



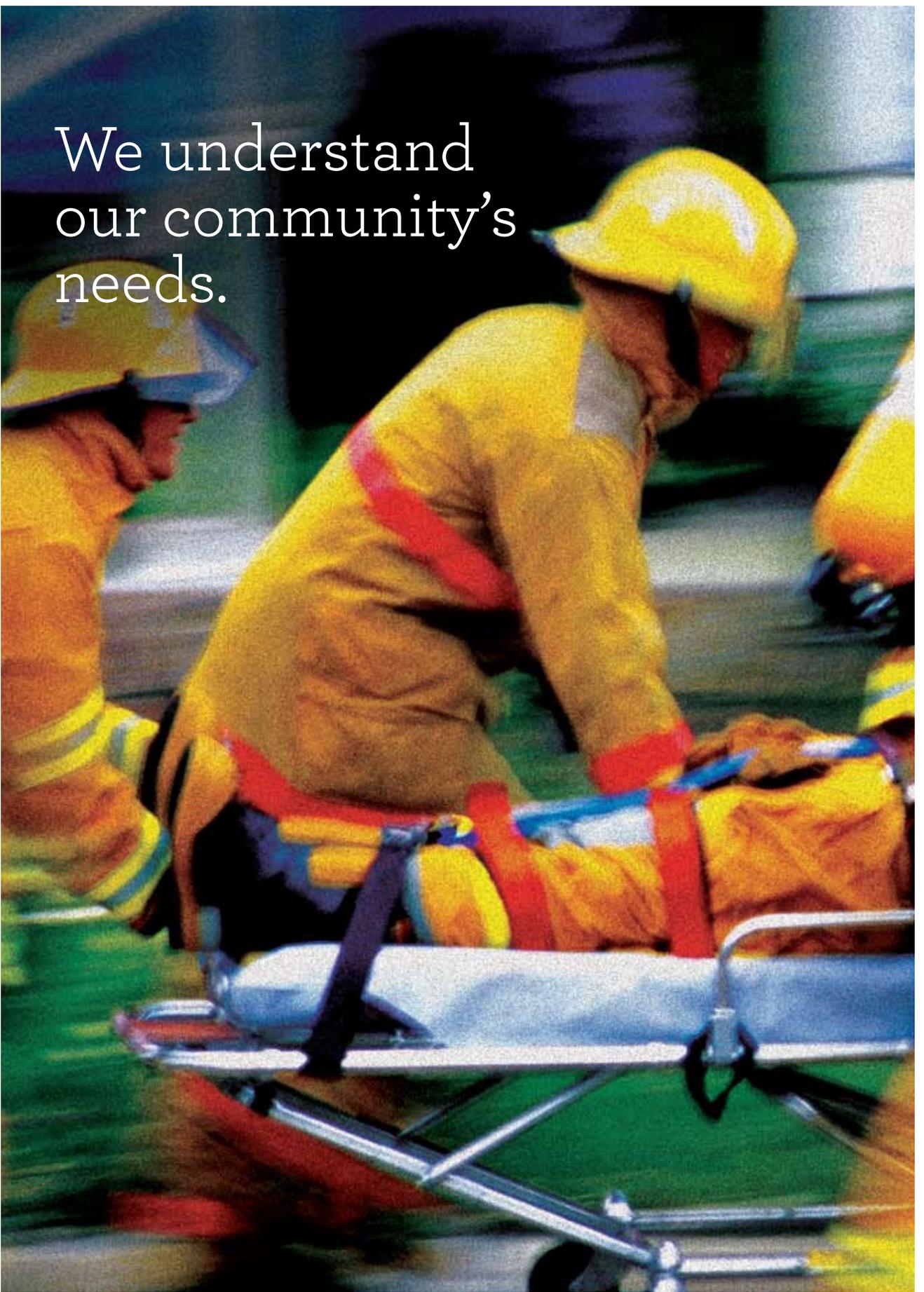
Communities
Foundation of Texas
2009 Annual Report

It can also help you
lift children—and
adults—out of poverty,
illness or danger.

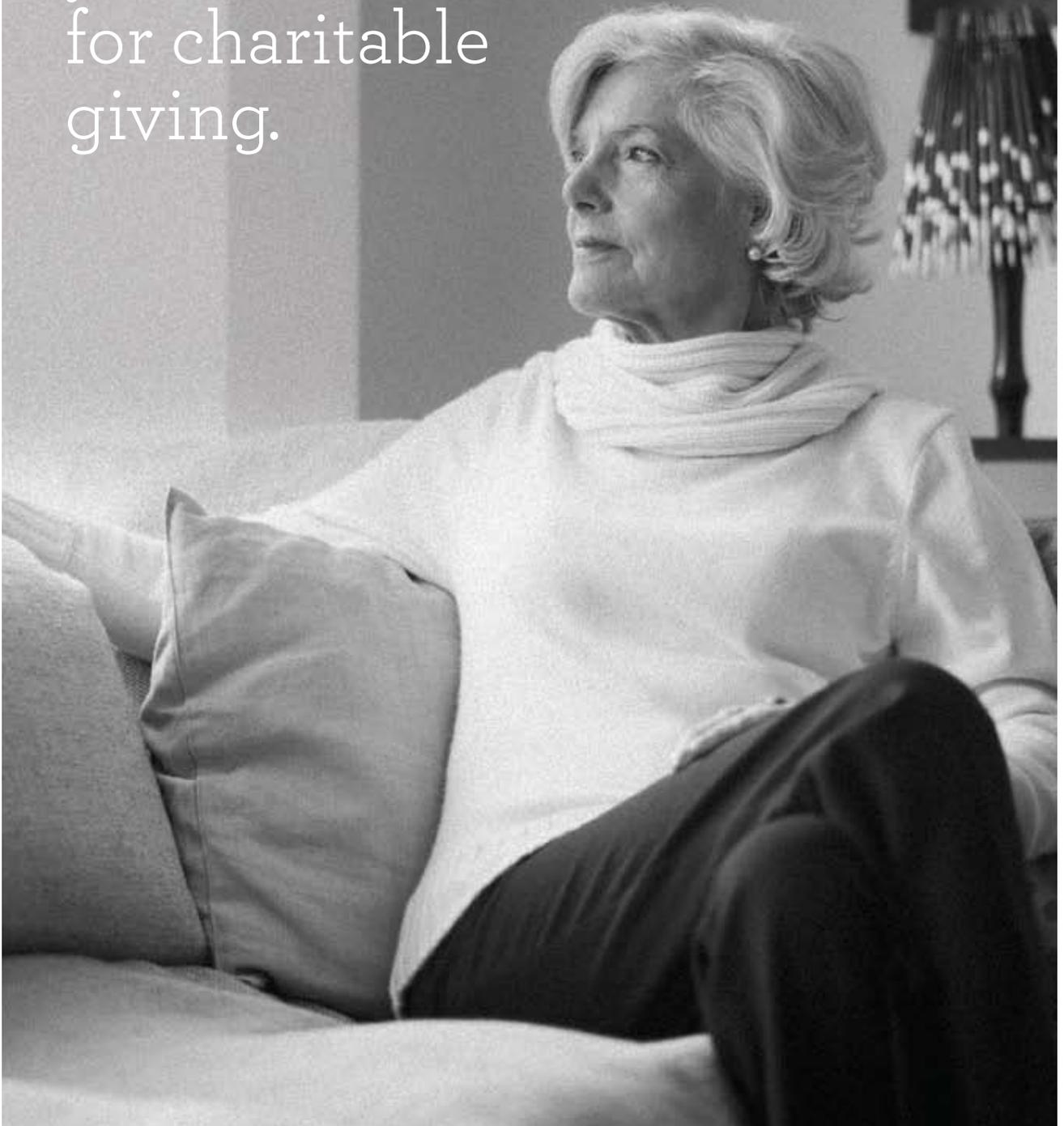


*CFT is a
fulcrum for
philanthropy.*

We understand
our community's
needs.



We can inform
and inspire
your vision
for charitable
giving.



*So CFT can
multiply the
magnitude
of your
generosity.*

It's leverage, because
it gives you the power
to lift up.



A Letter for You

Dear Friends,

From a busy twelve months in the life of Communities Foundation of Texas last year, two things stand out.

First, **we gave away \$1 billion.** Not all at once, of course, but since the foundation began in 1953. During a time of economic recession and federal stimulus spending, \$1 billion can get lost in the shuffle. In the lives of the people who benefited from each CFT grant that comprised the \$1 billion total, however, each dollar meant a lot. It meant food on the table. It meant help finding a job. It meant a cultural experience that opened someone's eyes. It meant research for a new medical cure. It meant a chance at higher education.

And, it meant all those things not only during one year . . . but year after year for 56 years.

Hitting the \$1 billion grantmaking milestone in 2009 set the stage for an entirely new level of contribution by CFT as we continue going forward. The opportunities just get bigger and bigger.

Second, to seize those opportunities, **we crafted a new strategic plan.** For a long time, CFT has prized the quality of its service to the donors and organizations who create funds at the foundation. That won't change. But we've shifted from looking at our role as being mostly transactional to being much more transformational. What does that mean? It means we will be a hub where donors, nonprofits and community needs meet. It means we will expand our knowledge and use it to match community needs with donor interests.

It means we will be a better resource for families about philanthropy. It means we will focus our discretionary assets to have the biggest impact.

And it will mean all those things not only during one year . . . but year after year for many years to come.

Being strategic about our work creates more opportunities for you to draw value from your relationship with CFT. It's what gives you leverage.

Leverage means a couple of different things (in addition to getting a mechanical advantage from using an actual lever). It means being able to influence people and events. It also means using an investment to produce a much larger return. In this case, you get both. The stronger and more vital CFT becomes as a resource to you, the more you can leverage the foundation—whether it's to achieve positive outcomes for our community through grantmaking dollars or any other kind of influence.

Take a look inside for examples of how CFT can be leveraged. Then think of more ways and put us to work. **That's why we're here.**



Joseph M. "Jody" Grant
Chairman of the Board



Brent E. Christopher
President and Chief Executive Officer

HIGHLIGHTS of FISCAL YEAR 2009

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More Grants Than Ever

In the course of making its annual spring discretionary grants in 2009, CFT reached a major milestone – we have now granted more than \$1 billion to worthy charitable organizations in order to improve health, safety, education and quality of life in our community and beyond. For the record, that one-billionth dollar was part of a \$25,000 grant to Mi Escuelita Preschool in Dallas. The grant smartly combined a donor-advised grant with a discretionary grant to provide the needed support. And in total for the year, \$84 million was paid in grants by CFT – more than any other year in our history.

DonorBridge is Here

An exciting new online resource for anyone looking to invest in the nonprofits of North Texas – DonorBridge – launched in 2009. By the end of its first official day of operation, donors had used the site to give over \$4 million to more than 350 nonprofit organizations across North Texas. With the leverage of \$300,000 in matching funds, the results far exceeded our expectations. The site (which gives you detailed information about local nonprofits at donorbridgetx.org) is a 24/7 resource created by CFT in partnership with the Center for Nonprofit Management and with support from The Dallas Foundation.

Teach For America Comes to Dallas

The W.W. Caruth, Jr. Foundation Fund at CFT pledged \$1.5 million to help seed Teach For America's new Dallas initiative. The program brings 100 new Teach For America teachers to the Dallas Independent School District's highest-need schools and to Uplift Education charter schools for the 2009-10 school year. Teach For America, whose corps members from top colleges and universities around the country commit to teach for at least two years in urban and rural public schools, is a nationally successful education initiative that arrives in Dallas for the first time in 2009.

Promoting Preparedness

To respond to the need for better emergency preparedness, CFT committed \$5 million as a challenge grant over four years to support development and implementation of a Mass Care Response and Disaster Relief Plan for North Texas. Initial funding from the W.W. Caruth, Jr. Foundation Fund at CFT will support a first-in-the-nation collaboration by four partners: the American Red Cross Dallas Area Chapter; the North Texas Food Bank; The Salvation Army, DFW Metroplex Area Command; and the Volunteer Center of North Texas.

Supporting A Promising New Therapy

CFT recently granted \$850,000 to support clinical trials in adult autologous cardiac stem cell therapy at Baylor University Medical Center in Dallas. This new regenerative therapy for congestive heart failure uses a patient's own adult cardiac stem cells to repair a damaged or failing heart. The treatment delivers a concentrated dose of stem cells drawn from bone marrow or blood into the damaged heart muscle. The grant funds a transition from overseas research to FDA-approved clinical trials in the U.S.

Fund Focus

Donor-Advised

Donor-advised funds are the most common funds at CFT. You make one or more gifts to CFT to establish a fund, which can be named after you or family members. Then, you give us specific recommendations over time about making grants from the fund to public charities here and beyond.

Designated

With a designated fund, you set up a fund to benefit a particular charitable organization or charitable purpose, such as awarding scholarships. Often, these funds are established as endowments to hold permanent assets for a named charity.

Discretionary

Charitable gifts can be made in any amount to CFT for use in our competitive grantmaking during the year. Making a gift to CFT's discretionary funds allows you to leverage our expertise in directing resources to the charitable organizations in our local community that need them most and will use them effectively. Your gift can be unrestricted or targeted to a particular area of interest.



Donor-Advised Fund Spotlight:

Charles R. Sitter Fund

Noteworthy Generosity Mr. Charles R. Sitter, a former president of Exxon Corporation, generously supported many community causes. In 2007, he established a donor-advised fund at CFT because he valued our community knowledge and ability to assess the non-profit organizations he was interested in supporting. After Mr. Sitter's death in 2008, his daughter Cindy, whom he named a successor advisor, has continued his charitable legacy in creative ways, including \$125,000 in challenge grants to the Dallas Symphony Orchestra. The grants have spurred a symphony of giving by other supporters of the orchestra.



Designated Fund Spotlight:

The Phoebe and Russell Perry Endowment Fund for the SPCA of Texas

A Pet Project Phoebe Perry has had a deep bond with animals her entire life, especially her beloved dog Sadie, who recently passed away. In 1999, Mrs. Perry established a fund to provide support to the SPCA of Texas, both during her lifetime and after her death. The fund is specifically designated to provide for the needs of animals at the SPCA's campus in McKinney, named the Russell H. Perry Campus, in memory of her late husband.



Discretionary Fund Spotlight:

Mabel Peters Caruth Bequest

Continuing the Counseling Mabel Peters Caruth valued CFT's expertise in identifying and addressing our community's changing needs. So in her estate, she left a large bequest to be used for our discretionary grantmaking. Such gifts make it possible for us to support innovative and effective programs like a recent joint effort of Jewish Family Service of Dallas and the Society of St. Vincent de Paul. In the wake of Hurricane Katrina, the two agencies worked together to provide counseling services to evacuees in North Texas. In 2009, CFT approved a \$60,000 discretionary grant to allow them to replicate their successful collaboration in order to provide more readily available mental health counseling to clients at both agencies.

Selected Grants

As part of the total \$84 million in grants paid by CFT, the Board of Trustees awarded more than \$2.5 million in discretionary grants to worthy nonprofits in fiscal 2009, including those below.

Arts & Culture

Dallas Contemporary

\$150,000 over three years to support a capital campaign to transform an industrial space into the museum's permanent home and to create programs that will bring cutting-edge work by emerging artists to Dallas.

Dallas Theater Center

\$200,000 over two years to make significant renovations and upgrades to the Potter Production Studio that will allow the company to produce more intricate and technically challenging productions in its new home, the Dee and Charles Wyly Theatre.

Education

Foundation for the Education of Young Women

\$30,000 to provide summer educational opportunities for students of the Irma Rangel Young Women's Leadership School, the first all-girls public school in Texas. The school's mission is to give young women in urban schools the academic skills to achieve success in college and in life.

Vickery Meadow Learning Center

\$47,620 to expand the agency's successful literacy programs to a satellite location in West Dallas. The Center provides English language instruction to adults and their young children.

Environment

Texas Trees Foundation

\$100,000 to identify and implement tree-planting sites around urban heat islands in Dallas, utilizing innovative Geographical Information Systems (GIS) mapping techniques.

Health

Grand Prairie Wellness Center

\$35,000 for operational support to help the Center provide health care and health education, to low-income, uninsured patients. The Center expects to serve 40% more patients in 2009.

Social Services

CONTACT Crisis Line

\$16,200 to upgrade computer hardware and software used by volunteers on crisis help lines. CONTACT volunteers answer approximately 37,000 calls each year.

Youth

Services of Hope Entities

\$50,000 to expand the "Bridging the Gap" Literacy/Character Academy program at Birdie Alexander Elementary School during the 2009-10 school year. The after-school program promotes improved literacy, character development and increased parental involvement.

Vision Regeneration Inc.

\$40,000 to fund a financial audit and development expenses related to the organization's efforts to eliminate violent and destructive behavior among at-risk youth through youth development, gang prevention and intervention services.

Board of Trustees & Legal Counsel

Communities Foundation of Texas is governed by an independent Board of Trustees. Board members are local citizens with wide-ranging knowledge of community needs and deep commitment to helping meet them. Their charge is to understand donors' interests and the roles of nonprofits, acting as stewards for nearly 900 funds. All Board members are volunteers, serving without compensation. Trustees exercise the final authority regarding all CFT gifts, investments and charitable grants.

CFT relies heavily upon its volunteer Board of Trustees to help accomplish our mission. At the start of 2009, two new community leaders were welcomed to the Board: Carlos González Peña and Karen L. Shuford. At the end of 2009, Linda McFarland will retire from the CFT Board after many years of dedicated service. CFT is deeply grateful for her enthusiastic commitment, guidance and support.

Board of Trustees



Joseph M.
"Jody" Grant
Chairman of the Board
Texas Capital Bancshares
Chairman Emeritus



Frederick B. Hegi, Jr.
Vice Chairman
Wingate Partners



Becky Bright
Civic Leader



Judith W. Gibbs
Civic Leader



Jack M. Kinnebrew
Strasburger & Price, LLP



Linda Brack
McFarland
Civic Leader



John McStay
John McStay and
Associates



Harold Montgomery
ART Holdings, Inc.



Carlos González Peña
Brigham Hill
Consultancy



Frank A. Risch
Civic Leader



Karen L. Shuford
Civic Leader



Terdema L. Ussery II
Dallas Mavericks



Ruth Sharp Altschuler
Ex-Officio
Chairman's Circle
Civic Leader



Charles J. Wylly, Jr.
Ex-Officio
Immediate Past Chair
Entrepreneur

Legal Counsel

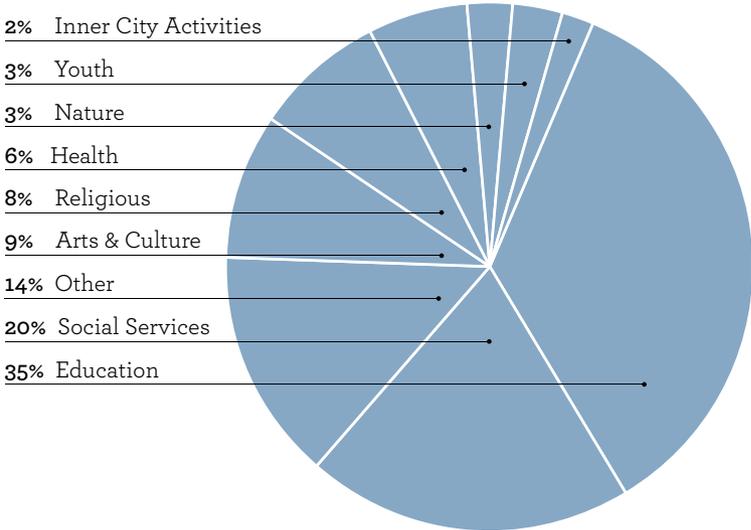


Kathryn G. Henkel
General Counsel
K&L Gates, LLP



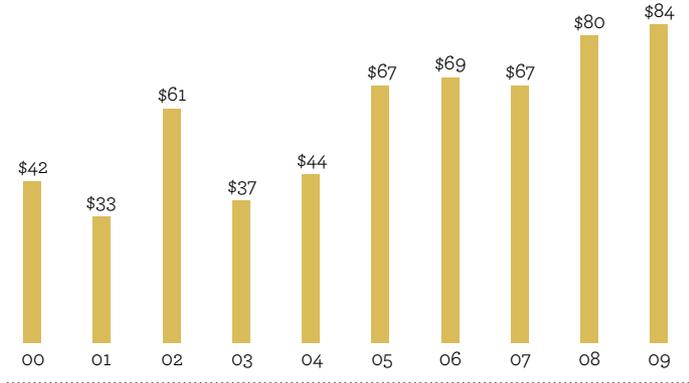
Vester T. Hughes, Jr.
Senior Tax Counsel
K&L Gates, LLP

Financial Information



2009 Grants Distribution

\$83,583,000 in total grants paid in fiscal year 2009



Total Grants Paid
(in millions)

Supporting Organization	247.4
Donor-Advised Funds	229.1
Designated Funds	98.9
Discretionary Funds	46.6
General Operating Funds	8.9
Charitable Remainder and Annuity Trusts	7.7
Nonprofit Agency Funds	6.3
Scholarship Funds	5.8
Total assets	\$650.7

Composition of Assets



Assets
(in millions)

INVESTMENT MANAGERS

Aberdeen Asset Management, PLC

Barrow, Hanley, Mewhinny & Strauss, Inc.

Burgundy Asset Management

Capital Guardian Trust Company

Credit Suisse

Disciplined Growth Investors

Hotchkis and Wiley Capital Management

INTECH

Standish Mellon Asset Management LLC

State Street Global Advisors

Western Asset Management Company

CUSTODIAN

BNY Mellon

LEGAL COUNSEL

K&L Gates LLP

INDEPENDENT AUDITOR

McGladrey & Pullen, LLP

INVESTMENT CONSULTANT

Rogerscasey

To review the annual independent audit report and the related audited consolidated financial statements with footnotes, please visit www.cftexas.org.

Corporate Information

Leadership

Brent E. Christopher
*President and
Chief Executive Officer*

Elizabeth W. Bull
*Senior Vice President
and Chief Financial Officer*

Jeverley R. Cook, Ph.D.
*Executive Director,
W. W. Caruth, Jr. Foundation*

John Fitzpatrick
*Executive Director,
Texas High School Project*

Sarah Cotton Nelson
Chief Philanthropy Officer

Staff

Finance and Administration

INVESTMENTS AND FINANCE

J. Steven Orr
Vice President, Investments

Kristine Thomas
Vice President, Accounting

Kathy Gandy
Accounting Manager

Dawn Jimenez
Disbursement Administrator

Karen Mercado
Accounting Assistant

FACILITIES AND ADMINISTRATION

Marcia Godwin
*Corporate Secretary
and Managing Director,
Caruth Homeplace*

Liz Moyer
Facilities Manager

Jerry Jones
Facilities Assistant

Matt Allen
*Information Technology
Manager*

Charles Daniel
Technical Support

D'Etta Hughes
Human Resources Manager

Courtney Caulfield
Receptionist

Relationships

DEVELOPMENT AND DONOR SERVICES

Jackie Franey
*Gift Planning & Donor
Relations Officer*

Roman Herrington
Donor Services Director

Kelly Donohue
Donor Services Manager

Melinda Ellis
Donor Services Manager

Roberta Ripke
*Executive Director,
Palacios Area Fund*

Donna Walden
Executive Assistant

ENTREPRENEURS FOR NORTH TEXAS

Pam Gerber
Executive Director

Crispin Williams Deneault
*Director of Events &
Corporate Sponsorships*

SPECIAL INITIATIVES AND EVENTS

Paula Peters
*Senior Director,
Special Initiatives*

Sherri Strayer
*Special Events &
Meeting Manager*

Philanthropy

Monica Egert Smith
*Community Philanthropy
Director*

Sheila Eddy
Grants Administrator

Anita Lawson
*Database Operations
Director*

Karen Gutierrez
Data Integrity Manager

Texas High School Project

FINANCE AND ADMINISTRATION

Todd Foster
*Director, Finance &
Administration*

Lucinda Jones-English
Finance Manager

Marisa Durrin
Finance Assistant

Sylvia Martinez
Director, Communications

Gaylette Wineberg
*Executive Assistant to
the Executive Director*

PROGRAM STAFF, ADMINISTRATION

J. Chris Coxon
*Chief Program Officer,
Initiatives*

Betty Garza
Executive Assistant

Nancy Willis
*Grants and Program
Manager*

Kim Fossey
*Associate Program Officer,
STEM Network*

Karen Hembry
Evaluation Manager

Mark Baxter
Policy Analyst

Matthew Lingenbrink
*Impact Assessment
Associate*

SCHOOL REDESIGN INITIATIVE

Fred Richardson
Program Officer

EARLY COLLEGE HIGH SCHOOL INITIATIVE

Alma Garcia
Program Officer

Denise Davis
Associate Program Officer

Susan Henderson
*Program Manager,
Professional Development
Network*

Liza Cenicerós
Administrative Assistant

Paula Garcia
External Instructional Coach

Diana Jernigan
Leadership Facilitator

EDUCATION LEADERSHIP INITIATIVE

Carl O'Dell
*Manager, Technology
Programs and Strategy*

Daisy Santosh
Associate Program Analyst

Anna Walden
Project Manager

Maria Glenn
Administrative Assistant

TEXAS SCIENCE TECHNOLOGY ENGINEERING AND MATH (T-STEM) INITIATIVE

Dee Chambliss
Program Officer, Academies

Reo Pruiett, Ed.D.
Program Officer, Academies

Joe Ferrara
Associate Program Officer

Lora McKeown
Administrative Assistant



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*Confirmed in Compliance
with National Standards for
U.S. Community Foundations*