

# Impact

COMMUNITIES FOUNDATION  
of TEXAS

Bringing Visionary Philanthropists and Worthy Causes Together

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## Dare Mighty Things

New President Promises Respect, Trust, and Vision

*Brent E. Christopher began work as CFT's new president and CEO by paying tribute to the "long, solid history of CFT" and voicing his intention to respect it and build on it, with courage and vision. "We will treat as sacred our reputation as a secure, trusted philanthropic resource."*

*At the September 13 reception in his honor, wearing his trademark bow tie, Mr. Christopher thanked the trustees for their support and for granting him "the extraordinary opportunity to extend the reach of philanthropy." In addition, he thanked the CFT staff for welcoming him to their high-performing team. He reserved his deepest gratitude for Jack Kinnebrew and his four years of exceptional leadership as interim executive director of CFT.*

*The new president and CEO then told guests that his first priority at CFT is to pursue relationships built on trust, because "those relationships – both old and new – form the basis for CFT's highly respected philanthropic profile in both the donor and the nonprofit communities."*

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**September 13, 2005 - CFT Welcomes Brent E. Christopher as President and Chief Executive Officer of Communities Foundation of Texas** (Left to Right) Nancy Brinker, CFT Advisory Council member; Charles Wyly, CFT Board Chairman; and Brent Christopher, CFT President and Chief Executive Officer

# CFT Invests in Future of Dallas.

\$15 Million Grant for Public Safety, the Largest ever from W. W. Caruth, Jr. Foundation Fund

Communities Foundation of Texas has made an unprecedented investment in the City of Dallas. Charles J. Wyly, Jr., Chairman of the Board, announced at a press conference August 4 that a three-year, \$15 million grant has been made from the W. W. Caruth, Jr. Foundation Fund of CFT to the Dallas Police Department to improve public safety.

Dallas City Mayor Laura Miller, City Manager Mary Suhm, and the Police Department's full command and control officer corps, the police bagpipers, color guard and choir, and the canine, equestrian and helicopter units joined CFT trustees, officers and donors for the announcement ceremonies at the Mabel Peters Caruth Center.

The grant, the largest ever made from the W. W. Caruth, Jr. Foundation Fund, and the largest on record from a community foundation to any municipal police force in the United States, will be used initially to fund approximately \$5 million in critical equipment needs outlined by Dallas Police Chief David Kunkle. The remaining \$10 million has been allocated to the DPD to study best police practices and to develop and implement a comprehensive strategic plan to reduce Dallas' unacceptably high crime rate.

But the grant is not simply about fighting crime. As J. Cook, CFT vice president of grants, notes, "That would be too transitory. This is a grant, true to the

remarkable legacy of Will Caruth, that is, instead, transforming. It's about developing and sustaining a successful program to deliver public safety in Dallas."

In honoring Mr. Caruth's explicit commitment to public safety, CFT has previously funded a number of specific police department programs and equipment needs, but never anything so comprehensive or on such a scale as this grant. CFT trustees first learned of the opportunity to make their unique investment when immediate past

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**August 4, 2005 - The W.W. Caruth, Jr. Foundation Fund of Communities Foundation of Texas awards \$15 Million Grant to The City of Dallas Police Department** (Left to Right) Vester Hughes, CFT Senior Tax Counsel; Brent Christopher, CFT President and Chief Executive Officer; Charles Wyly, CFT Board Chairman; David Kunkle, Dallas Police Chief; Charles Terrell, Civic Leader & Founder – Safer Dallas Better Dallas; J. Cook, CFT Vice President, Grants

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He also said there will be new opportunities – new ways to give, new ways to help, new ways to make the world better. “The world is changing around us, and change is at the heart of philanthropy – positive change, the desire to improve conditions and seize opportunities for the good of our communities.”

As an example, he explained CFT’s recent \$15 million grant from the W. W. Caruth, Jr. Foundation Fund to the Dallas Police Department as “a response to change in the community” (the nation’s worst crime rate for seven years running). And the grant will itself “create change in the form of increased safety.” (For more information about the Dallas Police Department grant, see page 1.) In addition, the Foundation’s immediate response to the Hurricane Katrina disaster (see adjacent article) will change as the need to rebuild supplants relief efforts, he said.

Finally, paraphrasing Teddy Roosevelt, Mr. Christopher challenged the trustees, officers and staff, donors and guests to join him in “daring mighty things” with CFT. He cited Roosevelt’s admonition, “It is hard to fail; but it is worse never to have tried to succeed.” Concurring with that charge, Mr. Christopher challenged CFT donors and staff alike to dream big in order to capture the full potential of matching charitable resources with needs for community investment.

The trustees, whose selection of Mr. Christopher was unanimous, conducted an exhaustive national search for the new executive. The new president and CEO, however, comes to the Foundation from just across town, where he served with notable success as a development director with Children’s Medical Center Dallas, and before that, as vice president for advancement at Dallas Baptist University.

It was, in fact, because of his position with the University (which had received a \$5 million grant from the Ruth Ray Hunt Fund of CFT), that he attended the groundbreaking ceremonies for the new Mabel Peters Caruth headquarters building. He turned his shovel of dirt, he recalled at the reception, in a place just outside what is now his new office, never imagining the transition he would make four years hence.

Mr. Christopher is a graduate of Baylor University and the University of Texas School of Law. He received an M. A. in Political Science and Political Culture from the University of Nottingham in England, and also spent a semester during law school at The University of London, Queen Mary & Westfield College. He and his wife, Alissa, have two children, Emily and Ethan. 🌱

# Providing Relief.

Help for Hurricane Victims and New Giving Rules for Donors

**I**n the wake of Hurricanes Katrina and Rita, Communities Foundation of Texas so far has delivered over \$1.3 million from donors in the North Texas area to both national and local relief efforts.

The Foundation’s prompt support for Gulf Coast storm victims illustrates the ability of a public charity to serve as a vehicle for an efficient, effective emergency response, says J. Cook, CFT vice president for grants. Several new designated charitable relief funds were opened, grants were made from CFT’s own unrestricted disaster relief fund, and a number of donor-advised funds provided necessary resources to relief agencies, in particular the American Red Cross and The Salvation Army. Individual grants ranging from \$200 to \$250,000 were recommended by donors for the benefit of churches and other religious institutions, schools, and a broad range of relief organizations in accordance with each donor’s CFT fund agreement and the relevant tax law.

In the midst of this overwhelming charitable response, Congress changed the tax rules by enacting the 2005 Katrina Emergency Tax Relief Act. Designed to provide tax relief for storm victims, the legislation signed by President Bush September 23 also contains significant tax incentives for charitable giving, including contributions to community foundations like CFT.

The key element of the new law suspends the income tax deduction limitation on gifts of cash made to public charities by individuals between August 28, 2005 and December 31, 2005. Normally, individuals are limited to deducting charitable gifts only up to 50 percent of their adjusted gross income.

The new law applies only to cash and not to appreciated assets. Qualifying contributions, however, are not limited to hurricane relief efforts, but can be

donated by an individual to any charitable purpose. Donations made directly to nonprofit groups, as well as to any of CFT’s unrestricted, designated beneficiary, and field-of-interest funds will qualify for the temporary tax break. For example, a donation to the CFT unrestricted fund for disaster relief would qualify for an unlimited tax deduction, as would a donation to the CFT Young Artist Fund. However, the new law does not apply to gifts made to donor-advised funds or supporting organizations.

In addition to typical sources of cash, donors may want to consider converting savings bonds, commercial annuity policies or other assets – and, if they are at least 59, IRAs or other qualified retirement plans – to cash, and making charitable gifts now to take advantage of the unlimited income tax deduction.



As always, Communities Foundation of Texas recommends that donors consult with their personal advisors and tax consultants about specific gifts and, in particular, about the effect of the Katrina Emergency Tax Relief Act.

Corporations also stand to benefit from the suspension of the charitable contribution limitation, but exclusively for donations to hurricane relief efforts. 🌱

# CFT Joins Unique Partnership to Help Schools Make the Grade.

Private Foundations and State Initiate Texas High School Project

The goal is lofty: to increase high school graduation and college enrollment rates in Texas. And the purpose is real: to ensure an educated workforce, a robust economy, and strong rural and urban communities in Texas.

The \$120 million vehicle for achieving these new standards and reversing the national failure of secondary education to prepare students for college and the workplace is the Texas High School Project. The project is a unique public-private partnership involving Communities Foundation of Texas, the Texas Education Agency, the Office of the Governor, the Bill & Melinda Gates Foundation, and the Michael & Susan Dell Foundation, among others.

THSP is headquartered in the Mabel Peters Caruth Center at CFT's invitation, where THSP Executive Director John Fitzpatrick oversees the \$60 million private philanthropic

investment operations. The Texas Education Agency coordinates the \$60 million public investment.

Focusing on high-need and urban high schools, THSP is providing the funding and technical assistance to fundamentally change

## Failing

(According to statistics from THSP)

- More than 32 percent of enrolling 9th graders never graduate from high school
- High school graduates earn \$1 million more than dropouts over their lifetime
- High school dropouts are three times more likely to receive public assistance
- 60 percent of jobs new to the marketplace require skills that only 20 percent of our workers have
- Only 10 percent of Hispanics between the ages of 25 and 29 have a four-year college degree, only 17.2 percent of Blacks, and only 34.2 percent of Whites

and improve high school education. Its first grants have been made to schools in the Rio Grande Valley. Ultimately, 75 new or re-organized high schools will be developed across the state to challenge all students with a rigorous, engaging curriculum and to support them with strong adult relationships. In addition, THSP is

providing educator training and professional development opportunities.

Research shows that high schools across the country, including those in Texas, are not preparing even a majority of students for college and career success in the 21st century economy. When he came on board with THSP, Fitzpatrick, a former teacher and champion of educational reform who currently serves as a trustee in the Austin Independent School District, said, "I am excited to have the opportunity to break the mold. We are supporting innovative ways to help thousands of high school students across Texas reach their dreams, including college, productive citizenship and rewarding careers."

Other members of the Texas High School Project team are: Paula Peters, Chief Operating Officer; Alma G. Garcia, Director, Early College High Schools; Sarah J. Kirby, Director, Educational Leadership Initiative; Fred Richardson, Director of High School Redesign; and Mary K. Wells, Director of the New Schools Initiative. 🌟

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chairman of the board Ruth Altshuler attended a meeting of foundations sponsored by Safer Dallas, Better Dallas and hosted by the Meadows Foundation. As the civic leaders there delineated the DPD's immediate equipment needs, Mrs. Altshuler recognized that the community's need to address its staggering public safety statistics was a perfect "fit" for CFT's W. W. Caruth, Jr. Foundation Fund resources. In ensuing discussions with Police Chief David Kunkle, the City of Dallas, and Jack Hammack and Charles Terrell of Safer Dallas, Better Dallas, the trustees realized that to make a

real, lasting difference – the kind that Will Caruth always advocated – they would need to make a bolder commitment beyond equipment by marshaling additional expertise and support.

"The timing was right," Mr. Wyly explains. "The resources were available. Command leadership was in place. Our intention is to empower the Dallas Police Department – using new equipment, training and expertise – to improve public safety and restore community confidence."

Mayor Laura Miller thanked the Foundation for its investment and for entrusting the City to meet its challenge. At a City Hall ceremony in

September, the Mayor also issued an official proclamation honoring Communities Foundation of Texas for its leadership and support. She said the City shares CFT's hope that its investment will serve as a model for additional philanthropic commitments and for collaborative public safety efforts across the country. 🌟

## What the First \$5 Million Will Buy the DPD

- Mobile Video Recorders for Squad Cars
- Vehicle Barriers
- Computers and Software
- Special Ballistic Vests
- Cell Phones
- Wireless Network

# Trustees Unveil Portrait of Mabel Caruth.

As trustees unveiled the exquisite new portrait of Communities Foundation of Texas benefactor Mabel Peters Caruth in the grand lobby of the Mabel Peters Caruth Center, her eldest son, Bill Caruth, turned to the renowned portrait artist Everett Raymond Kinstler and said, “Thank you for helping us remember someone we could never forget.”

Indeed, remembering Mabel Caruth and her extraordinary generosity is what the artist’s rare posthumous portrait is all about. Inscribed on the plaque accompanying the painting are the words of long-time CFT tax counsel and Caruth friend, Vester Hughes: “May her gracious manner and spirit be a part of all that takes place within these walls.”

*“May her gracious manner and spirit be a part of all that takes place within these walls.”*

According to CFT trustee Linda Pitts Custard, who, with interim executive director Jack Kinnebrew and Mr. Hughes, selected Mr. Kinstler, the portrait was commissioned as a further tribute to the woman whose \$34 million bequest made the Foundation’s new headquarters facility possible. The portrait hangs on a naturally-lighted wall space building architects created specifically for this work of art. Its placement in the grand lobby of the Mabel Peters Caruth Center was instrumental, Mr. Kinstler said, in his accepting the commission to paint Mrs. Caruth.

Ray Kinstler worked two years on the painting of Mrs. Caruth, “getting to know her” from conversations with CFT trustees and staff and her sons, and by studying 50 years of photographs and a video. After reviewing CFT’s archive of Caruth family photographs, he

aged from week to week. It started at about age 35, but her face got much more interesting as she got older.

“I studied what she wore, and the way she moved. I was aware that she loved flowers. I wanted to incorporate her vivaciousness and



April 13, 2005 - Communities Foundation of Texas Dedicates Portrait of Long-Time Benefactor Mabel Peters Caruth  
(Left to Right) Charles Wyly, CFT Board Chairman; Linda Pitts Custard, CFT Secretary - Board of Trustees; Everett Raymond Kinstler, Portrait Artist; and Jack Kinnebrew, CFT Trustee

selected only five to take back to his studio in New York. From these, which now bear smudge marks from the artist’s oils, the essence of Mabel Caruth emerged on his canvas.

“My painting took on a life of its own,” he said, as he explained the process required to succeed with posthumous portraiture. “And it

the quality of her eyes. She smiles a lot,” he said. “And there’s a warmth about her.”

“I could never ‘know’ her as you knew her,” he conceded, modestly, and with notable regret. “But I wanted to be able to convey some aspect of this lady so that someone who didn’t know her would wish they had.”

Mr. Kinstler’s latest book, *My Brush with History*, includes the new portrait of Mrs. Caruth among the artist’s favorites. 🍂



(Left to Right) Bob Caruth, Bill Caruth, John Caruth and George Caruth

# CFT Distributes \$67.4 Million in Grants.

## Communities

Foundation of Texas has had another extraordinary year of grant-making.

On behalf of its donors, both those who advise trustees of their philanthropic intentions and those whose legacies inform the trustees' decisions, the Foundation distributed \$67.4 million to agencies, organizations and projects in Dallas, throughout Texas, and across the country.

The grants from the Foundation's funds for which there are no longer any advisors living ranged from a five-year \$250,000 grant to the St. Paul Medical Foundation for a new Heart, Lung, and Vascular Clinical Center of Excellence and \$175,000 to the Visiting Nurses Association's capital campaign to provide technology training for its nurses, to

\$35,000 to re-roof the Thanksgiving Square chapel and \$10,000 to The Oak Hill Academy for playground equipment. A \$100,000 endowment was created at CFT for Austin College by the Katie Foundation Fund to provide for maintenance and equipment costs of the John A. and Katherine G. Jackson Technology Center.

Gifts from the Foundation's donor-advised funds included \$500,000 granted to the Baylor Research Institute for scientific research; over \$2,000,000 on the recommendation of Richard and Mary Anne Cree for construction of the Rosine Smith Sammons Butterfly Gardens and Insectarium at the Texas Discovery Gardens in Fair Park; and \$200,000 from the Lee and Albert Halff Fund to the School of Engineering at Southern Methodist University. Distributions from anonymous funds and the

Barrett Foundation Fund accounted for \$135,000 to the Dallas Morning News Charities.

Outside of Texas, Johns Hopkins University received a \$1,300,000 grant from The Boone Pickens Foundation – a Communities

*“The grants made by the CFT trustees this year once again represent the very best use of philanthropic resources and philanthropy’s ability to call forth the very best from the agencies, organizations and institutions serving our community.”*

Foundation of Texas Fund to endow a professorship in ophthalmology at the Wilmer Eye Institute.

“Each of these grants reflects an individual donor’s philanthropic intention. But in the aggregate, they also demonstrate the Foundation’s broad-based commitment to the health, education, welfare and culture of the entire community, from serving its young people as well as its aging population, to promoting public safety, to protecting the environment,” says Brent Christopher, CFT’s president and chief executive officer. “The grants made by the CFT trustees this year once again represent the very best use of philanthropic resources and philanthropy’s ability to call forth the very best from the agencies, organizations and institutions serving our community.”

## Doing Well and Doing Good.

Just four years after its inception, the Entrepreneurs Foundation of North Texas has made philanthropy and community service key elements in the strategic plans and culture of more than 70 Dallas area businesses.

Many of these companies, most of them young and fast-growing, have made unique equity contributions (of stock, stock options or warrants) to Communities Foundation of Texas through EFNT. According to EFNT CEO Jim Byrne, “Our members’ forward-thinking actions give the Foundation, and the community it serves, future access to potential philanthropic resources not readily available through traditional means.”

Because the gifts are made when a company’s stock has relatively low value, the gift has little or no impact on an enterprise’s critical earnings or operating cash, Byrne explains.

The benefit accrues when the company experiences a “liquidity event” (a public offering or acquisition), after which EFNT sells its then-valuable shares. The bulk of the proceeds are distributed to charity, and the company, like other CFT donors, is encouraged to advise trustees of its preferred philanthropic commitments. In addition, the company realizes the relevant tax advantages.

“EFNT gives philanthropy a very real interest in the high tech, start-up and other emerging markets, while providing a vehicle for today’s successful entrepreneurs to make meaningful contributions to their community,” says Dick Agnich, chairman of the EFNT board of directors. As Byrne notes, “The timing is right for a new wave of good corporate citizenship.”

The entrepreneurs’ contributions are not limited to stock and stock options. EFNT also coordinates volunteer efforts among members’ employees, celebrates individuals and companies that “are doing well by doing good,” and promotes networking.

The 4th annual 2005 Spirit of Entrepreneurship event, for example, attracted

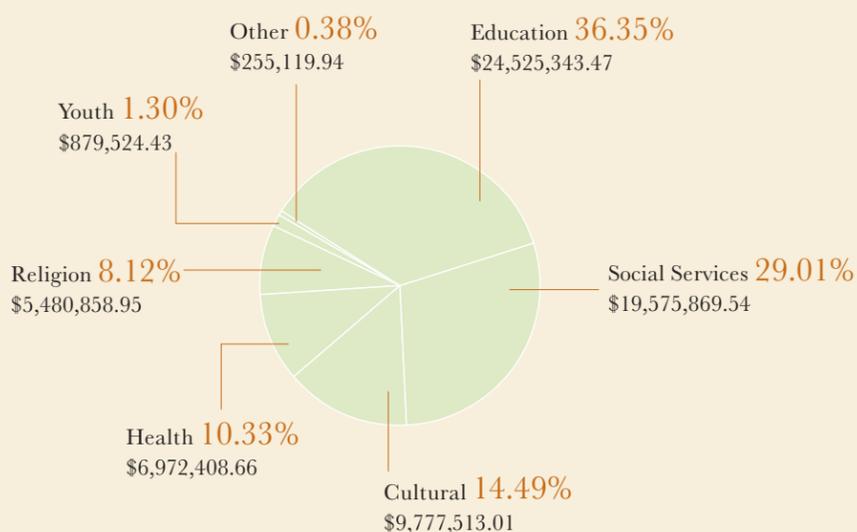
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ENTREPRENEURS  
FOUNDATION  
OF NORTH TEXAS

### CFT Grants

July 1, 2004 - June 30, 2005  
\$67,466,638 Total





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more than 300 business, political and community leaders to CFT's Mabel Peters Caruth Center to hear keynote speaker Roger Staubach champion philanthropy and community involvement.

EFNT's Freedom Day, held annually to commemorate the tragedy of September 11th with acts of kindness and generosity, this year involved 360 volunteers from 30 different companies in what EFNT's director Pam Gerber calls "transformative service." They painted 11,000 square feet of walls and ceilings, tore down and rebuilt 400 square feet of wooden fence, scraped, primed and painted 400 feet of metal railing, demolished 30 square feet of dilapidated sidewalk and gave hope to scores of homeless people served by the Interfaith Housing Coalition and the Wilkinson Center in East Dallas. A third team of EFNT volunteers helped remove graffiti from nine sites across the city. 🌿

## IN MEMORIAM

### Some of our Generous Donors

Jeannette S. Eppler

Mrs. Joseph W. Geary (Charlotte)

Mr. Vince Guy

Col. Wayne Horn

Mrs. Robert M. Olmsted (Betty)

John T. Sharpe

Mary Alice Smith

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Mr. Dail West

Mildred Wyatt-Wold



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