

BUILD YOUR COMMUNITY



2012 ANNUAL REPORT

Higher Aspirations Mean Greater Accomplishments

For the past year and a half, we have been focusing our efforts on seven aspirations:

- Children and youth will excel academically.
- People will have education and training needed to compete in today's economy.
- Families will be stable and nurturing.
- People will be healthy.
- People will have the economic means to sustain a quality standard of living.
- Communities will be safe.
- People will be engaged in their communities.

Using data from our *Aspire Arkansas* report, people all over our state have examined the needs of their communities, talked about ways to meet those needs and developed new programs or supported existing ones to meet those needs. I want to share with you the story of just one community that has initiated an innovative wellness program.

Conway County Community Foundation used *Aspire Arkansas* data to determine that healthcare is a key concern in their community. So they developed a program with the Conway County Community Center where personal trainers, registered dieticians and local physicians collaborate to promote healthy lifestyles.

Local doctors write a "gym prescription" for patients they believe are good candidates for the year-long program because of obesity, high blood pressure, diabetes or high cholesterol. There is no charge to the patients, who attend an initial class that provides an overview, allows them to meet their personal trainer and introduces them to their dietitian. Participants have unlimited gym access and periodic appointments with their trainer and dietitian, and they track their progress quarterly with a follow-up doctor's appointment.

This innovative Conway County program is just one example where lives are being changed and stronger communities are being built. It confirms that better information leads to positive change, and higher aspirations have led us to greater accomplishments in the past year. Talk about good!

Best regards,

Heather Larkin
President and CEO



A New Home for Healthcare in Clark County

There are no exam tables, syringes or laboratory kits at Clark County Charitable Health Service (CCCHS). Instead, this unique charitable clinic prequalifies patients and provides vouchers for services, then schedules pro bono appointments at the offices of participating health-care providers. The system eliminates the need for CCCHS to fundraise for medical equipment and recruit volunteers to staff an on-site clinic, while simultaneously saving volunteer healthcare providers' time and enabling patients to receive services in a typical medical office.

Still, CCCHS had begun to outgrow its tiny administrative office, opened in 2009 and supported with grants from Clark County Community Foundation and other local groups. Thankfully, in 2012, a string of good luck and an outpouring of volunteer support came together to build CCCHS a new home – and a brand new pharmacy for clients.

"I have been really amazed that CCCHS is able to serve as many people as they do," said Kenneth Taylor, chair of the Clark County Community Foundation board. "This building will allow them to help even more people."



Sarah Soto and Sue Tatum lead a team of volunteers repainting Clark County Charitable Health Service's new office.



Learn how CCCHS is knocking down walls to increase access to healthcare at www.arcf.org/charitablehealth

Character-Building Education Revs the Economic Engine in Pine Bluff

Oak Park second grader Tangia Jahn has learned two big lessons just a couple of months into The Leader in Me program at her Pine Bluff elementary school. "I try hard things and I say 'I'm sorry' first," she said.

The Leader in Me, a program based on Steven Covey's *Seven Habits for Highly Effective People*, has become a part of Oak Park's curriculum in every grade thanks to a partnership between the Pine Bluff Area Community Foundation, the Trinity Foundation and the Economic Development Alliance of Jefferson County. "We looked at the ARCF *Aspire Arkansas* report and determined the best thing we could do for long-term economic impact in Jefferson County was to support a program that moved the needle on education," said Tony Hillard, PBACF Board Member. "Since the Alliance-sponsored The Leader in Me program was working well in two other Pine Bluff schools, we gave a \$15,000 grant to help fund the program for Oak Park."



See more about this character-building economic engine at arcf.org/LeaderInMe

The House That Collaboration Built

Twenty-five businesses destroyed; 65 homes ruined. The 2007 tornadoes that demolished Dumas's Highway 65 corridor forced the community to push the reset button on its local economy. Rather than attempting to recreate the community's agricultural and manufacturing past, local leaders looked to the future. "If we were going to restart the economy, we knew we had to use technology," said Charlotte Schexnayder, a local civic leader and former state representative.

"At that time, the governor was saying that education and economic development go hand and hand. We had to start with education," added Sammye Owen, director of the Dumas Chamber of Commerce. "That's why we started talking about the idea of the Delta Tech - nology Education Center. Our main thrust in economic development was going to be bringing our workforce up to the standards needed in order for us to grow."

With grants from Delta Area Community Foundation and many other foundations and agencies, Dumas began building a headquarters for technology education in Southeast Arkansas. Now, six years after the tornado, the brand new Delta Technology Education Center is a living monument to the progress that is possible when passionate individuals work together.



Visit www.arcf.org to learn how partners came together to create the Delta Technology Education Center. www.arcf.org/DeltaTechnology



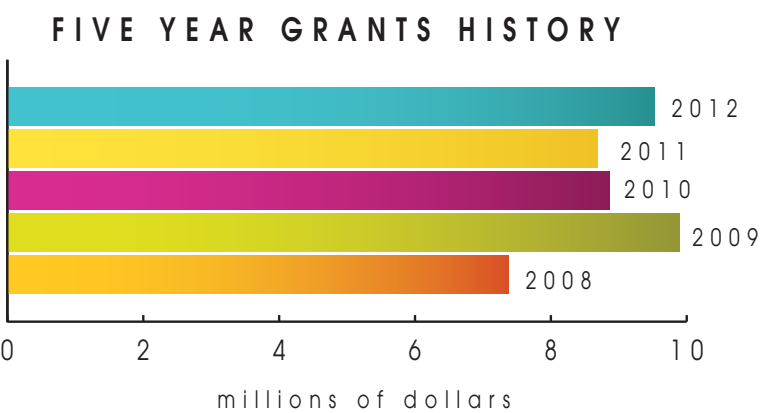
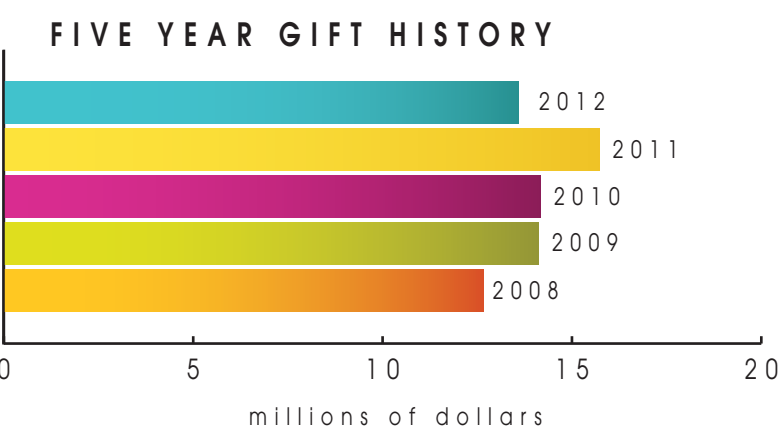
Oak Park Principal Beverly Jones, PBACF Board Member Scott Robinson, PBACF Executive Director Chris Castoro and Economic Development Alliance of Jefferson County President and CEO Lou Ann Nisbett worked together to bring the Leader in Me program to Kimberly Dawson's second grade class and all the classes at Oak Park Elementary.



Community leaders in Dumas pulled together to establish the Delta Technology Education Center. Left to right, Shalaunda Jones, DTEC director; Charlotte Schexnayder, community leader; Sammye Owen, Dumas Chamber of Commerce director

The Delta Technology Education Center is increasing access to technology in Southeast Arkansas to help prepare the local workforce for 21st Century jobs.





Donors Are Architects for the Future of Arkansas

ARCF is honored to partner with individuals, families and financial professionals who take a long range view of philanthropy. Donors throughout the state have established more than 1,700 charitable endowments and funds through ARCF. Those who have made gifts of \$10,000 or more to one of our local or statewide endowments become members of the Giving Tree Society. Donors who make us aware of their bequests or other planned gifts become members of our Diamond Society. Our Golden Key Society honors professional advisors who have partnered with ARCF to help meet their clients’ charitable objectives.

Visit www.arcf.org for a complete list of ARCF’s funds and endowments, along with lists of the members of the Giving Tree Society, Diamond Society and Golden Key Society.

SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDING JUNE 30, 2012

STATEMENT OF FINANCIAL POSITION

| | |
|------------------------------|-------------------|
| Assets | |
| Cash and Cash Equivalents | \$ 10,875,335 |
| Investments at Market Value | 127,278,176 |
| Receivables and Other Assets | <u>18,474,635</u> |
| Total Assets | \$ 156,628,146 |

| | |
|--|-----------------------|
| Liabilities and Net Assets | |
| Scholarships Payable and Other Liabilities | \$ 1,376,376 |
| Agency Liabilities* | 20,055,462 |
| Net Assets | <u>135,196,308</u> |
| Total Liabilities and Net Assets | \$ <u>156,628,146</u> |

STATEMENT OF ACTIVITIES

| | |
|------------------------------------|------------------|
| Revenue | |
| Contributions | \$ 13,603,598 |
| Other, net | 1,347,353 |
| Less amount for agency liabilities | <u>(553,128)</u> |
| Total Revenue | \$ 14,397,823 |

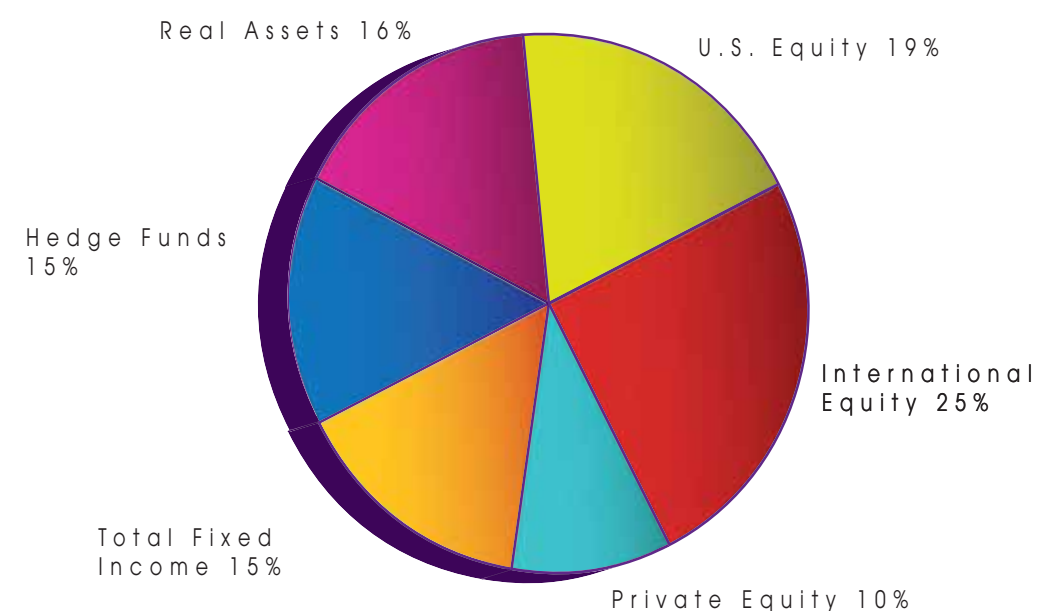
| | |
|------------------------------------|------------------|
| Expenses | |
| Grants | \$ 9,527,017 |
| Other Expenses | 1,976,087 |
| Less amount for agency liabilities | <u>(608,983)</u> |
| Total Expenses | \$ 10,894,121 |

| | |
|----------------------------------|---------------------|
| Increase(Decrease) in Net Assets | \$ <u>3,503,702</u> |
|----------------------------------|---------------------|

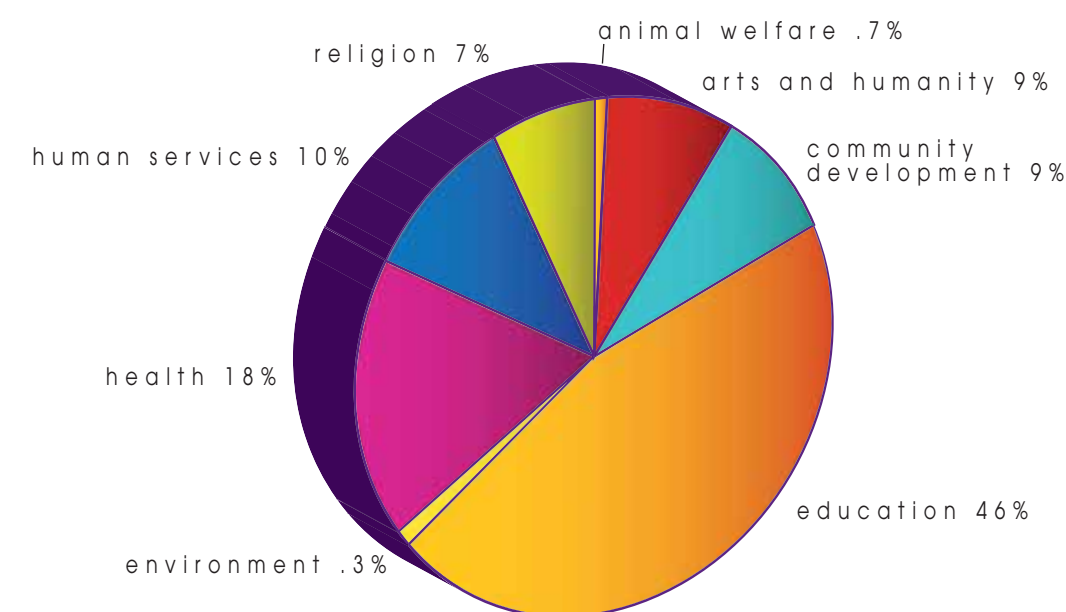
*In 2001, ARCF adopted a national standard of the Financial Accounting Standards Board (FASB) Statement 136, which resulted in all agency endowment funds being reclassified to liabilities from net assets.

The complete audited financial statements are available upon request.

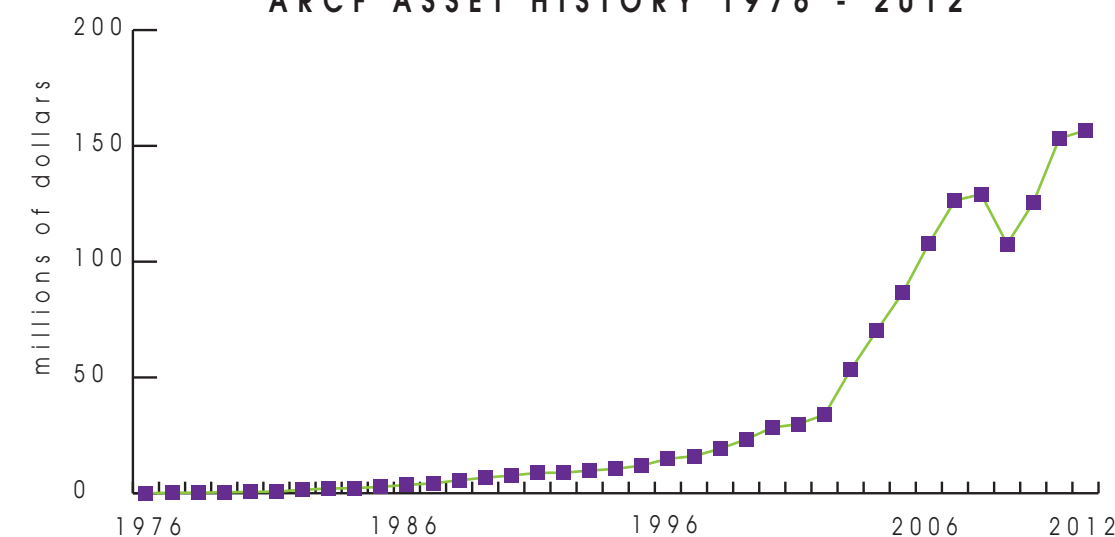
POLICY ASSET ALLOCATION



GRANTS BY PROGRAM AREA



ARCF ASSET HISTORY 1976 - 2012



Grants Lay a Foundation for Positive Change

Arkansas Community Foundation helps nonprofit organizations connect resources to create positive change in our state. Since 1976, we’ve made more than \$98 million in grants to causes ranging from animal welfare and environmental stewardship to economic development and hunger relief.

We make grants in the areas of:

- Animal Welfare
- Arts & Humanities
- Community Development
- Education
- Environment
- Health
- Human Services
- Religion

501(c)(3) nonprofit organizations, schools, hospitals, government agencies and other not-for-profit charitable organizations are eligible to receive grants. ARCF typically does not make grants to organizations that do not qualify for tax-exempt status, but we occasionally make exceptions if the proposed project has a clear charitable purpose for the public benefit. We do not make grants to individuals.

For grant guidelines and additional information on applying for grants, visit www.arcf.org.

| Performance as of June 30, 2012 | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 16 Yrs |
|--|-------|-------|-------|--------|--------|
| ARCF Composite return net of investment fees | 0.3% | 10.4% | 1.1% | 5.2% | 6.0% |
| Composite Index based on actual allocation | -1.5% | 9.0% | -1.4% | 4.2% | 5.2% |

OPERATING EXPENSE RATIOS

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|---------------|---------------|---------------|---------------|---------------|
| Total Assets | \$129,131,177 | \$109,592,919 | \$125,428,165 | \$153,221,839 | \$156,628,146 |
| Total Operating Expense | 1,792,827 | 1,895,087 | 1,760,388 | 1,912,393 | 1,976,087 |
| Number of Employees | | | | | |
| <i>Full Time ARCF Central Office</i> | 11.5 | 11 | 11 | 12 | 12 |
| <i>Part Time Local Directors</i> | 24 | 25 | 27 | 27 | 27 |
| Operating Expense as % of Total Assets | | | | | |
| Central and Local Offices | 1.39% | 1.73% | 1.44% | 1.27% | 1.26% |



ARCF's Board Creates a Framework for Success



Front row (left to right): Jerry Adams, Ted Belden, Jim Williamson. Back row: Carolyn Blakely, George McLeod, Mahlon Marris, Philip Tappan, Dennis Hunt, Heather Larkin, Glenn Freeman.

Arkansas Community Foundation is being built by dedicated volunteers who believe in the power of philanthropy to transform Arkansas. Today our board of directors, a statewide group of leaders representing each of Arkansas's four congressional districts, embodies that same spirit of optimism for our state's future and challenges ARCF to become ever more effective in our work. With our board's leadership, we're committed to building Arkansas's communities through philanthropy.

ARCF's Board of Directors, FY2012

Jerry Adams of Conway, *Chair*
Sharon Allen of Little Rock
Ted Belden of Fayetteville
Carolyn Blakely of Pine Bluff
H. Murray Claycomb of Warren
Mary Elizabeth Eldridge of Arkadelphia
Jackson Farrow of Little Rock
Glenn T. Freeman of Lake Village
Tina R. Green of Texarkana
Dennis Hunt of Fayetteville
Mahlon Maris of Harrison
George E. McLeod of Little Rock
Samuel Scruggs of Blytheville
Philip Tappan of Little Rock
Estella Tullgren of Mountain Home
Jim G. Williamson of Van Buren
Peggy R. Wright of Forrest City

425 Leaders Guide ARCF's Local Offices

In addition to our statewide board members, ARCF is also led by local advisory board members in each of the areas served by one of our 27 affiliate offices. These local leaders work together to identify the most pressing needs in their communities and help direct grants and connect resources to solve local challenges. We're indebted to these local board members for their knowledge, insight and tireless work to increase the Community Foundation's impact at the local level.

ARCF Local Office Staff, FY2012

Carroll County – Glenn Williams, Janelle Robertson
Clark County – Ginger Overturf
Cleburne County – Brenda Hill
Columbia County – Janet Rider-Babbitt
Conway County – Shawna Bowles
Craighead County – Barbara Weinstock
Cross County – Emily Neller
Delta Area – Pat Post
Faulkner County – Julie LaRue
Fayetteville Area – Katie Tennant
Fort Smith Area – Sherry Toliver
Greene County – Marci Lincoln
Hot Springs Area – Ann Carrithers
Johnson County – Valerie Hardesty
Lee County – Lucy Smith
Mississippi County – Stephanie Wyatt
Monroe County – Phyllis Stinson
Ouachita Valley – Angela Hobbie
Phillips County – Crystal Eastman
Pine Bluff Area – Chris Castoro
Pope County – Madelyn Ginsberg
Sharp County – Stan Jagow, Mary Ann Jagow
Southeast Arkansas – Brianne Connelly
St. Francis County – Robin Jayroe
Texarkana Area – Stuart Daniels
Twin Lakes – Janice Fletcher
White County – Kathy Murphy



Front row (left to right): Katie Tennant, Brenda Hill, Ann Carrithers, Julie LaRue, Emily Neller. Second row: Madelyn Ginsberg, Barbara Weinstock, Marci Lincoln, Kathy Murphy. Third row: Valerie Hardesty, Chris Castoro, Ginger Overturf. Fourth row: Janice Fletcher, Brianne Connelly, Pat Post, Lucy Smith. Back Row: Janelle Robertson, Shawna Bowles, Janet Rider-Babbitt, Crystal Eastman, Glenn Williams.



Front row (left to right): Chris Love, Catherine Buercklin, Sarah Kinser, Heather Larkin. Second row: Tammy Hanner, Lisa Duckworth, David Johnson. Back row: Lea Whitlock, Sheryl Colclough, Kim Evans

ARCF Central Office Staff, FY2012

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Catherine Buercklin

Communications and Research Associate (VISTA)

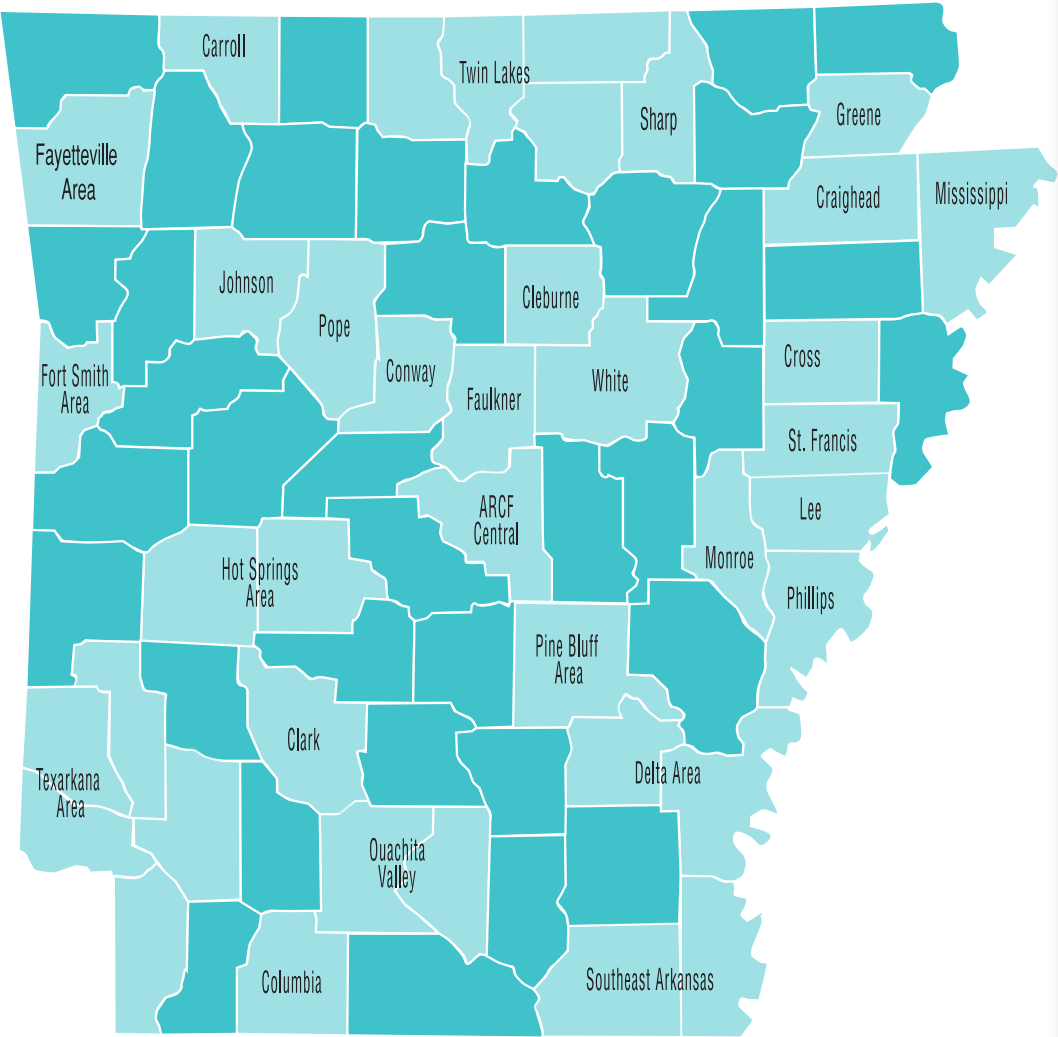
Arkansas Community Foundation

engages people,
CONNECTS
resources and
INSPIRES
solutions to
build community



Visit www.arcf.org for a complete list of our local board members for FY2012.

Arkansas Community Foundation and its Local Offices



ARCF serves all 75 Arkansas counties. Our network of offices throughout the state provides a staff and volunteer presence to work locally in 39 counties.



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National Standards Certification



Arkansas Community Foundation meets National Standards for operational quality, donor service and accountability in the community foundation sector.

Finance Committee

Jim Williamson, Chair
Ted Belden
Jackson Farrow
George McLeod
Dennis Hunt

Philip Tappan
Eric Hutchinson, at large
Ted Gammill, at large
John Steuri, at large

Investment Consultant

Mercer Hammond, St. Louis, MO

Investment Managers For Pooled Assets

| | |
|-------------------------------------|---------------------------------|
| Aberdeen Group | Morgan Stanley Smith Barney |
| Clarion Partners | Northgate Capital |
| Colchester Global Investors | Neuberger Berman |
| Colliers Dickson Flake Partners | Park Street Capital |
| Comerica World Asset Management | PIMCO |
| Corbin Capital Partners – Pinehurst | Silver Creek Capital Management |
| Dodge & Cox | Southern Bancorp |
| Forester Diversified | State Street Global Advisors |
| Goldman, Sachs & Company | Stralem and Company |
| Luther King Capital Management | Vanguard Group |

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JPMS Cox PA

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Kelly Quinn Photography

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(inside front cover)
by Jason Masters

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Darrell Sansom
Sansom Networking Inc.

Marketing and Communications

Consultant

Jessica Szenher APR
Szenher Consulting

