



2016 Annual Report
**East Texas
Communities Foundation**



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.

2016 was a year of significant growth as ETCF ended the year with over 300 charitable funds and over \$80 million in charitable assets. We are humbled that so many East Texas individuals and organizations would allow ETCF to assist them in meeting their charitable goals.

2016 was also a year of major grass-roots fundraising as we hosted 225 charities who participated in the inaugural East Texas Giving Day. East Texas Giving Day was a regional online day of fundraising for nonprofit organizations in our 32 county East Texas region. The first event raised \$479,368 for nonprofits serving our communities and you can read more about the achievements of this event on page five of this report.

We are grateful for the many professional advisors throughout East Texas who understand the wide variety of ways ETCF can assist their clients with their personal charitable interests. It is our pleasure to work with donors and their teams of caring professional advisors to help them experience the joy of charitable giving.

We look forward to the opportunity to work more closely with you this year.



Kyle L. Penney
President,
East Texas Communities Foundation



Doug Bolles
Board Chairman,
East Texas Communities Foundation

Animals: The Longview Animal Care and Adoption Center opened on July 1, 2016. ETCF fund holders supported this project by making grants in excess of \$25,000.



Youth Development is at the core of the programs offered by The First Tee of Greater Tyler. A \$1,000 grant from ETCF gave Hogg Middle School students the opportunity to learn character building traits.



Arts & Culture: The Evans-Merrick Charitable Fund recently made a grant to the Mt. Vernon Music Association for their children's concert series. The program is in collaboration with the Franklin County Library Summer Enrichment Program and is free to the public.

Table of Contents

Donors 4-5
 Nonprofits 6-7
 ETCF Fund Types 8-9
 ETCF Comparison Chart..... 10
 Partial List of Funds.....11
 Professional Advisors 12
 Investments 13
 Financials 14
 Board of Directors..... 15



Excellence. Accountability. Impact.™

Confirmed in Compliance with National Standards
 for U.S. Community Foundations

Our MISSION

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



Human Services: The Paris/Lamar County Habitat for Humanity’s most recent home build received funding from the TransCanada Fund. The grant was used to provide a new concrete drive and sidewalk at the build site.



Community Improvement is at the heart of the mission of East Texas Center for Nonprofits (ETCN), a program of the United Way of Smith County. ETCN was awarded a grant from the Retail Merchants Charitable Fund to be used towards capacity building training for area nonprofits.

Education The Spence Foundation created the Mary John Spence Endowment with a \$1,000,000 check presentation.



DONORS

–Simplified Giving that makes an impact

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.



ETCF hosted their annual donor education event in the fall of 2016. Bryan Clontz, nationally recognized speaker, shared with donors why he considers donor-advised funds the “swiss-army knife” of giving. ETCF guests pictured left to right: Tom and June Lowery, Fritter and Mike McNally.



ETCF staff, board and fund holders celebrated National Philanthropy Day hosted by the East Texas Chapter of the Association of Fundraising Professionals in November at Willow Brook Country Club. Pictured standing is Kyle Penney with Harry and Gail Wallace.



A community-wide campaign called “We Back Our Law Enforcement” began in early Fall 2016. The fund was created to purchase rifle-resistant vests for Tyler and Smith County law enforcement officers. The goal to raise \$204,000 was achieved in a few short weeks.

ETCF Scholarship Recipients 2016

ETCF awarded 112 scholarships in 2016 from 41 funds totaling over \$180,800. Students were selected from a pool of almost 1,200 applicants.



2016 Scholarship recipients include: (1) Ashley Ayala receives a hug from Bill Taylor, one of the founders of the Kathy’s Kids Scholarship, (2) Samantha Pan, recipient of the Roy and Betty Erickson Scholarship, (3) Sandy Shephard and Gordon Northcutt congratulate scholarship recipient Kelli Kissinger upon accepting the Juliette Low’s Amazing Girls Scholarship, (4) Antonio Betancourt, recipient of the A.D. and Mary Winston Scholarship, (5) Nyia Young, recipient of the Smith County Baptist Ministers Scholarship.



East Texas Giving Day was held from midnight on May 3, 2016 through 5pm on May 4, 2016. During East Texas Giving Day, nonprofit organizations encouraged their donors and the public to make charitable donations online at www.EastTexasGivingDay.org.

The purpose of an area-wide Giving Day is to bring the region together on one day and as one community, raising money and awareness for East Texas nonprofits. This initiative, organized by East Texas Communities Foundation (ETCF), provides citizens across ETCF's 32-county service area an easy platform to support the mission of local nonprofits that serve our communities

EAST TEXAS GIVING DAY



\$479,368
1678 Gifts

36% of donors indicated they were first-time donors

\$114 Average Gift Amount*

225 TOTAL NUMBER OF NONPROFITS

\$109,000
Matching Funds Raised

TOTAL NUMBER OF COUNTIES **32**

Number of charities with matching funds **51**



Gifts From **22 States** and **2 Countries**



*Numbers only reflect gifts received through EastTexasGivingDay.org and do not reflect gifts by donors made through other online channels.

NONPROFITS

–Improving lives in our communities

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.

Quarterly Nonprofit Education Explains The Importance of Endowment Building

ETCF President Kyle Penney moderated a panel presentation in the fall of 2016, on the importance of endowment building with special guests representing the Literacy Council of Tyler (LCOT).

Topics covered included how endowments can provide long-term annual support as

well as unique legal and fiduciary responsibilities.

The LCOT endowment was created in 2000 as the result of a \$10,000 contribution. The LCOT board carefully reevaluated the fund in 2010 and divided their endowment into three distinct funds.



Pictured left to right: Traci Kenner, Literacy Council of Tyler board member; Michelle Brookshire, Literacy Council of Tyler board member; Nancy Crawford, Executive Director of Literacy Council of Tyler.



Youth Development: ETCF fund holders granted \$10,000 to the East Texas Area Council of the Boy Scouts of America for Cub Scout recruitment, camping and other scouting activities.



Education: Texas College was awarded a \$20,000 grant from the Retail Merchants Association of Tyler Charitable Fund to provide writing workshops and seminars for both non-traditional and traditional students. The Retail Merchants Association of Tyler was established at the Foundation to provide annual grants to support designated charities within Smith County.



Animals: Sunrise Paw Park received over \$27,000 in grants from funds held at ETCF. The Sunrise Paw Park is a joint project between the Tyler Sunrise Rotary Club and the Anderson-Vukelja Foundation, a family foundation based in Tyler. The foundation donated the land, and the Rotary Club will help with fundraising and ongoing maintenance of the park.

As a fellow nonprofit, the East Texas Communities Foundation is keenly aware of the funding challenges facing charitable organizations. ETCF can assist nonprofits in two significant ways. First, in its role as grant maker, ETCF has distributed millions of dollars to nonprofits. Second, ETCF assists the nonprofit sector through careful stewardship of endowments for charitable agencies. If you are a staff member, board member, volunteer, or advisor of a nonprofit organization, you may find that placing an endowment with East Texas Communities Foundation is a cost-effective and practical way to manage and build your endowment.



ENDOWMENT

Building For The Future— Now.



1. Create the Endowment: Endowments are an attractive option to donors, particularly those who wish to make large gifts or leave a gift by bequest, since their donation is invested in perpetuity and only annual income is expended for short term operating costs. Even a small endowment is a seed to which your organization and its supporters can add.



2. Build the Endowment: East Texas Communities Foundation's endowments are managed by professional investment managers chosen by its Investment Committee for their expertise. Because the funds are pooled for investment purposes, agency endowments at ETCF obtain lower fees, greater diversification of investments to protect against market fluctuations, and more efficient investment than endowments that are invested separately. ETCF is able to handle gifts of publicly traded and closely-held securities, real estate, life insurance, and more while providing the expertise needed to receive these types of gifts into your agency endowment.

3. Partners for Future Growth: East Texas Communities Foundation advocates endowment building because this source of permanent capital helps organizations plan for a stable and secure future. Almost 100 nonprofit organizations are already building endowments with us to benefit their organizations. Nonprofit Endowment funds provide organizations with a reliable, ongoing source of financial support.



Giving Options Help Donors Achieve Their Charitable Goals.

East Texas Communities Foundation (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. ETCF offers 7 charitable fund types:



Field of Interest Funds

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.

Mary Lynn Smith, ETCF Program Director, receives training from David Smith, Coordinator of the Simulation Lab at SFA School of Nursing, on the proper technique for inserting a needle for an IV. The mannequin arms were purchased by the school through a grant from the Roy & Betty Erickson Fund for Nursing held at East Texas Communities Foundation. The Roy & Betty Erickson Fund for Nursing was created as a Field of Interest fund in 2010 through the estate of Roy Erickson. The fund was created to benefit the field of nursing in East Texas.

Donor-Advised Funds

Donor-Advised Funds are a flexible and easy way to support the organizations and issues you care about—both now and in the future. 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. A donor-advised fund may be created by an individual, family, group, or organization to support public charities that are effectively addressing community issues.



Thanks to a grant from the Harry and Gail Wallace Donor-Advised Fund held at ETCF, the community foundation helps to keep the symphony in beat. Each year a grant is made to the East Texas Symphony Orchestra for the purpose of funding the Principal Percussion Chair. The Wallace Donor-Advised fund supports many organizations across East Texas ranging from human services and health to community improvement.

Unrestricted Funds

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.

Project Funds

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

Nonprofit Endowments

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. 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. ETCF offers both permanent and non-permanent endowment options.



Bethesda Health Clinic opened its doors in 2003 with a mission to provide healthcare to hardworking low-income adults who are uninsured or under-insured. In 2013, the Board of Bethesda along with clinic leadership, created the Bethesda Health Clinic Endowment Fund.



Scholarship Funds

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. 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. All permanent scholarship funds receive the benefit of the Foundation's professionally managed investment program.

Gary's friends and family established the Gary Neel Memorial Scholarship fund as a legacy to Gary so that deserving Robert E. Lee High School graduates may be able to attend the University of Texas

Gary was a very proud and passionate 1972 graduate of Robert E. Lee High School and 1976 graduate of the University of Texas at Austin. At the time of his death, he was a senior district manager at a major pharmaceutical company. His sensitivity, humility, and quiet strength were manifested in his love for his wife, family, co-workers and friends.



Robert E. Lee senior, Carlos Villapudua was awarded the Gary Neel Memorial Scholarship. Pictured with Carlos is Ann Brookshire. She and her husband Brad helped create the scholarship in memory of their friend.

Donor Designated Funds

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.

The Carolyn F. Hyman Fund at East Texas Communities Foundation was created in 2009 through her estate. Upon advice from her professional advisor, Ms. Hyman created a donor-designated fund that would continue to make grants after her death to many of her longtime favorite charities, including the Humane Society of Angelina County, St. Paul Children's Foundation, Hospice of East Texas, Congregation Beth El and more.



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.

Gifts-Options and Considerations	Direct Gift to Charity	Private Foundations	East Texas Communities Foundation	Supporting Organizations
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Amount Deductible

Publicly Traded Securities	FMV*	FMV*	FMV*	FMV*
Other Appreciated Property	FMV*	Limited to Cost Basis	FMV*	FMV*

Percentage Limitations

Cash Gifts	50% of AGI**	30% of AGI**	50% of AGI**	50% of AGI**
Appreciated Property	30% of AGI**	20% of AGI**	30% of AGI**	30% of AGI**

Other Considerations

Excise Tax on Investment Income	No Investment Income	1% – 2%	None	None
Excess Business Holding Limitations	N/A	Yes	Yes	Yes
Donor Control	Full	Legal	Advisory	Minority of board members
Anonymity	Yes	No. Must file detailed returns on grants, investments, fees, salaries, etc.	Yes. Donors and grants can be private. Foundation can serve as a buffer between donor and grant-seekers	Limited
Distribution Requirement	No	Yes– 5% annually	No	No
Incorporation, Tax Exemption, Audit/ Tax Returns, Directors/ Officers Insurance, Grants Management, Compliance	Not Applicable	Responsible for all functions; foundations less than \$3 million have average expenses ranging from 3-5%, decreasing as the assets grow larger	ETCF handles all administration and investment management with a tiered fee ranging from 1.31-2.25%, decreasing as the assets grow larger	Attached to Communities Foundation yet remains independent– fees are generally between private foundations and communities foundations
Primary Disadvantages	Timing –Gift must be made in same year as income to maximize tax benefit	Compliance, tax reporting, annual payout requirements, tax on investment income, contribution restrictions.	Advisory vs. Ownership control	Minority control, does not eliminate separate accounting and tax reporting
Primary Advantages	Control, family identity	Control, independence, family identity, administrative compensation permitted	Deductibility, nonprofit knowledge, flexibility, permanence, tax-free growth, and no administration	Deductibility, separate board, family identity, more apparent control

Partial List of ETCF Funds

Donor-Advised Funds

Anonymous Donor-Advised Fund (8)
 Adams Family Donor-Advised Fund
 Sidney and Anna Lee Allen Charitable Fund
 Allison Family Donor-Advised Fund
 Anderson-Vukelja Donor-Advised Fund
 Jeff and Sissy Austin Donor-Advised Fund
 Bagot Family Charitable Fund
 Barbara and Billy Bass Charitable Fund
 Harold and Rosemary Beaird Donor-Advised Fund
 Carl and Evelyn Bochow Donor-Advised Fund
 Thomas W. Bochow, MD Donor-Advised Fund
 Marilyn Joan Brinkman Donor-Advised Fund
 Brad and Ann Brookshire Donor-Advised Fund
 Kirk and Gay Brookshire Fund
 Tim and Michelle Brookshire Donor-Advised Fund
 Brown Family Donor-Advised Fund
 Mr. and Mrs. Frank Budde Donor-Advised Fund
 Herbert & Melvina Buie Family Fund
 Joyce Buford Donor-Advised Fund
 Bullard Kids' Park (Bullard Rotary Charitable Fund)
 Burt Family Fund Donor-Advised Fund
 Shirley and Donald Chase Donor-Advised Fund
 Cordell Family Donor-Advised Fund
 Suzanne Hunt Davis Donor-Advised Fund
 Denarii Fund Donor-Advised Fund
 Dent Charitable Fund
 John Dimond IV Charitable Fund
 Karleen Draper Donor-Advised Fund
 Evans Merrick Music Grants Fund
 Larry and Dana Fleming Charitable Fund
 Gerard Family Donor-Advised Fund
 Emily and Gerald Gibson Fund
 Marilyn and John Glass Charitable Donor-Advised Fund
 Roger and Yvette Gonzalez Donor-Advised Fund
 Dr. and Mrs. Charles Gordon Donor-Advised Fund
 Greater Longview United Way Donor-Advised Fund
 Joyce and Zelik Greenberg Donor-Advised Fund
 Gary and Lisa Gross Donor-Advised Fund
 J.L. Gulley, Jr. Donor-Advised Fund
 Roy and Helen Hallmark Fund
 Brian and Jan Hancock Donor-Advised Fund
 Tim Hayward Medical Lecture Fund
 HPP Donor-Advised Fund
 Presley C. and Virginia B. Hudson Donor-Advised Fund
 Hurst Family Donor-Advised Fund
 Hurst Family Charitable Fund
 H.T. and Laura Hyde Charitable Fund
 Jackson Family Charitable Fund
 Kalos Foundation
 Kashanebo Charitable Fund
 Karen Faulkner Key Donor-Advised Fund
 Elizabeth Faulkner Kirwan Donor-Advised Fund
 Level 2 Fund
 Lowery Donor-Advised Fund
 Lujan Family Charitable Fund
 Stacy and Reid Martin Family Charitable Fund
 F. William and Mary Jo Martin Donor-Advised Fund
 Mauldin Family Donor-Advised Fund
 McCook Family Giving Fund
 Michael and Fritter McNally Donor-Advised Fund
 McSwane Family Charitable Fund
 Nichols Family Donor-Advised Fund
 LeGrande and Cassandra Northcutt Donor-Advised Fund
 Louis and Peaches Owen Donor-Advised Fund
 Phoenix Fund
 William Pirtle Donor-Advised Fund
 Raabe Family Charitable Fund
 Ramey Family Donor-Advised Fund
 Riehm Family Fund
 Riestenburg Family Charitable Fund
 Cynthia and Whit Riter Donor-Advised Fund
 The River Fund
 Ken and Joyce Roddy Donor-Advised Fund
 Isadore Roosth Donor-Advised Fund
 Sam and Celia Roosth Donor-Advised Fund
 Bunnie Schulz Memorial Fund
 R.F. & Jessie Shaw Foundation
 Fred and Carol Smith Family Donor-Advised Fund
 Olivia Smith "For Good" Fund
 Pam and Thomas Smith Donor-Advised Fund
 Elizabeth and Ben Sutton Charitable Fund
 Frances and Thomas Swann Donor-Advised Fund
 Terry Family Fund
 Linda Ryan Thomas Donor-Advised Fund
 TransCanada Charitable Fund
 Ashley Prothro Trant Charitable Fund
 Katherine Vigneron Charitable Fund
 Harry and Gail Wallace Donor-Advised Fund
 Cecil and Bernie Ward Family Donor-Advised Fund
 Gertrude Windsor Garden Club Fund
 Amy and Tom Woldert Donor-Advised Fund

Woodward Family Charitable Fund
 Youth Challenge Memorial Fund Donor-Advised Fund

Donor-Designated Funds

Sara-Catherine Shirley AMBUCS Scholarship
 American Freedom Museum Designated Fund
 The ARC of Smith County Designated Fund
 Bergfeld Park Fund
 Bethesda Health Clinic Designated Fund
 Brownsboro ISD Education Fund
 Budde Family Designated Fund
 Choir School of East Texas Designated Fund
 City of Canton Park Foundation
 City of Tyler Park Foundation
 Janette L. Collard FBC Chandler Donor-Designated Fund
 Dennis and Terry Darryl Temple Beth El Donor-Designated Fund
 Carol F. Hyman Donor Designated Fund
 Literacy Council of Tyler Donor-Designated Fund
 Lowery Public Health District Designated Fund
 Luther's Children Educational Fund
 PATH Building Fund
 Smith County Bar Foundation Designated Fund
 D. Coulter Templeton Fund
 Therapet Administrative Reserve Fund
 Therapet Designated Fund
 Therapet Land and Building Reserve Fund
 Therapet Operating Reserve Fund
 John Wingate Truitt Log Cabin Fund
 Tributary Retreat Center Donor Designated Fund
 Tyler Biking/Hiking Trails Fund
 Tyler Junior Golf Foundation Donor-Designated Fund
 Winstboro Community Resource Center Designated Fund

Nonprofit Endowment Funds*

Dermatology Associates of Tyler Minority Scholarship Fund
 for All Saints Episcopal School of Tyler Endowment Fund
 Alzheimer's Alliance of NE TX, Inc. Endowment Fund
 American Freedom Museum Endowment Fund
 The ARC of Smith County Endowment Fund
 Arts East Texas Endowment Fund
 Azleway Endowment Fund
 Bethesda Health Clinic Endowment Fund
 C.C. and Brenda Baker Endowment for PATH
 Tab and Bonnie Beall Tyler ISD Foundation Endowment
 Boys and Girls Clubs of East Texas Endowment Fund
 David G. Braithwaite Chair in Biochemistry fbo UTT
 Endowment Fund
 A.M. and Lillian Brown Memorial Fund for Tyler Day Nurs-
 ery Endowment Fund
 Camp Tyler Outdoor School Endowment Fund
 Cancer Foundation for Life Endowment Fund
 CASA of Trinity Valley Endowment Fund
 The Children's Park Endowment Fund
 Children's Village Endowment Fund
 Discovery Science Place Endowment Fund
 East Texas Crisis Center, Inc. Endowment Fund
 East Texas Symphony Orchestra Endowment Fund
 Edgewood Heritage Park Permanent Endowment Fund
 Edgewood Heritage Park Reserve Fund
 Edwards Family Endowment for Tyler Family Assistance
 Center at First Baptist Church
 First Baptist Downtown (Tyler) Missions Ventures Endow-
 ment Fund
 Greater Longview United Way Endowment Fund
 Habitat for Humanity of Smith County, Texas Endowment
 Fund
 Historic Tyler, Inc. Endowment Fund
 Hospice of East Texas Endowment Fund
 Heart of Tyler Endowment Fund
 Frances Cowan Gibson Tyler ISD Fine Arts Endowment
 Helen Graham Endowment for Hospice of East Texas
 Helen Graham Endowment for Marvin UMC Missions
 Helen Graham Endowment for Tyler Animal Shelter
 Ben E. Jarvis Endowment Fund
 Junior League of Tyler Beverly Beaird Scholarship
 Endowment
 John Evans Endowment for the Benefit of the East Texas
 Symphony Orchestra Association
 John Wingate Truitt Log Cabin Endowment Fund
 Kid Reach of MHA/Greater Tyler Endowment Fund
 Lighthouse for Christ Mission Endowment Fund
 Lindale ISD Education Foundation
 Lindsey Police and Fireman Endowment Fund
 Literacy Council of Tyler Endowment Fund
 Longview Faithful Shepherd Foundation
 Martin Family Fund for United Way of Tyler/Smith County
 Endowment Fund
 Mary John Spence Endowment
 Meals on Wheels Endowment Fund
 Barre and Gene Monigold Fund

Nacogdoches County United Way Endowment Fund
 Newgate Mission Endowment Fund
 Parent Services Center Endowment Fund
 PATH Endowment Fund
 Riter-Beaird Endowment Fund for East Texas Crisis Center
 Rockin' C Ranch Endowment Fund
 Jerald B Sanford Gregg County Animal Shelter Endow-
 ment Fund
 Smith County Bar Foundation Endowment Fund
 South Tyler Rotary Foundation Endowment Fund
 Bill R. Swetmon Educational Endowment Fund
 Texas Chest Foundation Fund
 Therapet Endowment Fund
 John L. and Mary M. Tracy Endowment Fund for Azleway
 John L. and Mary M. Tracy Endowment Fund for East
 Texas Crisis Center
 Trinity School of Texas Athletic Endowment
 Trinity School of Texas Bridgette Lee Hewitt Scholarship
 Endowment
 Trinity School of Texas Buchanan Teacher Award
 Endowment
 Trinity School of Texas Hollandsworth Endowment
 Trinity School of Texas Hamner Scholarship Endowment
 Trinity School of Texas Teacher Endowment
 Trinity School of Texas Travel to Learn Endowment
 Trinity School of Texas Unrestricted Endowment
 Tyler Civic Theater Endowment Fund
 Tyler Day Nursery Endowment Fund
 Tyler ISD Foundation Carnes Scholarship Endowment
 Tyler ISD Foundation Endowment Fund
 Tyler ISD Foundation Maland Scholarship Endowment
 Tyler Rotary Foundation Endowment Fund
 Tyler/Smith County Juvenile Attention Center Endowment
 Fund
 United Way of Tyler/Smith County Endowment Fund
 University of Texas at Tyler Foundation Endowment Fund
 University of Texas at Tyler Foundation Project Fund
 Whitehouse ISD Education Foundation Endowment
 Windridge Therapeutic Equestrian Center of East Texas
 Winstboro Center for the Arts Endowment

Scholarship Funds

Art Excellence Scholarship Fund
 Barbara Bass Early College Scholarship Fund
 David G. and Jacqueline M. Braithwaite General Schol-
 arship
 David G. and Jacqueline M. Braithwaite Scholarship in
 Chemistry
 David G. and Jacqueline M. Braithwaite Scholarship in
 Medicine, Biotechnology, and Veterinary Medicine
 Scholarship
 Jacqueline M. Braithwaite Scholarship Fund for the Benefit
 of the TJC School of Nursing
 David G. and Jacqueline M Braithwaite Medical Vo-Tech
 Scholarship
 Brook Hill Founder's Scholarship Fund
 Dr. Elbert H. Caldwell Scholarship
 Adam Carroll Memorial Scholarship
 Martha J. Critchfield Women in Finance Scholarship Fund
 Citizens 1st Bank/Perkins Family Foundation State Em-
 ployees' Children Scholarship
 Earl Campbell Tyler Rose High School Scholarship
 Frances B. Cowan Fine Arts Scholarship
 R. Don Cowan Music & Performing Arts Scholarship
 East Texas Geological Society Scholarship
 Kevin and Kelly Eltife Scholarship Fund for Texas College
 Roy and Betty Erickson Scholarship Fund
 Alex Fleming Infinity Scholarship
 Winifred K. George Scholarship
 J.L. Gulley, Jr. Texas Tech Scholarship Endowment
 Carroll and Casey Gurganus Scholarship
 Richard B. and Mary Lou Hamm Scholarship
 Jackson Huse Scholarship
 Junior League of Tyler Beverly Beaird Scholarship
 Endowment

Kathy's Kids Scholarship Fund
 Tim King Memorial Scholarship
 Velma Lemons Scholarship Fund
 Lauren Lewis Memorial Scholarship
 Lindale ISD Education Endowment Fund
 Allen and Nancy Locklin Scholarship
 Longview Faithful Shepherd Foundation
 Juliette Low's Amazing Girls Scholarship Fund
 Chris Lyon Memorial Scholarship
 Michael J. McCormick Scholarship Fund
 Frederick Michael Nachman Memorial Scholarship
 Natural Gas Society of East Texas Scholarship
 Gary Neel Memorial Scholarship
 Partners in Arts Scholarship
 Rhonda Penry Scholarship Fund
 Glenn and Vivian Prater Memorial Scholarship Fund
 Ben and Florine Ramsey Scholarship Fund
 Leslie Reid Memorial Scholarship
 Retail Merchants Association Scholarship
 Kristen and Joey Seeber Scholarship
 Sharyland Utilities Scholarship
 Smith County Baptist Ministers' Children's Scholarship
 Gladys and Thomas "T.B." Stewart Scholarship
 Gladys and Thomas "T.B." Stewart Texas College
 Scholarship
 T.B. Stewart Texas College Fund
 Gerald and Charlie Stoker Memorial Scholarship
 Texas Rose Festival Scholarship
 Tyler Citizens Police Academy Alumni Association
 Scholarship
 Vision for Your Future Scholarship
 Whitehouse Young Farmers Scholarship
 Sheryllyn A. Willis MD Memorial Scholarship
 A.D. and Mary Winston Scholarship

Field of Interest Funds

Arts East Texas Field of Interest Fund
 Betty Danielson Memorial Fund for Youth
 Cameron-J. Jarvis Troup Municipal Library Fund
 East Texas Human Needs Network Fund
 East Texas Senior and Disabled Persons Field of Interest
 Fund
 East Texas Veterans Alliance Foundation
 Boot Campign Field of Interest Fund
 Macy Chenevert Memorial Fund for Courageous Youth
 Endowment Fund for the Benefit of the East Texas
 Symphony Orchestra Association and The University
 of Texas at Tyler for the Braithwaite Performing Arts
 Program
 Roy and Betty Erickson Charitable Fund for Nursing
 Fit City Fund
 A.D. Francis Endowment Fund
 Gladys and Thomas "T.B." Stewart Community Education
 Fund
 The Hometown Garden Fund
 Hope for Africa Charitable Fund
 Impact Van Zandt Fund
 Burt and Nancy Marans Charitable Fund
 Edwin A. "Blue" and Janice Owen Miller Charitable Fund
 Northeast Texas Public Health District Fund
 Retail Merchants Association of Tyler Charitable Fund
 Shine Your Light Community Campaign
 Special People Fund
 Stewart Community Education Fund
 Tyler Library Foundation Fund
 We Back Our Law Enforcement Fund
 Women's Fund Endowment

Project Funds

Birdwell Elementary School

Make a Difference- Exactly As You Intend

Grants from funds held at ETCF are directed to a variety of charitable purposes. If you are seeking a meaningful way to provide ongoing support for a charitable organization or purpose close to your heart, please consider the benefits of creating your own named fund at East Texas Communities Foundation. We welcome the opportunity to help you custom design a charitable fund that will make a difference for the future—exactly as you intend.

*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.

Professional ADVISORS

–A vital role in helping grow philanthropy

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.

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.

ETCF Sees Marked Fund Growth at Year-End.

Aided by a surge in the market post-election, ETCF ended 2016 with a record \$80 million in charitable assets. The increase in assets was achieved through significant growth in several types of charitable funds.

"In 2016 we added eleven scholarships, nine donor-advised funds and seven nonprofit endowments, ending the year with 306 unique charitable funds," said Kyle Penney, ETCF President. "The increase reflects the priority of donors, working with area financial advisors, to make significant investments in philanthropy."

2016 also marked the largest grant-making year in the Foundation's history, awarding \$6.5 million dollars to charities.



In early October, ETCF hosted an educational event for area professional advisors featuring nationally recognized speaker, Bryan Clontz. Clontz discussed how to potentially maximize a clients deductions through untapped assets such as real estate and other complex assets. Pictured left to right: Bryan Clontz, Gordon Northcutt and Tony Morgan.



Each spring ETCF provides opportunities for professional advisors to earn continuing education credits by attending our series of educational events called Elements of Philanthropy. Each Elements course takes a deep dive into one of the seven fund types offered at ETCF. In August 2016, ETCF held the course at Crown Colony County Club in Lufkin. Pictured left to right: Taylor Kovar, Wanda Hobbs and Laurie Cordray.

"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."

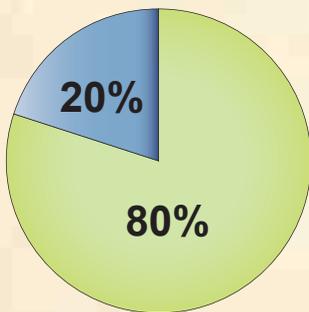
—Rick Allen, CPA
Henry & Peters, PC

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

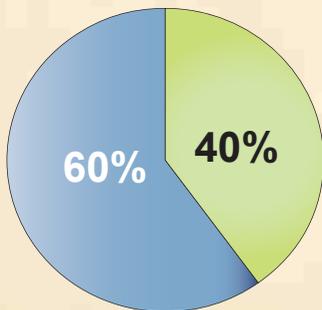


Objective: preservation of capital and maintenance of purchasing power
conservative

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

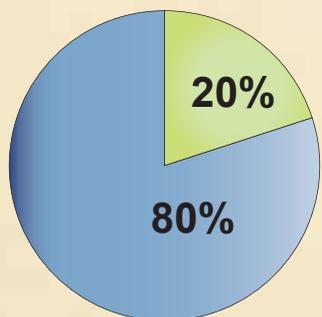


Objective: maintain purchasing power and provide growth of capital and income
moderate

40% Bonds
60% 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



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.



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:

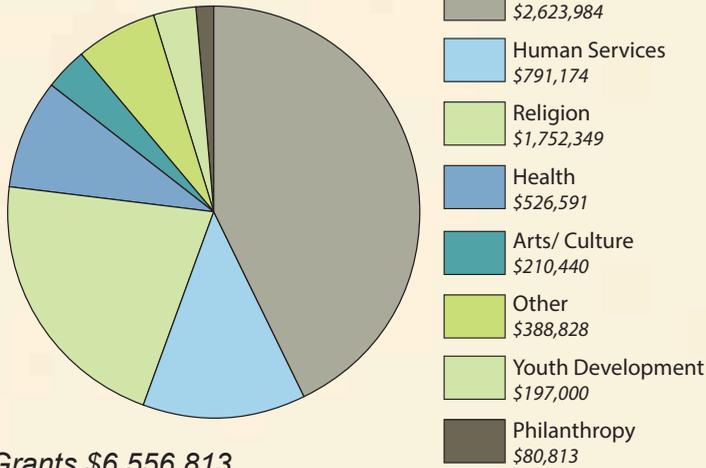
- James Richard Allen, CPA, Shareholder, Henry and Peters, P.C., *Investment Chair*
- Douglas G. Bolles, Executive Vice President, Southside Wealth Management, Advisory Member
- Bob Dyer, Vice-Chairman & CEO, BTH Bank
- Steve Roosth, President, Roosth Production Company
- Alan Roseman, CPA, Roseman Wealth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

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.

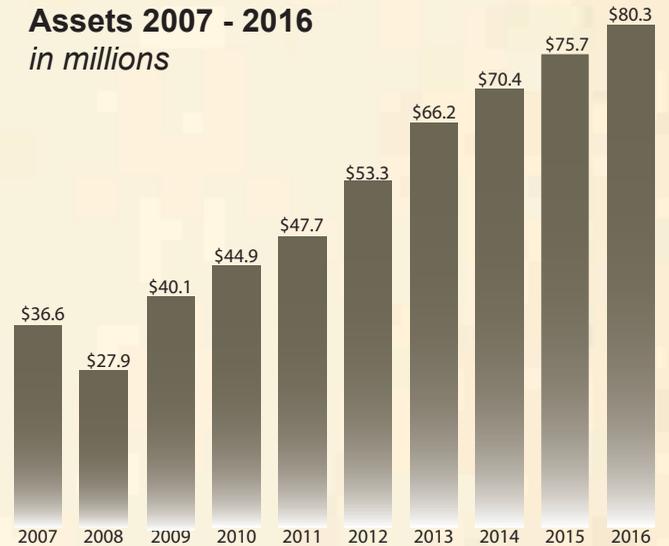
Financial Information

2016 Grants by Area of Interest



Total Grants \$6,556,813

Assets 2007 - 2016 in millions



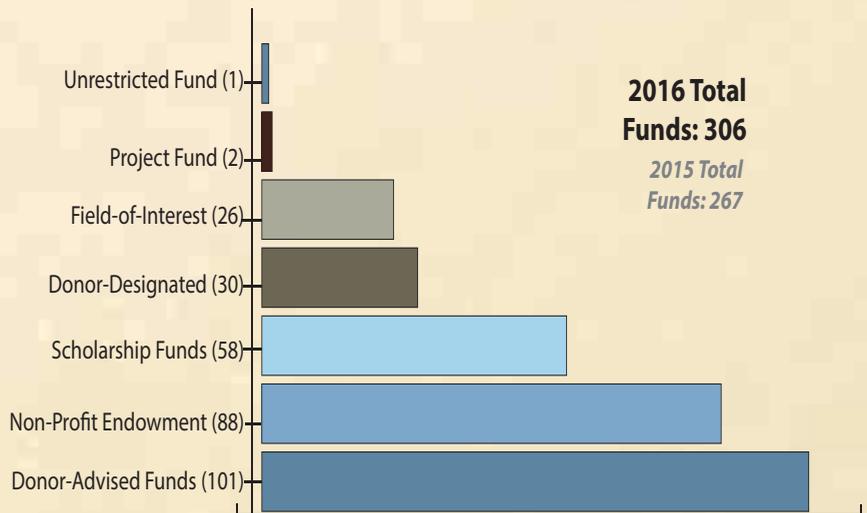
Grant Amounts by Year



2016 Financial Summary

Total Assets 12/31/15.....	\$75,796,574
2016 Contributions	\$7,714,200
2016 Grants	(\$6,556,813)
Net Investment Activity	\$3,969,223
Net Operating Expenses	(\$619,268)
Total Assets 12/31/16.....	\$80,303,923

2016 Number of Funds by Type



Executive Committee



Doug Bolles

Executive Vice President
Southside Bank
Board Chair



Tony Morgan

Founding Partner
Gollob Morgan Peddy
& Co. P.C.
Vice Chair/ Governance Chair



Michael Bosworth

President
Bosworth & Associates
Treasurer



Tiffany Kirgan

CLU, CPA, CFP
Financial Advisor/ Partner
Johnson Financial Group
Secretary/ Development Chair



James Richard Allen

CPA/ Shareholder
Henry & Peters, P.C.
Investment Chair



Jay Ferguson

Headmaster
Grace Community
School
Support/ Evaluation Chair



Greg Wright

Attorney
Law Offices of
Gregory J. Wright
Policy Chair



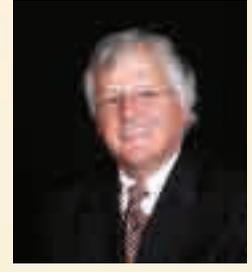
Roe Buckley

Chief Financial Officer
Mewbourne Oil Company
Audit Chair



Barbara Bass

CPA
Gollob Morgan Peddy
& Co. P.C.
Grants Chair



Mike Allen

Attorney
Allen, Lottman,
Kimmel P.C.
Member At-Large

Board of Directors

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Chairman of the Board
Abegg & Associates

Jon Alexander

Attorney, CPA
Wilson, Robertson & Cornelius, P.C.

Mark Boon

Attorney
Boon, Shaver, Echols, Coleman &
Goolsby, PLLC

Peter Boyd

Senior Executive Vice President
Southside Bank

Brad Brookshire

Chairman & CEO
Brookshire Grocery Company

Steve Dement

President
Landmark Title Company

Bob Dyer

Vice President & CEO
BTH Bank

Dawn Franks

President
Your Philanthropy

Shannon Glenney

Community Volunteer

Edwin Holt

CEO
Holt Creative Group

Greg Kimmel P.C.

Attorney
Allen, Lottman, Kimmel P.C.

Dale Lunsford

President
LeTourneau University

Fritter McNally

Community Volunteer

John Payne

Attorney
John Payne Legacy Planning

Steve Roosth

President
Roosth Production Company

Alan Roseman

CPA, CFP, CAP,
Owner/ Advisor
Roseman Wealth Advisors

Kristen Seeber

President & CEO
Women's Fund of Smith County

Thomas Smith, CPA, CFP, CLU

Senior VP & Wealth Advisor
RBC Wealth Management

Tom Woldert

Co-Owner/ Broker
RE/MAX Tyler

Advisory Board

Craig Adams

Attorney
Adams & Coker, P.C.

A.W. "Whit" Riter, III

President
Riter Management Co., L.C.

W. Fred Smith, Jr.

President
The Gathering

Emeritus Board

Allen Burt

Allen M. Burt Financial Services

F. William Martin

Retired Civic Leader

H.T. Smith

Managing Partner
Rutledge Capital

Norman Shtofman*

The Shtofman Company

A.W. "Dub" Riter, Jr.*

Riter Management Co., L.C.

*Deceased

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Program Officer
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Holly McFarlin
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hmcfarlin@etcf.org

Lindsay Sneed
Director of Finance & Administration
lsneed@etcf.org

Assistant to the President
etcf@etcf.org



Mary Lynn Smith announces the scholarship recipients at the annual ETCF scholarship reception held in May.



EAST TEXAS COMMUNITIES FOUNDATION

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