



2012 Annual Report

Heartland Community Foundation
“Building the Community You Want”



Contents

(Information in this report reflects Foundation activity for FY 2012, July 1, 2011 through June 30, 2012.)

Letter from the Board Chair...	3
Board of Directors...	4
Ten Reasons to Help Build the Foundation...	4
Charitable Bequests ...	5
2011-2012 Donors...	6
Founding Donors...	7
Foundation Funds & Grants...	8-11
GROW II...	12
Donation Form...	13
Foundation Finance...	14-15

Our Mission is to meet charitable community needs through leadership, grants, and services.

The Foundation achieves its mission by:

- **Building permanent endowments which can benefit local communities**
- **Inspiring and enabling donors to fulfill their charitable desires**
- **Facilitating prudent management and care of funds**
- **Increasing the capacity of nonprofit organizations to fulfill their individual missions**
- **Advocating for issues which promote community philanthropy**
- **Facilitating grants, awards, and scholarships**

Letter from the Board Chair

Dear Friends,

I would like to thank all of the donors and supporters of the Heartland Community Foundation! We are excited about strengthening our partnerships within the three counties we serve...Ellis, Rooks and Trego!

New funds are continually joining the Foundation and we are honored to assist individual donors fulfill their charitable desires; and support these organizations as they grow and serve their constituents.

“...we are honored to assist individual donors fulfill their charitable desires...”

We are excited about issuing grants to organizations that instantly put the grant money to work for the betterment of the people they serve. We were able to offer five grants this last year! A \$300 grant was awarded to the Hays Public Library, a \$400 grant was awarded to Big Brothers Big Sisters, a \$400 grant was awarded to NWKS Area Agency on Aging, an \$800 grant was awarded to First Care Clinic and an \$800 grant was awarded to Rooks County Health Center.

As we look to the future, we are seeking partners to help “build” the Foundation even more! If you are interested in supporting the Foundation or one of our funds, please contact our Executive Director Bob Lowen at 785.621.4090.

Sincerely,



Mendi Alexander, Board Chair
Board Chair



Building Our Community...

2011-2012 Board of Directors

Mendi Alexander,
Chair

Bob Muirhead,
Vice-Chair

Steve Baumrucker,
Treasurer

Tammy McClellan,
Secretary

Susan Day

Belinda DeWerff

Doug Greer

Don Hoffman

Mike Koerner

Tom Kreutzer

Ida Lundy

Dale Montgomery

Andrew Rupp

Dr. Harry Watts

Staff

Bob Lowen,
Executive Director



HCF Board Members, Tammy McClellan and Mendi Alexander present a grant check to the Rooks County Health Center.

Ten reasons people choose to give to the Foundation

One

We are a **local organization** with deep roots in the community.

Two

We are an affiliate with the Greater Salina Community Foundation who has staff with **broad expertise** regarding community issues and needs.

Three

We provide **personalized service** tailored to each individual's charitable and financial interests.

Four

Our funds help people **invest** in the causes they care about most.

Five

We accept a wide **variety of assets**, and can facilitate even the most complex forms of giving.

Six

We partner with **professional advisors** to create highly effective approaches to charitable giving.

Seven

We offer maximum **tax advantage** for most gifts under federal law.

Eight

We **multiply the impact** of gift dollars by pooling them with other gifts and grants.

Nine

We build **endowment funds** that benefit the community forever creating personal legacies.

Ten

We are a **community leader**, convening agencies and coordinating resources to create positive change.

Charitable Bequests:

Start building your legacy now

Charitable bequests are the most frequent type of planned gift made to charity. They can be created with different types of assets including land, retirement assets, or insurance. The estate receives a charitable deduction for the full amount given, so heirs pay no estate tax on the gift.

Charitable bequests are a great way to build your legacy at the Foundation while still maintaining control of needed assets during your lifetime. A bequest may be made to the Foundation in several different ways:

- Gift a percentage of your estate
- Gift of a specific dollar amount or asset
- Gift from the balance or residue of your estate

3 steps to a bequest

1. Update your will, trust or beneficiary designation to the Heartland Community Foundation. We can provide your professional advisor with recommended language to make this a seamless process.
2. Determine your charitable legacy— education, your church, the arts, human services, etc... The options are endless
3. Contact the Foundation to fill out a Fund for the Future fund agreement. This simple two page agreement can be revised over the years through our office without any attorney or court fees.



Building Funds for Tomorrow...

2011-2012 Donors

The Foundation could not exist without donors and is blessed every year with a multitude of generous donors. These gifts are contributed to a variety of funds here at the Foundation and touch several different charitable causes. Some gifts are large and some are small, but they all help build not only the Foundation, but our communities! (*Year ended June 30, 2012*)

Anonymous	Tammy McClellan
Mendi Alexander	Midwest Energy, Inc.
Steven & Nancy Baumrucker	Rebecca D. Muirhead
The Ross & Marianna Beach Foundation, Inc.	Patrick & Chardell Parke
Brungardt Hower Ward Elliot & Pfeifer, L.C.	Rural Telephone Service/Nex-Tech
Boy Scouts of America: Coronado Area Council	Sunflower Bank, NA
Commerce Bank	Sunflower Electric
Dennis & Susan Day	Union Pacific Foundation
Eagle Communications, Inc.	United Way of Ellis County
First National Bank	Wal-Mart Store #664
Fort Hays State University	Dr. Harry Watts
Janice Goff	Timothy & Sandee Werth
Harfmann Accounting	
Hays Area Children's Center, Inc.	
Insurance Planning, Inc.	
Jeter Law Firm, LLP	
Kansas Health Foundation	
Don & Colleen Kopfman	
Robert & Beverly Lowen	
Ida Lundy	

Memorials

A charitable gift is a wonderful way to remember someone you love or admire. The Foundation received gifts made in memory of others throughout the year. This year, gifts were received in memory of:

Marge Curtis
Valerie "Val" Watts

A Solid Base: Our Founders

The Founding Donors built the base on which the Foundation's success stands on today. We are forever grateful for the support of these generous donors who heard the story and believed in the vision of the Heartland Community Foundation. Because of them, we are truly building a better community.

GOLD

- Ross & Marianna Beach Foundation
- Hays Medical Center
- Midwest Energy, Inc.
- Rural Telephone/Nex-Tech

SILVER

- Robert E. & Patricia A. Schmidt Foundation

BRONZE

- Adams, Brown, Beran & Ball, Chtd.
- Adronics Elrob Mfg. Corp.
- America's Best Value Vagabond Inn
- Anonymous
- Auto World
- Bank of Hays
- Best Western Butterfield Inn
- Brungardt Hower Ward Elliott & Pfeifer, L.C.
- Cerv's, LLC
- City of Hays
- In Memory of Martha Claflin
- Commerce Bank
- Jeff & Marla Copper
- Dennis & Susan Day
- Eagle Communications, Inc.
- Ellis County Coalition for Economic Development
- Emprise Bank
- First National Bank
- Glassman Corporation
- Great Plains Dermatology
- Hays Area Chamber of Commerce
- Hays Chevrolet
- Henry Schwaller & Associates
- Insurance Planning, Inc.
- Jeter Law Firm LLP
- Kendall Krug OD PA
- Verlyn L'Heureux
- Lang Diesel, Inc.
- Lifetime Dental Care, PA
- The Meckenstock Group
- Patrick & Chardell Parke
- Steve & Julie Paul
- Verlin & Elaine Pfannenstiel
- RDH Electric, Inc.
- Dave & Jodi Schmidt
- Jeff & Stacey Seibel
- Simply Charmed
- Sunflower Electric Power Corporation
- United Way of Ellis County
- Wal-Mart Store#664
- Bob & Nancy Wertenberger
- Tim & Sandee Werth

Building Funds with our Builders Campaign!

The Union Pacific Railroad Foundation awarded a \$10,000 grant to the Heartland Healthy Living Fund to kick off the Foundation's Builders Campaign. This gift will earn a \$5,000 match from the Kansas Health Foundation's GROW II program.

"Our board sees this (GROW II) as a wonderful opportunity for our organization to grow and be even more successful in the years to come," said Executive Director, Bob Lowen.

Read more about GROW II on pg 13 or contact us about the Builders Campaign.



Pictured L-R: Ben Jones, Union Pacific Railroad; Bob Lowen, HCF

Foundation Funds & Grants

* Denotes new fund

Heartland Area Action Fund

This unrestricted grant fund allows the Foundation the flexibility to meet current community needs. Grants are awarded throughout the year through a competitive grant process. Since inception, the Heartland Community Foundation has awarded nearly \$5,000 in grants from this fund.

Funding for this grant program comes from donations, memorials, and other gifts to the Heartland Community Foundation. Gifts of any size are welcome additions to this important community grant fund and will help earn a 50% match from the Kansas Health Foundation's GROW II matching grant program.

\$400 — Big Brothers Big Sisters: To support a new program which helps with the purchase of school clothing for at-risk, teenage girls.

\$300 — Hays Public Library: To purchase supplies for a teen summer reading program.

\$400 — NW Kansas Area Agency on Aging: To train staff to work on scams which target the elderly.

Organization Funds

The Foundation partners with nonprofit charitable organizations which are making a difference in our community through direct service to our neighbors. Charitable organizations can establish endowments in the Foundation that provide an income stream back to them to further their charitable work, or continue to grow for future needs. Contributions to these funds come from donors and from the organizations themselves.

Current Funds

Big Brothers & Big Sisters of Ellis County, Hays, KS

Coronado Area Council of Boy Scouts of America*

Hays Area Children's Center Fund

Mary Elizabeth Maternity Home Fund

United Way of Ellis County Fund

Designated Funds

For donors who know exactly what or whom they want to support, Designated Funds are the answer. Donors establish an endowed fund for their favorite charity or charities. The Foundation administers annual grants from the fund in the donor's name, forever. In the event a designated charity no longer exists, the Foundation ensures that annual gifts are redirected to an appropriate charitable need, all the while keeping in mind the donor's original intent.

Current Funds:

Hays Recreation Commission Youth Programs Fund

Kansas Health Foundation Operating Fund for Heartland
Community

Leadership Hays Children's Fund

Leadership Hays Fund

Palco USD 269 Schools Fund

Recreation Fund for DSNWK, Inc. Clients

Trees for a Beautiful Hays Fund

Vocal Music and Theatre Fund for Hays Arts Council*

Designated Fund 2011-2012 Grantees

Total grants: \$14,483.80

City of Hays Parks Department

Developmental Services of NW Kansas, Inc.

Hays Area Chamber of Commerce

Hays Recreation Commission

Foundation Funds & Grants (cont'd.)

Field of Interest Funds

Field of Interest funds allow donors to designate a specific issue or geographic area for grant making, but not specific organizations. Grants are made through an application process and administered by the Foundation. Sometimes an advisory group with expertise in the field of interest is utilized in the grant review process.

Current Funds

Heartland Healthy Living Fund

Kansas Health Foundation Fund for Heartland Community

Field of Interest 2011-2012 Grantees

Total grants: \$1,600

First Care Clinic, Inc.

Rooks County Health Center

Pass Through Funds

Pass Through funds are created by donors who desire the Foundation to administer their charitable grants, but who do not wish to maintain a permanent, endowed fund.

Current Funds

Kansas Children's Service League Healthy Families

Ellis County Fund

Other Funds

Heartland Administrative Fund

Our administrative fund is the engine that keeps the Foundation going and is used for operating costs as well as to provide the community with educational opportunities such as nonprofit workshops, professional advisor workshops and estate planning seminars. Continued support of this fund helps pay for us to have a local staff member. This not only allows us to provide you with better service, but it also enables us to continue to grow and improve the quality of life for the citizens of Ellis, Rooks, and Trego Counties.

Building Better Self Esteem

Part of our mission is to meet charitable community needs through grants in which we hope to increase the capacity of nonprofit organizations to fulfill their individual missions.

The mission of For Keeps is to provide at-risk teenage girls, recommended by Big Brothers Big Sisters of Ellis County, the opportunity to choose brand-new clothing for the start of the school year. This experience will promote self confidence and a sense of worthiness.

Girls, ages 13-17, in the Big Brothers Big Sisters program in Ellis County are eligible to receive a \$160 gift card to a local clothing store to go Back to School shopping with their Big Sister.

Along with several fundraisers and a \$400 grant from the Heartland Area Action Fund, Founder Madison McClellan was able to raise over \$1100 to purchase seven \$160 gift cards. The Mall at Hays added another \$20 on to each card, giving each girl a total of \$180 to spend on back to school clothes.

A national study shows that 62 percent of girls have a low self-esteem. Girls with low self-esteem are 75 percent more likely to engage in harmful activities such as cutting, bullying, smoking, alcohol use and eating disorders.

To sum up why this program is important in her grant application, McClellan wrote, "It may sound silly, but if a girl can pick out a brand new outfit to wear to school, it could really increase her self confidence. Like they say: You look good, you feel good! Every girl deserves an opportunity to look their best!"



A GROWing Opportunity!

The Heartland Community Foundation has been accepted to receive a matching grant from the second chapter of the Kansas Health Foundation's Giving Resources to our World (GROW) Healthy Kansas Initiative. GROW II is a \$500,000 matching grant over the course of six years in which new gifts for endowment are matched using a two-tiered ratio. Some gifts are matched at the rate of 1-to-2, or \$1 match for every \$2 of new gifts, and some gifts are matched at the rate of 1-to-4, or \$1 match for every \$4 of new gifts.

What are the matching rates?

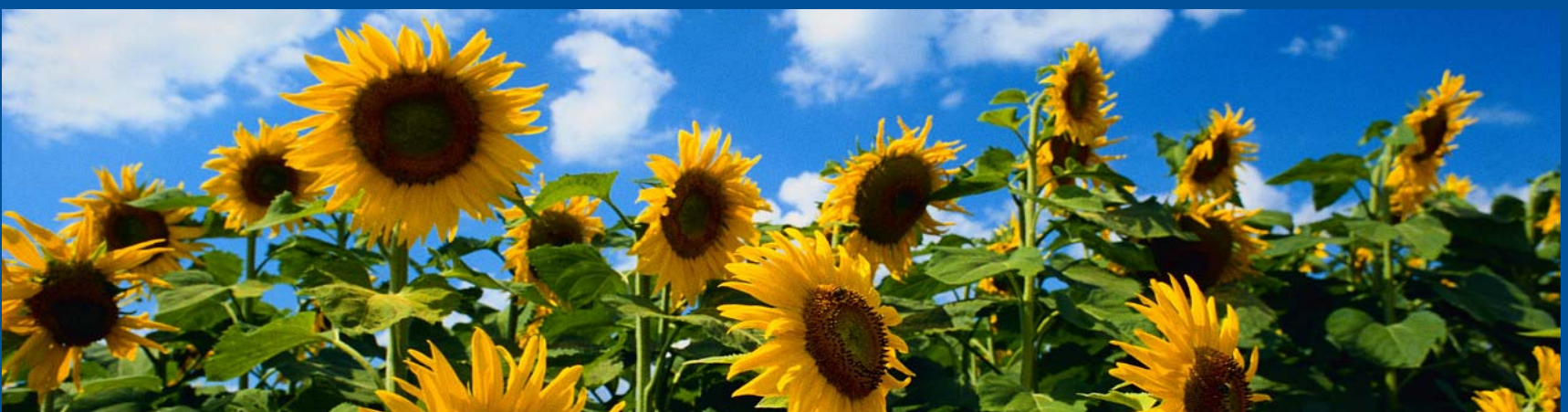
Any endowed gift to the Heartland Area Action Fund, Heartland Healthy Living Fund and Heartland Administrative Fund will help earn a 50% match. All other endowed gifts, with the exception of scholarship funds, will help earn a 25% match.

Where do the matching dollars go?

All matching money will be divided into two endowed funds created by the Kansas Health Foundation—the Kansas Health Foundation Fund for Heartland Community, a public health fund, and the Kansas Health Foundation Operating Fund for Heartland Community, an administrative fund.

What kind of impact will this make in our community?

Once the challenge is completed, over \$2 million in new endowed money will be invested in Ellis, Rooks and Trego Counties to benefit the needs of current and future generations of the Heartland area. For a population of roughly 30,000 that is quite an impact!



How can you participate?

A donation of any size will earn a match from the Kansas Health Foundation. No gift is too small. Gifts of \$25, \$10, or even \$1 can be made to any of the below funds and help the Heartland area **GROW!**

I would like to be part of this GROWing opportunity with a \$_____ donation to the following fund(s):

To earn a 50% match...

- ___ Heartland Area Action Fund (*unrestricted community grant fund*)
- ___ Heartland Administrative Fund
- ___ Heartland Healthy Living Fund (*public health fund*)

To earn a 25% match...

- ___ Hays Recreation Commission Youth Programs
- ___ Leadership Hays Children's Fund
- ___ Leadership Hays Fund
- ___ Palco USD 269 Schools Fund
- ___ Recreation Fund for DSNWK, Inc. Clients
- ___ Trees for a Beautiful Hays Fund
- ___ Vocal Music and Theater Fund for Hays Arts Council
- ___ Big Brothers & Big Sisters of Ellis County
- ___ Coronado Area Council of Boy Scouts of America
- ___ Hays Area Children's Center
- ___ Mary Elizabeth Maternity Home
- ___ United Way of Ellis County

(Name)

(Address)

(City, State, Zip)

(Phone)

(Email)

I wish to remain anonymous.

**Please make checks payable to HCF and mail to:
P.O. Box 1673, Hays, KS 67601**



Investment Info

The Foundation believes the best long-term performance will be achieved through a balanced portfolio consisting of 75% equities and 25% fixed income and cash.

As an affiliate of the Greater Salina Community Foundation (GSCF), the funds at Heartland Community Foundation are pooled together with all the funds held by GSCF and their affiliates. The funds are invested with Vanguard and governed by a local Finance Committee at GSCF.

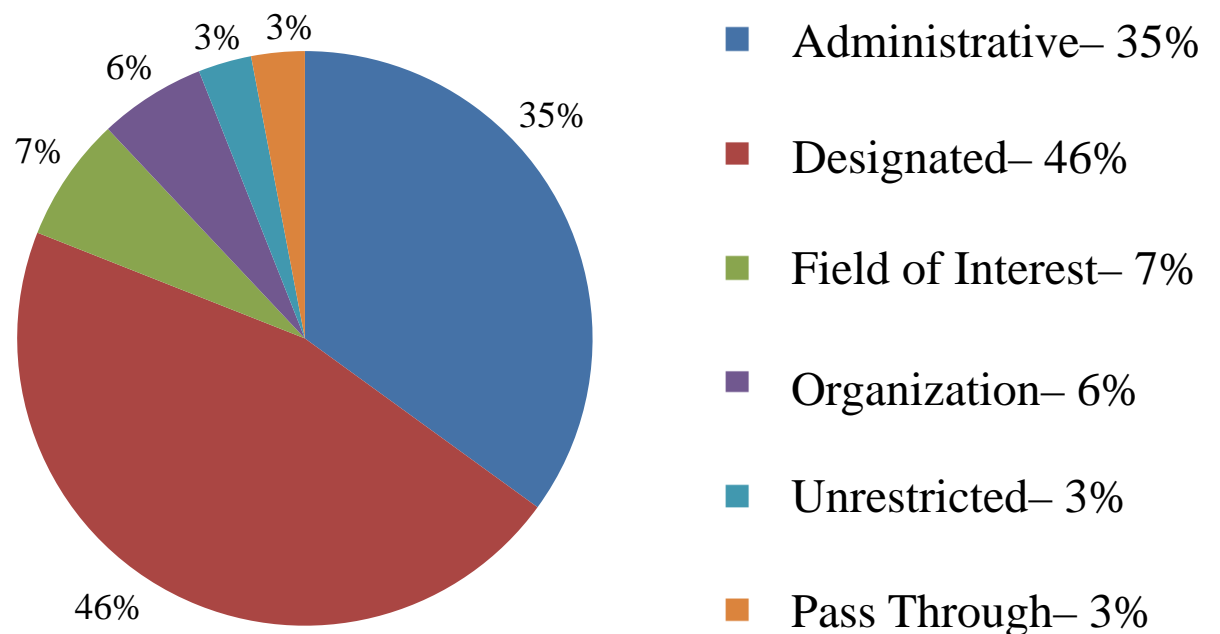
We are confident in our performance and rate well when compared to other investment pools. Our 5 year annualized return is 1.71%, which rates higher than the 75% S&P 500 Stock Index + 25% Barclays Intermediate Bond Index of 1.67%.

Foundation finance

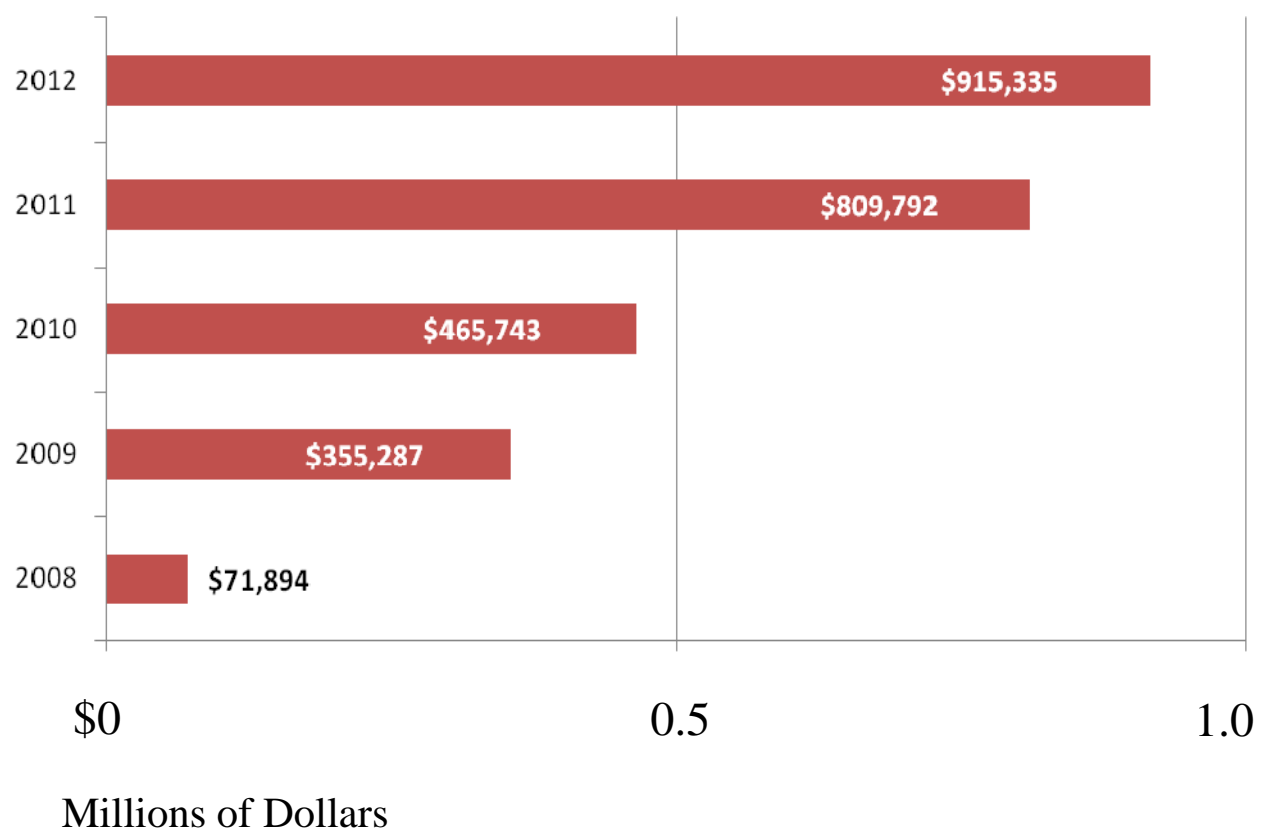
GSCF Investment Portfolio

2nd Quarter 2012	- 3.06%
Trailing 1 Year	+ 0.65%
Trailing 3 Years	+46.16% Absolute +13.49% Annualized
Trailing 5 Years	+ 8.85% Absolute + 1.71% Annualized
Inception to Date (12.5 years)	+69.18% Absolute + 4.29% Annualized

HCF Assets by Type



HCF Total Assets



Statement of Financial Position

June 30, 2012

ASSETS

Wells Fargo CMM	\$44,982
Pooled Investment— Vanguard	870,281
Office Equipment	645
Accumulated Depreciation— office equipment	(573)
Total Assets	<u>\$915,335</u>

LIABILITIES

Accounts Payable	\$71
	<u>71</u>

NET ASSETS

Fund Balance—Principal	\$830,308
Fund Balance—Income	56,334
Fund Balance—Spendable	28,622
Total Net Assets	<u>\$915,264</u>

Total Liabilities and Fund Balances	<u>\$915,335</u>
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Statement of Activities

Year Ended June 30, 2012

REVENUES

Gifts & Bequests—Principal	\$131,643
Gifts & Bequests—Income	17,880
Dividend Income	16,808
Realized Gain on Investments	1,835
Unrealized Gain on Investments	(12,552)
Total Revenues	<u>\$155,614</u>

EXPENSES

Grants Authorized	19,967
Foundation Administrative Contribution	6,330
Operating Expenses	23,845
Total Expenses	<u>50,142</u>

Increase in Net Assets	<u>\$105,472</u>
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Heartland Community Foundation

An affiliate of the
Greater Salina Community Foundation

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Email: directorhcfoundation@hotmail.com

www.heartlandcommunityfoundation.org

