

Dear RAINBOW Members and Friends:

Optimism flavors the RAINBOW's 2006 annual report and this kick-off of our 11th END of YEAR GIVING-MEMBERSHIP CAMPAIGN. This positive report is the collective work of many: each of you, volunteers, corporate and foundation friends, staff and the Boards of Directors and Advisors.

As we report with pride the many successes of 2006, remember these are critical financial times for LGBTIQQ non-profit service agencies. The Greater Bay Area continues to be stressed by agency mergers and by agency failures. The RAINBOW's Tri-County service area experienced damage in 2006 with the financial insolvency of the Diablo Valley AIDS Center (DVAC) after eighteen years of crucial services to POZ people. RCC now functions as the only non-profit providing diverse services and programs for LGBTIQQ people thirteen years and older in our large geographical area.

The RAINBOW 2006 Report:

Governance and Administration:

- Three new Board Directors were seated, two are in process, and two youth seats are being developed
- A committee of four Board Directors administers daily business with the executive directorship vacant
- A volunteer accounting team provides excellent support

Staff:

- Raul Mangubat is in his fifth year as part-time administrative assistant
- Michelle Herrera was employed in April as part-time youth director and brings years of youth work experience
- Len King was employed in September as part-time coordinator of the new KIND HEARTS Food Project

Volunteers:

- Seventeen regularly scheduled volunteers provide an immense number of hours in the day to day center operations, including: accounting, IT and web mastering, administrative support in senior projects, KIND HEARTS Project; volunteer recruitment; and plant maintenance with many volunteers recruited for special projects

Projects/Programs/Services:

- Approximately 95 youth are involved weekly at the Concord and Antioch sites with a wide variety of social, educational, leadership training, community service and life skills development activities
- Center refurbishment resulted from a donor fund exceeding its goal and resulting in an aesthetic lobby and efficient workstations for staff
- Work is nearing completion on the Financial Resource Group Directory – a listing of area asset management/estate planning consultants screened for knowledge and sensitivity to LGBT issues
- HIV/syphilis testing is offered on site monthly by the County Health Department with an average of ten individuals testing each month
- Diverse support groups continue to meet at RCC – Men's Social, Transgender, AA Mixed and Gay, Women's, HIV/AIDS, Star Empire, Men's Multicultural, and Men's Discussion
- Monthly senior luncheons and teas continue to grow in numbers with the supporting grant nearing termination
- A professionally facilitated mixed gender mental health group is organizing
- RCC walked and rode (donated limo) in Concord's July 4th Parade and received loud cheers
- Volunteers and staff worked the gates for the SF PRIDE Celebration and generated \$2500 (double 2005's total) for the general fund
- The library continues to grow with donated volumes and was renamed the Kent L. Sack Resource Center
- The RAINBOW fielded its 1st Team in the SF AIDS WALK, securing approximately \$4000 in pledges giving RCC third place among the LGBTIQQ agencies walking
- A WALL of HONORS is nearing design completion by the Development Committee and will hang proudly and prominently at the center to acknowledge cumulative gifting by members/friends and donors
- PROJECT RESPONSIBLE – a three-year strategic plan for senior services with five focused needs has been drafted and awaits governance review and adoption
- KIND HEARTS Project - the financially failed Diablo Valley AIDS Center's food program, has been transferred to the RAINBOW (in collaboration with 5 area non-profits, 5 area commercial food vendors, and the Concord Farmers Market) and provides pantry and home delivery food supplements to approximately 40 HIV/AIDS clients plus perishables for RCC seniors, New Connections' perinatal women, and the Monument Crisis Center which has given us billboard space to list RAINBOW activities for their large Hispanic/Latino client base

FINANCIAL:

- FY06 (June 30) ended with a net balance of \$8,000 the first positive year end balance since the early years of RCC
- FY07 budget increased from 106K (FY06) to 115K
- A contingency (reserve) fund of \$7000 is included in the balanced 2007 budget
- Staff received a 15% salary increase in FY06, the first in years, which brings alignment with other agencies
- The 2005 End of Year Giving-Membership Campaign was the most successful ever - \$17,150 from 74 donors
- Significant increase in employer matched funds championed by Board Director Bill Huffaker's gift of \$10,000 from Washington Mutual
- Continued solid support from regional corporations with Markstein Sales of Pittsburg (presented the HONORS IX Community Service Award) gifting \$3000 for the 7th consecutive year
- Largest individual donation received to date - \$7000 from Joyce Marlin of Martinez for the KIND HEARTS Project
- Significant in-kind support from members and friends including PRISM printing/ mailing costs from Kathy Roberts and Leslie Lurie and auction-door prizes from many donors
- Important individual giving thru Community Partners at United Way, Clorox, AT&T, PG&E, Bank of America, Chevron, and Community Health Charities (Sacramento)
- Marked increase in Foundation grants: The CA Endowment/Horizons FDN; Academy of Friends Holiday Grant; Horizons FDN/SF AIDS FDN; PG&E; Y&H Soda FDN; Wells Fargo FDN/SF PRIDE Employees Resource Group; and Until There's A Cure FDN with the majority of the funds restricted to specific projects or programs
- Seven successful fundraisers: HONORS Night; Crab Feed; Chocolate and Champaign; Holiday Home Tour; Vince Scalise's Drag Show, Luau and the Bachelor's Auction
- Development of the capability to donate directly on-line
- Continued sizeable revenue streams from the Endowment Fund (including income pay down of the RCC loan) and the Honegger Trust
- Activation of the LIVING LEGACY Project wherein friends will each contribute \$10,000 over five years to the RCC program or project of choice; one subscriber has enrolled
- Stable memberships and Board Partners (\$500 gift to match the annual assessment for each Director)

A proud report, but we must push forward and ask each of you to help the RAINBOW by:

- Providing your email address
- Encouraging friends and colleagues to become members and supporters – share this 2006 Annual Report
- Identify isolated LGBTIQQ people, especially seniors that would gain life quality by affiliating with RCC
- Identify LGBTIQQ people struggling financially who could benefit from support of the KIND HEARTS Project
- Seek employer-matching funds
- Encourage workplace LGBTIQQ groups to support the RAINBOW
- Serve as a courier to your employer to help the RAINBOW'S Development Committee develop a working relationship
- Appreciate the spirit of youth by sharing the RAINBOW Youth Group's guiding philosophy from Sitting Bull, a Lakota Native American warrior and leader who once said, *"Let us put our minds together and see what life we can make for our children."*
- Encourage friends to volunteer on Board committees, seniors programs and the KIND HEARTS Project
- Utilize the easy on-line gifting/membership forms at the RCC website: www.rainbowcc.org

The RAINBOW'S greatest reward in presenting this 2006 Annual Report and End of Year Campaign appeal is the reality that it is not driven by crisis. We encourage each of you to forfeit any complacency in your financial, moral or participatory support for the RAINBOW based on the Report's positive information. We encourage each of you to match your passion for respect, trust and equality for all LGBTIQQ people with a commensurate End of Year Campaign gift and a 2007 RAINBOW membership.

Thank you.

Best always,

Kent L. Sack, MD
Development Committee, Chairman

Brian James
Board of Directors, President

Sonia Foster
Board of Directors