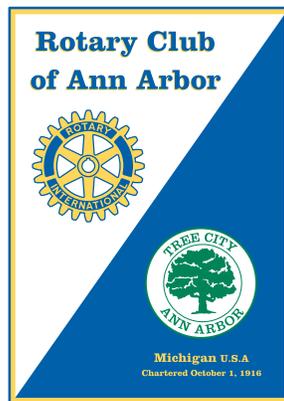


Rotary Club of Ann Arbor



Annual Report

2004 – 2005

CLUB PRESIDENT'S REPORT

It was an honor, a privilege and a great pleasure to serve as President of our club during Rotary International's Centennial Year and the 89th year of our own club's existence – and a busy, exciting and productive year it was.

To celebrate the Centennial, we cooperated with other local clubs to hold a Centennial Party in February. Our club supplied the entertainment (special thanks for which go to Shelley MacMillan) and a majority of the 200-plus Rotarians in attendance, and a fine time was had by all. Also solidifying our growing involvement with the larger Rotary world, our club achieved best-ever Annual Fund giving to The Rotary Foundation, exceeding the RI goal of \$100 from *Every Rotarian Every Year* by more than \$38 per capita, placing us among the top ten percent of all “large clubs” in Rotary International, and aided by an incentive program using the club's Paul Harris credits, twenty-four of our members became first-level Paul Harris Fellows. We satisfied the multitude of RI requirements to qualify for Presidential Citation, which District Governor Jeff Lichty appreciated. We also sent a record number of students to RYLA; hosted another contingent of Ambassadorial Scholars; cooperated with three other clubs in District 6380 to host a Group Study Exchange team from Peru; and initiated, funded and helped manage several World Community Service international projects with matching grants from the District and the Foundation.

Our club's outreach to the local community also increased dramatically during 2004-05. We raised \$50,000 with our second annual Golf Outing and Family Fun Day, dividing those proceeds between international humanitarian projects and our initiative to provide and plant trees to replace some of those lost to the Emerald Ash Borer infestation, and work done during 2004-05 for the third annual Outing and Fun Day led to even stronger results for the event held in September 2005. We also distributed more than \$40,000 through our Community Service Allocations process to local nonprofit organizations helping youth succeed.

Our meetings in 2004-05 were enlivened by more than twenty “Legacy Conversations,” in which relatively new members profiled some of our longest serving members. Sadly, we also lost five long-serving club members – Bill Bottum, Jim Brinkerhoff, George Morley, Charlotte Owen and Gail Rector – each of whom was eulogized during a club meeting shortly after his/her death. We lost other members due to relocation or changes in business/professional commitments and time demands. But we also inducted three strong classes of new members, and the last one recruited and approved for induction during 2004-05 (and inducted in early July 2005) moved us past the 300-member mark for the first time. Membership development was a constant point of emphasis during the year, and I am grateful to Chairman John Eman and all members of the Membership Development Committee for their work, and to all club members who recruited, nominated, sponsored and will mentor new members.

Additional thanks to Mike Marich and all members of the Program Committee, who maintained the high caliber of speaker presentations for which our club long has been known – and to all club officers and directors, each of whom took a turn at the lectern as Wednesday-meeting-president. Finally, thanks to all members for affording me the opportunity to lead the club during this significant year, and for your own *Service Above Self*.

Respectfully,
Paul Glendon

CLUB MEMBERSHIP PROFILE

The membership of the Ann Arbor Rotary Club at the end of Rotary Year 2004-05 stood at 296. Four of our members are honorary members. In addition 81 of our members are excused from weekly attendance since their aggregate of age and years of membership is 85 or more. We have honored 93 of our members and community leaders as Honorary Paul Harris Fellows while also awarding them the Club's Distinguished Service Award. An additional 81 have become Paul Harris Fellows through their personal contributions to the Rotary International Foundation.

We have one member who has reached the distinguished age of 94 years; thirty-six members of the Club are 80 years of age or older. Our youngest member is 28 years of age. Seventy five of our members are female; 211 are not.

Seventy-three of us have been in Rotary for less than three years, Surprisingly, twelve of us have been in the Club for over 40 years, and one member has been among us for 55 years. 26% of the members have been in the club over 25 years. Although we are often known as the "Town and Gown" Club, only 64 Club members (or 25%) are affiliated with the University of Michigan. This percentage has decreased from earlier years but seems to have stabilized at around 25%.

If you are the "median" Ann Arbor Rotarian, you are 65 years of age and have been in the Ann Arbor Rotary Club for 10 years. A similar report in 1946 showed the average age at 61 with 14 years of service.

Today there are more than 1,208,362 Rotarians worldwide. Rotary exists in 168 countries, and we are one of more than 31,600 Rotary Clubs worldwide. It is interesting to note that there are less than 100 Clubs larger than the Ann Arbor Club. In Michigan, only Grand Rapids and Traverse City have a larger membership.

Downs Herold, Secretary

SERGEANT AT ARMS REPORT

Al Burdi

During 2004-05, the Sergeant at Arms discharged his responsibilities in a number of ways, including: (1) teaming up with Downs Herold on the design and production of a new club banner; (2) taking full responsibility for the administration of the club's weekly meetings set-up committee; (3) fulfilling the awesome task of beginning the weekly meetings on time; and (4) assisting the President and Club Secretary as called upon. In that the demeanor of the club membership was characteristically courteous and nonboisterous (as was the case with the Board at its monthly meetings) there was no need for the Sgt. at Arms to militantly squelch any untoward events – although he was prepared to act swiftly if necessary!

CLUB LEADERSHIP 2004-05**Officers**

President Paul Glendon
 VP/Pres-Elect Norman Herbert
 Immediate Past Pres. Joe Fitzsimmons
 Secretary Downs Herold
 Treasurer John Ackenhusen
 Endowment Treas. Ingrid Sheldon
 Sgt. at Arms Al Burdi

Directors

Cathi Duchon
 Cheryl Elliott
 John Oberdick
 Jim Cook
 Beth Fitzsimmons
 Ray Rabidoux

Endowment Trustees

Bernie Bedell
 George Cress
 Charlie Crone
 Dave Gunderson
 Bob Swistock
 Joe Fitzsimmons
 Paul Glendon
 Norman Herbert

Endowment Secretary

Anne Glendon

COMMITTEES

Nominating Joe Fitzsimmons
 Honorary PHF Patricia Garcia
 Endow. Develop. Joe Fitzsimmons
 Rotary Foundation Jim Cook

Club Service

Beth Fitzsimmons
 Program Mike Marich
 Set-Up Al Burdi
 Music Larry Henkel
 Mtg. Assignments Ingrid Deininger
 Lois Jelneck

Membership

Ray Rabidoux
 Membership Devel. John Eman
 Member Survey Sam Offen

Social

Bowling
 Outing/Fun Day

Communication

Member Directory

Harpoon
 Website
 Public Relations
 Club History

Community Service

Allocations

Scholarships
 Strive

Tree Planting
 Food Gathering

Youth/Vocational

Junior Rotarians

RYLA
 Rotary Tutors
 Interact

Rotaract

Rotary Youth Exch.

Intl. Service

Ambass. Scholars
 Inbound Scholars
 GSE

Intl. Projects
 Twin Clubs

Millie Danielson
 Chris Conlin
 Dick Elwell
 Jim Cook
 Markey Butler

Cathi Duchon

Hal Flynn
 Cynthia Sorensen
 Don Faber
 Rich Roselle
 Don Faber
 Carl Gingles
 Tom Conlin

John Oberdick

Agnes Reading
 Jim Frenza
 Milo White
 Ann Schriber
 Carolyn Shear
 Ian Glassford
 Chris McMullen

Cheryl Elliott

Larry Henkel
 Al Storey
 Wayne Colquitt
 Barbara DeBrodt
 Peter Wright
 Ed Wier
 Elaine Alexander
 Joanne Pierson
 Jim Kosteva
 Carolyn Shear

Jim Cook

Chuck Cares
 John Rasmussen
 Dick Elwell
 Nishta Bhatia
 Phil Alexander

SERVICE AREA REPORTS

CLUB SERVICE

Director: Beth Fitzsimmons

Program

Mike Marich and Lee Danielson

The Program Committee continues to offer quality programs to the membership. All 49 programs presented this past year have been carefully previewed and evaluated by a committee of over 20 members and chaired by Mike Marich and Lee Danielson. A new procedure for recommending speakers has been implemented with nomination forms appearing on the Rotary Website. Several new members have joined this popular committee this past year.

Emphasis has been placed on presenting balanced programs—academic, athletic, local and national interests. Approximately one program a month is prescribed by Rotary leadership and deals with Rotary International and District programs as well as our local Rotary projects. Legacy programs such as those presented by football coach Lloyd Carr, basketball coach Tommy Amaker, Mayor John Hieftje, and the choirs from Pioneer and Huron High Schools are popular and repeated each year. In certain controversial topics, the Program Committee tries to present both sides of the issue. Time is managed carefully so that our speakers get their maximum allotted time. Bernie Galler maintains a database of past speakers and a database of potential speakers. Typically the schedule is planned 4-5 months in advance. Greg Cook coordinates all audio-visual needs for our speakers. Ingrid Deininger continues to coordinate attendance takers, hosts, greeters and those giving the invocation. Rotarians and guests continue to comment on the fine quality of our club's programs and speakers. Much time, talent, and effort is given by the Program Committee to make this possible.

MEMBERSHIP

Director: Ray Rabidoux

Membership Development

John Eman

The Membership Development Committee (MDC) inducted a total of twenty-nine (29) new members and two (2) returning members in three classes during the year, July, November and March. The Committee continued to focus with club members on recruiting very high quality members, representative of the community, to strengthen the club's ability to grow and expand its mission. Emphasis continued on securing commitments from sponsors to support and mentor new members, in order to increase new member satisfaction and maintain low turnover in membership. The new member class approved for induction in July of the new year moved the Club beyond the 300-member threshold for the first time in its history.

Member Survey

Sam Offen

Continuing the good work done by Jill Arnold in recent years, Sam Offen assisted President Paul Glendon and Club leadership in conducting the annual member interest survey in the Spring of 2005, resulting once more in some constructive suggestions for improvement in the club, its programs, and member involvement. The Club Board of Directors provided input into improving the survey instrument this year.

Social

Millie Danielson and Chris Conlin

This committee planned and hosted two major events this year, a Performance Network outing and the annual Spring Fling. The Performance Network outings are always enjoyable as they give our members an opportunity to meet with the staff and cast after the performance. Members also enjoyed the annual Spring Fling in May, with a strolling/sit-down dinner, an

impromptu Rotary choral performance and the usual amount of good conversation. The centennial celebration of Rotary International, a joint celebration with other area Rotary clubs, was held at Holiday Inn North, on February 23rd.

The membership has also been enjoying the continuation of table assignment seating at the first Wednesday club meetings, creating the opportunity for meeting new members and getting to know "old" members better.

Bowling

Dick Elwell

The Rotary bowling team concluded its season, with enjoyment and camaraderie spurring them along. The team continues to represent the club well with flair, good sportsmanship and fellowship.

Golf and Family Outing

Jim Cook and Markey Butler

The focus this year was on broadening the event to become a family affair, with major emphasis placed on building the family fun portion of the day, games and prizes for all. The outing's major objective this year was to raise funds to help replace the hundreds of Ash trees in our community, devastated by the Ash Borer infestation. The success of the outing this year was dramatic, both in terms of participants and in terms of funds raised. Over \$50,000 was raised, much of it to be used toward funding the Ash tree replacement project, and all participants enjoyed a beautiful late summer day at Stonebridge Golf Club.

COMMUNICATION

Director: Cathi Duchon

Don Faber continued his effective leadership of both the *Harpoon* and Public Relations. In the latter capacity, he arranged for continued attention to our Junior Rotarians and other noteworthy club honors and events in the pages of the *Ann Arbor News*. In the former, aided by yeoman efforts by Club Administrator John White in production, distribution, and content development, he oversaw the continued

expansion and improvement of our club newsletter. The Membership Directory Committee produced a complete new directory as well as updates for each new member class; here too Club Administrator John White gave invaluable service in getting directory changes onto the club website. Despite a change in professional status and work location that made it impossible for him to be as fully involved in club activities as he had been, Rich Roselle continued his valuable oversight and maintenance of the website. That committee also attended to policy issues concerning website access and postings.

COMMUNITY SERVICE

Director: John Oberdick

Community Allocations

Agnes Reading and Jim Frenza

\$41,875 was awarded to 21 local agencies. Our Club supports specific programs, under the theme of "helping kids succeed". Over 50 grant requests were received, reviewed and ranked by the committee. CA's 16 Rotarian members awarded grants using the following 3 program goals: 1) Helping children of all ages in our area to grow educationally, socially, and their self esteem. 2) Help young adults learn skills required to succeed in later life. 3) Fund support services for at-risk children in our area. As a special project our club contacted the MI Army Reserve to identify children of soldiers from Washtenaw County serving in Iraq. We wanted to do something special for these children who undoubtedly are having a difficult time and missing a parent. This summer we sent an eight year old boy from Ann Arbor to camp for one week.

Tree Planting Project

Ian Glassford & John Laird

Over 140 Rotarian and community volunteers planted trees throughout Ann Arbor during four different plantings. The new trees replaced trees destroyed and removed due to Emerald Ash Borer infestation. Rotarians planted hundreds of bare root stock trees with assistance and

coordination from the City Forestry Department. Community appreciation and support were expressed in news media coverage and letters of commendation from residents surprised and pleased to see new trees being planted in their neighborhoods and area parks. The club also donated over \$35,000 in Golf Outing and Family Fun Day proceeds to purchase larger trees for planting in City parks.

Rotate Your Food

Chris McMullen

We partnered with our local food rescue/food bank program, Food Gatherers, to collect much-needed food for non-profit programs throughout Washtenaw County that fight hunger every day. Thirty-five businesses and organizations were part of our Club's first local food drive, held June 19-25. Picking up food collection bins, delivering food to the Ann Arbor District Library, hauling bins back to Food Gatherers, donating food themselves, and sorting and packing donated food for distribution, more than fifty Rotarians participated. Over two tons of food was collected, which translates into 2,859 meals; a \$6,433 value!

Community Spotlight

Mark Ouimet

Club Community Allocations grant-supported organizations featured in 2004-05 included Ann Arbor YMCA Youth Volunteer Corps, Peace Neighborhood Center, Tappan School Challenge Day and Ozone House.

High School Scholarships

Milo White

\$15,000 in HS scholarships granted to AA graduating seniors. Committee works with area high school counselors to identify candidates for these awards. Committee uses four criteria to determine which applicants receive awards: 1) Financial need. 2) Academic achievement. 3) Community Service and extra curricular activities. 3) Leadership and community service. 4) Essay on the Object of Rotary.

Strive

Ann Schriber & Carolyn Shear

Strive is a competition-based program among students at Stone High School, Ann Arbor's high school of last resort. Students in Strive are measured on GPA improvements, attendance of at least 90%, and compliance with a pledge not to use alcohol or drugs. Strive creates an atmosphere of accountability. \$15,000 was committed to Washtenaw Community College scholarships for Strive winners. The committee obtains student incentives throughout the school year, organizes an annual awards banquet, and hosts Strive students at two Rotary meetings during the school year. In 2004-05 a WCC orientation program and a "Strive @ Work" excursion to Herman Miller's corporate headquarters also were implemented.

YOUTH & VOCATIONAL SERVICE

Director: Cheryl Elliott

Junior Rotarians

Larry Henkel & Al Storey

Our club again honored and hosted twenty-seven students from five Ann Arbor high schools as Junior Rotarians. Each of them attended two club meetings and spoke at one, received orientation in all things Rotary from a past president of our club, was paired with two club members acting as host and vocational advisor, and received a photo and certificate commemorating the experience.

Rotary Youth Leadership Awards

Wayne Colquitt

We sponsored a number of high school students for leadership training experiences: a "mini-RYLA" in the fall in Southfield, and the annual RYLA weekend in Ridgetown, Ontario in early May. We sent thirteen students to the latter, eleven from Huron (most from our Interact Club) and one each from Pioneer and Community. Two of them, having attended RYLA before, went as facilitators. Member Greg Cook arranged for an AATA bus to transport the group to Southfield, where they boarded another bus with students sponsored by

other Detroit area clubs for travel to and from Ridgeway.

Rotary Tutors

Barbara DeBrodt

Approximately thirty club members served as weekly tutors in reading and/or math at Angell School, continuing a program for which we have received commendation from the Ann Arbor Public Schools, and again this year we presented all Angell kindergarten students with Michigan Alphabet Books as gifts from the club.

Interact Club

Ed Wier and Peter Wright

In its second full year, the Huron High School Interact Club grew in size and scope of activities, including creative fund-raisers and several hands-on service projects, including participation by some Interact members in our club's tree planting project. Ed Wier served as our club's liaison with the Interact Board. Late in the year preparations were begun for our club to sponsor a second Interact Club, at Pioneer High School, again under Peter Wright's able leadership, and it will be chartered early in 2005-06.

Rotaract Club

Elaine Alexander and Terry Linden

Long effort to rejuvenate a Rotaract Club at the University of Michigan reached fruition during 2004-05, thanks to enthusiastic involvement of several U-M students who had been dedicated Interactors in high school. The new Rotaract Club was chartered in January, with District Governor Jeff Lichty attending and presiding over chartering ceremonies. It ended the year with more than twenty members who conducted several service projects and helped with our tree planting days, and we provided funds for some of the Rotaract officers and board members to attend the Centennial Rotary Convention and associated Rotaract Convention in Chicago.

Rotary Youth Exchange

Jim Kosteva and Carolyn Shear

We did not host or send a student on a Rotary Youth Exchange, but continued developmental efforts with local schools, and hope to sponsor an outbound student or two in 05-06.

INTERNATIONAL SERVICE

Director: Jim Cook

International Humanitarian Projects

Nishta Bhatia

The Committee had a very productive year. Highlights include:

- The Duhle well drilling project in India, started in 2002, was completed this year, within budget but not on time. 22 productive wells were drilled; each well serves approximately 600 people.
- Completion of the Ghana clubfoot remediation project is expected in the first quarter of 2006. Our project coordinator visited it during the year and resolved administrative problems that threatened the success of the project. Two clinics are in operation, although our donated funds are being disbursed more slowly than anticipated.
- \$5000 was donated to Polio Plus on behalf of the Club.
- \$3000 was contributed to tsunami relief.
- RI approved three matching grant projects during this Rotary year; all three projects focus on literacy and vocational training.
 - Bangalore, India;** vocational education. Total project cost \$10,250; our contribution \$3000. This project was used to develop a Sister Club relationship with the Bangalore Midtown Club.
 - Pune, India;** four reading machines for the blind. Total project cost \$11,000; our contribution \$2000. This project was initiated as part of the Sister Club

arrangement we have with the Pune Central Club.

Calauag, Philippines, vocational training computer education. Total project cost \$5,500; our contribution \$2000.

Our \$7000 given for the three projects above was matching-grant-leveraged to a total \$26,750 investment in humanitarian projects, and the Committee worked diligently to identify, screen and select future projects. Application for one in the Philippines was filed and accepted for the new Rotary year; two others (in Turkey and the Philippines) will be filed early in September.

Twin Clubs

Phil Alexander

The Sister/Twin Club Committee wrapped up three years of planning with a two-week Friendship Exchange visit to India in January 2005 by six Ann Arbor Rotarians and one spouse who visited our two Centennial Twin Clubs, Pune Central and Bangalore Midtown. This was the first ever Friendship Exchange visit for our Rotary Club. In return, three Rotarians and one spouse from Bangalore Midtown visited Ann Arbor for three days in June after the Rotary International Conference in Chicago, and one Rotarian from Pune Central and his spouse visited Ann Arbor for a day in late June. The visits in both India and Ann Arbor were wonderful opportunities for the visiting Rotarians to learn about the local culture and build relationships with the people in each location. While in India, our visiting Rotarians toured our matching grant projects in both Pune and Bangalore. In addition, upon their return the Rotarian travelers from Ann Arbor made contributions to both Indian clubs to further their work in educating poor Indian children.

Ambassadorial Scholars (Inbound)

John Rasmussen

Committee chair John Rasmussen (also District coordinator for hosting inbound scholars) and its host counselors supported six Ambassadorial Scholars from Japan, Korea and Germany during U-M school year. A reception and orientation for the scholars was held at the Committee

chair's home in Ann Arbor in September with the District leadership in attendance. Later in the fall, the Scholars met with the Rotary Foundation program coordinator and District leadership for another briefing and then attended the District Foundation Gala in Novi.

During the year the scholars spoke to the Ann Arbor club and many other district clubs describing their backgrounds, academic programs and future plans and ambitions. These presentations were very well received; and in fact, so many requests were received for the scholars to speak that they could not all be accommodated without encroaching on the scholars' academic activities.

Ambassadorial Scholars (Outbound)

Chuck Cares

The committee was pleased to again support the candidacy of a highly qualified Ann Arbor resident currently studying philosophy at Yale. She was well received by the District committee evaluating the finalists for our District award. District-level competition was very strong, however, and the one District 6380 scholarship was awarded to a University of Michigan Public Health master's degree graduate whose background and future plans were more closely affiliated with Rotary Foundation areas of subject matter and service emphasis.

Group Study Exchange

Dick Elwell

During the spring of 2005 we welcomed an exchange team from Peru who spent five weeks in our District. This group of young Peruvian professionals was led by a bilingual Catholic priest, affectionately known as Father Freddy. During their week in our area the visitors enjoyed multiple activities around Ann Arbor and Ypsilanti including not only the major industrial, academic and cultural highlights but also a trip to the Big House and an evening with our club's bowling team. Many Rotarians from other local clubs shared in the visit and benefited from the exchange. A team from our District is being formed for a GSE trip to Peru in 2006.

CLUB OPERATING FUND REPORT

John Ackenhusen, Treasurer

| INCOME | Actual | Budget |
|---------------------------|---------------|---------------|
| Interest | -0- | 200 |
| Dues | 69,675 | 67,800 |
| New Member Fees | 1,205 | 900 |
| Social Events | 5,270 | 3,500 |
| Total Income | 76,150 | 72,400 |
| EXPENSES | | |
| RI Dues | 15,578 | 16,000 |
| District Dues | 9,730 | 10,150 |
| Union Rental | 13,609 | 13,500 |
| Club Admin. | 7,958 | 7,500 |
| Admin. Supplies | 2,768 | 4,000 |
| Ofc. Equipment | -0- | 1,000 |
| Mailing Costs | 367 | 500 |
| GSE Program | 240 | -0- |
| Phone/Fax Costs | -0- | 600 |
| Fidelity Bond | -0- | 500 |
| Tax Preparation | 720 | 500 |
| D/O Liability Insurance | 950 | 850 |
| Program Expenses. | 714 | 500 |
| Luncheon Guests | 1,413 | 750 |
| Annual Report | 179 | 250 |
| Directory | 330 | 100 |
| Club Brochure | 832 | 1,000 |
| Intl. Conference | 1,248 | 2,000 |
| PET/COTS | 774 | 400 |
| RYLA | 760 | -0- |
| Dist. Conf. Exp. | 506 | 500 |
| Board Retreat | 435 | 500 |
| New Members Induction | 776 | 2,000 |
| Social Events | 6,010 | 4,500 |
| Rotary Tutors | 1,066 | 650 |
| Jr. Rotarians | 60 | 350 |
| Interact | 120 | 200 |
| Rotaract | 2,096 | 200 |
| Twin Clubs | 382 | 500 |
| Meeting Room Contribution | -0- | 100 |
| Brokerage Annual Fee | -0- | 65 |
| Bank Charges | 100 | 35 |
| Miscellaneous | 2,667 | 1,500 |
| Total Expenses | 72,388 | 71,200 |
| Net Income | 3,762 | 1,200 |

ANN ARBOR ROTARY ENDOWMENT

Ingrid Sheldon, Treasurer

Permanent Endowment Contributors

Thank you to the following for their cumulative contributions toward the growth of the Ann Arbor Rotary Endowment.

| \$5,000-9,999 | \$10,000 – 24,999 | \$25,000 and up |
|----------------------|--------------------------|------------------------|
| Herb Amster | Jack Edman | William Dobson |
| Daniel Balbach | Joseph Fitzsimmons | Rolland B. Lyons |
| Howard Cooper | Richard Hadler | Karl Malcolm |
| George Cress | John A McMillan | Frederick McOmber |
| Jay De Lay | Gerald Prescott | Robert Meyers |
| John Debbink | Paul Ungrodt | Millard Pryor |
| John Dobson | | |
| Anne Glendon | | |
| Paul Glendon | | |
| Jerry M. Gray | | |
| Frank Kennedy | | |
| Gloria Kerry | | |
| Adam Kozma | | |
| Paul McCracken | | |
| Sang Nam | | |
| John Oberdick | | |
| Judy Dow Rumelhart | | |
| Robert Tisch | | |

Scholarships

Endowed Scholarships

The Cornelius Tuomy Scholarship
 The Russell and Minnie Hussey Scholarship
 The Millard H. Pryor Scholarship
 The Robert A. Meyers Scholarship – STRIVE
 The William T. Dobson Scholarship
 The Frederick N. McOmber Scholarship
 The Karl D. Malcolm, M.D. Scholarship
 The James and Betty Lester Scholarship – STRIVE

Scholarships Funded with Balance Due by Bequest

The John C. Rosemergy Scholarship
 The Shear Family Scholarship
 The Weston Palmer Scholarship
 The George T. Felbeck, Jr. Memorial Scholarship

Scholarships to be Funded by Bequest

The Larry and Mark Ouimet Family Scholarship
 The Robert C. Hughes Scholarship

Ann Arbor Rotary Endowment Permanent Fund

| | |
|--|--------------------|
| Beginning market value balance 7/1/04 | \$ 916,257 |
| Contributions received from Club members and other income | 57,873 |
| Disbursed to Community Service Fund For community grants and scholarships | (30,500) |
| Investment market gain during year and Reinvested dividends | 84,559 |
| Ending market value balance 6/30/05 | <u>\$1,027,005</u> |
| Pledges and bequest commitments | <u>464,033</u> |
| Total Endowment | \$1,493,104 |

Note: Investment assets are held in a Charles Schwab Account.

Permanent Endowment Activity for 2004-05

The Endowment portfolio consists of donations from Rotarians and friends in the community along with some interest income. These contributions, along with investment performance, account for the market value of the portfolio being \$1,027,005 as of June 30, 2005 – an increase of 12% from June 30, 2004.

The investments within the Permanent Endowment Fund are governed by an Investment Policy statement which was established and periodically reviewed by the Trustees. The policy requires that assets be invested in publicly traded, broadly diversified assets so as to obtain a total rate of return in excess of an established benchmark. This benchmark utilizes market indices that are weighted according to the Fund’s target asset allocation.

Total Portfolio Performance

| Time Period | Rotary Portfolio | Market Benchmark |
|-------------|------------------|------------------|
| Quarter | 1% | 1.8% |
| Six months | -.6% | -.2% |
| One year | 7.7% | 7.5% |
| Three years | 8.9% | 8.6% |

The Permanent Endowment Fund’s Spending Policy requires that it distribute 4.25% of the assets each year to the Community Service Fund based on the average market value for the preceding twelve quarters. For 2003-04, the amount was \$28,000; for 2004-05, it was \$30,500; and for 2005-06, the amount will be \$34,950. The opportunity to increase our support of community service projects and scholarships is enhanced with voluntary contributions to the Endowment Fund and bequest commitments. The trustees especially appreciate those who have considered and become part of the Legacy Circle initiative. Thank you for your support of the Ann Arbor Rotary Endowment Community Service Fund.

**Ann Arbor Rotary Endowment
Community Service Fund**

**Ann Arbor Rotary Community Grant
Recipients 2004-05**

Revenue

| | |
|---------------------------------|------------------|
| Dues-Community Service | \$46,293 |
| STRIVE | 2,900 |
| Donations-Special intl projects | 3,600 |
| Tsunami Relief | 10,175 |
| District Peace Scholarship | 6,000 |
| Golf Outing Net | 50,801 |
| Interest | 1,091 |
| Permanent Fund distribution | 30,500 |
| Prior year surplus | <u>8,432</u> |
| Total Revenue | \$156,792 |

Expense – Program

| | |
|--------------------------------|------------------|
| Community grants | \$41,875 |
| Rotate Your Food | 587 |
| Ash tree replacement | 38,800 |
| Scholarships- high schools | 15,000 |
| Scholarships-Strive | 15,000 |
| Strive dinner and expense | 1,281 |
| International projects | 14,050 |
| Tsunami Relief | 11,175 |
| Special international projects | 3,600 |
| District Peace Scholarship | 6,000 |
| RYLA | <u>3,000</u> |
| Total | \$150,368 |

Expense – Other

| | |
|------------------------------|-----------------------|
| Administrative support | \$7,500 |
| Supplies | 1,012 |
| Bank fees | 110 |
| Postage & misc. ofc. expense | 202 |
| Tax preparation | 600 |
| Total | <u>\$9,424</u> |

Total expense \$159,792

| | |
|-------------------------------------|-----------------|
| HelpSource-Big Brothers Big Sisters | \$2,000 |
| Ann Arbor Teen Center | 2,000 |
| Ann Arbor YMCA | 2,000 |
| Child Care Network | 2,000 |
| Community Action Network | 2,000 |
| COPE | 2,000 |
| Corner Health Center | 2,000 |
| Family Learning Institute | 2,000 |
| Food Gatherers | 2,000 |
| Girl Scouts of Huron Valley | 2,000 |
| HelpSource-Supervised Parenting | 2,000 |
| Interfaith Hospitality Network | 2,000 |
| Michigan Reach Out | 2,000 |
| Peace Neighborhood Center | 2,000 |
| Perry Nursery School | 2,000 |
| SOS Community Services | 2,000 |
| Student Advocacy Center | 2,000 |
| Washtenaw Camp Placement | 2,000 |
| Washtenaw Children’s Dental Clinic | 2,000 |
| Washtenaw County Challenge Day | 2,000 |
| Washtenaw County Red Cross | <u>1,875</u> |
| | \$41,875 |