

the Foundation

for Enhancing Communities

THE INSIDER



WINTER 2017

Dream **CREATE** Sustain

INVESTMENT ADVISORY COMMITTEE



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Jonathan Vipond, III, Esq.
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MEETING DATES

January 17, 2017
April 18, 2017
July 18, 2017
October 17, 2017

All meetings take place at TFEF's offices located at 200 N. 3rd Street, 8th Floor, Harrisburg, PA 17101 beginning at 9:30am.

Another year has come and gone and we hope everyone enjoyed the holiday season and that your New Year is off to a happy and prosperous beginning.

From an investment standpoint, 2016 started off to be ideal, we had ten months of steady, positive growth with relatively minor fluctuations which was creating a nice and steady return of between 6% and 7% for both Models A and E. But then there was an election, which in the view of most political "experts" resulted in an upset. On election night, as the results were gradually emerging, the futures market for equities dropped significantly. Investment "experts" predicted 200 - 300 point drops for the DJIA when it opened on Wednesday morning. When the market did open it dropped but by less than 60 points. Within the first hour of trading it was back in positive territory. It continued upward through the end of the year, closing for the year at 19,762.

Through the entire year, including this very unexpected year end run up, our asset allocation served us well. By year end the Model E return reached 13.5% for the year and Model A earned 10.5% making 2016 a very successful year for our foundation. The benchmarks for the Models were 13.0% and 9.9% respectively, so once again we outperformed our benchmark by about .5% exactly as we had set out to do. This is a very good result for the short term.

We also have very good results for the long term, which is our primary objective in foundation investing. In the 21 years since inception of our total return investing model, we have outperformed our benchmark for equity investing. Model E has returned 8.4% per year over that 21 year time, while its benchmark was at 8.1%. For our Model A, which blends equity and fixed income, our return exactly matched the benchmark at 7.6%. We are extremely proud of our long term performance.

So with a positive 2016, what does 2017 look like? The economy appears strong, our new President is intent on making it stronger, however his methods for doing so are very different from his predecessors. So while the foundation is in place for steady growth these new methods of twitter, "America First" and executive orders will likely add much more volatility to the mix, but not change the underlying strength and positive direction of the economy. If this is correct our discipline will become more important than ever. We are committed to that discipline, our assets will re-main deployed as they have been and we will continue to follow our well tested and positively proven investment discipline.

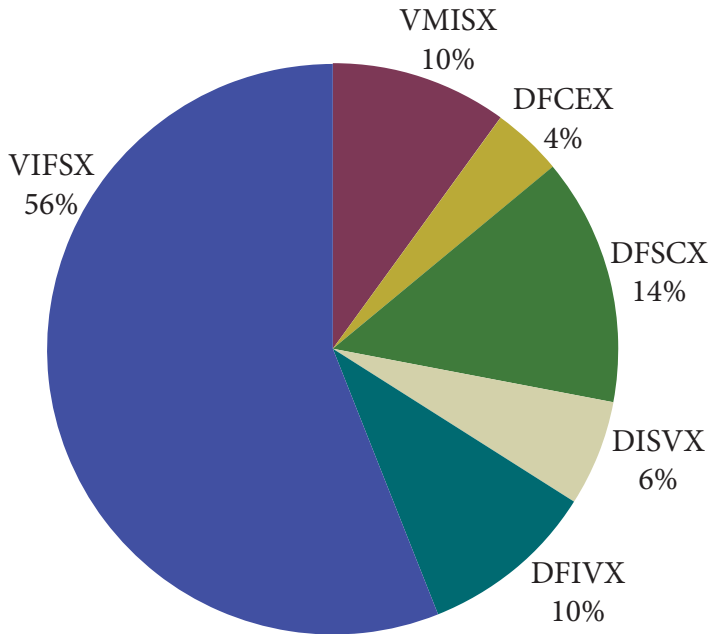
Have a nice winter, Bob

INVESTMENT PERFORMANCE

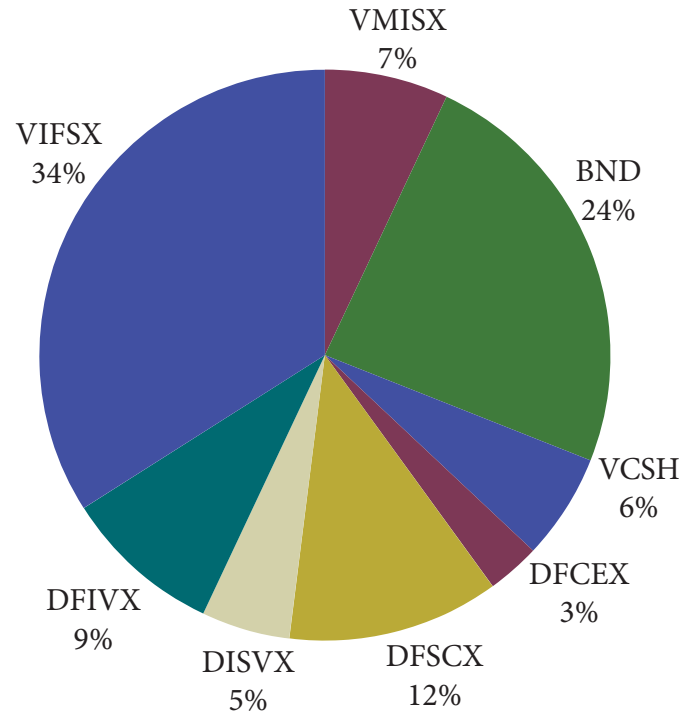
| 12/31/16 Returns are YTD & 1-3-5-10-13-21 Returns are as of 12/31 | | | | | | |
|-------------------------------------------------------------------------------|----------|-------|--------|--------|---------|---------|
| | 12/31/16 | 1 Yr. | 3 Yrs. | 5 Yrs. | 10 Yrs. | 21 Yrs. |
| Since Inception | | | | | | |
| Model E | 13.5% | 13.5% | 6.8% | 13.4% | 6.1% | 8.4% |
| Benchmark* | 13.0% | 13.0% | 6.3% | 13.0% | 5.8% | 8.1% |
| *55% S&P 500, 25% Russell 2000, 20% MSCI-EAFE | | | | | | |
| Model A | 10.5% | 10.5% | 5.0% | 9.7% | 5.5% | 7.6% |
| Benchmark* | 9.9% | 9.9% | 5.0% | 9.6% | 5.6% | 7.6% |
| *34% S&P 500, 19% Russell 2000, 17% MSCI-EAFE, 30% BARCAP U.S. Aggregate Bond | | | | | | |
| Since Inception | | | | | | |
| | 12/31/16 | 1 Yr. | 3 Yrs. | 5 Yrs. | 10 Yrs. | 13 Yrs. |
| Model F | 3.1% | 3.1% | 1.8% | 1.6% | 3.3% | 3.1% |
| Benchmark* | 2.7% | 2.7% | 3.0% | 2.2% | 4.3% | 4.2% |
| *100% BARCAP U.S. Aggregate Bond | | | | | | |

INVESTMENT ADVISORY COMMITTEE

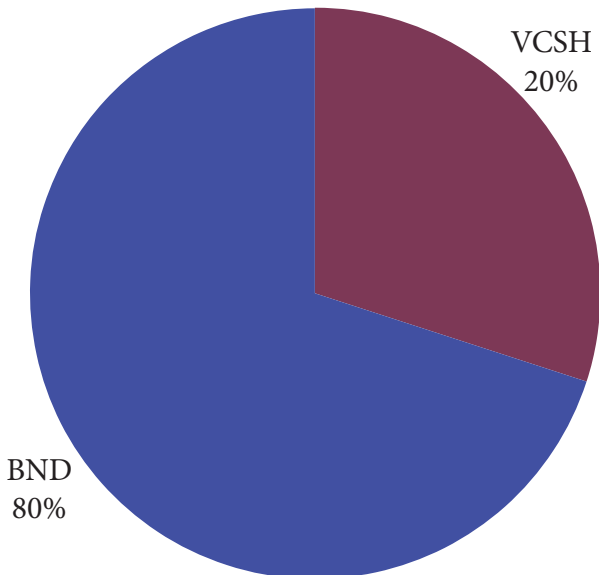
MODEL E PORTFOLIO PERCENTAGE
ASSET VALUE \$36,745,374



MODEL A PORTFOLIO PERCENTAGES
ASSET VALUE \$14,253,923



MODEL F PORTFOLIO PERCENTAGE
MODEL F ASSETS \$672,474



FUND LEGEND

| | |
|------------------------------------|-------|
| DFA Emerging Markets | DFCEX |
| DFA International Value | DFIVX |
| DFA Micro Cap | DFSCX |
| DFA International Small Cap Value | DISVX |
| Vanguard Index 500 | VIFSX |
| Vanguard Index Mid Capitalization | VMISX |
| Vanguard Short Term Corporate Bond | VCSH |
| Vanguard Total Bond Market Fund | BND |

DONOR

RESTRICTED FUNDS

Do you have a specific nonprofit that is important to you or your family? Choosing a restricted fund allows you to provide ongoing, permanent support to one or more nonprofit organizations you choose, forever.

A restricted fund enables donors to endow their annual gifts to their favorite charities. A donor can name the fund and designate one or several nonprofit organizations as permanent beneficiaries. If for any reason, the nonprofit ceases to exist, TFEC will protect your intent forever by redirecting the income in a way that will achieve your original charitable purpose.

“If you want your favorite nonprofit organizations to be there for the long haul, we cannot think of a better way to sustain them over time than a restricted endowment fund administered by The Foundation for Enhancing Communities that pays out cash year after year. The investment results have been superb on a long-term basis; the fees are more than competitively reasonable; and the service from the TFEC staff is outstanding. Not only that, but should the day come down the road when the non-profit decides to close its doors, the TFEC Board has the power to facilitate the use of the Fund’s cash flow that best meets the donor’s original intent in setting up the fund in the first place.” – Bill & Beverlee Lehr



THE PENNSYLVANIA HOUSE OF REPRESENTATIVES SCHOLARSHIP

Luke Reiner, 2016 recipient of the Pennsylvania House of Representatives Scholarship, is our current featured scholarship recipient. A high school graduate from Carbon County, PA, Luke is attending Penn State Hazleton with a goal of finishing his degree at the Penn State Smeal College of Business in State College.

The Pennsylvania House of Representatives Scholarship enhances educational opportunities for eligible students who reside in PA. The program is privately funded by individual and corporate donors; no tax or other public funds are used. The program is administered by TFEC and uses the Pennsylvania 529 College Savings Program at the State Treasury Department to ensure that the scholarships keep pace with tuition inflation.

[Click here to read more, make a donation, or learn how to start your own scholarship fund!](#)

SAVE THE DATE

Women’s Fund Annual Grantee Recognition Breakfast
Thursday, April 20, 2017 | 7:30am-9:00am
West Shore Country Club

Event details and registration coming soon!

SOLUTIONS FOR YOUR CLIENTS



TFEC can partner with you and your valued clients to expand and increase the benefits of their charity.

[LEARN HOW TO ASSIST YOUR CLIENTS>>](#)

FRANKLIN COUNTY FOUNDATION

Founded in 1987, FCF will be celebrating 30 years in 2017! [Click here to donate to the FCF Community Fund in honor of their 30th anniversary!](#)

PERRY COUNTY COMMUNITY FOUNDATION

Founded in 1987, PCCF will be celebrating 30 years in 2017! [Stay tuned for more information on the Annual Grantee Luncheon & 30th Anniversary Celebration!](#)

EMERGING PHILANTHROPIST PROGRAM

Save the Date for Harrisburg Hoopla: Competing for a Cause on June 3, 2017. [Stay tuned for details.](#)

[CLICK HERE TO LEARN HOW TO START A FUND>>](#)

COMMUNITY

YOUR MISSION IS TO HELP OTHERS; OUR MISSION IS TO HELP YOU!

Running an organization can mean being pulled in multiple directions. Through a Management Service Agreement with The Foundation for Enhancing Communities (TFEC), your organization can divest itself of some tasks and focus on what you love: achieving your organization's mission.

You are an expert in your organization's mission, but carrying out that mission can be a challenge, especially for nonprofit organizations that cannot spare staff or resources on some administrative, investment, grantmaking, or scholarship services. TFEC can relieve some of that burden through our Management Services. Once established, TFEC can handle services such as accepting donations and acknowledging gifts, financial reporting, audit assistance, and budget preparation assistance, freeing you and your organization to focus on mission-related activities.

[Click here for more information about Management Services.](#)

FEATURED MANAGEMENT SERVICE AGREEMENT: MT. OLIVET CEMETERY

Mt. Olivet Cemetery is one of 15 management service agreements currently administered by TFEC. The organization's Board of Directors first contracted with TFEC in 2010, shortly after receiving a large payment from the Capital City Airport. The airport, interested in implementing a larger security perimeter after the terrorist attacks of 9/11, purchased several hundred empty grave sites near the airport runway. After receiving payment, board members determined that separate management of the funds would help protect the assets of the cemetery, and allow the cemetery to operate in perpetuity.



"The goal is to have this money last forever," said Andy Kohr, Mt. Olivet Cemetery's Board President. "We didn't want to burn through the money, and we didn't want any one person to have control over the funds." Mr. Kohr became involved with the association because he has family buried at the cemetery. "My grandfather is buried there, in a mausoleum. There has always been people from New Cumberland on the board, but I volunteered because of my family connection."

TFEC manages everything for Mt. Olivet Cemetery – from credit card management to employee paychecks, down to paying a bill to sharpen the lawnmower. A bill comes in, and the cemetery association forwards it to TFEC. "We handle their day to day financial accounting by making all of their deposits, paying all of their bills and processing their payroll. We handle sending out their 1099's at years' end and their unemployment, as they have seasonal workers," said Kirk Demyan, TFEC's CFO. "We also handle the investment of the payment they received from the airport."

"TFEC watches over our money just fantastically and the customer service is tremendous." -Andy Kohr.



The Susquehanna Area Regional Airport Authority recently installed a beautiful black fence around the cemetery. With the installation, some plots are outside of the fenced area. Mt. Olivet Cemetery wants to remind you that if you have a relative that is buried closer to the runway, outside of the fence, you are still welcome to visit the burial sites.

The cemetery, located on Old York Road, is an active cemetery and plots are available. For more information, please contact the cemetery at 717-774-2150.

[CLICK HERE TO LEARN MORE ABOUT NONPROFIT SERVICES>>](#)

COMMUNITY

FROM THE BUREAU OF CORPORATIONS AND CHARITABLE ORGANIZATIONS

Dear Charitable Organization:

The Department of State's Bureau of Corporations and Charitable Organizations (Bureau) would like to remind charitable organizations of proper filing procedures for annual registration statements made under the Solicitation of Funds for Charitable Purposes Act (Act).



Postmark vs. receipt date of filings made with the Bureau: All registration documents are considered submitted only on receipt by the Bureau. All documents which arrive at the Bureau office are stamped with a receipt date. If it is determined that a document conforms to the requirements of the Act, it will be filed by the Bureau as of the receipt date.

For example, charitable organization registration statements (BCO-10) will be considered timely submitted if received by the Bureau on or before the date the current registration expires (i.e. the renewal due date). Registration statements postmarked on the due date will not be considered to be timely filed and will accrue late fees. Please allow adequate time for mailing your registration materials to the Bureau. Do not email or fax registration materials – they will not be accepted and will not be considered filed.

Late fees: A registration not received by the Bureau by the due date will be subject to late filing fees of \$25 for each month or part of a calendar month it is late. Late filing fees for organizations that are required to register under the Act are statutorily mandated and may not be waived under any circumstances. Organizations that are exempt from registration, but elect to file voluntarily, are not subject to late filing fees. Late fees must be included with the filing in order that the registration may be approved.

Registration statements that are timely received, but are incomplete, cannot be approved and will incur late filing fees if the additional information and/or corrections requested by the Bureau's disapproval notice are not received by the date the current registration expires (i.e. the renewal due date). Late filing fees of \$25 per calendar month or part of month will continue to accrue until such time that a completed registration is filed.

Organizations that are exempt from registration can disregard this notice.

If you have any questions regarding these procedures, please contact the Bureau office at 717-783-1720 or 1-800-732-0999 (within PA only) or via email at RA-STCHARITY2@pa.gov.

Francisco Miranda, Director

CONTACT HELPLINE

A 2016 Camp Hill Community Foundation grantee, CONTACT Helpline, provides Central Pennsylvania residents with free, confidential listening, health and human services information & referral 24 hours a day, 7 days a week. The hotline may be reached by dialing three easy to remember digits: 2-1-1.

[Click here to read more and learn about all of TFEC's grant opportunities.](#)

CONTACT
Helpline
Dial 211

UPCOMING GRANT DEADLINES

February 1, 2017

- Camp Hill Community Foundation
- Family & Children's Services of Lebanon County
- Perry County Community Foundation
- The Kids Trust

August 1, 2017 (Applications available April 1, 2017)

- Arts for All Partnership
- Franklin County Foundation
- Greater Harrisburg Foundation's Challenge for Giving
- Greater Harrisburg Foundation's Strategic Initiative
- Martin M. Sacks Memorial Fund
- Mechanicsburg Area Foundation
- Women's Fund

CLICK HERE TO LEARN HOW TO APPLY FOR A GRANT >>

COMMUNITY

HIT A HOMERUN WITH FUNDRAISING!

Harrisburg Sportservice at FNB Field has Fundraising Opportunities for your Nonprofit Group

- Game commitments ranging from 3 to 46 events from April–September 2017
- Donation amounts will be based on commission of stand sales per event.
- Stand sizes accommodate 2–8 volunteers
- Multiple concession stand locations are available for larger groups looking to capitalize on large attendance events
- Volunteers must be 16 years of age or older
- Volunteers working in stands serving alcohol must be at least 18 years of age or older



For further information, please contact the Concessions Manager at 717-231-4444 ext. 131 or llabar@delawarenorth.com.

CHILDREN'S HOME FOUNDATION FUND

TFEC is pleased to announce the creation of The Children's Home Foundation Fund. The fund was created with the assets of The Children's Home Foundation and will continue the mission of the organization, providing aid to economically disadvantaged children in Cumberland, Dauphin, & Perry counties.



"The Board of Directors of the Children's Home Foundation is pleased to transfer our funds and the fund management of our organization to TFEC so that we can more efficiently support our mission to provide aid to economically disadvantaged children in Cumberland, Dauphin and Perry counties," said Children's Home Foundation Board Member, David Skerpon.

"TFEC is proud to assist the Children's Home Foundation with the achievement of their charitable goals," said TFEC President and CEO, Janice R. Black. "TFEC worked closely with the Board of Directors of the Foundation to meet their needs and ensure they can continue their charitable giving without the burdensome costs associated with a private foundation."

The Children's Home Foundation Fund will continue to make grants to organizations serving economically disadvantaged children in Cumberland, Dauphin, and Perry counties. The grantmaking program will now be managed by the TFEC Team. Further details are forthcoming and will be posted on TFEC's website.

The Children's Home Foundation originally began as "The Children's Industrial Home Association of Harrisburg, Penna." after which the Home's name was amended to "The Children's Home of Harrisburg". The original purpose of the Home was "the amelioration and improvement of the condition of children who are destitute and indigent" and the institution operated as a home for children and as an adoption placement service for children until the home was closed and the foundation was formed. Over the intervening years, The Children's Home Foundation operated as a private foundation and distributed over \$500,000 to charities serving children in the tri-county area.

TFEC is a great partner for your private foundation. We specialize in working with individuals and families to achieve their charitable goals. TFEC works closely with the trustees and advisors of private foundations to customize services. TFEC can offer private foundations any number of services including a management service agreement, the establishment of a committee advised fund to facilitate the annual 5% spending requirement, and/or the dissolution of the private foundation and conversion to a named fund. **Contact Janice Black at 717.236.5040 or jblack@tfec.org for more information.**

CLICK HERE FOR MORE INFORMATION ON PRIVATE FOUNDATION SERVICES>>

COMMUNITY

2017 Transition Conference



When:

February 23, 2017
8:30am to 3:30pm

Where:

PaTTAN Harrisburg
6340 Flank Drive
Harrisburg PA 17112



Cost: \$12.00 (includes lunch)

Research shows that a seamless transition into Kindergarten is critical for young children in order to be successful in their future academic careers—this transition sets the tone for their future school experiences. Many children's experiences are affected by trauma. Trauma affects learning along with school performance and causes emotional and physical stress.

Please join us to learn about childhood trauma, challenging behaviors, the ACEs (Adverse Childhood Experiences) Scale and how to prepare for transitioning new students into Kindergarten.

Visit www.tfec.org/transition-conference to register!

Registration deadline is February 9

Call Parents & Partners at 717-236-5040 for more information!



A regional one-day conference developed through The Race to the Top Early Learning Community Innovation Zone Grants in Dauphin Cumberland and Lebanon Counties through the work of Parents & Partners and Lancaster-Lebanon IU-13.

CLICK HERE FOR MORE INFORMATION ON PARENTS & PARTNERS >>



WOULD YOU LIKE TO BE FEATURED IN THE NEXT EDITION OF THE INSIDER?

Send us your photos of what community means to you and you may be featured in our next issue!