

DREAM

CREATE

SUSTAIN

2015 ANNUAL REPORT

the Foundation
for Enhancing Communities

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We want to share with you the impact that your contributions have had on our communities and the exciting activities and growth The Foundation for Enhancing Communities (TFEC) and our six regional foundations achieved during the year.

We are pleased and honored to present to you our Annual Report for 2015. We want to share with you the impact that your contributions have had on our communities and the exciting activities and growth The Foundation for Enhancing Communities (TFEC) and our six regional foundations achieved during the year. Our regional foundations include the Camp Hill Community Foundation, the Dillsburg Area Foundation, the Franklin County Foundation, the Greater Harrisburg Foundation, the Mechanicsburg Area Foundation and the Perry County Community Foundation.

Our investment report over the past 20 years shows Model A yielded 7.4% for its investors, while Model E earned 8.1%. The complete report on investment returns can be found on our website (www.tfec.org). Recently the Fiscal and Administrative Officers Group Community Foundation Survey was released and we are pleased to report that over a 3 and 5 year time period we had the best return of all reporting community foundations. Over a twenty-year period we came in second, we are very proud of this outcome.

We completed the second year of the Emerging Philanthropists Program (EPP), a partnership with Harrisburg Young Professionals (HYP), with an increased class size of 14. These young philanthropists learned about the strengths and weaknesses of the various sectors of our region, including the arts, health and human services, the environment, education, and community development. The class, after much research and thought, made a grant of \$5,000 to CEEED's YouthBuild Program through the YWCA of Greater Harrisburg to help break the cycle of poverty through self-sufficiency.

The Women's Fund offered three events in 2015: the Annual Grantee Recognition Breakfast in March, the Power of the Purse in October, and a Wine and Cheese in November for potential Dream Team members. All the events were sold out and helped the fund to grow its assets. Carolyn Dumaresq continued to serve as our chairwoman in 2015. Her leadership, her care for women and girls, and her boundless enthusiasm assisted the group to grow well beyond its expectations.

We welcomed Richard Spiegelman, Esq., Tita Eberly, and Robert Dolan as new members of the Board of Directors, as we said good-bye to and thanked both Marilyn Abrams and Cate Barron. Our Team consists of a strong, cohesive group of professionals whose contributions are most critical in meeting the strategic goals and objectives of an ever-growing, flexible, ever-changing organization. We welcomed Heather LaManna as our new Executive Assistant, Faith Elmes as our Scholarship Associate, and Jennifer Strechay as our Program Officer for Community Investment. Jennifer Kuntch moved into the role of Communications Officer. We continue to sincerely thank Spencer G. Nauman, Jr., Esq. for his exceptional legal advice and Connie Siegel of Conrad M. Siegel, Actuaries for his guidance and leadership.

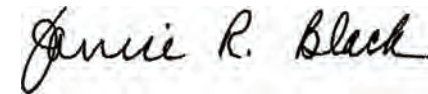
Our great success year after year is directly because of you, our donors. This is a constant for us. Without your involvement, we could not affect the change that we do. We most gratefully thank you for your dedication and commitment to making the region a better place to live, work and play through your leadership and generous sharing of resources. We look to you for suggestions and for your interest in and attention to our charitable services. You, our friends and donors, continue to represent the seeds that were sowed years before that are presenting themselves now in the form of estates, bequests and new funds. As always, we ask you to assist TFEC to continue the task of

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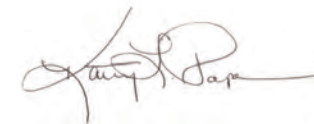
sowing the seeds of today that will be harvested tomorrow, guaranteeing our legacy of service and relevance to the community in the future. We cannot strengthen our region without your partnership, support and ideas!

If you have questions or would like additional information about any of our services and products, please contact Janice R. Black, President and CEO at jblack@tfec.org or at 717-236-5040. Visit our website at www.tfec.org for regular updates on general information about TFEC, grants, scholarships, our electronic newsletter, news and events.

Sincerely,



Janice R. Black
President and CEO



Kathy L. Pape
Chair

Since 1920, TFEC has been partnering with you to establish your charitable funds. TFEC dreams with you and creates opportunities for you to achieve your charitable goals. We are your community foundation and we will be here to sustain your charitable goals forever.

Ways to Give

You can choose to give cash to establish a fund or contribute to an existing fund; however, there may be significant tax advantages to contributing other types of assets such as:

- Marketable securities
- Closely held business stock
- Real estate
- Life insurance policies
- Mutual fund shares
- Nontraditional assets such as collections, art, and antiques
- Qualified retirement plan assets such as IRA, 401(k), 403(b), or pensions

If you have any questions about our services or would like more information, please contact Janice R. Black, President and CEO, at jblack@tfec.org or Jennifer Doyle, Director of Development & Community Investment, at jdoyle@tfec.org. You can also visit our website, www.tfec.org, or call us, 717.236.5040, for information about how we can help you achieve your philanthropic goals.

Phillip and Carol DiMartile Fund

“By establishing this fund with The Foundation for Enhancing Communities, we intend to support organizations and groups that are important to us. We have been fortunate over the years to support a variety of organizations in our community. By establishing the Philip and Carol DiMartile Fund we hope to continue supporting organizations of our choice, including the performing arts with an emphasis on live jazz, education, and community programs that benefit girls and young women.”

Philip and Carol DiMartile
Philip and Carol DiMartile Fund
Donor Advised Fund



Rotary Club of Carlisle-Sunrise Foundation



“The Rotary Club of Carlisle-Sunrise, chartered in 2003 and now with 41 members, determined that we needed a nonprofit arm to help support the service components of the Club. In particular, raising money for clean water projects typically takes several years, so having a fund allows the monies to be invested and earn interest. Our current water project teamed the Carlisle Club with the Meredon Club in San Pedro Sula, Honduras. We want to do more projects like this one and the new fund will help us achieve that goal.”

Harold Cooney, Club President



Your Charitable Goals

1 Donor/Committee Advised Fund

2 Scholarship Fund

3 Restricted Fund

4 Discretionary Fund

1 The donor\committee recommends charitable grant recipients, amounts, and a disbursement schedule; the fund may be PERMANENTLY ENDOWED or NONPERMANENT

2 Grants in the form of scholarships; either a committee or TFEC can manage the student selection process; the fund may be PERMANENTLY ENDOWED or NONPERMANENT

3 The donor designates one or several nonprofit organizations as permanent grant recipients

4 Ensures that grants will be available, in perpetuity, for the most current and changing community needs. Grants awarded from these funds respond directly to community needs as defined by a grant committee from the following types of funds: Area of Interest (grants designated to one area of charitable interest by the donor, such as the arts, health and human services, education, etc.) and Unrestricted Funds (a fund that is not specifically designated to a particular use by the donor and is used as community needs change)

Overview

Established in 2000, the Women's Fund promotes awareness of issues affecting women and girls through the power of collective philanthropy. The Women's Fund is part of a nationwide movement, allowing women to fulfill their desire to give back.

Objectives of the Women's Fund:

- Educate others about philanthropy and issues affecting women and girls;
- Raise money and award grants that address issues affecting women and girls;
- Promote inclusiveness and cultural competency in giving and grantmaking;
- Empower all women to recognize themselves as philanthropists.

For more information about the Women's Fund, please visit www.tfec.org/womens-fund.



Women in Philanthropy

In 2015, we bestowed special recognition to two award winners: Ms. Ann Moffitt and Ms. Ho-Thanh Nguyen. Each was honored for their many years of providing time, talent and treasure to causes supporting women and girls in our community. They are exceptional role models and amazing women!

A Women in Philanthropy awardee must be nominated by her peers as an individual who has made outstanding contributions to local nonprofit organizations. All nominations are reviewed by the Women in Philanthropy Subcommittee and selected based on each woman's contributions towards creating positive change in the lives of women and girls in Cumberland, Dauphin, Franklin, Lebanon, and Perry counties, and the Dillsburg Area. Thirteen women, including Ann and Ho-Thanh, have received this award since its inception in 2011.



2016 Executive Committee

The Women's Fund is led by a dedicated group of women:

- Dr. Carolyn C. Dumaresq, Chair
- Renee Custer
- Norma Gotwalt
- Sylvia Hepler
- Jennifer Karmon-Lazar
- Kelly Light
- Julia Mallory
- Gloria Merrick
- Natalie Neyer
- Ho-Thanh Nguyen
- Elaine Nissley, Incoming Chair
- Shileste Overton-Morris
- Jessica Ritchie
- Karen F. Snider
- Audrey Utley

There are three volunteer subcommittees that also work to achieve the goals and objectives of the Women's Fund: Grantmaking, Marketing & Events, and Women in Philanthropy.





“The Women’s Fund, a special initiative of The Foundation for Enhancing Communities, raised nearly \$25,000 from our Annual Grantee Recognition Breakfast and our Power of the Purse events which allowed us to help 10

local nonprofit organizations serving the needs of women and children. We had 21 new pledges join our Dream Team in 2015! Please join us at one of our fundraising events in 2016 so we can continue to support our work.”

- Dr. Carolyn C. Dumaresq, Chair



Dream Team

Over 75 individuals have joined the Dream Team since its founding in 2011. You can become a member of the Dream Team with a gift or pledge of at least \$1,000 to the Women’s Fund. Please visit www.tfec.org for a complete list of Dream Team members.

For only **\$16.66** per month, over 5 years, you can give the gift of hope to women and girls in our community.

FEATURED GRANTEE Capital Area Girls on the Run

In 2015, the Women’s Fund awarded Capital Area Girls on the Run® a \$2,500 grant for the Girls on the Run Heart & Sole Middle School Program which supports the social, emotional, and physical development of middle school girls. Girls on the Run® is a Physical Activity-Based Positive Youth Development program (PA-PYD) which combines a research-based, experiential curriculum with running to inspire self-respect and healthy lifestyles. The Heart & Sole curriculum provides girls with a safe space to test boundaries and try out new leadership roles. Intentionally “girl-centered”, the curriculum allows girls and teams to express what is important to them. Coaches facilitate discussion and problem solving and teach girls the skills to navigate daily situations and challenges. The culminating event of each season is a non-competitive, celebratory 5k running event. For many girls, this is the first time that they have set and accomplished a goal of this magnitude. Crossing the finish line is a defining moment which provides an incredible feeling of strength and confidence that can only be achieved by accomplishment.



“A former Girl on the Run who had just entered middle school was noted to have a behavior problem and was making poor choices. Her teachers held a conference with her and her response was “I’m not acting like a Girl on the Run.” After that conference, she decided to participate in Girls on the Run for a second year. I’m happy to say that now not only does she exemplify a Girl on the Run every day at practice, but also each day in school.”

- Kere Washington, Girls on the Run Coach

There are several types of scholarship funds that you can establish: permanent or nonpermanent and restricted or committee advised.

Scholarships can benefit students at the high school or college level. You determine the criteria for your scholarship such as financial need, class rank, GPA, leadership, etc. You can select scholarship awardees with the assistance of a committee using objective criteria. TFEC can assist you in managing all or part of the application process. TFEC administers the award process and payment of all awards each semester. Scholarships may only be used towards the cost of tuition, fees and/or books. For more information about scholarships, please visit www.tfec.org/scholarships.

Scholarship Funds

Partnership for Access to Higher Education

1 of 37

TFEC is one of 37 partners with the AES/PHEAA Partnership for Access to Higher Education (PATH) Program. TFEC scholarship recipients are eligible to have their awards matched provided they attend a school in PA and have a PA grant.

Total Student Award Recipients

426

A total of 426 students received scholarships for the 2015-2016 academic year through TFEC scholarship funds (250) and management service agreements (176).

PATH Program Matching Funds

\$166k

TFEC received \$166,400 in matching funds for students for the 2015-2016 academic year from the PATH Program. These funds help lower the costs of higher education for students and families in need.

Current Total Scholarship Funds

120+

TFEC currently manages or administers over 120 scholarship funds. These funds relieve some of the financial burden that higher education can place on a student and his or her family.

Total Scholarships Awarded

\$1.3m

Over \$1.3 million in scholarships were awarded to students for the 2015-2016 academic year from TFEC scholarship funds (\$571,476) and management service agreements (\$769,200).

PATH Program Match Amounts

\$2,500

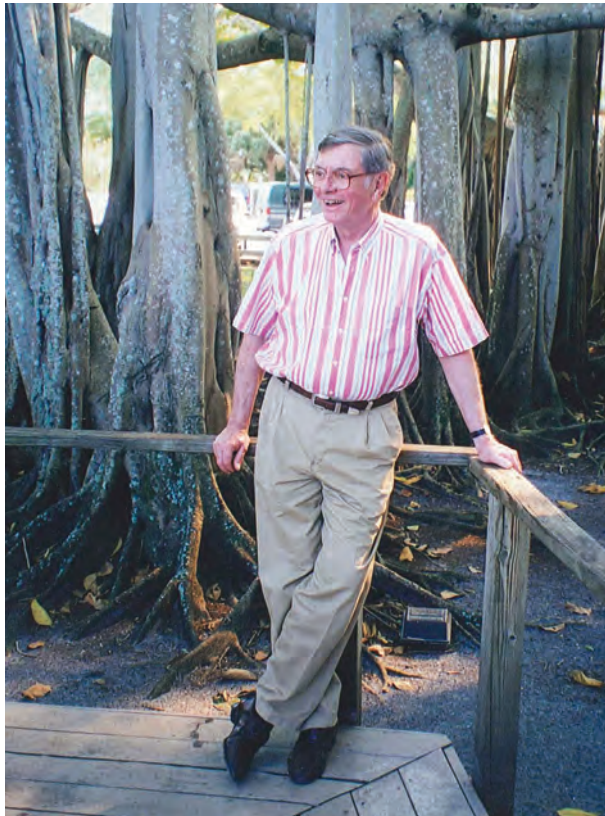
Scholarship recipients are eligible to have their awards matched up to \$2,500 per year through the PATH Program. Scholarship recipient information is submitted to PHEAA by TFEC staff requiring no additional work from the scholarship recipient.

New Scholarship Funds Established in 2015

Highmark Health Scholarship Fund: This scholarship will support students attending Harrisburg University who have financial need in the following programs of study: Data Analysis, Computer and Information Sciences, Cybersecurity, Software Engineering, and System Analysis, Management and “E” Business.

Megan Moyer Seiber Memorial Scholarship Fund: The Megan Moyer Seiber Memorial Scholarship offers a scholarship for a female graduating senior of West Perry High School. Megan graduated from West Perry in 1983. She was very involved in school and community events and excelled in sports and academics. Megan was married to Juan Seiber and together they raised three West Perry graduates: Samantha, Taylor, and Cassidy. She died in 2014 of pancreatic cancer. This scholarship has been established to preserve Megan’s memory and perpetuate her giving spirit.

Frank M. Magee Jr. Memorial Scholarship Fund



This scholarship was established in memory of Frank M. Magee Jr. Mr. Magee was born in Harrisburg Hospital, and eventually studied at Phillips Academy Andover and Yale University. During his time at Yale, he was a member of the Society of Orpheus and Bacchus. He went on to serve in the U.S. Army as a Cartographer in the Signal Corps, China Theatre, during World War II. Upon returning stateside, Mr. Magee worked for the Santa Fe Opera House in New Mexico and the North Shore Theatre in Massachusetts before returning to New Bloomfield to operate the family business. Mr. Magee was active in the Harrisburg Community Theatre and served on the Board of Trustees of Carson Long Military Academy, where he

also directed the Glee Club. The scholarship benefits graduating high school seniors living in Perry County who have a demonstrated interest and experience in vocal and performance art. Applicants must be involved in extracurricular activities, have demonstrated leadership skills and community service work, possess good character, and have financial need.

“His family is proud of his storied life and will miss him dearly. Frank wanted to establish this scholarship because he was a believer in education and wanted to give back to the local Perry County community.”

Frank M. Magee, Jr.

The Educational Improvement Tax Credit (EITC) Program provides credits to eligible businesses contributing to one of the following specific programs: a Scholarship Organization, an Educational Improvement Organization, and/or a Pre-Kindergarten Scholarship Organization. TFEC is currently eligible to receive funds for the Opportunity Scholarship Tax Credit (OSTC) Program and the Pre-Kindergarten Educational Improvement Tax Credit (EITC) Program.

Opportunity Scholarship Tax Credits

OSTC funds allow TFEC to provide tuition to eligible students who reside within the attendance boundary of a low achieving school to attend a participating nonprofit school or a participating private school located in a school district outside of the recipient’s school district of residence, including special education schools. Tuition to be paid will include school related fees charged by a school. TFEC will provide tuition to students in the counties of Cumberland, Dauphin, Franklin, Lebanon, Perry, and Dillsburg Area. Eligible students are grades K-12 who have financial need. Families apply for funds through an application process managed by TFEC staff.

Pre-K Educational Improvement Tax Credits

Pre-K funds allow TFEC to provide tuition to eligible Pre-K students to attend a Pre-K program operated by, or in connection with, a school or a special education school in the counties of Cumberland, Dauphin, Franklin, Lebanon, Perry, and Dillsburg Area. Pre-K programs must have a curriculum that is aligned with the associated school. Eligible students are ages 3-4 years, living in and attending a Pre-K program, who have financial need. Families apply for funds through an application process managed by TFEC staff. For more information about both tax credit opportunities, please visit www.tfec.org/eitc.

In 2016, 11 students received more than \$50,000 in OSTC scholarships and 2 students received \$2,000 in Pre-K scholarships.

“Receiving this scholarship ensures that my children can attend Harrisburg Academy long term. I work very hard to come up with tuition every year and despite school-based financial aid, it has still been difficult to make ends meet while sending my children to the school they deserve. My children love Harrisburg Academy; they feel safe and they feel happy. This gift of support means so much. The companies who donate to the program are making a huge difference; they are helping to make the world a better place by investing in the lives of children who will grow up and offer more to our society than they may have otherwise.”

- April Dragas,
Mother to OSTC
Scholarship Recipients



“We’re a local business which means our success wouldn’t be possible without the support we’ve received from the local community. Through this donation, we’re proud to be giving back to our local community foundation that is dedicated to enhancing the quality of life in the region we serve.”



- Stephanie and Christian Rawden,
McDonald’s, EITC Donor Company

Engaging Harrisburg's next generation of philanthropists

A partnership between



Program Overview:

The Emerging Philanthropist Program (EPP), a partnership between TFEC and Harrisburg Young Professionals, seeks to engage Harrisburg's rising business and community leaders with the great possibilities that lie within philanthropic endeavors in Harrisburg and to answer three questions:

- What does it mean to be philanthropic?
- How do I understand the needs of our community?
- What can I do to make an impact?

EPP provides resources and educational opportunities for Harrisburg's developing leaders who wish to be actively engaged in giving back to their community.

2015 EPP Class:

The 2015 EPP class consisted of 14 members of the Harrisburg Young Professionals:

- | | |
|------------------|---------------------|
| Rebecca Bartron | Kenneth Logan |
| Brittany Brock | Jennifer Lowe |
| Mary Kate Holder | Katelyn Moga |
| Kelsey Ireland | Steven Roth |
| Melissa Kellogg | James Shellenberger |
| Devin Langan | Curtis Voelker |
| Karina Legradi | Lindsey Winthrop |

For more information about EPP, please visit www.tfec.org/epp.

Topics Covered:

The following topics were discussed during the 10-month program:

- Personal philanthropy;
- Fundraising 101;
- Grantmaking 101;
- Wealth management practices; and
- Giving back to your community

In the culminating experience, the class applied their newly learned grantmaking skills by awarding a grant to a nonprofit in the Harrisburg Area that provides programs designed to break the cycle of poverty and increase self-sufficiency in teens and young adults aged 13-25; a topic chosen by the class after assessing community needs. After a competitive grantmaking process the class awarded the YWCA of Greater Harrisburg a \$5,000 grant.



\$5,000

Grant amount awarded to YWCA Greater Harrisburg for their YouthBuild program.

The YWCA functions as the applicant for a coalition of community agencies which operates the Center for Employment, Education and Entrepreneurial Development (CEEED). In this collaboration, the YWCA also operates the YouthBuild project, which provides training in construction through Harrisburg Area Community College and GED attainment for young adults ages 18 -24.



"The YouthBuild Program provides young adults with the tools to overcome obstacles and create new, life changing opportunities. By constructing homes in their own low-income neighborhoods, they become invested stakeholders and productive citizens, which benefit the community as a whole. Through collaborations and financial support like this, we are able to strengthen the program and further our mission of empowerment."

- Mary Quinn, President and CEO, YWCA of Greater Harrisburg

TFEC provides ongoing technical assistance to nonprofit organizations and practical training on best practices, funding trends, emerging outcomes, and evaluation methods to ensure the sustainability and competitiveness of nonprofits in a challenging economic environment.

Agency Funds

An agency fund is an endowment fund established by a nonprofit organization with the income benefiting their programs in perpetuity. The process of building a successful agency fund requires commitment over many years from the entire nonprofit organization with a steadfast dedication to the principle of investing for the future. A portion of income earned from the fund can be reinvested for compound growth or can provide a predictable income stream. Fund income lessens the pressure to raise current operating dollars and helps to smooth the ups and downs of economic business cycles.

Additionally, an agency fund sends a positive message to donors: the organization has achieved a key measure of financial stability and intends to carry out its mission for generations to come.



“Harrisburg University trusted TFEC because of its experience and commitment to the local community.”

Enhancing Communities Learning Series



In 2015, TFEC concluded their final year of involvement in the Enhancing Communities Learning Series, a collaboration between TFEC and Temple University’s Nonprofit Evaluation Services and Training Center (NEST). The series offered nonprofit organizations a convenient way to learn about important and relevant issues affecting them while enjoying breakfast or lunch with their nonprofit colleagues. The 2015 sessions provided information and best practices on volunteer management, effective communication, pursuing grants, and planning special events.

GHF Challenge Grant Fundraising Workshops

Although 2015 was the last year for TFEC’s involvement in the Enhancing Communities Learning Series, TFEC’s new grant framework through the Greater Harrisburg Foundation emphasizes building the capacity of nonprofit organizations in new, exciting ways through “Our Challenge for Giving.” Fundraising workshops, held throughout GHF’s traditional service area, helped to set the overall development program context in which a challenge grant initiative can be successfully implemented, clarified the goals of a challenge initiative, assisted in identifying a uniquely compelling purpose for which to ask for these special gifts, and more.



“This workshop was so much better than I anticipated! I thought it would be specific to [the GHF Challenge for Giving] and how to apply for it. I plan to apply, but even if I’m not awarded a grant, the information I gained in this workshop will be very helpful.”

- Nonprofit Executive

We are proud to facilitate community conversations and seek solutions to problems. Our experiences as a neutral convener enable us to bring together nonprofit organizations, government officials, corporations and foundations to define issues and generate solutions.

In 2012, TFEC convened community stakeholders to discuss health disparities among the aging population. Participants included local area agencies on aging, hospital systems, health insurers, service providers, senior citizens, and more. After much discussion, health literacy was chosen as the most pressing issue affecting older citizens. In 2014, the aging task force implemented an online health literacy toolkit for use by community organizations serving older persons. In 2015, the newly named *Healthy & Wise Central PA Task Force* continued that work hosting educational sessions on health literacy, examining ways community organizations can help close the gap on health communications in Central Pennsylvania.

We invite caregivers, church groups, public libraries, senior centers, and any other persons or organizations working with older adults to take a look at the resources we've gathered. Your relationship with the people you work with can be a great tool to closing the health literacy gap among the aging population.

The toolkit can be found online by visiting www.tfec.org/health-literacy.



“This group recognizes that addressing health literacy among the mid-state elderly is a great way to connect to many other pressing issues impacting countless seniors.”

- Bob Haigh, Task Force Chair

In addition to accepting direct contributions, TFEC is able to assist you in making planned gifts. Often these gifts are deferred based upon your personal estate planning and income needs. Even though gifts might be deferred, they could have immediate tax benefits. Deferred gifts include bequests, charitable remainder trusts, charitable annuity remainder trusts,

charitable lead trusts, and real estate with retained life interest. If you make a planned gift, you are invited to become a member of our 1920 Legacy Society. Members of the 1920 Legacy Society receive recognition on our website, invitations to special events, and a gift to say thank you for your planned gift.

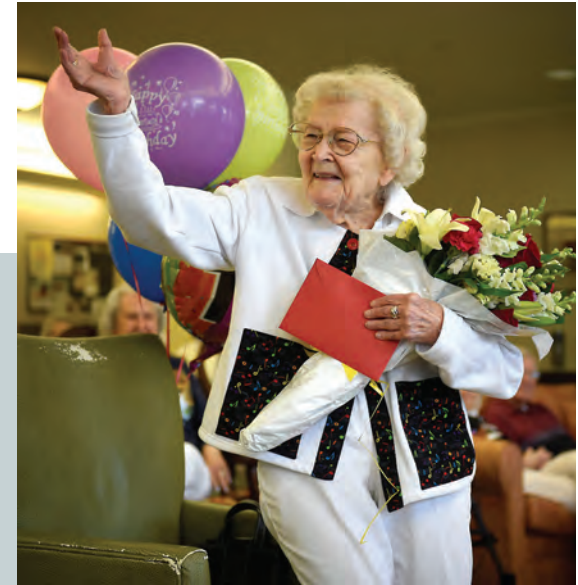
1920 Legacy Society

Lydia Auchincloss*
 Sloan and Susan Auchincloss
 William Banks
 Janice R. Black
 Evan R. & Marguerite H.* Bostdorf
 Harold and Dolores Brake
 Dr. Maury Brenner
 Dr. David Bronstein
 Eric L. Brossman
 Melvin and Janet* Brownold
 A. Wesley Carr Jr.
 Philip and Carol DiMartile
 Marie Graupner Elias*
 Mary Fox
 Donald and Sondra Freedman
 David E. and Jane Edgar Freet
 Gordon E. Fry
 Edward* and Alice G. Girvin
 Joseph K.* and Joan S.* Goldsmith
 Norma J. Gotwalt
 Raymond L. and Frieda Gover
 James E. Grandon, Jr. and
 Jean Grandon
 Lois Lehrman Grass
 Jennifer Greene
 Robert D. Hanson*
 Nancy Hatz*

Jody Heberling & Beth Helterbran
 Glenn and Barbara Holliman
 Martha B. Hostetter
 Robert F. Hostetter, Jr.
 Kenneth S. Knowlton
 Margaret D. Kooistra
 Eric P. Krell
 John* and Julie S. McCullough* Krell
 Governor George* and
 Mary Jane* Leader
 Richard and Jan LeBlanc
 Emily H. Lehr*
 William Lehr, Jr. and Beverlee Lehr
 Robert Thomas Leonard
 Barbara Lock
 Leon I. Lock*
 Robert Lynch & Dianne Brace
 George and Carrie Lyter
 Frank M. Magee*
 Jerry W. Martin and
 Michael E. Knaub
 Margaret B. Masters*
 L. Jeffrey and Sharon Mattern
 James M. and Janet M. Maynard
 Harold A. McInnes
 Carol Mentz
 Linda Miller and Rob Adelberg

“As lovers of the arts and music, my husband Russell and I wanted to provide a legacy to support the charitable organizations that gave us so much in our lifetimes.”

- Nancy Hatz



Wayne and Susan Mountz
 Senator Harold* and Phyllis Mowery
 Sidney Palmer, Jr. and Ellen Palmer
 Kathryn S. Patterson
 Charles and Ellen Peters
 Harry W.* and Nancy Reist Preis
 Marilyn Pukmel
 Leona Rapoport*
 David W. and Jeanne Reager
 Neal and Linda Rhoads
 Helga Rist
 William and Susannah Rothman
 Ray and Ethel* Rotz
 Charles M. Rush*
 Diane L. Sandquist
 Charles G. Schlichter, Jr.
 Paul V. Shaver* and
 Patricia E. Rousset
 Walter W. Shearer*

Conrad M. and Gail Siegel
 Dr. and Mrs. Robert E. Singiser
 Jack and Karen Snider
 Edward Soloman*
 Stephen and Lisa Spector
 Jennifer L. Steigelman
 Dean and Gail Stephens
 Larry W. and Mary Alice Stoops
 Elsie W. Swenson*
 J. Wayne Tisdale*
 Marilyn Lee Urie
 Milton Weber*
 Bernice Weir*
 Gale Wenk du Pont
 Wallace and Lois Willig
 Simon Zimmerman*
 Robert G.* and Linda M. Zullinger

*Deceased

Split Interest or Charitable Trusts

TFEC manages and serves as trustee for 43 charitable trusts, valued at \$10.4 million (12/31/15). These trusts include Charitable Remainder Unitrusts, Charitable Remainder Annuity Trusts, and Charitable Lead Trusts. These agreements are legal arrangements where you can transfer assets irrevocably to a trust, which then invests them and creates two (split) interests. Typically, a donor establishes these planned gifts in order to increase the impact of their charitable gifts, receive a lifetime income, and/or qualify for income, gift, and estate tax benefits. Charitable trusts have a minimum \$50,000 contribution requirement. In most circumstances, legal services are required and are available to donors without charge through TFEC's relationship with Nauman, Smith, Shissler & Hall, LLP.



“We chose to start a CRT because we wanted to use our savings to make a long-term annual donation to Americans for the Arts but have the benefit of an annual payment to ourselves during our lifetimes along with an immediate tax benefit this year. We chose to do this transaction through TFEC because of their good reputation and solid returns record and because they came highly recommended from someone whose opinion we trust, Bill Lehr.”

- Bob Lynch and Dianne Brace



In 2015, TFEC President and CEO Janice R. Black joined Pennsylvania Department of Education Secretary Pedro A. Rivera, U.S. Department of Education’s Early Learning Deputy Assistant Secretary Dr. Libby Doggett and other local and federal representatives to visit TFEC’s Parents & Partners early learning family support initiative.



Parents & Partners is a special initiative of TFEC which provides support for the whole family, broadens community resources by giving children and their families the tools they need to be successful, and builds strong partnerships between the community, early learning providers, and the Harrisburg School District.

“We were thrilled to demonstrate some of the great work our program has accomplished. It’s no secret that this particular stage in one’s life is most crucial in the brain and personality development of a preschool-aged child. We can make a difference and help these children be successful through these partnerships and programs.”

- Janice R. Black
President and CEO, TFEC

The Parents & Partners initiative is one of Pennsylvania’s Community Innovation Zone grants, funded partially through the state’s Race to the Top-Early Learning Challenge grant.

TFEC developed the Parents & Partners program through the Early Childhood Education Community Innovation Zone Grant of \$75,000 a year for three years, with a match from TFEC, local partners and organizations of approximately \$80,000 annually. The overarching goal of Parents & Partners is to wrap support around the whole family and address crucial economic and educational issues by providing early learning education to close the achievement gap by third grade. Capital Area Head Start, a division of Keystone



Human Services, is a primary partner to the program working to reach underserved families on waiting lists to provide training assistance and support. Harrisburg School District, also a primary partner of the program is helping to reduce the number of at-risk children within the district.





“High quality early education is critical to children’s success in school and in life. We are pleased that more than 100 children have been served by Head Start and Pennsylvania Pre-K Counts in this school. With the help of the Early Childhood Education Community Innovation Zone grant, this community is leveraging state and local resources to provide the best possible start for these children.”

- Pedro Rivera, Secretary
 Pennsylvania Department of Education












To learn more about Parents & Partners or to provide financial support for the program, please visit www.tfec.org/parentsandpartners.

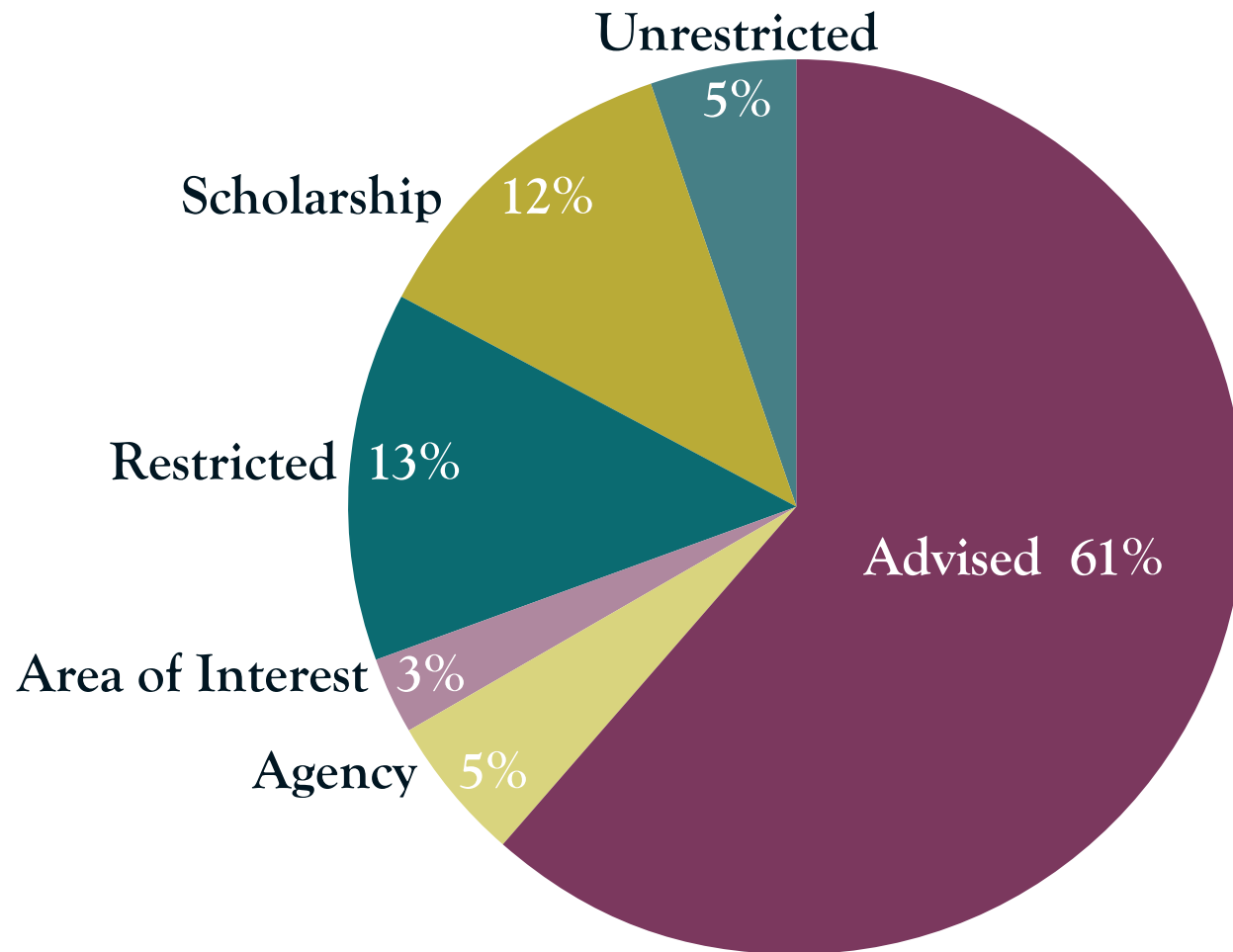


- 1 TFEC, Harrisburg School District, Capital Area Head Start
- 2 Boys and Girls Club of Harrisburg, Inc.; Capital Blue Cross; Capital Region Literacy Council; Center for Schools and Communities; Child Care Information Services; Dauphin County Early Intervention; Dauphin County Library System; Hamilton Health Center; Harrisburg Regional Chamber of Commerce; Harrisburg-area soup kitchens and shelters; The Joshua Group; Latino Hispanic American Community Center; Nurse Family Partnership; Pennsylvania Family Support Alliance; Penn State Cooperative Extension; Pinnacle Health; Pressley Ridge; Salvation Army; Temple University Nonprofit Evaluation Services and Training; Tri-County Opportunities Industrial Center, Inc.; WITF
- 3 Ms. Marilyn Abrams; The Ted and Shelley Adler Family Fund; Ms. Jenny and Ms. Janice R. Black; Capital Blue Cross; Greater Harrisburg Foundation, a regional foundation of TFEC; Harrisburg Public Schools Foundation; The Hershey Company; Highmark Blue Shield; Mr. William Lehr, Jr.; Henry & Beatrice Miller Fund (Ms. Linda Miller & Mr. Rob Adelberg); Mr. Benjamin Olewine; Ms. Kristen Olewine Milke; PNC Foundation; United Way of the Capital Region

MORE THAN

	Arts & Humanities		16%	\$	719,871
	Community Development		11%	\$	509,822
	Education		32%	\$	1,459,848
	Environment		6%	\$	256,261
	Health		8%	\$	379,288
	Human Services		11%	\$	528,342
	Math & Science		3%	\$	123,250
	Religion*		10%	\$	461,804
	Self-Sufficiency		4%	\$	177,315
	*donor advised funds only				
	Total		100%	\$	4,615,801

4.6 MILLION





Greater Harrisburg Foundation

a Regional Foundation
Established 1920

Serving Cumberland, Dauphin,
Franklin, Lebanon, and Perry Counties,
and the Dillsburg Area

2015 Total Assets

\$55,724,895

(76.65% of total TFEC assets)

2015 Total Grants

\$3,833,898

(83.06% of total TFEC grants)

Grant Committee

Cynthia T. Tolsma, Chair
Marilynn R. Abrams
Dr. David Bronstein
Barbara A. Darkes
Linda A. Hicks

Renee L. Lieux
David B. Skerpon
Karen Snider
Kathy L. Pape, TFEC Board of Directors, Chair, ex officio



The “Arts for All” Partnership, a new partnership in 2015 between The Foundation for Enhancing Communities (TFEC) and the Cultural Enrichment Fund (CEF), granted over \$55,000 to 20 organizations. This unique collaborative funding initiative aims to improve the efficiency of arts grant funding and increase the overall impact of grant funding for arts programming in our communities.

The “Arts for All” Partnership provides program grants to local nonprofit organizations that conduct arts and cultural programming. “Arts for All” Partnership grants will increase access to the arts in the capital region by funding free public performances for families, ticket subsidy programs that fill houses, innovative programs that engage and build young audiences, and educational outreach programs. Priority will be given to programs that increase arts engagement and access among diverse audiences, underserved and/or economically disadvantaged communities.

In addition, the “Arts for All” Partnership will further each organization’s vision of ensuring the existence of a vibrant and diverse arts community in the capital region – an arts community which is accessible to all residents.

Carlisle Arts Learning Center

In 2015, the “Arts for All” partnership awarded the Carlisle Arts Learning Center, Inc. (CALC) a \$5,000 grant for the ArtWORKS! Program; CALC conducts a series of after-school art classes and workshops, in a variety of mediums. In the classes, at-risk children and teens from Hope Station and those recommended by school guidance

counselors, create artwork that gives back to the community. Founded in 1992 on the principle that a healthy community is one that is rich in the arts, CALC is committed to serving and enriching the community by encouraging creativity and self-esteem through the exploration and appreciation of the visual arts.



“Having been involved with the ArtWORKS! Program for four years, I have learned that there are easier ways to show emotion. The program has made me more accepting of who I am and what I make. I have realized that art is a presence not only in me but in making a community a community.”

- Jo Cannone, 9th grader, Carlisle High School

“CALC has made me much more social. I wasn’t very social in the beginning but at CALC I quickly made new friends and didn’t feel alone anymore. Through my time here I have learned different styles of art and have become more interested in the art world. I have also become more involved in the community participating in events such as the parade, the anti-bullying project, and jeans-for-teens. Being at CALC and with my friends making cool projects increased my confidence level.”

- Henry Pluta, 9th grader, Carlisle High School

The Greater Harrisburg Foundation

“Our Challenge for Giving”

Inspiring nonprofits to increase their capacity



The Greater Harrisburg Foundation’s (GHF) goal is to inspire nonprofits that are aligned with GHF’s priorities to increase their capacity to attract new donors to their mission. GHF cannot support the needs of our community alone; all of us need to commit to making this region a vital and healthy community. To advance this work, GHF has established “Our Challenge for Giving,” a challenge grant initiative for the local nonprofit community.

“Our Challenge for Giving” is GHF’s commitment to award up to \$7,500 to increase the number of new private donors, reengage lapsed donors, and promote increased gifts from current donors. Challenge Grants can be a powerful incentive to diversify and increase the number of donors who support the organization. In 2015, GHF granted \$112,500 to 15 nonprofit organizations through this initiative. Coupled with the matching dollars, GHF’s investment is bringing \$315,000 in new dollars to local nonprofit organizations.

LEAF Project Inc.



In 2015, the Greater Harrisburg Foundation’s “Our Challenge for Giving” awarded the LEAF Project a \$7,500 grant. The LEAF Project (Leadership Education And Farming) cultivates young leaders ages 14-22 in South Central PA by placing them in positions of real responsibility on farms, working with chefs, and feeding our community. To raise the required match, the LEAF Project’s staff and board are launching a three-pronged donor outreach effort called “Develop Our Roots”. The outreach effort has three component fundraising initiatives, each with a different target audience: LEAF’s Family Tree, Farm to Your Table, and Sow Some Good. Just as a young plant spends time potted in a nursery until it develops enough to be planted, the LEAF Project is ready to be planted firmly as a burgeoning organization with their own farm, and their own independent status.

“This grant could not have come at a better time for our organization, as we are in a pivotal moment of growth. Since our inception, we have operated our program based on the generosity and sponsorship of many organizations and individuals including our fiscal sponsor, a donated kitchen space, and a host farmer who allowed us to work on his land. Recently, we acquired our own independent non-profit status and have made the move to our own farm. We intend to maximize these new opportunities for growth, but to do it well we need significant support from the very people our programs benefit, our community.”

- Heidi Witmer
Executive Director



“The combined strength, resources, and network of the Y and its coalition partners represent a huge opportunity. The coalition will be able to reach both broadly and deeply across Lebanon County to identify barriers to early childhood education in our county, and to develop strategies to overcome those barriers.”

- Phil Tipton, CEO

A focus on Kindergarten readiness

GHF strives to make a meaningful impact in the community by choosing a specific focus area to invest a larger portion of dollars. The mission of the new Strategic Grantmaking Initiative is to focus on Kindergarten readiness for children ages 3-5 who are not in pre-school settings and may, for multiple reasons, have barriers to accessing those services. GHF will accomplish this primarily by investing in programs that help parents become empowered as their children’s first teacher and prepare their children for Kindergarten. Parent education serves and strengthens the “whole” family especially those families that are at-risk due to poverty, limited education and no access to affordable pre-school programs.

TFEC will begin this initiative in two phases. The first phase of grants, completed in December 2015, awarded nearly \$40,000 to 4 nonprofit organizations. Phase 1 will help identify and assess the needs of families who are not utilizing preschool programs, as well as investigate potential programs that can be resourced. An important component of this phase was to invest in community agencies that have already established relationships with families who have preschool-aged children but who are not enrolled in preschool programs. The second phase, coming in the fall of 2016, will pilot the program(s) identified for implementation. The long-term goal will be to expand the initiative to more locations in TFEC’s funding area once the pilot research is complete and programming is implemented.

Lebanon Valley Family YMCA

In 2015, the Greater Harrisburg Foundation awarded the Lebanon Valley Family YMCA a \$9,209 grant as part of Phase 1 of the Early Childhood Education Strategic Initiative. The YMCA has formed a coalition of five agencies that work for healthy child development and early childhood education in Lebanon County, who have strong relationships with Lebanon County families, and who share concerns about lack of access to preschool within the county. The five agencies include: Lebanon Valley Family YMCA/YMCA Child Care Services; LUTHERCARE for Kids, Child Care & Early Learning Programs; Lebanon County Libraries; Lancaster-Lebanon IU13; and RSVP of the Capital Region. The coalition will target their focus group meetings at four strategic locations in order to get an accurate understanding of the barriers to accessing early childhood education across all of Lebanon County.



Mechanicsburg Area Foundation

a Regional Foundation

Established 1986

Serving the Mechanicsburg Area

2015 Total Assets

\$4,370,633

(6.01% of total TFEC assets)

2015 Total Grants

\$228,859

(4.96% of total TFEC grants)

Advisory Committee

Scott J. Christ, Chair
 Leslie Collins
 Mary C. Eberly#
 Tita Eberly
 Donald Failor, CLU,
 Past Member

Patricia Ferris*
 Dale A. Flor*
 Mike Greenawalt
 Patti Herring
 Parker H. Kuhns

Michael J. Malpezzi
 Linda Mohler Humes
 Alan T. Vandrew
 Murrel R. Walters III*
 Earnie Zimmerman
 Kathy L. Pape, TFEC Board of Directors,
 Chair, ex officio

*New in 2016

#Term Expired in 2015

Director Emeritus

Foster M. Berkheimer

David Coover

Charles E. Shields, Sr. (posthumously)

Bethany Village

In 2015, the Mechanicsburg Area Foundation awarded Bethany Village a \$6,433 grant for the purpose of developing a therapy Snoezelen room. This room is intended to provide a “whole sensory” experience and promote relaxation for those suffering from memory loss and the late stages of Alzheimer’s. Carefully selected groupings of sensory stimulation equipment are designed to give the individual the ability to create their own calming effect. While asking nothing of the participant, the Snoezelen concept, a compilation of the Dutch words to seek out and explore and to relax, places no expectations and allows connections to occur in a non-threatening way.

“This concept is another tool for our tool box. Studies have shown the therapies that a Snoezelen room provides are unique and have benefits that allow greater communication and relaxation for both residents and caregivers. With this grant, Bethany can further promote John Wesley’s teachings of ‘doing all the good that we can’.”

- Susan Crossley, Director of Community Life



“It is radiant, simply radiant.”

-Lloyd Troup, Bethany Village Resident,
commenting on his exposure to the
Snoezelen concept



Franklin County Foundation

a Regional Foundation

Established 1987

Serving Franklin County

2015 Total Assets

\$7,773,542

(10.69% of total TFEC assets)

2015 Total Grants

\$313,974

(6.80% of total TFEC grants)

Advisory Committee

Nancy Glen, Chair
 Harold L. Brake
 Henry J. Guarriello
 Lee T. Harter
 Dawn Keller, Previous
 Chair

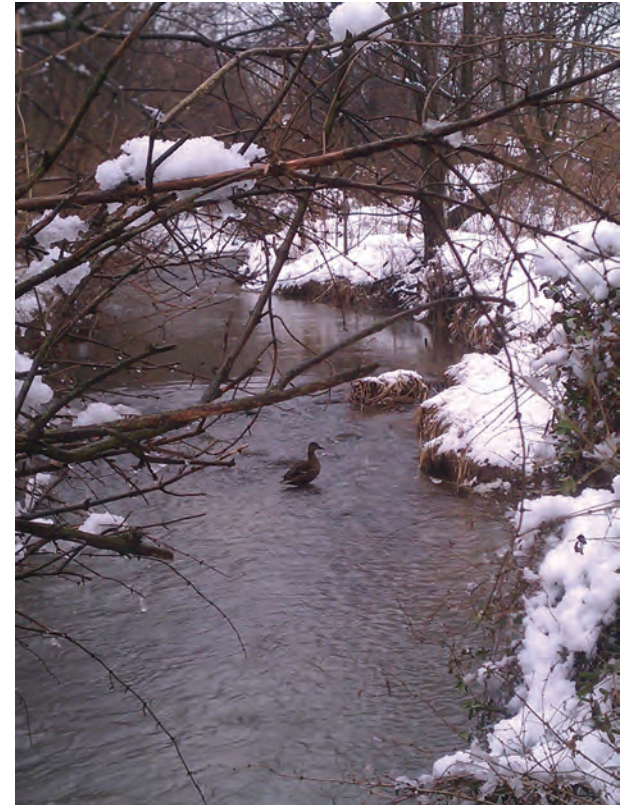
LeRoy S. Maxwell, Jr.
 John C. McKenzie
 Carolyn Miller
 Gail Reeder, Past Member

Charles G. Schlichter, Jr.
 David F. Spang
 Nancy Van Buskirk[^]
 Kathy L. Pape, TFEC Board of Directors,
 Chair, ex officio

[^]Deceased 2015

Mercersburg Area Council for Wellness, Inc.

In 2015, the Franklin County Foundation awarded a \$2,705 grant to the Mercersburg Area Council for Wellness, Inc. for the creation of side paths, sidewalks, trails, bike lanes, and other appropriate facilities to restore the ease and safety of walking and bicycling in the area. The network connects local neighborhoods to schools, parks, shopping, recreation, and local historic sites as well as to major regional trails. The Mercersburg Area Council for Wellness was established as a nonprofit organization in 2008 to create and support a groundswell of personal and community commitment and make the Mercersburg area a place that inspires its population to live well.



“This grant will help create attractive and informative signage on the history and ecology of the area as well as directional markings to help make the route safe and scenic for non-motorized traffic.”

- Elizabeth George, M.D., Board President, Mercersburg Area Council for Wellness, Inc.



Perry County Community Foundation

a Regional Foundation

Established 1987

Serving Perry County

2015 Total Assets

\$4,179,649

(5.75% of total TFEC assets)

2015 Total Grants

\$188,976

(4.09% of total TFEC grants)

Advisory Committee

L. Jeffrey Mattern, Chair
 Merrill Brofee, Past Member
 Anne Chappelka
 Thomas Cook, Previous Chair#

Suzanne Dell*
 Lenus A. Haines
 Allen E. Hench
 Dennis Hocker
 Marel King
 Linda C. Kutz#

George L. Lyter, Jr.
 Harriet Magee#
 Lori McClellon*
 Lane Partner*
 John J. Zogby
 Kathy L. Pape, TFEC Board of Directors, Chair, ex officio

Honorary Members

Joan Holman^

Hon. William Moore^

*New in 2016

#Term Expired in 2015

^Deceased



Perry County Food Bank

In 2015, the Perry County Community Foundation awarded a \$1,560 grant to the Perry County Food Bank for the “Plant, Prepare, Partake” program. The Perry County Food Bank exists to provide wholesome and nutritional supplemental food to Perry County families in need and to provide education about foods, food preparation, nutrition and self-sufficiency while preserving self-dignity. The “Plant, Prepare, Partake” program will prepare meals with families who attend using grills at Little Buffalo State Park and keep the menu choice simple, but healthy, using food from the food bank. In addition, the program includes educating participants on the importance of daily activity through a hike that will highlight Little Buffalo’s free activities and information on the park grounds.

“The summer cooking classes are very well received by the participants. Everyone learns new ways of preparing foods and preparing it in ways that their families love to eat. Comments from people afterwards are always very positive about the presentations and in their desire to implement what they learned when they get home.”

- John Kiner, Director, Perry County Food Bank



Camp Hill Community Foundation

a Regional Foundation

Established 1996

Serving the Camp Hill Area

2015 Total Assets

\$626,290

(0.86% of total TFEC assets)

2015 Total Grants

\$49,094

(1.06% of total TFEC grants)

Advisory Committee

Richard N. Woodard, Chair
Nancy A. Besch
Henry Cohen
Dennis Lebo

Thomas M. Johnston
Barbara McLemore
David W. Reager
Jill Williamson
Kathy L. Pape, TFEC Board of Directors, Chair, ex officio

The Lion Foundation

In 2015, the Camp Hill Community Foundation awarded The Lion Foundation a \$5,320 grant for benches and a hitting backboard for the Camp Hill Borough Siebert Park Tennis Courts. The Lion Foundation collaborates with the Camp Hill Borough, Camp Hill School District, as well as other groups and organizations serving the Camp Hill community. The benches and backboard serve both local schools and community members. Camp Hill High School's tennis program is currently utilizing the tennis courts as theirs are in disrepair.

The funds awarded to the Lion Foundation were from the Ellie and Heath Allen Park Fund, an area of interest fund held by CHCF. As life-long residents of the Harrisburg area and daily dog-walkers, the Allens developed an appreciation of local parks. They encouraged others to help in preserving our community parks and created this fund to preserve Camp Hill Borough parks.



“This project means a lot to our area, especially to our kids. I can’t express how instrumental the backboard will be for teaching new students how to play tennis. It’s a great resource and we’re grateful to The Lion Foundation and Camp Hill Community Foundation for making it happen.”

- Greg Herb
Camp Hill High
School Tennis Coach

“This was a wonderful opportunity to work with a variety of partners to enhance our community’s resources. The Lion Foundation is proud to be the conduit to working with TFEC, the schools and our local partners to enrich the lives of families in our community.”

- Robin Jones
Executive Director,
Lion Foundation





Dillsburg Area Foundation

a Regional Foundation

Established 2004

Serving the Dillsburg Area

2015 Total Assets

\$28,133

(0.04% of total TFEC assets)

2015 Total Grants

\$1,000

(0.02% of total TFEC grants)

Melvin J. and Alice Gayle Reeder Scholarship

Kierra Zack is the Melvin J. and Alice Gayle Reeder Scholarship recipient for the 2015-2016 academic year.

Kierra is currently studying to be a nurse at Eastern University, a small Christian school just outside Philadelphia. Kierra chose to attend Eastern University for its successful nursing program, small class size, cross country program, and above all, the fantastic community; the people at Eastern are genuine and welcoming.

On campus, Kierra has become involved with Fellowship of Christian Athletes, Young Life, a leadership program, work study, and the cross country program. After graduation, Kierra plans to work in a hospital setting for a few years as an RN and eventually become a Nurse Practitioner.

“I developed a passion for nursing because there are countless opportunities within the hospital and I love helping and working with people. I am beyond excited for a future in this career.”



“Being awarded the Reeder scholarship has meant a great deal to me. With this generous award, I have had the opportunity to focus my full attention on my classes and the transition to college. I am beyond blessed to have received such a generous contribution.”

- Kierra Zack
Scholarship Recipient

Statement of Financial Position *as of December 31, 2015 and 2014*

ASSETS	2015	2014
Cash and investments at market value	\$ 61,409,317	\$ 61,845,349
Receivables	1,767,020	1,706,003
Prepaid expenses	28,221	24,559
Property and equipment (net)	9,763	9,188
Split interest agreements	9,488,821	10,972,508
Total Assets	72,703,142	74,557,607
LIABILITIES AND NET ASSETS		
Accounts payable	26,256	10,468
Deferred revenue	—	—
Grants payable	822,489	588,699
Liability to resource providers	4,610,000	4,859,979
Liabilities under split interest agreements	5,555,573	6,404,899
Total Liabilities	11,014,318	11,864,045
Unrestricted	54,849,657	55,161,874
Temporarily restricted	6,839,167	7,531,688
Total Net Assets	61,688,824	62,693,562
Total Liabilities and Net Assets	\$ 72,703,142	\$ 74,557,607

Statement of Activities *as of December 31, 2015 and 2014*

SUPPORT AND REVENUES	2015	2014
Contributions	\$ 6,867,456	\$ 4,832,471
Dividend and interest income	1,496,790	1,499,708
Net gain (loss) on long-term investments	(1,929,316)	2,384,891
Reimbursements and other	(153,907)	931,922
Split interest agreements	69,965	34,601
Total Support and Revenues	6,350,988	9,683,593
EXPENSES		
Grants and program services	6,121,609	6,978,420
General, administrative and fundraising	1,234,117	1,236,787
Total Expenses	7,355,726	8,215,207
Change in Net Assets	(1,004,738)	1,468,386
Net Assets, January 1	62,693,562	61,225,176
Net Assets, December 31	\$ 61,688,824	\$ 62,693,562



Annual Investment Returns¹

Year	Model E ⁵	Model A ⁶	Model F ⁷
1996	19.6%	18.8%	—
1997	27.6%	22.0%	—
1998	23.4%	17.4%	—
1999	21.3%	16.3%	—
2000	-11.2%	-5.1%	—
2001	-8.8%	-4.2%	—
2002	-19.3%	-10.9%	—
2003	34.1%	24.2%	—
2004	16.0%	12.0%	1.6%
2005	8.6%	6.9%	1.1%
2006	19.0%	14.8%	4.7%
2007	4.3%	4.8%	6.1%
2008	-39.0%	-27.1%	0.1%
2009	31.1%	24.9%	8.4%
2010	18.5%	15.0%	6.4%
2011	-2.9%	-2.0%	3.7%
2012	16.7%	13.6%	5.7%
2013	32.0%	21.0%	-2.7%
2014	8.4%	5.9%	2.8%
2015	-0.9%	-1.0%	-0.6%
Standard Deviation²	19.0%	13.4%	3.3%

- 1 Results are net of fees included in the mutual funds but before TFEC's fee for investment management and fund administration and are as of 12/31/15.
- 2 Standard deviation is a statistical measurement of the dispersion of investment returns over the 20-year period. Standard deviation does not indicate how investments actually performed, but merely indicates the volatility of their returns over time. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility.
- 3 Benchmark returns are unmanaged and do not incur fees. In 2004, the benchmarks were adjusted because small cap and international allocations were increased. In 2003 and prior years, the Model E equity benchmark was 70% S&P 500, 20% Russell 2000 and 10% MSCI-EAFE, and Model A's benchmark was 49%, 33% and 7%, respectively.
- 4 To minimize market fluctuations, the fixed income component is invested in funds that focus on high quality intermediate term bonds. It is heavily weighted to U.S. Government bonds, while the benchmark includes long-term bonds.
- 5 100% Equities
- 6 70% Equities & 30% Fixed Income
- 7 100% Fixed Income

20 Year Average Annual Returns¹ vs. Benchmarks³

Year	Model E ⁵	Benchmark	Model A ⁶	Benchmark	Model F ⁷	Benchmark	Rank	Percentile
1 yr	-0.9%	-0.7%	-1.0%	-0.5%	-0.6%	0.6%	38 of 154	76%
3 yrs	12.3%	11.9%	8.2%	8.6%	-0.2%	1.4%	1 of 151	100%
5 yrs	9.9%	9.7%	7.1%	7.6%	1.7%	3.2%	1 of 146	100%
10 yrs	6.6%	6.2%	5.9%	6.1%	3.4%	4.5%	6 of 117	95%
20 yrs	8.1%	7.8%	7.4%	7.4%	—	—	2 of 56	97%
Benchmarks	55% S&P 500, 20% MSCI-EAFE, 25% Russell 2000		34% S&P 500, 19% Russell 2000, 17% MSCI-EAFE, 30% BarCap US Aggregate Bond		100% BarCap US Aggregate Bond ⁴		Fiscal and Administrative Officers Group (FAOG) Community Foundation Survey 4th Quarter 2015	

Robert Dolan, Investment Advisory Committee Chair



Another year has come and gone and it is a wonderful time to reflect back on the year and to review our investment history. The year started with the Dow Jones Industrial Average (DJIA) at 17,823 and ended with it at 17,425, but beneath this calm was a lot more volatility. During the calendar year, the DJIA was as low as 15,750 and as high as 18,351. As I write this a few weeks in to 2016 it's moving around near 16,000.

During the year we have had concerns about China's economy as well as political turmoil in the Middle East that has extended into Paris, Brussels, and San Bernardino, CA. It causes concern, so the first thing we see is the short-term market movements, but it also poses a longer term threat to the economies of the world. While we invest in international securities we are more heavily weighted to the

economy which continues to improve as we add jobs and reduce unemployment rates. The Federal Reserve had sufficient confidence in the U.S. economy to raise interest rates slightly in December, this occurred without much impact on the financial markets.

Our Model E (all equity) slightly underperformed the benchmark in the calendar year, but the other time periods, 3, 5, 10, and 20 years, all exceeded the benchmark. The Fixed Income (Model F) continues to lag the benchmark primarily because we have a shorter duration on our bonds than the benchmark. We, like

many others, anticipated rising interest rates which have not yet come about. Hence the blended Model A lags its benchmark for the same reasons at the shorter time periods shown, but equals the benchmark at the 20-year point. Again, our long-time horizon dictates that the long-term benchmark is the important one to attain.

We continue to tweak how we apply our disciplined system, but we will continue on as we have in the past. Thank you for your support and we will keep you apprised of our performance as we go along.

TFEC's Assets *as of December 31, 2015*

Total Assets	\$72,703,142	100%
Committee Advised Funds	6,034,813	8.30%
Donor Advised Funds	15,523,918	21.35%
Advised Total Assets	21,558,731	29.65%
Agency Funds	6,028,249	8.29%
Area of Interest Funds	4,547,547	6.25%
Projects	1,905,619	2.62%
Restricted Funds	14,142,755	19.45%
Scholarship Funds	8,605,656	11.84%
Split Interest Agreements (Trusts)	10,427,623	14.34%
Unrestricted Funds	5,379,200	7.40%
Other Assets	107,762	0.15%

Investment Models

4

TFEC has four different models you can choose from to invest your fund: Model E, Model F, Model A, and Model M.

- Model E: 100% Equities
- Model F: 100% Fixed Income
- Model A: 70% Equities & 30% Fixed Income
- Model M: 50% Money Market & 50% Very Short-Term Corporate Notes

Average Annual Returns vs. Benchmarks

1 year

Results are net of fees included in the mutual funds but before TFEC's fee for investment management and fund administration and are as of 12/31/15.

- Model E: -0.9%; Benchmark: -0.7%
- Model A: -1.0%; Benchmark: -0.5%
- Model F: -0.6%; Benchmark: 0.6%

Please see page 35 for the complete list of investment performance.

Passive vs. Active Management

S&P 500

S&P 500 index funds, a passive investment index, have outperformed 80% of the managed general equity mutual funds over the past twenty years. Similarly, the mid-cap and small-cap index funds have outperformed actively managed funds of similar investment guidelines. Part of this performance is due to lower fees charged against indexed funds, low commissions paid on security transactions, and little asset turnover.

Investment Strategy

20 yrs

In 1996, TFEC adopted a disciplined, passive investment strategy which suggests that we not try to outperform the market in any given year. In order to realize market returns and maintain diversification at the lowest possible cost, TFEC invests in no-load, low-expense mutual funds. These funds, from reputable companies such as Vanguard and Dimensional Fund Advisors, are held within separate asset-class pools.

Total Return Policy

1996

Since 1996, TFEC has invested assets according to "Total Return". A total return policy treats all returns on investments - interest, dividends, realized and unrealized capital appreciation - as additions to principal. This spending policy allows for more predictable distributions over the long-term and ongoing grant recipients are able to rely upon a relatively stable income stream.

Investment Flexibility

4

When you establish a fund, you can select a fund investment mix among four investment models. Each model is structured to have a different performance benchmark and volatility measure. For example, you can choose to invest your fund in Model E, Model F, Model A, or Model M. You can divide your fund's assets in any proportion among these four models.

Agency Funds

Harrisburg University's Stabler Foundation Scholarship Fund: This fund will provide need-based scholarships to Harrisburg University students who might not otherwise have an opportunity to pursue a science or technology education.

Libby Urie Philanthropic Fund for Financial Assistance: Libby Urie, a special kind of woman with a big heart, is more concerned about the welfare of others than she is about her own. She exemplifies the Jewish values of promoting communal responsibility and fostering personal well-being. The Libby Urie Fund will provide essential resources and a helping hand to people struggling with short-term financial crises.

Area of Interest Funds

The Fund for Hope: This fund will benefit the programs of nonprofit organizations serving Cumberland, Dauphin and Perry counties in the area of mental health. This fund was created with the dissolution of the Mental Health Association of the Capital Region on June 30, 2015.

Glenn Long Fund: This fund will benefit nonprofit organizations that provide mental health services to the residents in Perry County. This fund was created with the dissolution of the Mental Health Association of the Capital Region on June 30, 2015.

Committee Advised Funds

East Pennsboro Middle School (EPMS) Cathy Murphy Family Fund: The purpose of creating the EPMS Cathy Murphy Family Fund was to establish a fund that could be used to help needy families in the EPMS community. Cathy was a very giving individual who gave of her time and money to help others less fortunate than her. EPMS staff miss Cathy and wish to be able to give back to students and families in her honor.

Rotary Club of Carlisle-Sunrise Foundation: The Rotary Club of Carlisle-Sunrise Foundation was established as the non-profit arm of the Rotary Club of Carlisle-Sunrise. The funds in this account will be used for the following purposes: to support the Club's water projects in developing countries and to support the Club's grantmaking activities that focus on nonprofit organizations in the Greater Carlisle Area.

Donor Advised Funds

Charles and Cynthia M. Robinson Family Fund: This fund was established to benefit Perry County nonprofit organizations at the donors' discretion.

Glenn and Barbara Holliman Fund: Glenn and Barbara are retired business persons living on a farm in Newport, Pennsylvania, tending to their free-range cats and traveling often. The couple started this fund with appreciated stock thus avoiding the capital gains tax. The couple will use the fund to annually support nonprofit organizations at their discretion.

Magaro Foundation Fund: This donor advised fund was established to benefit local charities.

Philip & Carol DiMartile Fund: The Philip and Carol DiMartile Fund was established to enable the donors to support their charitable areas of interest.

Reis Family Fund #3: This fund was established to support charitable organizations at the donor's recommendation.

Troy Todd Foundation: The Troy Todd Foundation fund was started as a tribute to Troy's love of life and of all people. Troy loved life and wanted others to experience the generosity, kindness and grace his family received from so many at the Rosenbaum House at West Virginia University Hospital.

In the summer of 2012, Troy was diagnosed with Acute Leukemia and passed away just nine short months later. Living in Western Maryland he and his family had to travel 60 miles one way for his treatment. They were blessed to come across the Rosenbaum House that offered a room for a nominal weekly fee so his wife could stay close to him during this difficult and devastating time in their lives. Troy and his wife often spoke of how angels seemed to take care of them and have a room when they needed it and his wife now wants to extend that gift to as many as possible. Donated funds will allow families to stay together during cancer treatment and hospital stays.

Wolf Inaugural Fund: This donor advised fund was created by Governor Wolf and his Inaugural Committee to make charitable grants to nonprofit organizations.

Restricted Funds

Grove Family Fund #2: The Grove Family Fund #2 provides funding to Harrisburg Area Community College and Pennsylvania State University-Harrisburg campus to support students in need.

Dame Family Foundation

The purpose of the Dame Family Foundation is two-fold. First, the donors want to share their bounty to enable people to enhance their lives. Second, they want to teach their children and grandchildren about philanthropy by involving them in the grant decision making. The Dame Family has a long history of charitable giving which primarily involved giving to their church and to local or national charities. The Dame Family Foundation allows them the opportunity to expand their giving to touch more lives.

“We established the Dame Family Foundation so our multi-generational family (including seven grandchildren ages 10 and under) can participate in and learn about philanthropy. We selected TFEC because of their experience administering these funds and because of the great resource we found in the TFEC staff.”

- John and Emily Dame
Dame Family Foundation, Committee Advised Fund



Dame Family

TFEC manages projects that provide charitable benefits for the community; through this fiscal sponsorship, gifts to a project are tax-deductible.

Through a project agreement, TFEC can pay for eligible expenses related to the project's goals and the net proceeds can be used to create a charitable fund at TFEC or be distributed to another nonprofit organization. TFEC provides objective fiscal oversight and expertise in order to ensure legal and accounting compliance. TFEC manages over 60 projects totaling nearly \$2 million in assets (12/31/15). Grants, totaling \$482,381, were made in 2015 from these projects to various nonprofit organizations such as Penn State Hershey Children's Hospital, Four Diamonds Fund, HACC Foundation, and Downtown Daily Bread.

Badder than Cancer

The charitable purpose of the project is to provide funding for basic cancer research conducted at nonprofit cancer laboratories through the marketing of various merchandise and apparel items.

Beauty after Bruises

The charitable purpose of this project is to bridge the gaps in providing continuity of care and therapeutic wellness to the Complex-PTSD (also known as Developmental Trauma Disorder or DTD) community of survivors by raising and granting funds for ongoing and emergent treatment, providing tangible therapeutic items that improve and maintain wellness, and raising awareness in both the public and mental health forums.

Christian Recovery Aftercare Ministry (CRAM) Capital Campaign

The charitable purpose of the project is to create a "one-stop" service center providing human and social services to a diversified population of underserved individuals in the Greater Harrisburg Area.

Harrisburg Parks Foundation

The charitable purpose of the project is to provide support to the City of Harrisburg in the preservation, maintenance, expansion and development of parks and playgrounds, and in the delivery and improvement of recreational opportunities for the benefit of the general public.

Andrew Ryan Hess NICU Foundation

The charitable purpose of the project is to benefit the Andrew Ryan Hess NICU Foundation Endowment Fund and to draw attention to the need to address the unexpected expenses of needy parents with children in the NICU of the Geisinger Hospital NICU, Pinnacle Health Systems NICU and the Penn State Hershey Medical Center NICU.

Keystone Musical Arts Center

The Keystone Musical Arts Center (KMAC) believes that music enhances every stage of life, and that everyone who pursues music, whether as a profession or as a hobby, should have the opportunity to reach their fullest potential. The Center unites with the community by offering diverse, high quality musical arts experiences which inspire, enrich and advance musicianship for students of all ages and skill levels. KMAC operates in an environment that emphasizes both classical and contemporary fundamentals, and nurtures self-expression with an enthusiastic passion for all music.

Pennsylvania Cheese Guild

The charitable purpose of the project is to strengthen the future of the local agricultural industry by introducing students and future cheesemakers to careers based in regional agricultural and/or food production, promote the importance of supporting local production of cheese by educating the general public, and highlighting the diverse benefits of this segment of the dairy industry.

“The Pennsylvania Cheese Guild (PACG) members are from all areas of the state of Pennsylvania. Several members of the steering committee are also involved with a regional guild, Chester County Cheese Artisans. After experiencing a positive working relationship with The Foundation for Enhancing Communities (TFEC) to organize the regional guild, the PACG reached out to TFEC to become a project of the organization. TFEC has been very supportive and has assisted the guild in many ways to bring the idea of starting a statewide guild to fruition.”

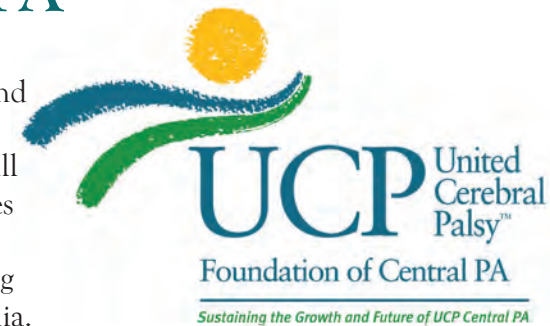
- Donna Levitsky, PA Cheese Guild



TFEC provides an array of services for nonprofit organizations or private foundations. Through this contractual relationship, a personalized package including options from accounting services to investment management is created, providing efficient financial administration. TFEC currently administers 15 management services agreements, with assets totaling \$37.2 million (12/31/15).

United Cerebral Palsy Foundation of Central PA

The United Cerebral Palsy Foundation of Central PA (UCP Foundation) financially supports and shares UCP Central PA's (UCP) mission of assisting infants, children, youth, and adults, with disabilities and their families, achieve their goals of development, growth, independence, and full citizenship. The UCP Foundation serves two key purposes: it supports the programs and services of UCP, the human services agency with which it shares a name and an address; and it serves to ensure the long-term fiscal health of UCP so that the agency may continue its legacy of providing quality services for people of all ages with all types of disabilities throughout Central Pennsylvania.



“For the past 10 years, The Foundation for Enhancing Communities (TFEC) has managed the funds for the UCP Foundation of Central PA (UCP Foundation). As a result, the UCP Foundation benefits from the depth and breadth of expertise provided by TFEC’s Board, Committees, and staff related to our long-term investments. TFEC works closely with our leadership team, Board, and Investment Committee to help ensure that our resources are invested in the manner best suited to meet our needs today, tomorrow, and well into the future. Also, we are confident that TFEC’s history of successful fund management provides our donors with increased confidence as they consider a gift to the UCP Foundation.”

- Janeen Latin,
Chief Management Officer



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 Dolly M. Lalvani, Assistant Treasurer
 Michael R. Gillespie
 Cynthia T. Tolsma
 Tita Eberly
 Steven M. Hoffman, CPA, Treasurer

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 L. Jeffrey Mattern, Vice Chair
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Not pictured:

Marilynn Abrams#
 Cate Barron, Past Member
 Dr. Carolyn Dumaresq, Assistant Secretary
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#Term Expired in 2015

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Brandon Tressler,
Financial Services Associate

Janice R. Black, President and CEO

Heather LaManna, Executive Assistant

Jennifer Strechay,
Program Officer for Community Investment

Mark Bradshaw, Administrative Assistant

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Asset Development & Scholarship Officer

Leslie Fick,
Program Manager, Parents & Partners

Kirk C. Demyan, Chief Financial Officer

Deb Fulham-Winston,
Asset Development & Project Officer

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Community Investment

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Faith Elmes,
Scholarship Associate

Consultants

Conrad Siegel, FSA, Conrad Siegel Actuaries,
Consulting Actuary and Founder

Brian E. Hess, The ENVISION Group, Inc.

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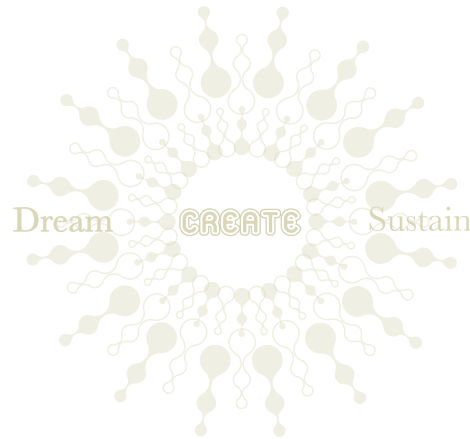
IntermixIT, IT Support

Maher Duessel, Auditor

Spencer G. Nauman, Jr., Esq., Nauman,
Smith, Shissler & Hall, LLP,
General Counsel

Our Mission

To stimulate philanthropy and enhance the quality of life in the community through accumulating, managing and disbursing financial assets, and to serve as a catalyst and neutral convener to meet a wide range of community needs in the South Central Pennsylvania counties of Cumberland, Dauphin, Franklin, Lebanon, Perry, and the Dillsburg Area.



Our Philosophy

- Stimulate innovative projects and programs and encourage collaborative approaches that address emerging or unmet needs.
- Promote solutions that confront the causes of problems, with special emphasis on empowering the disadvantaged and underserved.
- Reflect the diversity of our community in TFEC's planning, decision-making and grantmaking.
- Respect individual concerns of citizens while striving for community solutions.

 **theFoundation**
for Enhancing Communities

200 N 3rd St., 8th Fl • Harrisburg, PA 17101
Tel: 717.236.5040 • Fax: 717.231.4463 • Email: info@tfec.org
Connect with us: www.tfec.org

