East Texas Communities Foundation
2015 Annual Report

Simplified Charitable Giving
Our MISSION

East Texas Communities Foundation supports philanthropy by offering simple ways for donors to achieve their long-term charitable goals.

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The Bergfeld Park Fund

The Bergfeld Park Fund was created in April 2013 as a donor-designated fund at East Texas Communities Foundation. Local businessman, Don Warren, who lives near the park, headed up a committee comprised of neighbors to give input on improvements for the park. “A business owner at Bergfeld Shopping Center approached me and said he thought the park really needed a facelift,” said Warren. “We saw the park as a quality of life park. We thought, ‘This will make people want to move to Tyler, live in this area and come play here.’

Funding for the Bergfeld park project came from a public-private partnership between the City of Tyler and local residents. Tyler City Council unanimously approved the plan in November 2013, and the newly remodeled playground opened to the public in spring 2015. Additional phases of the park’s total makeover are yet to come.

The original playground equipment was removed from the park, sandblasted, painted and installed in the Mineola Nature Preserve in Wood County. “We feel like there is a lot of life left in that equipment,” said Mercy Rushing, assistant city administrator for Mineola. “We can put it out on our nature preserve for more youngsters to enjoy.”
A MESSAGE FROM THE CHAIRMAN OF THE BOARD & PRESIDENT

Dear Friends,

Thank you for taking a moment to review this annual report and foundation summary. Whether you have used East Texas Communities Foundation to support your charitable giving for many years or you are hearing about the organization for the first time, we hope these pages will communicate our desire to help you support your charitable interests.

During 2015, ETCF completed 26 years of service to East Texans and the charities they so generously support. As our financials report, we were able to make charitable grants totaling over $5.2 million last year to a wide range of charities. Education continues to be a primary interest for our donors, with grants to educational institutions comprising approximately 37% of our grants last year. You’ll find a list of these educational institutions and all of our grantees from last year on page 7. Be sure to also read about how Burt Marans left a legacy that continues to invest in education in Camp and Titus Counties on page 5.

The Foundation continues to grow and serve more donors and nonprofit organizations throughout our region each year. Donor-advised funds continue to be one of the most efficient and fastest-growing tools for charitable giving in the country. DAFs continue to lead ETCF in number of funds and assets, followed closely by endowed funds benefiting local nonprofits. You can read more about donor-advised funds and the six other types of funds we offer on pages 8 and 9.

With a wide range of different types of funds available to serve individuals and organizations, ETCF is poised to help you reach your charitable goals. We welcome the opportunity to have a conversation about charitable giving with you and your trusted advisors.

Kyle L. Penney
President,
East Texas Communities Foundation

Gordon Northcutt
Board Chairman,
East Texas Communities Foundation

ETCF Board Members pictured left to right: Marketing Chair Kristen Seeber, Chairman of the Board Gordon Northcutt and ETCF President Kyle Penney.

Pictured left to right: Grants Chair Dawn Frank, ETCF President Kyle Penney, Nathan Dungan author of Money Sanity Solutions and Advisory Board member Fred Smith.
Individuals turn to the East Texas Communities Foundation to fulfill their charitable and financial goals. Sometimes they wish to create a charitable fund using a personal asset—cash, securities, retirement funds, business interests and real estate, including mineral interests. At other times, they are looking for advice on how best to address an issue or support an organization that is important to them.

In most cases, these individuals are seeking a partner to help create a personalized giving plan. This plan might entail starting a scholarship to honor a loved one, supporting a variety of nonprofits or involving family members in philanthropy.

Whether seeking to convert a tangible asset into a charitable fund, looking for advice about a giving plan or crafting a legacy, each donor is taking a step toward simplified giving through ETCF.

East Texas Communities Foundation has awarded $20,000 in grants to the Mineola Nature Preserve, located on the Sabine River in Wood County. The property encompasses 2,911 acres and is home to many species of wildlife native to the East Texas region.

“Several of our donors have expressed an interest in preserving the natural beauty of our region,” said Mary Lynn Smith, Program Officer for East Texas Communities Foundation. “Fund holders like TransCanada have made grants to assist with improvements to the Wildscape Garden, while other grants have been given to clean up tree debris on the paddling trail.”
Kyle Penney, President of East Texas Communities Foundation, presented the Titus County Cares Board of Directors a $30,000 check from the Burt & Nancy Marans Charitable Fund. This money was awarded through a matching grant as a result of funds raised at the annual Claybuster Dinner Auction and Shoot. TCC officials report that the Food4kids program, which provides 1,300 weekend meals and snacks each week for children in need, will receive 100 percent of this money.

The Burt and Nancy Marans Charitable Fund

Burt Marans believed in the power of education as a path to a better life—and a stronger community. Understanding the factors that influence success in education, Marans and his wife created the Burt and Nancy Marans Charitable fund in 2008 to educate residents and build the capacity of charitable institutions in Camp County, Titus County and surrounding areas of East Texas.

A native of Jamaica, Queens, New York, Burt Marans co-founded a textile company in New York. Marans retired to the community of Pittsburgh, Texas where he had met his wife Nan. Marans was an active member in the community and was passionate about education. “One of the great things about Burt was that when he retired, instead of picking up hobbies, he wanted to be involved,” said Jon Alexander, estate attorney for the Marans. “His passion was education. He would go to the local elementary school and read to the children often.”

Marans wanted his estate to benefit philanthropy in the region. “The community foundation was a great fit for Burt’s plan to invest in the community even after he was gone,” said Alexander. Instead of leaving a lump sum to a handful of organizations, Marans named a trusted advisor to find creative ways to reinvest in the community over time.

One of the more recent, creative uses of the Marans Charitable Fund has been a partnership between the Tyler Museum of Art and the school districts in Camp, Titus and surrounding counties. Grants provided by the Burt and Nancy Marans Charitable Fund have offset the cost of travel for a series of field trips to the campus of Tyler Junior College in Tyler, Texas. Upon arrival at the campus, students are taken on docent-lead tours of the Tyler Museum of Art and Hudnall Planetarium at the Center for Space and Earth Science. “The grant from the Marans’ fund has allowed students, who might not otherwise have this opportunity, to experience a full day of education in the arts and sciences at no cost to the participating Northeast Texas school,” said Jon Perry, Communications & Membership Coordinator at the Tyler Museum of Art. “Funding in many school districts has become more and more elusive,” said Alexander. Extracurricular activities are not critical to a school district’s day-to-day operations, but are vital to expanding a child’s capacity to learn. Through the 2015 academic year, approximately 625 students from Camp County and surrounding areas have benefited from the grant.

In February 2015, the Marans’ fund provided a grant to host a capacity building seminar for nonprofits in and around Pittsburgh, Texas. “By making organizations better, whether it be educating about governance or teaching better grant-writing skills, the Marans’ fund has helped organizations achieve more and be better suited to assist those in need,” said Alexander. “By establishing a fund at East Texas Communities Foundation, it has given us abundant time to think about strategic ways to implement the long-term goals of Burt and his wife for the communities of Northeast Texas.”
East Texas Communities Foundation supports nonprofit organizations that provide services for East Texans. Communities benefit from having a range of organizations working on crucial issues, from improved health care and affordable housing to environmental protection and artistic expression.

Nonprofits touch the lives of the communities they serve. As an ETCF donor recently put it, “Many of us are born in a nonprofit, we adopted our dog from a nonprofit, we were educated in nonprofits, and we enjoy nature and wildlife preserved and protected by nonprofits.”

East Texas Communities Foundation takes pride in being a valued resource for nonprofits—for educating nonprofit leaders, providing grant support and bringing people together.

Coffee Hour Improves With Nonprofit Education Series

ETCF hosts a quarterly education series as part of the redesigned grantee mentoring fee hour. The one-hour event continues to include updates on quarterly grantee mentor returns with the addition of information related to aritable giving strategies and the latest developments from Washington and ming philanthropy.

ETCF Donors Tour Area Nonprofits

In the fall of 2015, Gregg County donors had the privilege to tour a handful of Longview nonprofits. Donors viewed recent renovations and new construction at nonprofits that had received grants from East Texas Communities Foundation.
Giving Options Help Donors Achieve Their Charitable Goals.

ETCF works with individuals, families, businesses, financial advisors and non-profit organizations to create charitable funds which support a wide variety of community causes and individual philanthropic interests.

Unrestricted Fund

The Unrestricted Charitable Fund offers the broadest option for charitable giving in your community. This fund is used to address the community’s most pressing needs, as those needs change over time. By making a gift or bequest to the unrestricted fund, you are helping support East Texas charities to address the most relevant needs of our community—forever.

Field-of-Interest Fund

Field of Interest Funds benefit many charitable organizations within a defined category of interest. You may choose a certain geographic area or an area of need—including health care, disaster relief, homelessness, education, the environment and many others.

Project Fund

A Project Fund can be customized to support a specific charitable program or project. For example, this fund could be used as a financial investment tool during a capital campaign or construction project for a nonprofit organization—either as a one-time gift or as a multi-year program or initiative. The fund can receive contributions and make distributions based on a schedule that best fits the needs of the project.

Donor Designated Fund

A Donor-Designated Fund is similar to a Donor-Advised Fund, but it focuses on a single charity. The advisor may recommend grants to support the organization at any time from income and principal. Funds remain invested, earning income to support the charity’s mission.
<table>
<thead>
<tr>
<th>Scholarship Fund</th>
<th>Nonprofit Endowment</th>
<th>Donor-Advised Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships are often established by individuals or organizations to support their academic interests or memorialize a loved one. Scholarship funds allow support for a certain school or field of study to perpetuate through a deserving student’s education.</td>
<td>Nonprofit organizations and their supporters can establish a permanent endowment fund to support a charity in perpetuity. ETCF provides investment management and can help charities receive complex assets such as real estate or business interests.</td>
<td>Donor-Advised Funds are a flexible and easy way to support the organizations and issues you care about—both now and in the future.</td>
</tr>
<tr>
<td>Businesses and civic groups may set up scholarship funds to encourage students to pursue a related field of study, honor a founder or long-time employee, or to encourage the next generation of community leaders.</td>
<td>An endowment fund sends the message to the community that an organization is building for the future. The fund can be established by the organization or by an individual donor for the benefit of a specific nonprofit.</td>
<td>As a donor, you may make gifts to your fund at any time, taking a tax deduction for the year in which the gift is made. You, or your designated advisor, may then make grant recommendations at any time from the fund to charities of your choice.</td>
</tr>
<tr>
<td>All permanent scholarship funds receive the benefit of the Foundation’s professionally managed investment program.</td>
<td>ETCF offers both permanent and non-permanent endowment options.</td>
<td>A donor-advised fund may be created by an individual, family, group, or organization to support public charities that are effectively addressing community issues.</td>
</tr>
</tbody>
</table>
**Why Choose ETCF? Compare your options.**

ETCF is a public charity, governed by a board of community leaders. We offer several advantages not available to private foundations— including, for example, higher tax deductibility for charitable contributions. A summary comparison of your charitable options can be reviewed below.

<table>
<thead>
<tr>
<th>Gifts-Options and Considerations</th>
<th>Direct Gift to Charity</th>
<th>Private Foundations</th>
<th>East Texas Communities Foundation</th>
<th>Supporting Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount Deductible</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publicly Traded Securities</td>
<td>FMV*</td>
<td>FMV*</td>
<td>FMV*</td>
<td>FMV*</td>
</tr>
<tr>
<td>Other Appreciated Property</td>
<td>FMV*</td>
<td>Limited to Cost Basis</td>
<td>FMV*</td>
<td>FMV*</td>
</tr>
<tr>
<td><strong>Percentage Limitations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Gifts</td>
<td>50% of AGI**</td>
<td>30% of AGI**</td>
<td>50% of AGI**</td>
<td>50% of AGI**</td>
</tr>
<tr>
<td>Appreciated Property</td>
<td>30% of AGI**</td>
<td>20% of AGI**</td>
<td>30% of AGI**</td>
<td>30% of AGI**</td>
</tr>
<tr>
<td><strong>Other Considerations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excise Tax on Investment Income</td>
<td>No Investment Income</td>
<td>1% - 2%</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Excess Business Holding Limitations</td>
<td>N/A</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Donor Control</td>
<td>Full</td>
<td>Legal</td>
<td>Advisory</td>
<td>Minority of board members</td>
</tr>
<tr>
<td>Anonymity</td>
<td>Yes</td>
<td>No. Must file detailed returns on grants, investments, fees, salaries, etc.</td>
<td>Yes. Donors and grants can be private. Foundation can serve as a buffer between donor and grant-seekers</td>
<td>Limited</td>
</tr>
<tr>
<td>Distribution Requirement</td>
<td>No</td>
<td>Yes- 5% annually</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Incorporation, Tax Exemption, Audit/ Tax Returns, Directors/ Officers Insurance, Grants Management, Compliance</td>
<td>Not Applicable</td>
<td>Responsible for all functions; foundations less than $3 million have average expenses ranging from 3-5%, decreasing as the assets grow larger</td>
<td>ETCF handles all administration and investment management with a tiered fee ranging from 1.31-2.25%, decreasing as the assets grow larger</td>
<td>Attached to Communities Foundation yet remains independent- fees are generally between private foundations and communities foundations</td>
</tr>
<tr>
<td>Primary Disadvantages</td>
<td>Timing –Gift must be made in same year as income to maximize tax benefits</td>
<td>Compliance, tax reporting, annual payout requirements, tax on investment income, contribution restrictions.</td>
<td>Advisory vs. Ownership control</td>
<td>Minority control, does not eliminate separate accounting and tax reporting</td>
</tr>
<tr>
<td>Primary Advantages</td>
<td>Control, family identity</td>
<td>Control, independence, family identity, administrative compensation permitted</td>
<td>Deductibility, nonprofit knowledge, flexibility, permanence, tax-free growth, and no administration</td>
<td>Deductibility, separate board, family identity, more apparent control</td>
</tr>
</tbody>
</table>

*Fair Market Value **Adjusted Gross Income
### Partial List of ETCF Funds

#### Donor-Advised Funds
- Anonymous (T)
- Adams Family Donor Advised Fund
- Allison Family Donor Advised Fund
- Amy and Tom Wolden Donor Advised Fund
- Anderson-Vukota Donor Advised Fund
- Ashley Prewitt Trust Charitable Fund
- Bagot Family Charitable Fund
- Barbara and Billy Bass Charitable Fund
- Betty Danielson Memorial Fund for Youth
- Brad and Ann Brookshire Donor Advised Fund
- Brian & Jan Hancock Donor Advised Fund
- Brown Family Donor Advised Fund
- Bullard Rotary Charitable Fund
- Burnie Schultz Memorial Fund
- Burk Family Fund
- Cait and Evelyn Rochow Donor Advised Fund
- Carl and Bern Hard Family Donor Fund
- Giorgetti Family Donor Advised Fund
- Cynthia and Whit Rite Donor Advised Fund
- Daron Fund
- Dr. and Mrs. Charles Gordon Donor Advised Fund
- Elizabeth Faukler Krivan Donor Advised Fund
- Blanca Mermex Magic Grants Fund
- F. William and Mary Jin Martin Donor Advised Fund
- Frances and Thomas Swallow Donor Advised Fund
- Fred and Betty Budde and Martha Buell Fund
- Fred and Carol Smith Family Donor Advised Fund
- Gary and Lisa Gross Donor Advised Fund
- Gerard Family Donor Advised Fund
- Glima Barret Charitable Fund
- Greater Longview United Way Donor-Advised Fund
- Harold and Rosemary Beard Donor Advised Fund
- Harry and Gay Valsaco Donor Advised Fund
- HPP Fund
- Hunt Family Charitable Fund
- Hurst Family Fund
- Isadore Rosenthal Donor Advised Fund
- J. L. Guillet, Jr. Donor Advised Fund
- Jackson Family Charitable Fund
- Jeffrey and Atiya Austin Donor Advised Fund
- John Dimond IV Charitable Fund
- Joyce and Zeke Greenberg Donor Advised Fund
- Joyce Burdick Donor Advised Fund
- Kates Foundation
- Karen Faulkner Key Donor Advised Fund
- Kishangiri Charitable Donor Advised Fund
- Katherine Vigneron Charitable Fund
- Ken and Joyce Roody Donor Advised Fund
- Kirk and Gay Brooker Donor Advised Fund
- LeGrande and Cassandra Northcutt Donor Advised Fund Level 2 Fund
- Linda R. Thomas Donor Advised Fund
- Louis and Peaches Own Donor Advised Fund
- Loyalty Donor Advised Fund
- LuJan Family Charitable Fund
- Marilyn and John Glass Charitable Fund
- Marilyn Joan Brinkman Donor Advised Fund
- Mauldin Family Donor Advised Fund
- McCook Family Grieving Fund
- McSwain Family Charitable Fund
- Michael and Fritter McNally Donor Advised Fund
- Nichols Family Fund
- Olivia Smith ‘For Good’ Donor Advised Fund
- Pam and Thomas Smith Donor Advised Fund
- Phoenix Donor Advised Fund
- Presley C. and Virginia B. Hudson Donor Advised Fund
- R.F. & Jessie Shaw Foundation
- Ramey Family Fund
- Rastenberg Family Charitable Fund
- Roger and Yvette Gonzalez Donor Advised Fund
- Roy and Helen Halmark Fund
- Sam Roos Foundation
- Schubert Family Memorial Endowment Fund
- Shirley and Don Chase Donor Advised Fund
- Sidney and Anna Lee Allen Charitable Fund
- Stacy and Rand Martin Family Charitable Fund
- Suzanne Hunt Davis Donor Advised Fund
- Terry Family Donor Advised Fund
- The River Fund
- Thomas W. Bochow, MD Donor Advised Fund
- Tim and Michelle Brookshires Family Fund
- Tim Hayward Medical Lecture Fund
- TransCanada Charitable Fund
- Vicki and Tony Morgan Charitable Fund
- William Pitts Donor Advised Fund
- Woodward Family Charitable Fund
- Youth Challenge Memorial Fund

#### Nonprofit Endowment Funds*

**A. M. and Liliana Brown Memorial Fund**
- Alarnica’s Alliance of NE Texas, Inc. Endowment Fund
- American Freedom Museum Endowment Fund
- Aedyce Endowment Fund
- Ben E. Baird Endowment Fund
- Bethesda Health Clinic Endowment Fund
- Bill R. Swetmon Educational Endowment Fund
- Boys and Girls Club of East Texas Endowment Fund C.C. and Berta Baker Endowment Fund for PATH
- Camp Tyler Outdoor School Endowment Fund
- Carter Foundation for Life Endowment Fund
- Children’s Village Endowment Fund
- David G. Brathwaite Char in Biochemistry Endowment Fund for UT Tyler-Dermatology Associates of Tyler Minority Scholarship Fund for All Saints Episcopal School of Tyler
- Discovery Science Place Endowment Fund
- East Texas Community Foundation Administrative Endowment Fund
- East Texas Crisis Center, Inc. Endowment Fund
- East Texas Symphony Orchestra Endowment Fund
- Edgewood Heritage Park Permanent Endowment
- Edgewood Heritage Park Reserve Fund
- Edward Family Endowment for Tyler Family Assistance Center at First Baptist Church

**First Baptist Downtown Missions Ventures Endowment Fund**
- Frances Larkin Goff Tyler ISD Fine Arts Endowment
- Greater Longview United Way Endowment Fund
- Habitat For Humanity, Of Smith County, Texas Endowment Fund
- Heart of Tyler Endowment Fund
- Helen Graham Endowment for Hospice of East Texas
- Helen Graham Endowment for Mau/UNMC Mssons
- Helen Graham Endowment for Tyler Animal Shelter
- Historic Tyler, Inc. Endowment Fund
- Hospice of East Texas
- Jay B. and Linda Gray Gregg County Animal Shelter Endowment
- John Williams Endowment for East Texas Symphony Orchestra Association 2023-2024
- John L. and Mary M. Tracy Endowment for East Texas Crisis Center
- John L. and Mary M. Tracy Endowment Fund for Aedawey
- John Williams Trust Leg Cabin Endowment Fund
- Juridic League of Tyler's Beauvoir Beaux Scholarship Endowment
- Kevin and Kelly Ellis Scholarship Funded for Texas College
- Kilgore Reach of MHFA/Teater Tyler Endowment Funds
- Kids Quest for Mission Endowment Fund
- Lindsie ISD Education Foundation Endowment Fund
- Lindsey ISD Education Foundation Endowment Fund
- Lindsey Polk and Farmer's Endowment Fund
- Literary Council of Tyler Adult Literacy Endowment Fund
- Literary Council of Tyler Operating Reserve Fund
- Longview Historical Society Endowment Fund
- Martin Family Fund for the United Way of Tyler/Smith County
- Meals on Wheels Endowment Fund
- Nacogdoches Area United Way Endowment Fund
- PATH Endowment Fund
- Ritter Board Endowment Fund for East Texas Crisis Center
- Smith County Bar Foundation Endowment Fund
- South Tyler Rotary Foundation Endowment Fund
- The ARC of Smith County Endowment Fund
- The Children’s Park Endowment Fund
- The Texas Chest Foundation Fund
- Therapeutic Endowment Fund
- Trinity School of Texas Athletic Endowment
- Trinity School of Texas Bridgegate Lee Health Scholarship
- Trinity School of Texas Buchanan Teacher Award

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*Some nonprofit endowment funds may permit the beneficiary organization to access principal under certain circumstances. Please call if you have questions prior to making a gift to one of these existing funds.*

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**Scholarship Funds**

- Art Excellence Scholarship Fund
- Partners in Arts Scholarship Fund
- A. D. and Mary Winston Scholarship Fund
- Adam Carroll Scholarship Fund
- Alex Fleming Infinity Scholarship Fund
- Allen and Nancy Locklin Scholarship Fund
- Barbara Bass Early Critics' Scholarship Fund
- Ben and Florence Ramsey Scholarship Fund
- Christopher Lyon Memorial Scholarship Fund
- Citizens 1st Bank/Parkinson Foundation State Employees’ Children’s Scholarship
- David G. and Jacqueline M. Brathwaite Medical Vo-Tech Scholarship Fund
- David G. and Jacqueline M. Brathwaite Scholarship in Chemistry
- David G. and Jacqueline M. Brathwaite Scholarship in Medicine, Biotechnology and Veterinary Medicine
- Don Stevenson Memorial Scholarship
- Dr. Elbert R. Cates Scholarship Fund
- Earl Campbell Tyler Junior High School Scholarship Fund
- East Texas Geological Society Scholarship Fund
- Frederick Michael Nashman Memorial Scholarship
- Gay Wey Memorial Scholarship Fund
- Gladys and Thomas ‘T.B.’ Stewart Scholarship Fund
- Glenn and Vivian Prater Memorial Scholarship Fund
- JU. Gilley, Jr., ‘Texas Tech’ Scholarship Endowment
- Jackson House Scholarship Fund
- Jacqueline M. Brathwaite Scholarship Fund for the TJC School of Nursing
- Jay J. Pogue Science and Technology Scholarship Fund
- Juliette Low’s Amazing Girls Scholarship Fund
- Kathy’s Kids Scholarship Fund
- Kirsten & Joey Seibler Scholarship Fund
- Laurin Lewis Memorial Scholarship Fund
- Leslie Reis Memorial Scholarship Fund
- Natural Gas Society of East Texas Scholarship Fund
- Peace Officers and Firefighters Scholarship Fund
- Retail Merchants Association Scholarship Fund
- Richard B. and Mary Lou Hamm Scholarship Fund
- Roy & Betty Erickson Scholarship Fund
- Sawmills Football Scholarship Fund
- Samsung Math, Science and Technology Scholarship Fund
- Samsung Scholarship Fund
- Shangri-La Utilities Scholarship Fund
- Sheryl A. Wills MD Medical Scholarship Fund
- Smith County Baptist Minister Scholarship Fund
- Smith County Endowment Fund
- The Gerald and Charlie Stoker Memorial Scholarship Fund
- Tiffany Lynn Zaccharia Memorial Scholarship Fund
- Tim King Memorial Scholarship Fund
- Tyler Cleaners Police Academy Alumni Scholarship Fund
- Winifred K. Geigle Scholarship Fund

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**Field of Interest Funds**

- Arts East Texas Field of Interest Fund
- Ball Campout Field of Interest Fund
- Burt Carol Marans Charitable Fund
- East Texas Human Needs Network Fund
- East Texas Scholarships Fund
- Education East Texas Scholarship Fund
- Interact Clubs of Smith County Endowment Fund
- Rotary Club of Smith County Foundation
- Youth Leadership Smith County Endowment Fund
- Winifred K. Geigle Scholarship Fund

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*ETCF 2015 Annual Report – 11*
At ETCF, we understand the importance of the roles of various professional advisors in a donor’s charitable giving. We welcome the opportunity to partner with a regional network of accomplished professionals with expertise in tax law, estate planning, accounting, wealth management and financial planning.

“East Texas Communities Foundation is a powerful resource for me to use in advising clients regarding their financial future. East Texas Communities Foundation is a tool that allows me to communicate with my clients about the universe of charitable possibilities that exists for their family without the undertone of pushing for contributions to a particular cause or charity.”

—Rick Allen, CPA
Henry & Peters, PC


Craig Adams, attorney at Adams & Coker P.C., spoke to area advisors about practical application of charitable funds during ETCF’s spring education series, Elements of Philanthropy.

ETCF is the charitable arm of your professional advisory team, supporting you and your clients through every step of the giving process while you retain complete control of your client relationships.

We can help:

- identify your clients’ charitable giving interests and goals.
- match personal charitable interests with tax planning needs.
- create and implement charitable plans integrated with major business, personal and financial decisions.
- provide information on community needs and on the agencies and programs that are of greatest interest to your clients.
Investments

**Strategy:** East Texas Communities Foundation’s investment strategy is designed to provide a predictable and stable return for grant-making, while maintaining the purchasing power of the Foundation’s assets over the long-term. The Foundation’s goal is to enable our donors to achieve both their philanthropic and financial objectives.

**Portfolios:** In order to meet the philanthropic objectives of various funds, donors can recommend one of six professionally-managed investment portfolios. Donors may select an actively-managed investment portfolio or a portfolio of passive index funds following one of three investment strategies as described below.

### CONSERVATIVE
![Conservative Portfolio Diagram]

Objective: preservation of capital and maintenance of purchasing power

- **conservative**
- 80% Bonds
- 20% Equities

The conservative portfolio is recommended for funds which are expected to distribute income and principal in the short-term. Any distributions made from funds invested in the conservative portfolio will likely include “principal” distributions.

### MODERATE
![Moderate Portfolio Diagram]

Objective: maintain purchasing power and provide growth of capital and income

- **moderate**
- 60% Bonds
- 40% Equities

Long-term funds such as nonprofit endowment funds and scholarship funds are typically invested in the Moderate Portfolio to meet annual distribution requirements.

### GROWTH
![Growth Portfolio Diagram]

Objective: capital appreciation

- **growth**
- 20% Bonds
- 80% Equities

Recommended for endowed or non-endowed funds which desire a higher potential spending rate and are willing to endure a higher level of volatility.

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Our investment committee, made up of community volunteers, works with a team of professional investment advisors to guide the investment strategy of the Foundation. Committee members are:

- Thomas Smith, CPA, CFP, CLU, Senior Vice President and Wealth Advisor, RBC Wealth Management, *Investment Chair*
- Thomas M. Woldert, Co-Owner, RE/MAX Tyler
- Bob Dyer, Vice-Chairman & CEO, BTH Bank
- Tony Morgan, CPA, Founding Partner, Gollob Morgan Peddy
- Alan Roseman, CPA, Roseman Wealth Advisors
- Steve Roosth, President, Roosth Production Company
- James Richard Allen, CPA, Shareholder, Henry and Peters, P.C.
- A.W. “Whit” Riter, III, President, Riter Management Co., L.C.
- Douglas G. Bolles, Executive Vice President, Southside Wealth Management, Advisory Member

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**Interested in recommending your investment advisor?**

Donors contributing funds with balances of $500,000 or greater may recommend the funds be invested with an outside manager. ETCF’s Investment Committee is eager to work with outside investment advisors to help donors reach their charitable goals.
2015 Grants by Area of Interest

<table>
<thead>
<tr>
<th>Area of Interest</th>
<th>Grant Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>$1,997,000</td>
</tr>
<tr>
<td>Human Services</td>
<td>$1,044,000</td>
</tr>
<tr>
<td>Religion</td>
<td>$917,000</td>
</tr>
<tr>
<td>Health</td>
<td>$467,000</td>
</tr>
<tr>
<td>Arts/Culture</td>
<td>$360,000</td>
</tr>
<tr>
<td>Other</td>
<td>$276,000</td>
</tr>
<tr>
<td>Youth Development</td>
<td>$197,000</td>
</tr>
<tr>
<td>Other</td>
<td>$276,000</td>
</tr>
<tr>
<td>Philanthropy</td>
<td>$24,000</td>
</tr>
</tbody>
</table>

Total Grants: $5,282,000

Assets 2007 - 2015 in millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Assets (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$36.6</td>
</tr>
<tr>
<td>2008</td>
<td>$27.9</td>
</tr>
<tr>
<td>2009</td>
<td>$40.1</td>
</tr>
<tr>
<td>2010</td>
<td>$44.9</td>
</tr>
<tr>
<td>2011</td>
<td>$47.7</td>
</tr>
<tr>
<td>2012</td>
<td>$53.3</td>
</tr>
<tr>
<td>2013</td>
<td>$66.2</td>
</tr>
<tr>
<td>2014</td>
<td>$70.4</td>
</tr>
<tr>
<td>2015</td>
<td>$75.7</td>
</tr>
</tbody>
</table>

2015 Financial Summary

Total Assets 12/31/14: $70,438,697
2015 Contributions: $11,050,999
2015 Grants: ($5,290,150)
Net Investment Activity: $167,848
Net Operating Expenses: ($570,820)
Total Assets 12/31/15: $75,796,574

2015 Number of Funds by Type

2015 Total Funds: 267
2014 Total Funds: 243