

Report to the Membership

Michigan 4-H Foundation
57th Annual Membership Meeting
Friday, October 1, 2010



Supporting
Michigan 4-H
Youth Development
to prepare youth
for meaningful and
productive lives.

President's Message to the Membership

Welcome to the 57th annual membership meeting of the donors of the Michigan 4-H Foundation.

We've been hearing some uncertainty and concern from many donors as Michigan 4-H Youth Development and the MSU Extension work through a re-organization designed to best position 4-H's community-based educational delivery to be responsive, accessible and accountable for the needs of Michigan's young people.

The Michigan 4-H Foundation Board of Trustees are confident that these changes will be invaluable as donors also reassess and make changes in how they allocate and in some cases re-align their charitable support for the future.

Here's what we know and believe to be true:

- Positive youth development work of the nature that 4-H provides will help build Michigan's future of highly employable young people.
- Michigan 4-H Youth Development has already built a proven track record of getting young people in Michigan to college – 52.7% of 4-H seniors go on to college, compared to just 36.7% of all Michigan college-aged youth – a critical outcome as Michigan's economic structure continues to also re-invent itself.
- The investment individuals and organizations make in the positive and healthy development of today's young people provided through 4-H involvement will deliver significant savings in that many more young people avoiding the path of increasing Michigan youth delinquency rates.

And the path of reorganization will allow Michigan 4-H to continue to document and celebrate the significant difference 4-H makes in the lives of Michigan's young people.

As I end my tenure as your foundation board president, I want to thank you for your ongoing and very thoughtful partnership with 4-H members, volunteers and staff members in creating opportunities proven to pay dividends for Michigan's future.

Sincerely,



Jamey T. Fitzpatrick, President
Eaton County

MICHIGAN 4-H FOUNDATION ANNUAL MEMBERSHIP MEETING October 1, 2010 from 10 a.m. to noon

Welcome and Introductions..... *President Jamey T. Fitzpatrick*

American and 4-H Pledges..... *Carlos Guzman, Trustee*

President's Address *President Fitzpatrick*

4-H Mission in Action: Michigan 4-H Youth Development in the "Restructuring" MSU Extension Organization

*Dr. Julie A. Chapin,
State 4-H Leader and Director,
MSU Extension Institute for Children and Youth*

Growing Curiosity and Wonder in Michigan's Young People: The Magic of the Michigan 4-H Children's Gardens

*Dr. Norman K. Lownds,
Curator, Michigan 4-H Children's Gardens*

The 2010 4-H Forever Annual Fund Drive...*President Fitzpatrick
and Cheryl D. Howell, Executive Director*

Annual Business of the Membership

Secretary's Report..... *Secretary Cheryl N. Booth*

- Approval of minutes from October 2, 2009 annual meeting

Treasurer's Report..... *Treasurer Michael D. McIntyre*

- Financial overview
- Introduction of auditors and presentation of the Michigan 4-H Foundation 2009-10 Audit *Mr. Jeff Irwin,
President, McCartney & Company, P.C.*

Board Development Committee Report.....*Smallwood Holoman, Jr.,*

- Trustee Elections *Board Development Committee Chair*

Executive Director Remarks..... *Cheryl D. Howell*

- Trustee Recognition: Honoring the service of trustees Cheryl Booth, Robert Patterson, Steve Rawlings, Mary Tatter, Philip Seitz, Mark Williams and Wayne Wood.

Presidential Recognition..... *President Fitzpatrick*

- Trustee Emeritus Recognition: Honoring the distinguished service of Retired Trustee George House

Remarks from the Membership

Closing Remarks..... *President Fitzpatrick*

Trustees and special guests proceed to Clover Citation Luncheon in the Shibui Room, The University Club

2009-10 SUPPORT FOR MICHIGAN 4-H

In 2009-10, the Michigan 4-H Foundation's Board of Trustees granted \$458,563 to support state and county 4-H programs; \$409,098 for statewide 4-H programs and \$49,465 for county 4-H programs. The foundation, again in this program year, made no grants from foundation endowed funds in hopes of market activity returning the funds to full value. The endowment deficit at the end of FY2008-09 was (\$471,867) and at the end of FY2009-10 that deficit was reduced to (\$294,295). College scholarships were provided to 4-H members this past year totaling \$11,500 to support 4-H youth in higher or continuing education pursuits.

The board also granted \$52,250 for 4-H teen and adult volunteer training scholarships for training mostly at Kettunen Center. Kettunen Center operations represent the foundation's most significant annual program expense totaling \$1,113,835.

The Michigan 4-H Foundation has 60 endowment funds (20 county and 40 state) valued at \$2,993,696. This total represents \$2,622,575 in donor-restricted and \$371,121 in board-designated endowed funds.

Estate gifts allowed for the creation of two memorial endowed funds and one tribute fund to honor legacy donors to the Michigan 4-H Children's Gardens. With designated gifts from donors, the foundation's board also created a new endowed fund to support long-term 4-H volunteer recognition – The Michigan 4-H Volunteer Recognition Endowment Fund.

Kettunen Center

Kettunen Center generated \$1.19 million in revenue for FY2009-10. The center hosted 175 conference and workshop events that engaged 9,681 participants, including 4,803 in 4-H and Kettunen Center delivered programs.

Kettunen Center made recreational and environmental improvements including a disc golf course, boating and fishing equipment and repair of the handicapped accessible trail to the waterfront and also offered innovative preschool programming and a new winter family day. These improvements and new programs were made possible with support from the Wexford-Missaukee ISD Great Parents Great Start, National Recreation & Park Association Take Me Fishing Program the Osceola County Community Foundation, and an MSU Extension 4-H Participation Fee Grant.

Two new gardens providing both landscape and learning opportunities were created. The Pollinator Garden, created by a local 4-H club, attracts pollinators and highlights native wildflowers. This project was supported by the American Forest Foundation's Project Learning Tree Green Works program.

The Firewise Garden educates guests on how to landscape using fire-resistant plants and landscaping materials. The garden was created in collaboration with MSU Extension,

the Michigan Department of Natural Resources, the MSU Department of Horticulture, the MSU Horticulture Club, and the MSU School of Planning, Design and Construction.

Community-based volunteers helped to make Kettunen Center a great place to visit with the creation of the Rising Star 4-H quilt block that is now part of the Osceola County Quilt Trail. The wooden block is painted to resemble quilt squares featuring the 4-H clover to represent 4-H rising talents. The block was funded by a grant from the West Michigan Quilter's Guild and hangs outside Red Oak Hall.

Michigan 4-H Children's Gardens

The Michigan 4-H Foundation granted \$67,701 to the Michigan 4-H Children's Gardens during FY2009-10 to support maintenance, programming and new garden development in the three primary gardens of the Michigan 4-H Children's Gardens – the outdoor Michigan 4-H Children's Garden, the Indoor 4-H Children's Garden and the Smith Schoolyard Demonstration Garden.

School programs highlighted the 2010 garden season with 87 schools bringing 3,843 students to tours and educational programs during the Butterflies in the Garden exhibit, supported by a first-time grant from Jackson National Life Insurance Company.

Eight schools (377 students) also participated in the Seeds of Science programs that featured hands-on, science-based learning featuring live visits to the gardens, interactive classroom connections via the web and an extended classroom-focused learning curriculum. Another 816 youth participated in 259 day tours and events.

2010 summer programs included two camps designed to inspire children's curiosity and creativity – the Garden Writers Workshop and Camp Monet. The Stories in the Garden, Stories for Sprouts and Seedlings and the new Strolling with the Storyteller series featured reading and storytelling with the gardens as visual inspiration.

Three new garden features of the Pete and Sally Smith Schoolyard Demonstration Garden include the development of the Global Garden created by the Thullen Family in memory of Manfred Thullen, a former MSU professor, and his wife Dorothy; the Peanut Butter and Jelly Garden in memory of Ruth Smith-Eppelheimer, longtime friend of the garden who was also passionate about fruits and jams; and the Fourth Grade Herb Garden, in memory of Shirley Swancutt, a lifetime herbalist and garden donor and volunteer.

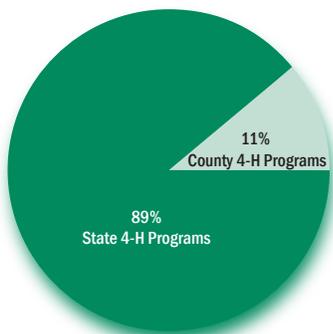
The gardens also received more than \$204,000 in estate gifts designated for the long-term growth and support of the gardens. Although receipt of these gifts marked the loss of some wonderful friends of the gardens, it was great to honor their support in the establishment of new gardens and new garden endowments.

MICHIGAN 4-H FOUNDATION FINANCIAL SUMMARY IN BRIEF

For the years ended June 30, 2010 and June 30, 2009

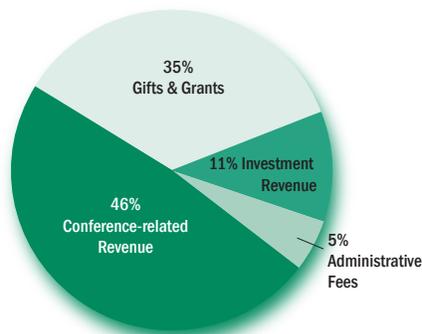
	June 30, 2010	June 30, 2009
ASSETS		
Current Assets	\$517,047	\$541,654
Net Fixed Assets (Primarily Kettunen)	3,671,705	3,848,260
Investments and Other Assets	<u>3,180,147</u>	<u>2,704,481</u>
Total Assets	<u>\$7,368,899</u>	<u>\$7,094,395</u>
LIABILITIES AND NET ASSETS		
Current Liabilities	\$184,637	\$179,011
Long Term Liabilities	764,568	727,247
Total Liabilities	<u>\$949,205</u>	<u>\$906,258</u>
Net Assets	<u>\$6,419,694</u>	<u>\$6,188,137</u>
Total Liabilities and Net Assets	<u>\$7,368,899</u>	<u>\$7,094,395</u>
REVENUES AND SUPPORT		
Kettunen Center Revenue	\$1,119,625	\$1,246,890
Unrestricted Revenue	530,731	160,654
Restricted Revenue	<u>670,335</u>	<u>42,182</u>
Total Revenues	<u>\$2,320,691</u>	<u>\$1,449,726</u>
EXPENSES		
Kettunen Center	\$1,318,018	\$1,405,914
4-H Programs & Program Services	492,268	588,446
Administration	235,649	238,459
Fundraising	43,199	94,643
Total Expenses	<u>\$2,089,134</u>	<u>\$2,327,462</u>
Change in Net Assets	<u>\$231,557</u>	<u>\$(877,736)</u>

**Michigan 4-H Foundation
2009-10 Program Support**



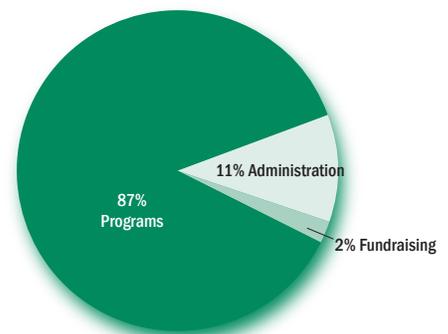
Total 4-H Grants Distributed:
\$458,563

**Michigan 4-H Foundation
2009-10 Revenue**



Total Revenue:
\$2,320,691

**Michigan 4-H Foundation
2009-10 Expenses**



Total Expenses:
\$2,089,134



2010-11 Annual Fund Drive

Goal: \$110,000

The 4-H Forever Annual Fund goal is to raise \$110,000 in unrestricted revenue for 4-H by December 31, 2010. To date, we have 12.8% of that goal. We invite members to help us reach the balance of this goal.

Unrestricted gifts help support the Michigan 4-H Foundation’s annual commitment to 4-H volunteer training; they help to support new 4-H program development and allows the Michigan 4-H Foundation to make investments in emerging needs that serve to keep 4-H viable in communities throughout the state.

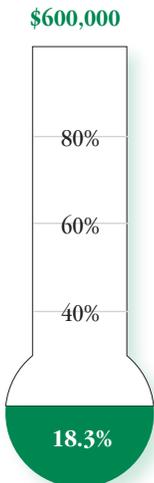


2010-11 Special and Major Gifts Campaign

Goal: \$600,000

This year’s special and major gift campaign goal is \$600,000. To date, we are at 18.3% of goal or \$110,039.

The Michigan 4-H Foundation has prioritized three areas for restricted fund support this year:



- 4-H Volunteer Training – \$100,000
- 4-H Volunteer Development – \$250,000 (recruitment, recognition and curriculum support)
- 4-H Science, Engineering and Technology – \$150,000
- 4-H Endowment Growth – \$100,000

Opportunities for endowment investments include:

- 4-H Volunteer Recognition Endowment
- Michigan 4-H Legacy Fund
- 4-H Founder’s Fund
- Michigan 4-H International Programs Endowment Fund

Please consider making investments in these critical areas designed to keep 4-H relevant for both today’s and tomorrow’s generation of young people!

Michigan 4-H Foundation Annual Membership Meeting Minutes October 2, 2009

In attendance were 17 trustees, 3 former trustees, 8 members, 7 4-H staff members and 5 foundation staff members for total attendance of 40 participants.

President Fitzpatrick called the 56th Michigan 4-H Foundation annual membership meeting to order at 10:03 a.m. at the MSU Kellogg Center. Trustee Elaine Bristol led the group in the pledges.

In the President's Address to the Membership titled *Now More than Ever, Mission-Focused Philanthropy will be the Key to 4-H's Success in the Future*, President Fitzpatrick shared specific examples of how today's 4-H youth are leading the way. He noted that:

- Michigan 4-H Foundation grants for 4-H programming totaled more than \$588,446 in 2008-09 with \$552,277 in grants to support statewide programs and \$115,447 in grants to support specific county programs.

- Kettunen Center represents a significant part of the foundation's annual program support at \$1.25 million which brings total 4-H program support in 2008-09 to \$1.8 million.

- The foundation continues to hold as its priority support for training, recognizing and developing a strong 4-H volunteer corps. This past year, the board granted \$54,234 for 4-H adult and older teen volunteer training. This is a significant decrease in our annual grant for 4-H volunteer training, and this is not an investment that we take lightly. To remedy this, the board has determined to make volunteer development a priority for funding in this fiscal year, hoping to, with your help and support of course, provide grants to support new curriculum development, fund 4-H volunteer training at the full \$85,000 needed for both this year and next year; and to increase statewide 4-H volunteer recognition opportunities through the launch of the new 4-H Volunteer Recognition Endowment fund. President Fitzpatrick thanked campaign volunteers Wayne Adam, and his daughter, Dawn Reid, both 4-H Emerald Clover Society alumni, for their leadership in this new campaign.

President Fitzpatrick then recognized two very strong 4-H partners – Woman's National Farm and Garden Association and the Michigan Farm Bureau who both completed campaigns this among their membership to grow Michigan 4-H Foundation endowments. He noted that both organizations set a goal and time frame for meeting their goal and each have completed the campaigns and fully funded their 4-H endowments successfully this year.

President Fitzpatrick recognized Trustee Claudia Scioly for her leadership and that of the Michigan Division for reaching their \$30,000 endowment goal in September. And also thanked Trustee Wayne Wood for his leadership and that of Michigan Farm Bureau in fully reaching their \$100,000 endowment goal. President Fitzpatrick stated that it's these types of initiatives that help us stay grounded in the mission-focused programming that facilitates the positive development of Michigan's young people, but 4-H educators and volunteers can't do this without your ongoing commitment. That's why now, more than ever, your mission-focused philanthropy will be the key to 4-H's success in the future.

At this time, Dr. Cheryl Booth, trustee and MSU Extension Associate Director and state leader for Children, Youth, Families and Communities, spoke about Preparing Youth for these Ever Changing Times. She shared how 4-H Science, Engineering and Technology (SET) programs are supporting the national 4-H goal of 1 million new ideas, 1 million new scientists. Dr. Booth also shared that according to a North Central Region 4-H Volunteer study, there is a good balance between long-time and new 4-H volunteers. The study showed 61% of volunteers have less than 10 years and 16% had been volunteers for over 21 years, meaning that the base of volunteers is growing. Dr. Booth also shared a teen's 4-H story and how 4-H Capitol Experience and the Birch Run bio-fuel recycling project positively influenced his life and opened doors for his future.

At this time Erica Tobe, state 4-H program leader, highlighted 4-H financial literacy and entrepreneurship programs.

President Fitzpatrick introduced the 2009 annual fund drive stating this year's goal of \$110,000 in unrestricted revenue. He shared that to date, 10% of that goal had been raised and invited members to help reach the balance of the goal. Executive Director Howell then introduced the special and major gift campaign for 2009-10 with a goal of \$800,000. She shared that 21.3% had been raised to date. Special and major gift priorities include endowment investments through the 4-H Volunteer Recognition Endowment, the Michigan 4-H Legacy Fund and the Founder's Fund; as well as investments in volunteer training, 4-H curriculum development and 4-H recognition.

President Fitzpatrick formally opened the annual membership meeting and invited Secretary Booth up to present the motion for the approval of the Oct. 3, 2008 annual meeting minutes. Trustee Polly Diehl moved to approve the 2008 annual meeting minutes as presented. Supported by Trustee Pam Babbitt; motion carried.

President Fitzpatrick welcomed Michigan 4-H Foundation Treasurer Mike McIntyre. Treasurer McIntyre provided a summary report of the foundation's 2008-09 financial position. Total revenues were \$1.44 million with 86 percent generated from operations of Kettunen Center, 45 percent from the support of donors, negative 39 percent from investment revenue and 7 percent from administrative fees. Expenses last year totaled about \$2.3 million with 86 percent spent on programs, 10 percent on administration and 4 percent on fundraising. For 2008-09 the foundation's net assets totaled \$6.18 million and total liabilities and net assets were at \$7.1 million.

Treasurer McIntyre then introduced Mr. Jeff Irwin, president and independent auditor from McCartney and Company to present the foundation's 2008-09 audit. Mr. Irwin thanked Michigan 4-H Foundation and Kettunen Center staff for their assistance in the audit process. He reported the foundation has about \$1.1 million less than last year due to a decline in investments. He stated that these losses are due to market losses and not due to anything the foundation did. He noted that the foundation had to replace endowment fund losses with unrestricted net assets.

President Fitzpatrick introduced Trustee Smallwood Holoman, Jr., Nominating Committee chair. Trustee Holoman

introduced the Articles of Incorporation change. He noted that this vote was taken by the membership at the 2008 annual meeting, but ruled invalid because the membership was not provided notice of the change 30 days prior to the vote. We believe adequate notice and publication of the full text both online and in Vantage meets the requirements for membership notice for this vote at this time.

The motion for amendment to the Articles of Incorporation brought to the membership today for approval changes the definition of members of the corporation to delete the requirement for citizenship of the United States of America. The rationale for this amendment is to recognize that both donors to the foundation and trustees elected to the board, particularly to represent global corporations and organizations, may not be native U.S. Citizens. Over the course of the foundation's more modern history, the membership has elected trustees who were not native to the United States. This motion is to ensure that such action in the future does not violate the articles of the foundation.

Article 9, Section A – Members of the Corporation currently reads:

The general management of the property and affairs of this Corporation shall be in the board of trustees and shall be conducted in such manner as is provided in the by-laws adopted from time-to-time by the board of trustees. Persons other than the incorporators may become members of the corporation. The qualifications for membership are as follows:

- *Citizenship of the United States of America;*
- *Meet membership requirements as set forth in the by-laws.*

Election as a trustee shall constitute election to membership and membership shall be terminated only upon the death, resignation, withdrawal or expulsion of a member.

Article 9, Section A – Members of the Corporation proposed amendment:

The general management of the property and affairs of this Corporation shall be in the board of trustees and shall be conducted in such manner as is provided in the bylaws adopted from time-to-time by the board of trustees. Persons other than the incorporators may become members of the corporation.

The qualifications required for membership are those requirements set forth in the bylaws. Election as a trustee shall constitute election to membership and membership shall be terminated only upon the term limit, resignation, expulsion or death of a member.

Trustees Doug Lewis and Pam Babbitt moved to approve the above amendment to the Articles of Incorporation. Supported by Trustee Phil Seitz; motion carried.

Trustee Holoman noted that the foundation's board of trustees has the capacity for 30 members and that we currently have 26 trustees, but noted that with trustee retirements at this meeting, the board will consist of 24 trustees after the meeting. Trustee Holoman presented two trustees for confirmation that the board voted to elect at previous board meetings in the current year. These new elections to the membership are: Garrett Geer, of Bay City and state govern-

ment affairs leader at the Dow Chemical Company; and Sara (Sally) Stuby, of Constantine, recently retired MSU Extension southwest regional director. Trustee ____ moved to approve the confirmation of these trustees. Supported by Trustee Phil Seitz; motion carried.

Trustee Holoman presented the following current trustees being nominated for re-election to the board: Pamala Babbitt, Jamey Fitzpatrick, Robert Patterson, David Porteous, Steven Rawlings and Claudia Scioly. Trustee Holoman stated that this completed the nominations from the Nominating Committee. He entertained nominations from the membership, and hearing none, proposed a motion to accept the slate of both new and returning trustees as presented to the Michigan 4-H Foundation membership. Trustee Tom Coon moved to approve the 2009-12 trustee slate. Supported by Trustee Doug Lewis; motion carried.

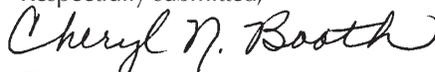
Executive Director Cheryl Howell thanked and acknowledged departing board members. She noted that the departing trustees represent 73 collective years of service to the Michigan 4-H Foundation. She honored Elaine Bristol who served the foundation as trustee for three years filling one of three positions reserved for youth ages 16-22. Mrs. Howell then asked Don Jost, Executive Director Emeritus, to join her in recognizing the remaining three trustees retiring from the board: Thomas Cobb, Victor Fulgoni and George House; all three having served as president of the Michigan 4-H Foundation.

President Fitzpatrick then honored retired trustee Faye Adam as trustee emeritus. He noted that the Michigan 4-H Foundation board may at its discretion recognize trustees as Trustee Emeritus, the highest honor afforded to trustees who have served nine or more years on the board and whose service is recognized by their board peers as far above and beyond. He congratulated Mrs. Adam who then made a few remarks and thanked her board colleagues and donors for their support during her tenure.

Mrs. Howell thanked everyone for attending the annual meeting. She recognized and thanked foundation staff for their support and preparations for this event. Mrs. Howell thanked the board for their support and encouragement for the work we continue to do for youth.

With no further business, President Fitzpatrick provided directions for those joining us for the Clover Citation Luncheon and thanked everyone for attending. He adjourned the meeting at 11:42 a.m.

Respectfully submitted,



Cheryl N. Booth
Secretary, Michigan 4-H Foundation

Motion to Approve the Minutes:

The Michigan 4-H Foundation membership accepts the minutes of the October 2, 2009 annual membership meeting as presented.

BOARD OF TRUSTEES

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President and CEO
Michigan Virtual University
Lansing

VICE PRESIDENT

David B. Ramaker
President and CEO
Chemical Financial Corporation
Midland

TREASURER

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Michael D. McIntyre P.L.C.
Okemos

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Cheryl N. Booth
Assistant Director, MSU Extension
Ithaca

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Babbitt's Sports Center
Muskegon

Sheila M. Burkhardt
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Public Affairs
Michigan Milk Producers Association
Novi

Julie A. Chapin
State 4-H Leader and Director,
MSU Extension Institute for
Children and Youth
Portland

Thomas G. Coon
Director, MSU Extension
Williamston

Polly Diehl
Holland

Carlos A. Guzman
Muskegon County 4-H'er
Ravenna

Smallwood Holoman, Jr.
Midland

Allan C. Hooper
Economic Development Director,
Consumers Energy
Jackson

Douglas E. Lewis
Director of Student Legal Services,
University of Michigan
Milan

David L. Porteous
Attorney
McCurdy, Wotila & Porteous, P.C.
Reed City

Ronald H. Schoen
Executive Vice President & CFO,
Accident Fund Insurance Co. of America
Laingsburg

Claudia J. Scioly
Woman's National Farm & Garden
Association, Michigan Division
Ann Arbor

Amanda G. Sollman
Sanilac County 4-H'er
Brown City

Sally A. Stuby
Constantine

Mary E. Tatter
Watervliet

Kevin B. Thomas II
Wayne County 4-H'er
Belleville

Mark R. Williams
Hillsdale County MSU Extension Director
Hillsdale

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EXECUTIVE DIRECTOR

Cheryl D. Howell

Cynthia J. Acton

Program and Management Services Director

Andrea E. Grix

Kettunen Center Educational Program
Coordinator

John F. Grix

Kettunen Center Director

Lauren E. Heilman

Business Administrator and
Human Resources Coordinator

Norman K. Lownds

Michigan 4-H Children's Gardens Curator

Jamie Mielke-Mitchell

Kettunen Center Operations Manager

Abbey A.W. Miller

Communications & Annual Giving Manager

Celestine Sullivan

Administrative Secretary



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About the Michigan 4-H Foundation

The Michigan 4-H Foundation is a not-for-profit 501(c)(3) organization dedicated to encouraging and supporting Michigan 4-H Youth Development to prepare youth from all segments of society for meaningful and productive lives. The Michigan 4-H Foundation is a \$7 million organization that seeks, manages and distributes support from private individuals, organizations, foundations and corporations to support the mission and vision of Michigan 4-H Youth Development.