The Ann Arbor Area Community Foundation (AAACF) is a nonprofit organization with a broad mission: **enriching the quality of life in Washtenaw County**. Think of us as a savings account for the community, with proceeds from our endowed funds distributed as grants for local nonprofits and scholarships.

**ANN ARBOR AREA**
- Headquartered in downtown Ann Arbor and serving all of Washtenaw County
- Focused geographically yet broad in serving entire nonprofit sector (including funds to benefit local universities and hospitals)
- Hosting one affiliate, the Ypsilanti Area Community Fund

**COMMUNITY**
- Established in 1963 by local residents to benefit local residents
- Built through contributions of all sizes, from donors giving while they are alive and through their estate plans
- Composed of community representation on all committees (400+ volunteers!)

**FOUNDATION**
- Committed to legacy as an endowment (permanent community capital) institution
- Based on a 5% spending model for payouts in perpetuity, in addition to actively adding funds
- Conducting competitive grant programs serving all sectors
Thanks to our generous community, AAACF continues to grow and increase impact.

**IN 2019**

- **$147 million** held in assets  *(as of 12/31/2019)*
- **$6.0 million** distributed as grants & scholarships
- **$6.2 million** received as new gifts & pledges

**SINCE 2015**

- Assets have **nearly doubled**
- Gifting annually is **up 20%** (excluding two recent mega-gifts)
- Now among **20 fastest growing** community foundations in U.S.

**SINCE 1963 FOUNDING**

- **550+** charitable funds established
- **15,200** total donors
- **1,450** total volunteers
- **1,475** nonprofits supported by grants & scholarships
- **$63M+** distributed as grants & scholarships

**AAACF 2019–2020 BOARD OF TRUSTEES**

Doug Weber  
Chair

Betsy Petoskey  
Vice Chair

Michael Staebler  
Treasurer

Marie Deveney  
Secretary

Karen Andrews  
Kiana Barfield  
Bill Brinkerhoff  
Michelle Crumm  
Sean Duval  
Aaron Dworkin  
Elena Garcia-Schroeder

Jeff Hauptman  
Laura Hayden  
Fernando Ortiz  
Linh Song  
Tim Wadhams  
Chuck Warpehoski

May 2020 marks the transition of several outgoing members from the 2019-20 Board and new Trustees and Board Officers.
EXAMPLES OF POSITIVE IMPACT

Community Grantmaking

AAACF offers multi-year general operating support grants for high-performing nonprofits plus capacity-building grants to enhance operations in all areas through a novel virtual platform. We believe unrestricted funding is necessary for nonprofits to carry out their missions.

Entrepreneurs Fund (A2EF)

Even if the amazing innovative companies that are created locally are acquired by other companies or relocate, a gift to endowment will be given by their founders to remain here and benefit the community in perpetuity! Already, 18 commitments have been made to this newly established fund.

Glacier Hills Legacy Fund

The Glacier Hills Legacy Fund at AAACF benefits older adults in Washtenaw County—especially those at-risk and with low incomes—in perpetuity. With the older population projected to grow exponentially in the coming years, the $650,000+ distributed annually through the fund for local senior initiatives will make a critical difference for us all.

Community Scholarship Program (CSP)

Focused on local youth from low-income families, students of color, and first-generation college students, CSP provides multi-year awards with a dedicated “college success coach” to encourage degree attainment. The community has generously responded since 2016 so that 50 students have been awarded $1M!

Impact Investing

As an endowment institution, AAACF has traditionally used a model of granting out (~5%) from earnings on the endowment. We will now be directing 1% of our endowment assets locally to generate social returns in addition to financial!
ACROSS WASHTENAW COUNTY

“In Our Neighborhood” Grants
Based on broad input from the community, these arts & culture grants are focused on (1) Activating the artistic & cultural identity of all people in the County and (2) Ensuring a fundamental level of access to arts and culture for everyone.

Nonprofit Endowment Funds
AAACF holds more than 125 such funds, including several to benefit U-M and St. Joe’s. We are enhancing our nonprofit endowment partnerships, building upon the successful Stern Legacy Challenge in late 2018, which demonstrated how nonprofit endowments are attractive as a reliable and diversified source of revenue for organizations.

Ypsilanti Area Community Fund (YACF)
Although AAACF also directs substantial grant support to Ypsilanti, it relies on local leaders there to direct funds specifically established by Ypsilanti residents to benefit Ypsilanti residents in perpetuity. YACF is our only affiliate and represents our belief that we all benefit by working across the County.

Investing in Leadership
AAACF supports new nonprofit leaders who gather as a cohort for joint learning and networking, as well as programs to encourage more leaders of color within the sector.
ENSURING PERMANENT COMMUNITY CAPITAL

TOTAL ASSETS
Total Assets December 31, 2019 .......................................................... $147,478,204
Total Assets December 31, 2018 .......................................................... $127,367,298

REVENUE, GAINS AND SUPPORT
Gifts and Pledges ........................................................................ $ 6,195,133
Adjustment for “Assets Held for Others” ........................................ $ (156,693) (1)
Net Investment Revenue and Other Income .................................... $ 21,613,302
Total Revenues, Gains and Support ................................................ $ 27,651,742

EXPENDITURES
Grants and Scholarships ................................................................. $ 5,987,968
Adjustment for “Assets Held for Others” ........................................ $ (121,366) (1)
Administrative Expenses ............................................................... $ 1,741,296
Total Expenditures ....................................................................... $ 7,607,898

Notes to Financial Information
(1) Every year AAACF receives gifts and makes grants associated with funds defined under accounting rules as “assets held for others.” Although these are actual community transactions, AAACF’s audited financials exclude them from gift and grant totals.

An independent financial audit is conducted for approval by the AAACF Board of Trustees each year. Audited financial statements and other financial information can be found at aaacf.org.

INVESTMENT RETURNS (ANNUALIZED)

<table>
<thead>
<tr>
<th></th>
<th>1 YEAR</th>
<th>5 YEARS</th>
<th>10 YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAACF</td>
<td>18.5%</td>
<td>6.7%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Benchmark</td>
<td>18.2%</td>
<td>6.4%</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

AAACF has consistently performed above its benchmarks for the past decade.

Over time, the power of endowment produces powerful returns. Through diligent stewardship by AAACF, our permanent funds have consistently maintained their inflation-adjusted values while also granting out many times their initial gift amounts.

During the recession of 2007-09, AAACF continued to pay out from our assets, which were then at one-third of today’s value. Thanks to the community’s generosity and careful planning, AAACF can assure our community we will continue to make grants, scholarships and distributions from our nonprofit endowments—now and in perpetuity—even in times of economic uncertainty.

A knowledgeable group of community leaders comprises the Investment & Finance Committee, and our Board of Trustees takes seriously its responsibility as the ultimate overseer of a prudent investment strategy. Both groups regularly review and adjust the asset allocation of our diversified portfolio.

In addition to diversification aimed at maximizing long-term returns, our spending policy is based on a 16-quarter rolling average to help smooth market volatility. AAACF’s investment goal is to produce a return over time that is equal to or greater than our spending policy plus the rate of inflation.
WAYS TO Engage + GIVE

- **Come to the Annual Community Meeting.**
  Our gathering is open to the public and draws hundreds of civic-minded people from the community to mingle together and learn about Washtenaw County.

- **Attend a workshop on philanthropy.**
  We hold periodic sessions on topics such as changes in tax laws or giving as a family.

- **Seek our knowledge about the community.**
  Ask about ways we can assist family foundations or other organizations looking to maximize impact.

- **Magnify your individual impact.**
  AAACF offers two “pooled” giving opportunities that are permanent and lasting and can magnify your giving exponentially. **You can create:**
  - A permanent, endowed, named fund starting at $5,000 as part of our collective **Community Impact Fund** making competitive grants in the community annually.
  - A permanent, endowed, named fund starting at $20,000 under the **Community Scholarship Program**, which provides local students with multi-year scholarships and a dedicated “college success coach” to promote degree attainment.

- **Inquire about a giving circle.**
  We have three such groups that give annually and make collective grant decisions.

- **Arrange for a no-obligation conversation.**
  As a resource for local philanthropy, we welcome the opportunity to provide information. If AAACF is not the best option for your goals, we will help identify another option.

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**Funds That Can Be Established With Current or Planned Gifts**

You can start a fund now that you can also add to with future estate gifts—or plan to give in the future through your will, trust, and retirement account beneficiary plans. We customize options to accomplish your goals. A popular example is one gift agreement that names several nonprofits as beneficiaries. Through the **Stern Legacy Challenge**, in exchange for simply documenting your planned gift intentions, you can even name a fund that helps the community now!

**Permanent Endowments to Name**

- **Grantmaking funds:** AAACF determines grantees broadly or for a specific sector.
- **Nonprofit endowment funds:** Individuals can set up funds that distribute annually to an organization. Consider “annuitizing your giving” now or through your estate plan so an annual check is cut to your beloved nonprofit forever!

- **Community Scholarship Program funds:**
  Name a fund within the CSP umbrella to help “level the playing field” for local students and increase college access and graduation rates across Washtenaw County.

**Other Ways to Give**

AAACF also offers **donor-advised funds**, which can be permanent or expendable.

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**To Start A Conversation About Ways You Can Engage + Give, Contact Shelley Strickland at sstrickland@aaacf.org or 734.663.0401.**
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*As of May 2020

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