to be expended, or if applying for a new grant, the report should be submitted with the new request for funds. The report should clearly delineate the objectives and goals of the project or program, the specific manner in which the proceeds were expended, and the progress achieved subsequent to the submission of the request for the Clipper Ship grant. Clipper Ship welcomes the use of the AGM Common Report Form.

Annual Reports

Annual Reports should be directed to:

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Foundation Assistant
Clipper Ship Foundation
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