

July 2016

TO: Club Members

FROM: John P. McEvilly

SUBJECT: Annual Report Fiscal Year ending 30 June 2016

During this past fiscal year our Club Foundation continued its positive path of funding worthy projects and growing the endowment fund. Not only did the Foundation endowment invested funds grow by \$19,939 (a 6.56% annual return) over the previous year to \$323,905, but it also received a generous gift of securities with a value of \$250,000 from our late Club member Stan Richards' estate, bringing the yearend endowment total to \$573,905...its highest balance ever. In addition, the Foundation has a yearend Current fund balance (checking account and money market fund) of \$7,786, after accounting for \$9,000 for checks written for High School Scholarships that had not yet cleared. Approved project funding being carried over into the new Rotary year consisted of \$5,000 for Partner for Surgery and \$2,000 for Youth Service Awards. Foundation expenses for the fiscal year were \$25.

Due to a change in financial advisory firms by our investment advisor, Obie O'Bryon, the Board approved moving the endowment fund from UBS to Stewart Partners/Raymond James, where it will remain under the direct supervision of Obie O'Bryon. In addition, the Board has asked Obie to develop a plan for its review that will redeploy the Stan Richards securities gift into investments more in line with the risk levels that are consistent with the endowment's current investments. The Board also asked Obie to provide a breakdown of interest and dividend earned by the endowment that might also be available for approved grants. The Board will continue its responsible oversight of the endowment invested funds.

During this past year the Foundation approved and funded 15 different projects (see attached exhibit A, includes pass-through projects) for a total of \$94,331 in funding versus 24 projects and \$93,195 for the previous fiscal year. Out of the \$94,331 amount, \$50,530 was pass-through designated funding for Stop Hunger Now as well as a \$2,000 District Grant for Rebuilding Together that had been carried over from the previous Rotary year. The Club's other major projects approved and funded by the Foundation Board were High School Graduate Scholarships towards continuing college level education (\$10,000); Timber Lane Elementary School Reading Program (\$4,111); Michelo (\$4,500); and Carz Cruising to Cure Cancer (\$5,000).

The sources of income for the Foundation received from the Club consisted of the following:

• Monte Carlo Night:	\$17,760	(versus \$13,322 in FY15)
• Chocolate Festival:	\$11,343	(versus \$13,044 in FY15)
• McLean Day:	\$1,044	(versus \$3,141 in FY15)
• Quarterly contributions:	\$4,750	(versus \$4,195 in FY15)
• Additional contributions	\$1,625	(versus \$1,000 in FY15)
• Dan Nastoff	\$ 200	(versus \$400 in FY15)
• GS Cookies – Vance	\$ 519	(versus \$564 in FY15)
• <u>Previous Year Income</u>	<u>\$00</u>	(versus \$8,000 in FY15)
Total:	\$37,241	(versus \$43,666 in FY15)

I also ask that you join me in thanking the Board members who served this past Rotary year and helped make the Foundation work in such a seamless and responsible manner; namely, Michael DeRose (Vice-President), John Rosenbaum (Secretary), Gene Durman (Treasurer), Doug Megill, Vance Zavela and Michael Arietti (Club Board Liaison).

This coming Rotary year's Board consists of the following members:

Vance Zavela – President (second term ends June 30, 2018)
Michael DeRose – Vice-President (second term ends June 30, 2019)
John Rosenbaum – Secretary (first term ends June 30, 2017)
Todd Dempsey – Treasurer (first term ends June 30, 2019)
Doug Megill (second term ends June 30, 2017)
Sam Agarwal (first term ends June 30, 2019)
Robert Jansen - Club Board Liaison (through June 30, 2017)

The Club will be reviewing the current protocol of receiving grant requests from the Club for funding twice a year, taking into account the Club's ranking preference recommendations and other input, to determine if it is time to update this process. The Foundation Board will then consider the recommended projects at the regular Board meetings and decide which projects are approved for funding as well as the final amounts funded. The Foundation will continue its efforts to increase contributions in support of the endowment and for current use and designated funds.

The McLean Rotary Foundation funding is primarily focused upon benefiting the local community. Current Use funds are used as the members request with the approval of the Foundation Board. We urge all members to keep the Foundation in mind as you consider your charitable giving in the coming year.

Respectfully,

John McEvelly
Outgoing President

EXHIBIT A

FY 2016 GRANTS TO LOCAL AND INTERNATIONAL PROJECTS

Local Projects

Homestretch	\$2,000	
Rotary High School Scholarships	\$12,280	(\$2,280 from previous year approval)
Timber Lane Elementary School	\$4,111	
Falls Church – McLean Children’s Center	\$2,000	
Langley Residential Support Svcs	\$2,000	
Literacy Council of Northern VA	\$2,500	
Safe Community Coalition	\$1,500	
Every 1 Can Work	\$910	(reissue of check)
Carz Cruizing to Cure Cancer	\$5,000	
Langley High School	\$500	
Rebuilding Together	\$2,000	(\$2,000 District Grant)
Total:	\$34,801	

International Projects

Michelo Dental Clinic	\$4,500	
Polio Plus	\$2,000	
Virginia Hospital Center	\$2,500	(\$1,000 from previous year approval)
Total:	\$9,000	

Designated Funds/Pass-through Projects

Stop Hunger Now	\$50,530	
Total:	\$50,530	