After a year of tremendous growth, East Tennessee Foundation is planning for the future. The Board of Directors is involved in the second phase of our strategic planning effort as we try to fulfill our mission to build charitable resources to make communities stronger and lives better through thoughtful giving. We want to continue to do those things well which are successful, and we want to be properly staffed and funded to handle the challenges of growth. In addition, we don’t want to undertake activities which take us beyond our mission statement.

One of the activities we have addressed is how to measure success at ETF. Is it measured as a long range assessment of quality of life in our 25 county region? Is the appropriate metric the size of our assets or the number of funds we manage? Or is it the number of lives that have been affected by our presence in East Tennessee? These and other considerations are all a part of a complex matrix which defines a community foundation, and one of the Board’s challenges is deciding how to weight these considerations.

We look forward to reporting the results of our strategic planning in the fall 2013. Stay tuned as we continue to be a dominant force in our region. It is my vision that we become the gold standard against which other community foundations measure themselves, and we are well on our way toward fulfilling that vision.

Alice Mercer, ETF Board Chair
New Hope, Blount County Children’s Advocacy Center established an Agency Endowment with East Tennessee Foundation in 2011. Trudy M. Hughes, Executive Director, says the following about the organization’s partnership with East Tennessee Foundation:

Why did your organization choose to establish an endowment with East Tennessee Foundation (ETF)?

“New Hope has enjoyed a multi-year, multi-faceted relationship with East Tennessee Foundation. This has afforded us many opportunities to learn about and experience the work of ETF and its Board/Staff. Having developed great confidence, the next appropriate action step was to place our endowment with ETF. We have been very pleased with the growth and security of the investments and cannot imagine having made a different decision.”

Why is an endowment important for your organization?

“As New Hope enters its second decade of services, the growth of our endowment will continue to be an important strategy in a multi-tiered plan to grow the assets of the agency, thereby ensuring the long-term viability and success of New Hope.”

How has your organization benefitted from this relationship with ETF?

“Access to information, knowledgeable professionals, and collaboration are but a few mutually beneficial opportunities. When we have questions, ETF staff is always willing to speak with us, assisting in any way that is possible. Enjoying a collaborative relationship with such a reputable organization has opened doors for new relationships and opportunities on more than one occasion.”

New Hope, Blount County Children’s Advocacy Center is a friendly, safe place for child victims of sexual and physical abuse. The Center is designed to be the “child’s office,” where multiple agencies and professionals convene to coordinate and deliver services in one place so the child only tells their story one time. The Blount County Children’s Advocacy Center is dedicated to serving children who are victims of sexual and physical abuse through prevention, education, and intervention. To learn more about this organization, visit www.blountkids.org.

If you would like to support this organization’s Agency Endowment, visit www.easttennesseefoundation.org and click “GiveNow.”

If you would like to learn more about creating a permanent source of income for a nonprofit organization, please contact Sherri DeCosta Alley, Vice President for Advancement, at sdalley@etf.org or (877) 524-1223.

All of us at East Tennessee Foundation and community foundations across the country are quick to say, “It’s not about the money!” To measure the strength and success of a foundation, it’s about the effectiveness of the grants we make, the lives we change, the generation of all manner of resources that build social capital in the communities in our region, Yada…Yada…Yada…

I’m the first to admit that all of the above is true, but as a long-time member of the financial team here at ETF, it is my pure delight to talk about the money. The money helps! Money is easily, objectively quantifiable, while the evaluation of how we have made a community better requires exhaustive research, several PhDs, statisticians, and an enormous number of meetings, etc. Yuk. I am happy to stick with my numbers and let our program gurus do the much needed mission-driven analyses.

Continued on Page 5
When we began the Michael Curtin Renaissance Run 14 years ago, we established a goal of having a trust fund of approximately $100,000. The fund was established with East Tennessee Foundation in hopes of being able to award a four-year renewable scholarship of at least $1,000 per year forever. During the interim 14 years, we have awarded 14 single year scholarships of $1,000 each.

As of the run described below, we can take a break. Our goal of being able to give away $4,000 per year forever has been achieved! We owe the achievement of this goal to the unyielding support of many people, businesses, and organizations!

Saturday morning, March 30th dawned overcast and cool. As the black of night tapered into the gray of morning, it was clear volunteers had already been at work preparing for the 14th annual Michael Curtin Renaissance Run. Norris police had placed barricades and cones in the vicinity of the Norris Commons. As the gray brightened to full daylight, more volunteers arrived under the Norris Lions Club Community Pavilion with T-shirts, timing equipment, refreshments and all the paperwork required to register runners and walkers and make them feel welcome.

By 8:00 the din of chatter among old and new friends wafted across the front of Norris Middle School. Runners took warm-up runs along the Norris Commons. The cold and gray sky had little effect on the spirit of the event. Greetings and chatter continued right up to just moments before gun time of 9:00 a.m. Seventy-nine runners lined up on the start line, just northwest of the floral island near the bus circle at the east end of Norris Middle School.

As the gun sounded for the runners, I felt an enormous relief! As I fired the gun to signal the start of the fun walk, the relief only grew. Now the success of the run was completely in the hands of Norris Police, our own course timers, road guards and finish line timers. A short 21 minutes later, the Norris Police vehicle appeared escorting the lead runner to the finish line! For the next 20 minutes an enormous array of finishers crossed the finish line. Some were sprinters trying to knock that last second off their personal best. Others were running lightly as pairs of friends, parent-child, or singly just for the pure joy of running. Still others struggled to finish. All were greeted with applause and cheers. After just a few minutes, any sign of anguish or fatigue among those who had crossed the finish line was replaced by smiles and congratulatory grins.

As each runner and walker completed his or her challenge for the day, they headed to the pavilion for refreshments and fellowship. During this time, our chief timer Sam Morris worked to check and post results. After being sure we had it right, the announcement of winners began. We had plaques for the first three finishers for both men and women. Then we had medals for first and second place winners in each of 10 categories. A total of six plaques and 40 medals were available. Impressive as that number sounds, because of the support of numerous local businesses, we had even more door prizes. In fact, every registered runner and walker who stayed for the ceremony was awarded a door prize.

By 11:30, because of the dedicated volunteers, the pavilion fell quiet again. All the runners, walkers and volunteers were gone. The equipment, refreshments and support gear had been loaded into vehicles. As Judy and I took one last look around, it was clear: It was over. A goal established 14 years ago was complete!

How do we thank all the people who had such major parts in achieving our goal? I don’t know. I can only hope they understand that we will be forever grateful for the time, talent and treasures they so generously and eagerly contributed. To all who read this humble message... the best we can do is say: THANK YOU AND GOD BLESS YOU ALL!

By Dennis Curtin
WOMEN’S FUND UPDATE

What do you get when you put over 300 of East Tennessee’s most influential women in the Cherokee Country Club Ballroom on a beautiful spring day? You feel an energetic vibration generating change from a place of purpose driven with focused intention to help transform the lives of women in our region.

On April 11th, the Women’s Fund of East Tennessee hosted its 2nd Annual Meeting and Luncheon. Organized by a committee of dedicated volunteers led by Paige Preston and Christine Patterson Winter, the table themes were charming with hand-blown glass by the artisans of Marble City Glass Works and flowers by Blooming Earth Flowers.

Guests were greeted by the staff and volunteers of East Tennessee Foundation and directed to the River Room for a champagne reception along with shopping from our vendor friends from Jessica Weiss Jewelry, Lola B. and Union Avenue Books. These businesses and Marble City Glass Works donated a portion of their sales from the day to the Women’s Fund.

Robin Wilhoit, WBBIR News Anchor, graciously served as our mistress of ceremony, setting the tone of possibilities and high expectations, welcoming guests to our exciting program and thanking our generous sponsors: The Charlie and Moll Anderson Family Foundation, Pilot Flying J, Natalie and Jim Haslam, Ann Bailey, Cherokee Distributing Company, Clayton Bank & Trust, Clayton Homes, Cornerstone Foundation of Knoxville, Home Federal Bank, TIS Insurance Services, UT Medical Center and our many supportive table sponsors and hosts.

Marty Begalla, chair of the Grants and Research committee, introduced the 2013 Women’s Fund grant recipients. SISTERS of the Rainbow, a program of Helen Ross McNabb Center, received a $15,000 grant for the addition of a vocational case management program to their intensive outpatient alcohol and drug treatment program for adult women who live in Knox County. SISTERS strives to overcome the barriers many women face in coming to treatment by providing transportation within a ten-mile radius of the program. The goal of SISTERS is to break the cycle of addiction, welfare, and poverty and to promote self-sufficiency.

The second grant of $60,000 was given to the New Opportunity School for Women. Its mission is to improve the educational, financial, and personal circumstances of low-income, middle-aged women in the Appalachian region. The program was started in 1987 at Berea College by Jane Stephenson and has grown to Banner Elk, North Carolina, Bluefield, Virginia, and soon Maryville, Tennessee, thanks to the initial grant from the Women’s Fund of East Tennessee.

The luncheon guests learned more about these two outstanding programs through the videos filmed and produced by Doug Mills. We extend our heartfelt gratitude to Mr. Mills for handling these stories with such care and love.

Alice Mercer, immediate past chair of the Women’s Fund Advisory Board, shared her testimony about why she chose to become a Founder in the Women’s Fund endowment. Inspired by her mother’s courage and strength, Alice grew up to become the woman and leader she is today, understanding the importance of empowering women with the tools of education, life and work skills.

The annual event then took a humorous turn as author, actress and comedienne Ali Wentworth shared hilarious stories about her family, especially her mother Muffy, from her book Ali in Wonderland. She stayed following the luncheon to autograph books purchased by the luncheon guests.

The Women’s Fund of East Tennessee continues to celebrate our community of philanthropy as we have crossed the $2 million mark on our road to raising $10 million to benefit low-income women and girls across 25 counties in East Tennessee. We thank each and every donor, sponsor, volunteer and organization that has embarked on this journey with us. If you are ready to join us, please give us a call at East Tennessee Foundation. We have a place for you to be a part of the Women’s Fund of East Tennessee.
Community event highlights include one recurring event and two brand new ones, all of which support the Fund. For the second consecutive year, the Forget Me Not 5K in Lenoir City donated its proceeds to the Fund. This race is growing rapidly; approximately 350 runners participated in 2012, and more than 500 ran in the 2013 event. 100% of the proceeds from the 5K is donated to the Fund. There were two new events held in March, one in Knoxville and one in Memphis. In Memphis, students at the University of Tennessee College of Pharmacy coordinated the first “Race for the Summitt,” which was immensely successful, attracting over 400 runners. Local professional ice hockey team, the Knoxville Ice Bears, held a “We Back Pat” night at their March 15th game. A “We Back Pat” hockey jersey was auctioned at the event and proceeds from the “Chuck-a-Puck” fan contest were given to the PSFF. We are so grateful for the volunteers throughout the country who host events in support of The Pat Summitt Foundation.

On March 2nd, Pat Summitt and former Lady Vol All-American, Michelle Marciniak, who also serves on the PSFF Advisory Board, gave a keynote speech at the “Meeting of the Minds” conference in St. Paul, Minnesota. The “Meeting of the Minds” conference is a collaboration between the Alzheimer’s Association Minnesota-North Dakota Chapter and Mayo Clinic, who work together to create a day designed to inform, equip and support people with dementia, family caregivers and professionals. The conference is the largest of its kind in the country. Dr. Ron Petersen, PSFF Advisory Board member and Director of Mayo Clinic Alzheimer’s Disease Research Center, gave two presentations at the conference as well.

The largest major gift announcement in the short history of The Pat Summitt Foundation Fund was made in April when Peyton and Ashley Manning made a gift of $500,000 to the Fund. Peyton, who serves as Honorary Co-Chair of the PSFF with former Lady Vol All-American Kara Lawson, personally presented the check to Pat and Tyler Summitt at a private gathering in Knoxville. Of the gift, Peyton said, “Both Ashley and I believe it’s imperative we make our own personal contribution to advance this critical work in addition to serving in a volunteer capacity with the Foundation. We are hopeful others will follow Pat’s lead and come to the aid of the more than five and a half million Americans impacted by this disease.”

Did you know?

Since our formation as ETF in 1986, we have awarded $200 million in grants. Last year alone, ETF and its supporting organizations awarded over $9 million.

ETF holds $192 million in total assets which will continue to serve future generations of East Tennesseans in perpetuity.

ETF holds over $13 million in 44 scholarship funds that will benefit 124 students for the fall semester.

ETF spearheaded and raised $12 million for various community initiatives over the years, including Nine Counties, One Vision, Kingsport Community Foundation’s “Spirit Campaign”, Project GRAD, Fund for Greene County’s Morgan Square-General Morgan Inn Redevelopment Project, TNAchieves, and many more.

The stories behind each gift we have received and each grant we have made fill volumes, but I choose here to let the numbers speak for themselves.

By Carolyn Schwenn
ETF Senior VP for Finance and Administration
Kingsport Community Foundation is a philanthropic organization governed by a local board of directors. Its mission is to help donors maximize their contributions to the community by awarding grants that enrich lives and strengthen the Greater Kingsport community forever. Organizations which were awarded 2013 grants and the summaries of their funded projects follow:

**Boys and Girls Club of Greater Kingsport, Inc.**
The Social Recreation Program will provide a center for developmental experiences for Club members.

**Girls on the Run of Northeast Tennessee, Inc.**
An afterschool program for girls at Blountville, Central Heights, Kennedy and Jackson elementary schools will incorporate running into the positive development program.

**Greater Kingsport Alliance for Development**
The Health/Wellness Program will target low-income children in Kingsport.

**KingsportARTS**
The Downtown Bench Project will involve youth in designing, building and decorating benches.

**Kingsport Ballet**
Move 1 & 2 Programs will provide training for children in various forms of exercise.

**Literacy Council of Kingsport**
The Literacy Legacy Lifeskill and Resource Materials Update project will provide students and tutors with updated and supplemental materials.

**Second Harvest Food Bank of Northeast Tennessee**
The Food for Kids Backpack Program will provide nutritious meals and snacks for chronically hungry children.

**Small Miracles Therapeutic Horseback Riding Center, Inc.**
The FILLIES Program is a therapeutic equine-assisted program which will serve court-adjudicated female youth from Link House.

**Sullivan County Public Library**
Weekly summer reading programs conducted at five locations each summer will be expanded.

**TOTAL AMOUNT OF FUNDING AWARDED:** $25,000
Have you ever pondered making a major gift to charity but hesitated to do so because you wanted the bulk of the asset’s value to benefit your family members? A charitable lead trust can be one tool to build a charitable fund at East Tennessee Foundation during your lifetime, yet still eventually pass assets of significant value to your family members.

A charitable lead trust is an irrevocable trust that makes annual or quarterly payments to a charity for a certain number of years or during the remaining lifetime of a certain person (the trust term). The payments to the charity can be set at a fixed dollar amount (a charitable lead annuity trust) or a percentage of the trust’s value as of a particular date each year (a charitable lead unitrust). At the end of the trust’s term, the remaining assets can either be returned to the donor or can be distributed to other people, such as the donor’s children or heirs, depending on how the trust is set up. To fund the trust, the donor must transfer assets, such as income-producing real estate or publicly traded stocks, into the trust.

To illustrate how a charitable lead annuity trust can work particularly well in a low interest rate environment, let us consider the fictional example of Bob and Mary Smith. Bob and Mary have many assets, including an investment account of stocks and mutual funds worth $300,000, which includes $75,000 of capital gain. After meeting with ETF staff and their estate planning attorney, Bob and Mary (the grantors) decide to create a 20-year charitable lead annuity trust that will pay ETF (the charitable beneficiary) $17,000 each year for the Bob and Mary Smith Donor Advised Fund. After 20 years, the trust will terminate and distribute all its assets equally to the couple’s two children (the remainder beneficiaries). The grantors ask ETF to serve as the trustee of the trust, and then fund the trust by transferring the investment account into the trust. ETF, as trustee, immediately liquidates the investment account and invests the proceeds in investment vehicles tailored for the terms of the trust which we will assume here will earn 8% per year. Using the IRS discount rate of 1.2% for June 2013 (based on interest rates), Bob and Mary get a gift tax charitable deduction equal to the value of the asset they put into the trust, so they do not make a taxable gift, despite giving their children the irrevocable right to receive all the trust assets in 20 years. The trust does have to pay tax (assume a 20% rate) on the $75,000 of capital gain it realized from selling the stocks and mutual funds that were in the investment account. It also files income tax returns, but it receives a charitable deduction each year for the $17,000 payment to ETF, which could result in no income tax for most years. A projection based on this scenario shows that this charitable lead annuity trust could allow Bob and Mary to put $340,000 into a donor advised fund at ETF over 20 years and then transfer over $330,000 to their children (after trust taxes and expenses) without making a taxable gift or using up any of the federal estate tax exemption available to their estates (as long as Bob and Mary live at least three years after the date they fund the trust).

Charitable lead trusts are only appropriate for people who desire to make a significant gift to the charity over the trust term and offer the most tax benefits for grantors whose estates may face federal estate taxes or who anticipate a very large income tax liability in the year the trust is created, but not in subsequent years (perhaps as the result of converting a traditional IRA to a Roth IRA in that same year). Since the trust’s structure dictates its tax consequences, anyone who may be interested in a charitable lead trust should consult trusted professional advisors to determine whether a lead trust is the appropriate mechanism for the grantor’s particular circumstances and goals, and if so, exactly how the trust should be structured.

If you name East Tennessee Foundation as the charitable beneficiary of a charitable lead trust, you can, at the outset, direct the payments ETF receives to any of the various types of charitable funds we offer. Your trust’s gifts to ETF could support charitable goals such as: building the endowment that allows ETF to make strategic one-time grants with targeted impact, enlarging disaster relief funding resources for our region, providing scholarships, growing an endowment for your favorite charity, making grants in a particular East Tennessee county, or encouraging family participation in grantmaking through a donor advised fund. If you wish to explore how a fund at ETF can help you realize your philanthropic goals, please contact me at (877) 524-1223 or sdalley@etf.org.

Sherri D. Alley, J.D.
V.P. for Advancement
Has your contact information changed?
If so, please let us know so we can keep in touch.

E-mail and Website Options
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Pictured left to right:
Front Row - Leanna Brackett, Deborah Phillips, Mike McClamroch, Carolyn Schwenn and Mary Amber Dunn;
Back Row - Jackie Lane, Terry Holley, Jan Elston, Beth Heller, Adam Waller, Sherri Alley, Patrick Wade, Jeanette Kelleher and Precy Sturgeon

East Tennessee Foundation respects, celebrates, and encourages diversity that positively contributes to our healthy and caring community.

East Tennessee Foundation is a public, nonprofit, community foundation created for the purpose of building charitable resources to make communities stronger and lives better through thoughtful giving.

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