

Annual Impact Report
2005-2006

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The Scale and Scope of Our Impact

At Southern Good Faith Fund, we help families in Arkansas and Mississippi go to college, buy houses, and start small businesses. Over the past few years, we have helped thousands of families achieve their dreams. In this year's annual report, we have demonstrated the impact we are having statewide and the targeted impact that we are having in a few communities in Arkansas.

We are not just helping a few families here and there. The maps for Jefferson and Phillips Counties demonstrate the sense of scope and scale that we are achieving. You could drive down just about any street in those communities and find a business or a home that was supported by Southern Good Faith Fund or an individual who gained education and job skills as a result of working with us.

But our work is not limited to a few counties. Region-wide, we have accomplished the following:

- 511 businesses have started, expanded, or been retained
- 818 students have graduated from our Career Pathways program
- 75 children have saved over \$100,000 for college in SEED accounts
- 200 IDAs have been used to purchase or renovate a home, leveraging \$3.6 million in mortgages
- 344 tax refunds have been filed through our VITA site, bringing almost \$600,000 in federal and state tax refunds into the local economy

Through our policy efforts, adults can access higher education at 11 Career Pathways programs at community colleges throughout Arkansas, and over 100,000 Arkansans throughout the state received a pay raise as a result of an increase in the state's minimum wage.

We are excited about the impact we are having and expect to deepen it over the next few years. We know that we are both changing lives and building communities.

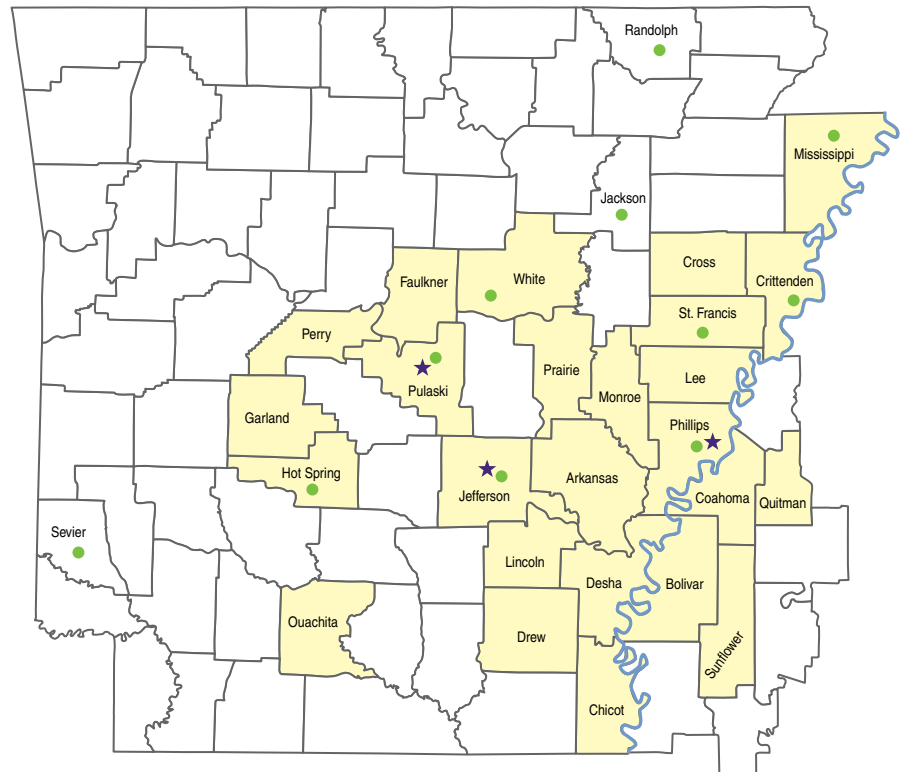
Angela Duran
President
Southern Good Faith Fund



Arkansas and Mississippi

Southern Good Faith Fund has helped people and businesses across Arkansas and Mississippi through our Asset Builders, Business Development Center, Career Pathways, and Public Policy programs.

- Counties with Southern Good Faith Fund Clients
- ★ Southern Good Faith Fund Offices
- Colleges using the Career Pathways Program



Impact in Arkansas and Mississippi Since 1997

Business	Higher Education	Housing	Quality of Life
<p>511 businesses started, expanded, or retained with help from the Business Development Center and Asset Builders</p> <p>883 jobs created or retained with assistance from the Business Development Center</p>	<p>101 IDAs used to help pay for college</p> <p>587 students currently enrolled in Career Pathways</p> <p>818 students graduated from Career Pathways</p> <p>80% of Career Pathway graduates found employment in 2005</p> <p>75 preschool children are saving for college in SEED accounts</p> <p>11 two-year colleges offer the Career Pathways program</p>	<p>200 IDAs used to purchase or renovate a home</p> <p>\$3,634,572 in mortgages obtained by IDA participants</p>	<p>127,000 Arkansans received a pay raise through the increase in the minimum wage</p> <p>344 tax refunds filed through VITA</p> <p>\$599,816 received in federal and state tax refunds</p>



Asset Builders

Earning Their American Dream

The Arnolds are a young family who knew exactly what to call themselves when they moved into their first home: investors. Thomas Arnold says they invested in themselves when they bought their property—a four bedroom, three bath, 2063 square foot home—and now have the ability to begin creating their own wealth. Thomas, his wife Tisha, and their two children Aiyana and Tahlia, now look optimistically toward the future, knowing that this investment is just the beginning.

Even though becoming a homeowner was the Arnolds' primary

goal, Tisha says the most valuable outcome of participating in the Individual Development Account (IDA) program was learning about budgeting, credit cards, and saving money. "The program showed me that I don't have to spend every penny I have," Tisha says. "Now I can save for the future." Thomas adds, "we now look forward to talking about finances and having money to give to others, and not spending just for personal reasons."

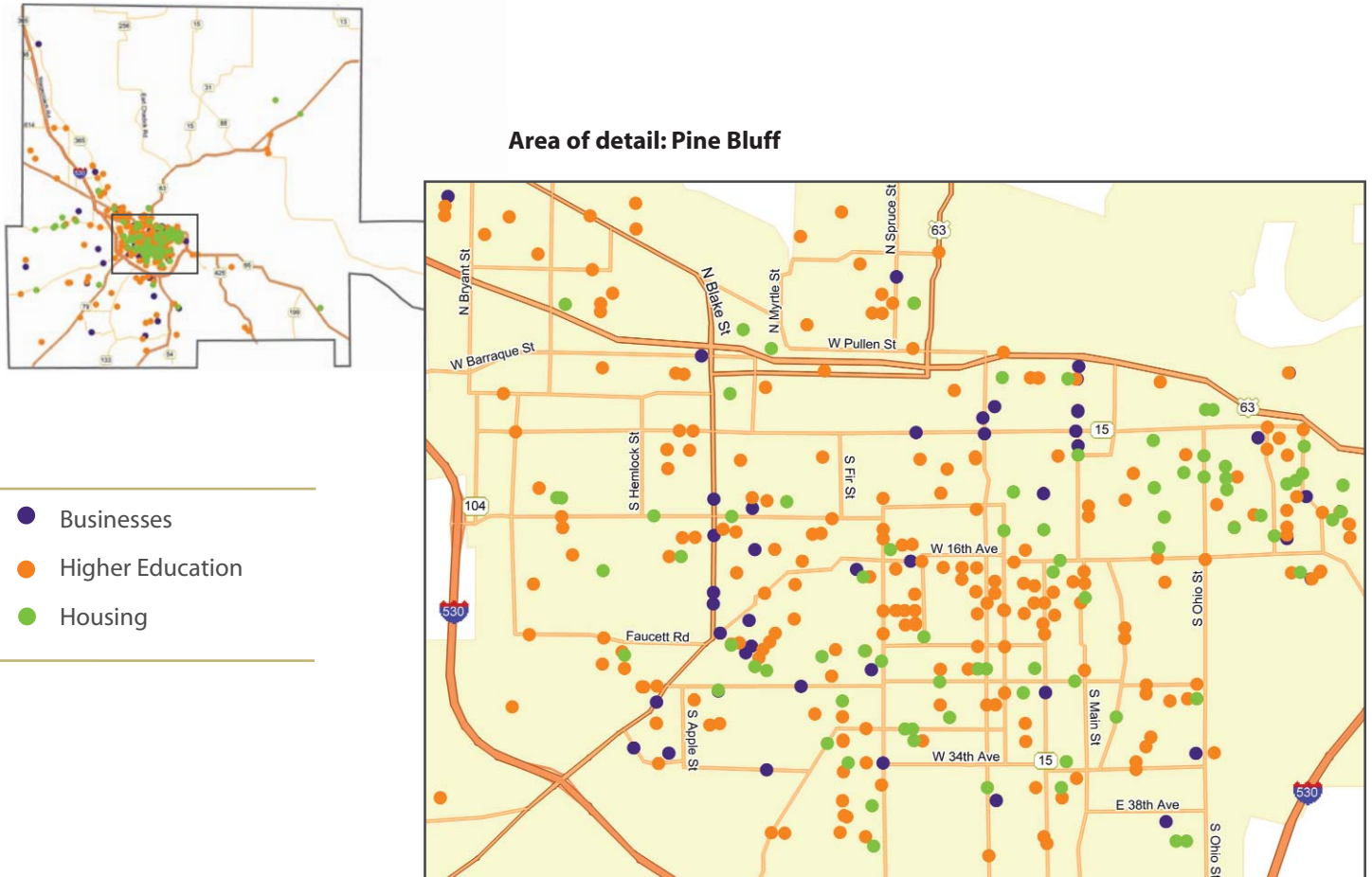
The Arnolds also plan to secure the financial futures of their daughters by continuing to save and invest for

their college educations and personal retirement.

Tisha advises others who are considering the IDA program to "attend the classes, learn from them, and save your money consistently." And Thomas shares a lesson that they learned from experience, "to stick with the program even if you have to get out temporarily; get back in when you're back on your feet." The Arnolds successfully regrouped, made sacrifices, showed patience in the home-buying process, and met their savings goal, which led to their ultimate goal of homeownership.

Jefferson County

Southern Good Faith Fund has helped people and businesses across Jefferson County, where our main offices are located, through our Asset Builders, Business Development Center, and Career Pathways programs.



Impact in Jefferson County Since 1997

Business	Higher Education	Housing
<p>122 businesses started, expanded, or retained with help from the Business Development Center and Asset Builders</p> <p>124 jobs created or retained with assistance from the Business Development Center</p>	<p>54 IDAs used to help pay for college</p> <p>438 students currently enrolled in Career Pathways</p> <p>554 students graduated from Career Pathways</p> <p>85% of Career Pathways graduates found employment in 2005</p>	<p>112 IDAs used to purchase or renovate a home</p> <p>\$2,356,252 in mortgages obtained by IDA participants</p>

Cleaning Up

Growing up, Lonnie Brown's grandfather always teased him saying that he would make money if he used soap every day. While Lonnie knew this was meant to make sure he took a bath every day, he did not know that he would end up using soap and water to earn a living.

Lonnie started a residential and commercial carpet cleaning business in Missouri in the early 80s. In 2000, he relocated his business, Success Carpet and Upholstery, to Pine Bluff, Arkansas and started working with our Business Development Center (BDC) in 2004.

"Breaking into the business world here in Pine Bluff was a challenge because I was new in the area and did not have contacts. But since I linked up with the Business Development Center I have had nothing but success," Lonnie says. "The BDC staff energized my vision for my business because of the different activities and networking opportunities they have going. They also helped put me on track with my bookkeeping through different workshops and training."

Lonnie attended three workshops that were very specific to his business needs. These included:

How to Start a Janitorial Business, How to Write a Business Plan, and Record-Keeping For Small Businesses. Lonnie also attended the BDC's Next Step business training program, which is an intensive ten-week program for existing business owners.

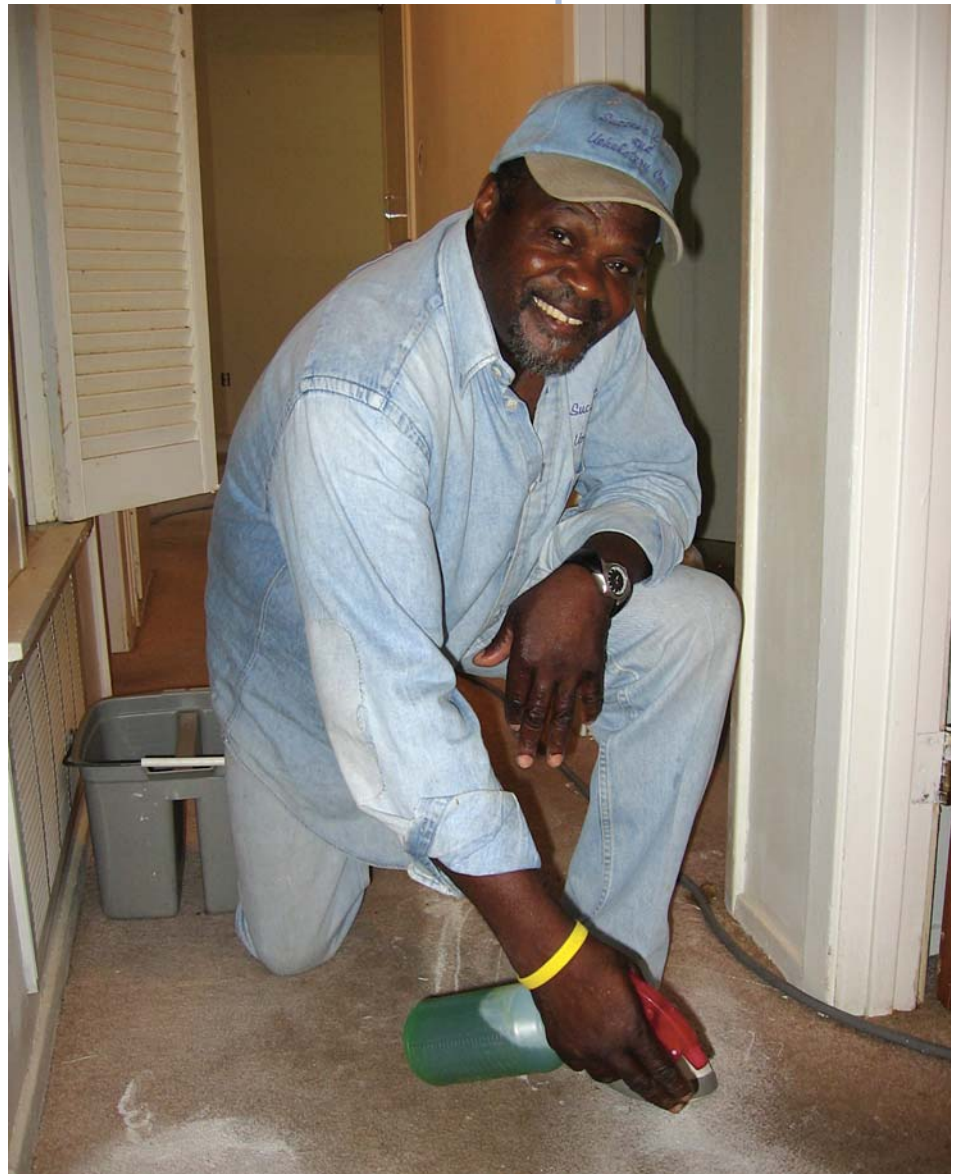
A \$5,000 loan he received from Innovative Bank helped him expand the business by using the money to

purchase equipment and create marketing materials.

"Even though I did not get all the money I wanted, I took the stair-step approach and know that once I pay off my first loan I will be eligible for a larger amount," says Lonnie.

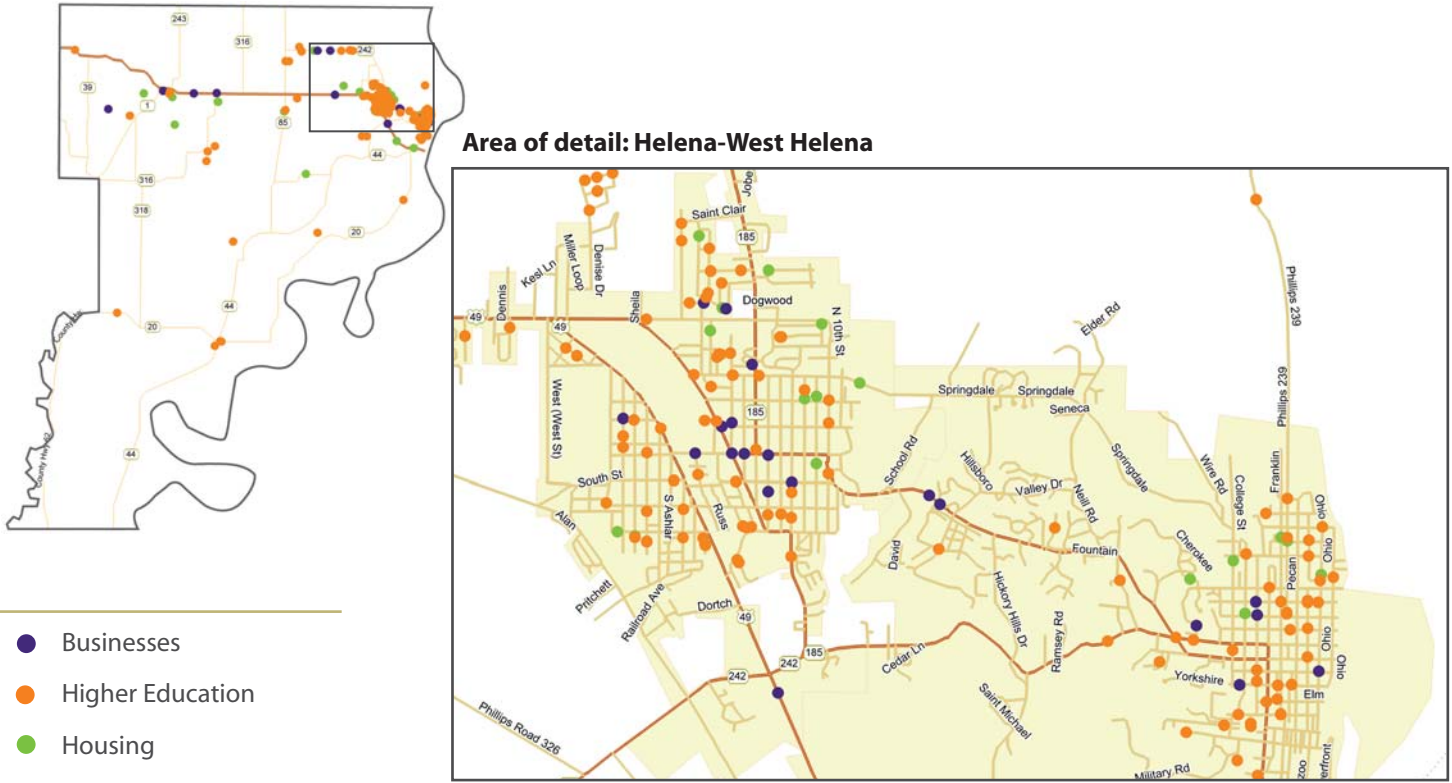
In the near future Lonnie plans to provide additional services such as carpet installation and repair, and furniture cleaning and repair.

Business Development Center



Phillips County

Southern Good Faith Fund has helped people and businesses across Phillips County, where we have offices and provide services in the heart of the Delta, through our Asset Builders, Business Development Center, and Career Pathways programs.



Impact in Phillips County Since 1999

Business	Higher Education	Housing	Quality of Life
<p>47 businesses started, expanded, or retained with help from the Business Development Center and Asset Builders</p> <p>43 jobs created or retained with assistance from the Business Development Center</p>	<p>16 IDAs used to help pay for college</p> <p>149 students currently enrolled in Career Pathways</p> <p>234 students graduated from Career Pathways</p> <p>70% of Career Pathway graduates found employment in 2005</p> <p>75 preschool children are saving for college in SEED accounts</p>	<p>53 IDAs used to purchase or renovate a home</p> <p>\$497,676 in mortgages obtained by IDA participants</p>	<p>330 tax refunds filed through VITA</p> <p>\$437,840 received in federal and state tax refunds</p>

Determination and Spirit

Christina Buie thought that becoming a cosmetologist would be a good way to support her family, but she soon realized that she had greater aspirations. She always loved going to school and knew that earning a college degree would put her on the path toward a career with greater opportunities. She decided on a career in education and teaching, which would also let her have the same schedule as her sons, ages five and two.

Since her family earned only a single income, Christina wasn't sure how she would pay for the Praxis exam, which is required for teaching certification in Arkansas. Then she was introduced to the Career Pathways program in Helena-West Helena. "The staff worked really hard to help me with the test," says Christina. "It was a long process and a struggle,

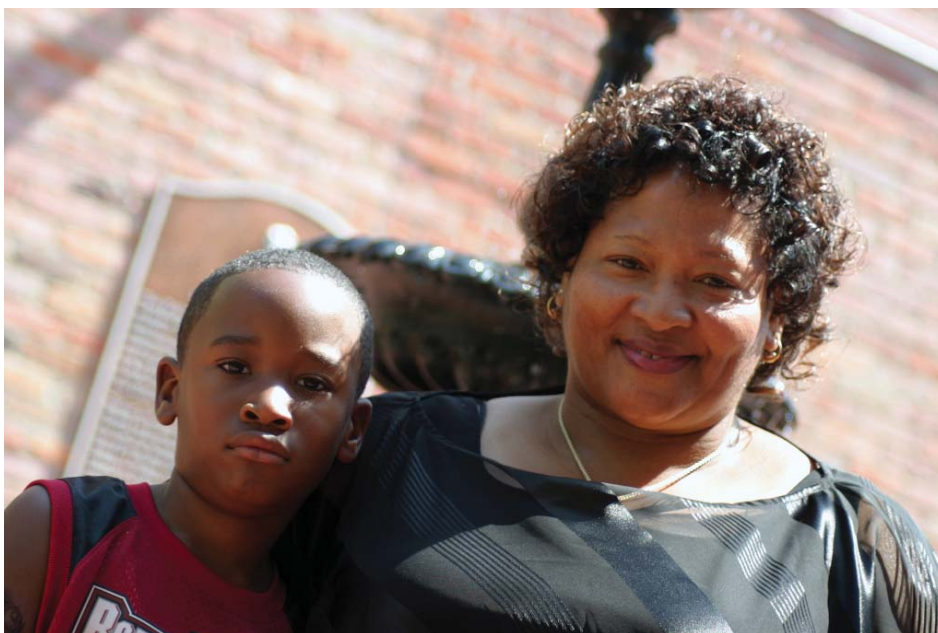
but with everyone's help, I paid for the test and passed it."

Christina graduated with honors from Phillips Community College of the University of Arkansas in May with an Associate of Arts degree in general education. She is now enrolled in Arkansas State University as the next step on her path to becoming a high school biology teacher. "My advice to others hoping to build a better career is to believe in yourself and know that you can do what you put your mind to," Christina says with a proud smile.

Career Pathways



Reaching Goals Makes Dreams a Reality



Verlin Gathings had three savings goals when she enrolled in our Asset Builders program in May of 2005: buying seed for her family's farm, paying the tuition and fees for her daughter's current semester of college, and saving for her four year old son's college education. By February of 2006 she met her first two goals with matched savings in her IDA account.

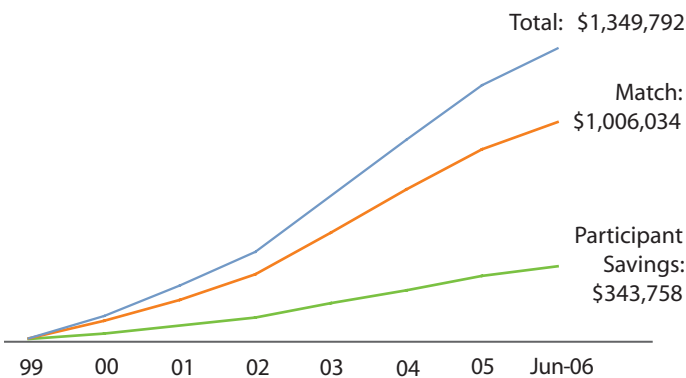
To reach her third goal, she enrolled her son William in the Saving for Entrepreneurship, Education, and Downpayment (SEED) program, which provides matched savings that he can use for his college education when he turns 18.

Asset Builders

Cumulative Impact

The cumulative impact of our work over the years has created real and lasting changes in the quality of life for thousands of low-income and working families in Arkansas and Mississippi.

Asset Builders



Individual Development Accounts (IDA)

IDAs are matched savings accounts for working poor families who are trying to buy their first home, make improvements to their home, pay for post-secondary education, or start their own business.

Since 1999, more than \$1 million has been accrued in special savings accounts by 355 families who have improved their economic situation by building personal assets.

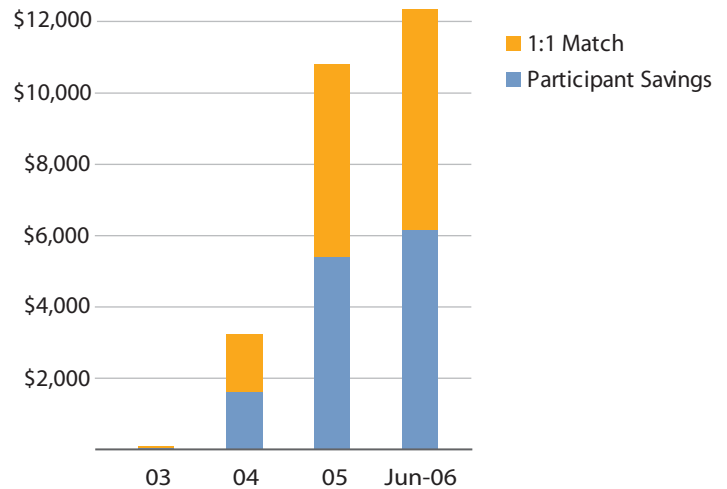
Saving for Entrepreneurship, Education, and Downpayment (SEED)

75 pre-schoolers in Phillips County, Arkansas are participating in a national initiative to test how matched savings accounts will help them save for a college education and for their future.

Southern Good Faith Fund is one of twelve organizations across the country testing the program.

Each child has a savings account that is seeded with an initial deposit of \$500 and a match of \$500. Over the next few years the program will match dollar-for-dollar any deposits made to the account up to \$1,000.

To date, more than \$101,000 has been accrued in savings that can only be used for college when the child turns 18.



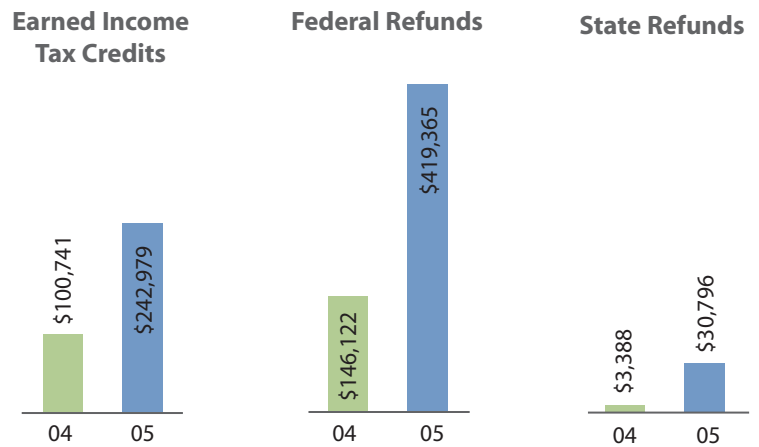
Cumulative Savings, as of June '06

Initial SEED Deposit:	\$75,000
2003	104.90
2004	3209.86
2005	10,787.38
2006	12,297.70
Total Savings:	\$101,399.84

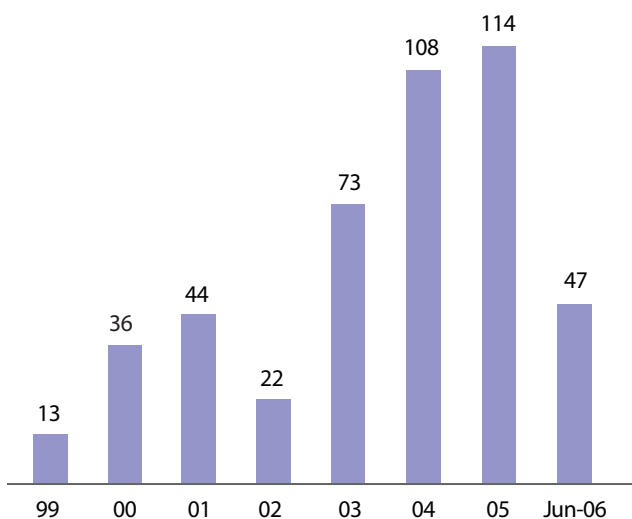
Voluntary Income Tax Refund Assistance (VITA)

In 2004 Southern Good Faith Fund began providing VITA to residents in Phillips County, Arkansas and surrounding towns in Mississippi. Volunteers provide free tax return preparation to low-income individuals and families with emphasis on the federal Earned Income Tax Credit (EITC) program.

Over the last two tax seasons, our volunteers filed 344 tax refunds and captured \$242,979 in EITC dollars and \$599,671 in state and federal refunds.



Business Development Center



Businesses Assisted

Southern Good Faith Fund's Business Development Center provides high-quality, in-depth training, technical assistance, and counseling to entrepreneurs who want to start a business or grow an existing business.

Since 1999, the BDC has assisted 457 businesses either start-up, expand, or survive. Additionally, more than 4,000 people have used our workshops, training, and technical assistance to help their businesses, and we've helped our clients access almost \$3.5 million in financing.

Career Pathways

Graduates by Degree

Southern Good Faith Fund works with Southeast Arkansas College and Phillips Community College of the University of Arkansas on the Career Pathways program, which helps move low income adults up the career ladder.

Degree	97	98	99	00	01	02	03	04	05	June 06	Total
GED										5	5
WAGE									37	18	55
Nursing Assistant	39	44	40	74	124	78	115	108	56	29	707
Certificate of Proficiency									2		2
Technical Certificate			3	1	1	1	4	2	2	7	21
Associates Degree				1	1			1	3	22	28
Total	39	44	43	76	126	79	119	111	110	81	818

Career Pathways uses a series of connected educational programs that enable students to combine school and work and advance to better jobs and higher levels of education and training.

Since 1997, Career Pathways has graduated 818 students and an average of 81% of our graduates are placed in jobs or move onto the next step in their career pathway.

Our career pathways include: behavioral health technology, business, education, early childhood education, emergency medical services, industrial maintenance, manufacturing, nursing/allied health, and welding.

Balance Sheet

	December 31,	
	2005	2004
ASSETS		
Unrestricted		
Cash and cash equivalents	\$ 924,267	\$ 1,373,268
Certificates of deposit	-	100,000
Grant income receivable	367,043	48,832
Grant income receivable from Southern Financial Partners	-	31,067
Other assets	2,619	2,275
Property and equipment (net)	-	4,031
Restricted		
Cash and cash equivalents	190,318	139,655
Grant income receivable	200,500	228,000
	<u>\$ 1,684,747</u>	<u>\$ 1,927,128</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	\$ 333,436	\$ 297,770
Deferred revenue	215,520	118,754
Total liabilities	<u>548,956</u>	<u>416,524</u>
Net assets		
Unrestricted	744,973	1,142,949
Temporarily restricted	390,818	367,655
Total net assets	<u>1,135,791</u>	<u>1,510,604</u>
	<u>\$ 1,684,747</u>	<u>\$ 1,927,128</u>

Statement of Activities

For the year ended December 31, 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenues			
Grants	\$ 731,517	\$ 661,061	\$1,392,578
Grants from Southern Financial Partners	18,750	-	18,750
Contributions	16,718	-	16,718
Interest income	11,390	-	11,390
Other	19,588	-	19,588
	<u>797,963</u>	<u>661,061</u>	<u>1,459,024</u>
Total support and revenues			
	<u>797,963</u>	<u>661,061</u>	<u>1,459,024</u>
Net assets released from restrictions	<u>637,898</u>	<u>(637,898)</u>	<u>-</u>
Expenses			
Program services	1,368,381	-	1,368,381
Management and general	441,729	-	441,729
Fundraising	23,727	-	23,727
	<u>1,833,837</u>	<u>-</u>	<u>1,833,837</u>
Total expenses			
	<u>1,833,837</u>	<u>-</u>	<u>1,833,837</u>
Change in net assets	(397,976)	23,163	(374,813)
Net assets—beginning of year	<u>1,142,949</u>	<u>367,655</u>	<u>1,510,604</u>
Net assets—end of year	<u>\$ 744,973</u>	<u>\$ 390,818</u>	<u>\$1,135,791</u>

Our Supporters

Southern Good Faith Fund gratefully acknowledges the many individuals, corporations, foundations, and public agencies that have generously supported our work over the years to increase the income and assets of families in our region. You are vital partners in our mission and we offer you our warmest thanks.

SGFF Grants

Annie E. Casey Foundation
Arkansas Community Foundation
Arkansas Department of Higher Education
Arkansas Department of Health and Human Services
Arkansas Department of Workforce Services
Arkansas Transitional Employment Board
Catholic Campaign for Human Development
Center on Law and Social Policy
CFED
Charles A. Frueauff Foundation
Charles and Mary Grant Foundation
Charles Stewart Mott Foundation
Entergy Charitable Foundation
Enterprise Corporation of the Delta
Delta Health Education Center
Delta Regional Authority
F.B. Heron Foundation
Foundation for the Mid South
Hitachi Foundation
Knox Nelson Literacy Fund
Mary Reynolds Babcock Foundation
Ms. Foundation for Women
National Governor's Association
National Network of Sector Partners
National Rural Funders Collaborative
David and Lucile Packard Foundation
Southern Bancorp
Synergy Forum
United Way of Southeast Arkansas
U.S. Department of Agriculture
U.S. Department of Health and Human Services
U.S. Department of Labor
U.S. Small Business Administration
W. K. Kellogg Foundation
Walton Family Foundation
William Randolph Hearst Foundation
Winthrop Rockefeller Foundation

SGFF Annual Fund Donors

\$2,500

Entergy Corporation
Munro Foundation
Pine Bluff National Bank
Simmons First National Bank

\$1,500

Dorothy Morris
Walter Smiley

\$500 - \$1,000

Arkansas BlueCross BlueShield
Phil Baldwin
Brent Black
Sharon Blackwood
Brenda Brown
Herman Davenport
Angela Duran
John Edwards
Laverne Feaster
Elizabeth Glasbrenner
Levi Strauss Foundation
Sandy Linn
Brian Miller
Dorothy Stuck
W.K. Kellogg Foundation
Wal Mart—Helena-West Helena
Kelly Wassell
Freddie Webb-Petett

\$100 - \$250

John and Kris Baker
Joe Black
James Boyd, Jr.
Jay Bradford
Molly Chappell
Peter Edelman
Jennifer Ferguson
Donald Hatchett
Steven Mayer
Jacquelyn McCray

Dominik Mjartan
George Purcell
Nanalou Snow
David Solomon
Ben Steinberg
Gayle Williams
William Wright
David Yarber
John Yarbrough

\$99 and under

Arkansas Hunger Coalition
Ted Drake
Barbara Gilkey
Ben Goodwin
Donald Jones
Trent Kelly
Ralph Nesson
Dorothy Oliver
Kelly Olson
Joan Simon
Stephanie Simpson
Syletta Snowden

SGFF Community Deposits

Adorers of the Blood of Christ
Congregation of the Sisters of Charity of the Incarnate Word
CRA Qualified Investment Fund
Dominican Sisters of Springfield, IL
Gail Kirkland
Loretta Literary and Benevolent Institute
More than Money
Nazareth Literary and Benevolent Institute
School Sisters of Notre Dame
School Sisters of Notre Dame of Dallas
Sisters of Mercy of St. Louis
Sisters of St. Francis of Tiffin Ohio
Sisters of St. Joseph in California
Sisters of the Sorrowful Mother
Society of the Divine Word

Corporate Information

Offices

Pine Bluff

Asset Builders
Business Development Center
Career Pathways

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Pine Bluff, AR 71603
870.535.6233

Helena-West Helena

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502 Cherry Street
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870.816.1104

Business Development Center
502 Cherry Street
Helena, AR 72342
870.816.1120

Career Pathways
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1000 Campus Dr., T & I Building
Helena, AR 72342
870.338.3279

Little Rock

Public Policy
1400 W. Markham, Suite 302
Little Rock, AR 72201
501.661.0322

Web Site

For more information
please visit us at:
<http://www.southerngoodfaithfund.org>

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Building communities. Changing lives.