



Report to the Membership

Michigan 4-H Foundation
63rd Annual Membership Meeting
Friday, October 7, 2016



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

President's Message to the Membership

It has been a personal privilege to lead the Michigan 4-H Foundation these past two years. It has been great to partner with all of you and my fellow trustees to make some needed investments in 4-H programs and the facilities that support 4-H youth learning.

Growing up in Kent County, I learned many things while in 4-H from leadership skills to the importance of teamwork, communications skills, responsibility, and a greater understanding of industry issues that continue to help me today on both a professional and personal basis.

As a 4-H alumnus and a 4-H parent, it is heart-warming to see that the same lessons I learned in 4-H, young people today are still learning and benefiting from.

Michigan 4-H continues to help young people discover their personal skills and talents and hone those skills and apply them to lead clubs, groups, even student bodies. And, 4-H continues to provide opportunities for young people to explore new cultures and countries as global youth ambassadors.

4-H continues to build community leaders for today and for tomorrow!

Today, we will learn more about 4-H youth leadership and civic engagement programs and hear about research that confirms the impact 4-H learning is proving to have on young people.

We will celebrate the investments many donors have made in ensuring these opportunities continue for Michigan's youth. And hopefully, encourage all of us to continue to make these opportunities possible for more young people.

We also want to thank you for helping us to log another million for Michigan 4-H's future! Total giving for the *Campaign for Michigan 4-H's Future* has exceeded the \$9 million mark placing us at 72% of our \$12.5 million campaign goal. We have two years and \$3.5 million more to go.

Please join us in taking leadership to help make success happen!



Yours in 4-H,

Sheila Burkhardt

Sheila M. Burkhardt, President

Michigan 4-H Foundation Annual Membership Meeting October 7, 2016, 10–11:45 a.m.

Welcome & Introductions – *President Sheila M. Burkhardt*

American and 4-H Pledges – *Youth Trustee*

2015-16 Year In Review – *President Sheila M. Burkhardt*

Michigan 4-H: Building Youth Leadership for Our Communities and for Our World –

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

• **Youth Personal Leadership: Midland Legacy Center Research** – *Michelle Neff, 4-H Educator, Clare County MSU Extension*

• **Youth Leadership and Community Service: 4-H State Youth Leadership Council** – *Janelle Stewart, 4-H Educator, Lenawee County MSU Extension with 4-H State Youth Leadership Council members Emily Kittendorf, Monroe County 4-H member and Loren King, St. Joseph County 4-H member*

• **Youth Global Citizenship and Leadership: 4-H International Exchange** – *D'Ann Rohrer, Michigan 4-H Supervising Educator, 4-H Global and Cultural Education*

Annual Membership Action for the Michigan 4-H Foundation

Secretary's Report – *Secretary Julie A. Chapin, Ph.D.*

- Approval of minutes from October 2, 2015 annual membership meeting

Treasurer's Report – *Treasurer Ronald H. Schoen*

- Financial overview
- Introduction of auditors and presentation of the Michigan 4-H Foundation 2015-16 Independent Audit
Jeff Fineis, Partner, and Jamie Rabe, Senior Manager, Andrews, Hooper and Pavlik, P.L.C.

Board Development Committee Report –

Trustee Sally A. Stuby, Board Development Committee Chair

- Trustee Elections

Executive Director Remarks – *Cheryl D. Howell*

- Trustee Service Recognition
- Acknowledgements

Remarks from the Membership

Closing Remarks – *President Sheila M. Burkhardt*



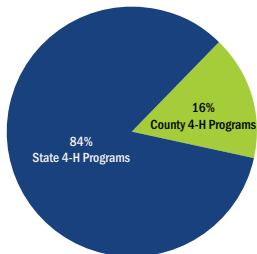
Michigan 4-H Foundation Financial Summary in Brief

For the years ended June 30, 2016 and June 30, 2015

	JUNE 30, 2016	JUNE 30, 2015
ASSETS		
Current Assets	\$499,330	\$737,964
Net Fixed Assets (Primarily Kettunen Center)	2,968,763	2,971,742
Investments and Other Assets	7,145,255	7,457,577
Total Assets	\$10,613,348	\$11,167,283
LIABILITIES AND NET ASSETS		
Current Liabilities	\$216,685	\$158,667
Long Term Liabilities	908,550	912,716
Total Liabilities	\$1,125,235	\$1,071,383
Net Assets	\$9,488,113	\$10,095,900
Total Liabilities and Net Assets	\$10,613,348	\$11,167,283
REVENUES AND SUPPORT		
Kettunen Center Revenue	\$1,223,809	\$1,216,197
Unrestricted	314,561	(432,967)
Restricted	445,467	449,723
Total Revenues	\$1,983,837	\$1,232,953
EXPENSES		
Kettunen Center Operations	\$1,303,270	\$1,329,953
4-H Programs	522,517	531,927
Administration	380,309	380,309
Fundraising	123,785	121,174
Total Expenses	\$2,591,624	\$2,363,363
Change in Net Assets	\$(607,787)	\$(1,130,410)

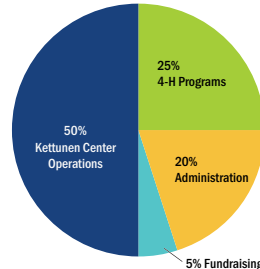
2015-16 PROGRAM SUPPORT

Total Grants Distributed: \$642,052



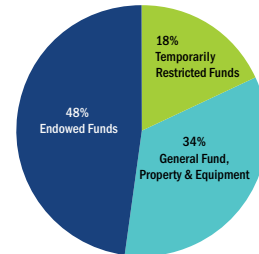
2015-16 EXPENSES

Total Expenses: \$2,591,624



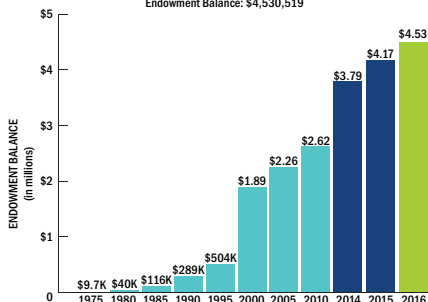
2015-16 NET ASSETS

Net Assets: \$9.49 million
Total Assets: \$10.61 million



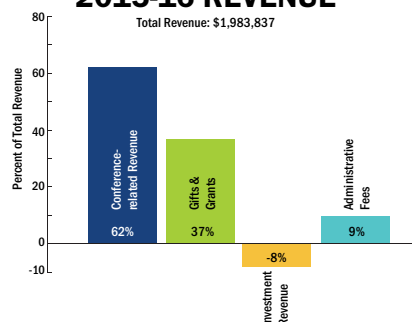
TOTAL ENDOWMENT GROWTH

Endowment Balance: \$4,530,519



2015-16 REVENUE

Total Revenue: \$1,983,837



Michigan 4-H Foundation Annual Membership Meeting Minutes

October 2, 2015

In attendance were 18 trustees, 1 trustee emeritus, 2 honorary trustees, 2 former trustees, 15 members, 2 4-H staff members and 6 foundation staff members.

President Sheila Burkhardt called the 62nd Michigan 4-H Foundation annual membership meeting to order at 10 a.m. at the Kellogg Center in East Lansing, Mich. The group recited the pledges. President Burkhardt then asked all those present to introduce themselves.

President Burkhardt then presented The Year in Review Address for 2014-15. She was pleased to share highlights of what donor support provided in the past year for Michigan 4-H programs.

- The foundation distributed total grant payments to support state and county 4-H programs of \$531,927. Of this amount, 68% or \$359,101 was for statewide programs and 32% or \$172,826 was for county 4-H programs.
- Kettunen Center – the foundation’s volunteer and youth development center, is the foundation’s largest annual program support expense at \$1.33 million. She congratulated Kettunen Center staff for being able to reduce operational costs by almost 12% this past fiscal year. Kettunen Center hosted 1,362 4-H participants at 14 4-H events this year. Their participation was supported by 4-H adult and older teen volunteer scholarships that totaled \$77,810.
- The Michigan 4-H Foundation saw a 10% growth in the value of permanent endowments that support 4-H from \$3.79 million to \$4.17 million. This includes 73 fully funded state and county 4 H endowments of which 31 are for county 4-H program support. It was noted that there are an additional 13 pending county 4-H endowed funds, which were not fully invested at June 30.
- Donors contributed \$764,377 million in new gifts and grants to support Michigan 4-H in this past fiscal year.
- The board of trustees seeks each year to build and leverage community-based partnerships to maximize the reach and impact of Michigan 4-H. We have set a high benchmark to reach this goal – \$12.5 million in support for Michigan 4-H’s Future. The foundation has achieved 65 percent or more than \$8 million towards this capital campaign goal.
- The priorities for this support are to empower 4-H with the resources it needs to help young people: achieve academic success particularly where it is needed most – in the sciences; make healthy life choices that keep them fit, safe and physically ready to succeed; see themselves as leaders ready and willing to take on both the challenges and the opportunities of their local and global communities; be prepared so that when they are ready to take on world, they are both career ready and financially smart; and to be sure that

4-H has the volunteer support and the facilities required to have the very best impact on the lives of Michigan’s young people, and a base of support through endowments to ensure 4-H opportunities remain available for young people for many more generations to come.

President Burkhardt then introduced interim MSU Extension director, Dr. Ray Hammerschmidt who talked about why the county 4-H endowment match campaign is important for today’s and tomorrow’s 4-H’ers. Dr. Hammerschmidt reiterated the importance of public investment in 4-H programs. If constituents are willing to invest, it makes a strong case for continued public partnership in that investment. He shared that there are volunteers working with Extension 4-H staff in 31 counties across the state building support for the future of 4-H youth development in their communities.

At this time, Dr. Hammerschmidt introduced campaign volunteer and staff teams from three counties whose county 4-H endowment campaigns have proven great models of success in generating support from those closest to 4-H – youth, volunteers, alumni and others within the local communities that 4-H serves. Gratiot County – 4-H Program Coordinator Matt Newman and County Campaign Chair and Foundation Trustee, Harmony Nowlin; St. Joseph County – Katelyn Walters, Foundation Trustee and St. Joseph County 4-H member; and Sally Stuby, County Campaign Co-Chair and Foundation Trustee; Ionia County – Dave Guikema, County Campaign Co-Chair and Abbey Miller, County Campaign Co-Chair and foundation staff member.

Dr. Chapin then provided an overview of the county endowment campaign.

- She reported that the 31 county 4-H programs participating in the county 4-H endowment match campaign have set endowment goals that exceed \$1.1 million.
- She thanked the foundation’s trustees who have committed to raising a \$1 million match pool to match up to \$50,000 – on a first come first serve basis – those dollars raised by participating counties.
- Through June 2015, \$514,481 had been raised for county 4-H endowed funds. Of this amount, \$489,000 is currently eligible for the foundation’s match.
- Eligibility is determined by the requirement that 50% of all gifts matched for a county endowed fund must be contributed by individual donors.

President Burkhardt opened the business meeting by inviting Secretary Chapin to present the motion for the approval of the Oct. 3, 2014 annual meeting minutes. Trustee Pamala Babbitt moved to approve the 2014 annual meeting minutes as presented. Supported by Trustee Doug Lewis; motion carried.

President Burkhardt then asked Treasurer Ron Schoen to present the financial report for fiscal year 2014-15. He reported that total revenues for FY2014-15 were \$1.23 million with 99% generated from operations of Kettunen Center; 76 percent from your generous support of 4-H; and 9% from administrative office operations. Investment losses reduced fiscal assets this fiscal year by 88%. Expenses totaled \$2.36 million with 79% spent on program support; 21% spent on administration and fundraising. This left net assets at June 30, 2015 of \$10.09 million and total liabilities and net assets near \$11.2 million.

At this time, Treasurer Schoen asked Mr. Jeff Irwin, principal with Maner and Costerisan, to present the foundation's 2014-15 independent audit results. Mr. Irwin thanked Michigan 4-H Foundation staff for their assistance in the audit process. He noted that our long-time auditing firm, McCartney & Company, merged with Maner and Costerisan this past year. Mr. Irwin reported the foundation received nearly \$550,000 in cash and cash equivalents, about \$500,000 less than a year ago. He noted that the oil and gas leases were valued at \$2 million at the time of the gift last fiscal year. Although, the book value did decrease to \$726,000 as of June 30, 2015, he noted that approximately \$443,000 was received in oil and gas royalty revenue. Current pledges receivables were \$52,461. Investment value was \$7.15 million. Total liabilities were \$1.07 million. The total net assets of the Michigan 4-H Foundation at June 30, 2015 were \$10.096 million. Although it is a decrease in net assets from a year ago, he noted that net assets have significantly increased since June 2013 when net assets were at \$6.5 million.

President Burkhardt then introduced Trustee Sally Stuby, Board Development Committee chair. Trustee Stuby noted the foundation's board of trustees has the capacity for 30 members and that we currently have 21 members which will not change if today's election stands as presented.

Trustee Stuby was pleased to bring four new trustee nominations to the membership, two of which were previously elected by the Michigan 4-H Foundation's board, but in need of confirmation by the foundation membership.

The trustees presented for confirmation were: Ian McGonigal, senior vice president of regional sales for GreenStone Farm Credit Services, and Sheila Kneeshaw representing the Woman's National Farm and Garden Association. Trustee Stuby also presented two new youth trustee nominees: Alondra Alvizo, Wayne County 4-H'er, and Loren G. King, St. Joseph County 4-H'er. Trustee Stuby then presented four trustees for re-election to the board: Jennifer Vincent Kiel, Michael T. Wehner, Pamala Babbitt and Mary Draves.

Trustee Stuby stated that this completed the nominations from the Board Development Committee and then

entertained nominations from the membership, and hearing none, proposed a motion to accept the slate of trustees to be confirmed and returning trustees as presented to the Michigan 4-H Foundation membership. Trustee Doug Lewis moved to approve the slate. Supported by Trustee Dee Miller; motion carried.

President Burkhardt then introduced Executive Director Cheryl Howell for closing remarks.

Mrs. Howell thanked the membership for the election of new trustees and then asked the membership to thank trustees who were retiring from the board: past president and trustee Polly Diehl, trustee Hannah Haynes, trustee Katelyn Walters and immediate past president and trustee Claudia Scioly. She also recognized Dr. Hammerschmidt for his service to the board as permanent trustees do not sit for election. Dr. Hammerschmidt had recently announced he would leave his position as Extension director in December to return to research and classroom duties. She then explained that in January, Dr. Jeff Dwyer will assume the Extension director position and also become a Michigan 4-H Foundation trustee.

At this time, Mrs. Howell shared a memorial for Trustee Emeritus George House who passed away last October, the night before the annual meeting.

Mrs. Howell thanked President Burkhardt for her leadership of the board and for today's proceedings. She then thanked the entire board of trustees for their volunteer leadership and support. She introduced the Leadership 10 members present and thanked the presenters.

She also recognized the foundation's administrative team for their preparations for the annual meeting: Kathy Kregger, Abbey Miller, Amanda Masters and Julie Arter; along with Chris Gentry and his staff at Kettunen Center and Norm Lownds and his staff at the Michigan 4-H Children's Gardens.

President Burkhardt then asked for comments from the membership. Immediate Past President Claudia Scioly shared a quote from Gertrude Warren, one of the early 4-H founders, "Make no small plans, they have no magic to stir ones goals."

With no further business, President Burkhardt thanked all those in attendance once again for their generosity and continued partnership on behalf of Michigan's young people. She adjourned the meeting at 11:40 a.m. and asked special guests to join the board for the Clover Citation Luncheon in the Centennial Room immediately following the meeting.

Respectfully Submitted,



Dr. Julie A. Chapin
Secretary, Michigan 4-H Foundation



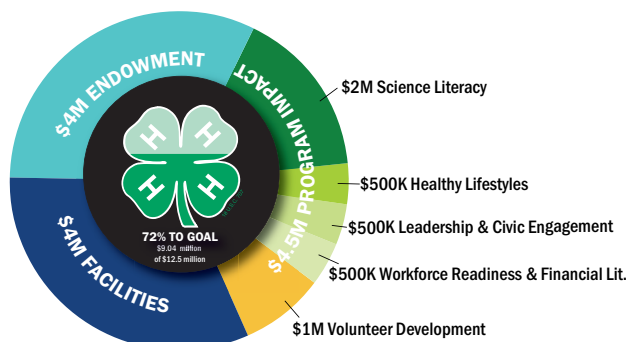
Michigan 4-H Foundation Campaign Progress Report

As of Sept. 29, 2016

Priority Area	Goal	Total Raised	% to Goal
4-H Program Impact & Reach \$3.5 million			
4-H Science Literacy	\$ 2,000,000	\$422,375	21%
4-H Healthy Lifestyles	\$ 500,000	\$155,500	31%
4-H Leadership & Civic Engagement	\$ 500,000	\$360,628	72%
4-H Workforce Readiness & Financial Literacy	\$ 500,000	\$110,724	22%
4-H Program TOTAL	\$ 3,500,000	\$1,049,227	30%
4-H Volunteer Development \$1 million			
4-H Volunteer Recognition	\$ 250,000	\$26,200	10%
4-H Volunteer Training	\$ 750,000	\$135,951	18%
4-H Volunteer Training TOTAL	\$ 1,000,000	\$162,151	16%
Facilities Improvement \$4 million			
Kettunen Center	\$ 3,000,000	\$223,832	7%
Michigan 4-H Children's Gardens	\$ 1,000,000	\$1,279,877	128%
Facilities TOTAL	\$ 4,000,000	\$1,503,708	38%
Endowment \$4 million			
4-H Endowment Match	\$ 1,000,000	\$800,265	80%
County 4-H Endowments	\$ 1,000,000	\$831,659	83%
State 4-H Endowments	\$ 500,000	\$212,620	43%
Kettunen Center Endowment	\$ 500,000	\$85,110	17%
Michigan 4-H Children's Gardens Endowment	\$ 1,000,000	\$950,450	95%
Endowment TOTAL	\$ 4,000,000	\$2,880,104	72%
CAMPAIGN PRIORITY TOTAL	\$12,500,000	\$5,595,190	44.8%
Annual Fund			
Other 4-H Programs (Restricted)		\$693,875	
Annual Fund (Unrestricted)		\$2,634,249	
Annual Fund TOTAL		\$3,328,125	
CAMPAIGN CASH TOTAL		\$8,923,315	71.4%
Planned/Deferred Gifts TOTAL		\$112,000	
COMPREHENSIVE CAMPAIGN TOTAL		\$9,035,315	72.3%

CAMPAIGN PRIORITY AREAS

Campaign Goal: \$12.5 million





2015-16 Support for Michigan 4-H

State and County 4-H Programs

Michigan 4-H Youth Development Programs received foundation grants this past fiscal year totaling \$642,052, of which 84% or \$537,158 was granted to support statewide programs and 16% or \$104,894 was granted to support county 4-H programs. An additional \$190,676 was granted to match county 4-H endowments for total grant support for the fiscal year of \$832,728.

As a result of the foundation's county 4-H endowment match campaign, \$788,391 has been raised to grow endowments for 31 county 4-H programs. Seven of these campaigns have raised enough local support to qualify for the maximum foundation match of \$50,000.

The endowment portfolio at June 30 was valued at \$4.53 million, an 8.6% increase from the \$4.17 million last year. This resulted in endowments providing \$125,871 of the support available to fund the annual grant for 4-H programs.

The endowment portfolio currently includes 81 state and county 4-H endowment funds of which 44 are for county 4-H program support. There are an additional four pending county 4-H endowed funds that have not yet reached the minimum funded endowment gift balance of \$10,000.

The foundation serves as an investment manager for counties, holding 14 agency accounts for support of county 4-H programs and the 4-H staff association investment fund.

The Michigan 4-H Foundation also provides subsidies to reduce the cost for participants of 4-H volunteer and youth development events held at Kettunen Center. This past year, that support totaled \$76,150, made possible by gifts and grants from foundation endowments, individual donors and these corporate and organizational partners: Community Foundation of Southeast Michigan, Hal and Jean Glassen Memorial Foundation, GreenStone Farm Credit Services, Michigan Milk Producers Association, Michigan Pork Producers Association and the United Dairy Industry of Michigan.

Kettunen Center

Kettunen Center operational costs were just over \$1 million for FY2015-16, which represented a 13% decrease in operational costs over the previous fiscal year.

The facility hosted 14 program events for 4-H that attracted 1,405 participants. In addition to hosting 4-H events, Kettunen Center was also used by another 162 groups who brought 9,875 participants to the facility.

Kettunen Center also annually delivers outdoor and environmental educational programs to schools, the larger community and other groups that engaged 1,828 youth and 933 adults for a total reach of 2,761 participants.

This year also featured significant facility improvements with the addition of archery and firearm ranges and the installation of a new septic system at Kettunen Center.

This programming and facilities update work was supported by private gifts and grants totaling \$66,127.

For long-time visitors to Kettunen Center, the news of the retirement of Rose Lockhart, who has expertly managed dining services for Kettunen Center for 20 years was bittersweet. She established a standard of hospitality and food services that visitors will long remember.

Michigan 4-H Children's Gardens

The 2015-16 Michigan 4-H Children's Gardens season launched in mid-March with the opening of the Butterflies in the Garden exhibit. The exhibit was visited by school groups and general visitors to the garden from March 15 to April 30. We thank MSU Federal Credit Union for continuing to sponsor this annual exhibit and the accompanying programming.

The gardens' Seeds of Science field trips were scheduled almost every day between May 1 and May 31. As part of this learning experience, students spend three full days in the 4-H Children's Gardens where they are immersed in hands-on activities that this year featured expanded use of digital technologies. For the first time, the gardens hosted an entirely paperless Seeds of Science series of field trips. Each student brought their Personal Learning Device (PLD) and everything that would normally be shared as a hand out in their field trip folders was distributed through Google Classrooms and made available on their PLD's.

The Pete & Sally Smith Schoolyard Demonstration Garden featured a new welcome for visitors this season with the addition of a not so "Little Red Schoolhouse" entrance into the garden and updates to many of the school-focused theme gardens. The new family bathrooms were a very welcome addition to the gardens for the season.

The original Michigan 4-H Children's Garden featured the addition of a "faerie village" near the dance chimes where young visitors could go into three different Twigaloo's (structures made of willow twigs) and sit, tell stories, dream or just enjoy the gardens. These cute structures proved a big hit with visitors this garden season.

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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 seeks, manages and distributes support from private individuals, organizations, foundations and corporations to support the mission and vision of Michigan 4-H Youth Development.