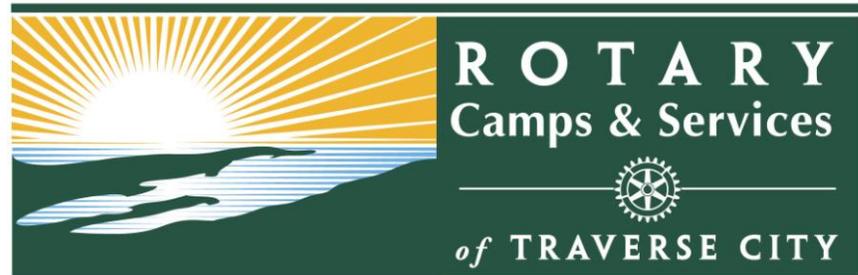


Annual Report

2011-2012



A message from Executive Director Marsha Smith

During this last fiscal year I was granted the wonderful gift of a sabbatical leave. Special thanks to the terrific board members and incredible staff that stepped in and covered during my absence. The five months I spent away from my desk provided me with the rare opportunity to reflect. During this time I was able to survey and talk to over 30 current and former Rotary Charities Board members. I asked them what they considered major achievements during their time on the board, why they thought these events were significant and the values behind these important decisions. What struck me after reading and talking to so many trustees from so many different eras was the reoccurrence of a few key themes that provided the underlying reasons for major decisions. These consistent “guiding principles” were never officially articulated, but one or more of them form the basis for both Charities’ and Camps’ decisions across the years. I believe these principles, along with our shared vision; mission and core values are the soul of Rotary Charities and Camps & Services.

These are our consistent truths that have guided our actions over the years:

We are Rotarians; this drives our values, our service, and our skills.

We always act on behalf of the greater good.

Our resources are a gift; it is our responsibility to wisely allocate them.

We leverage our resources to stretch our impact and dollars further.

We are a catalyst for positive change – not necessarily the agent for change.

Helping people help themselves is the most effective way to make change.

All of these guiding principles were demonstrated in our actions this last fiscal year. Here are just a few of the highlights:

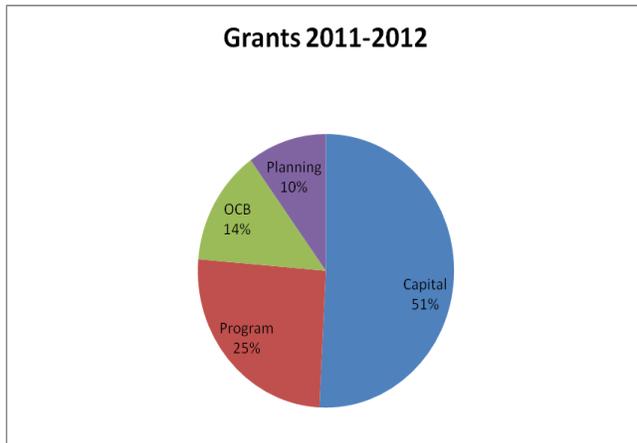
- A \$425,000 grant to help complete the campaign for the new YMCA brought Rotary Charities total support of the project to \$1million and demonstrated our commitment to the “**greater good**” and to **leverage**.
- A new evaluation plan that emphasizes learning to improve our grantmaking illustrates our on-going pledge to **wisely allocate our resources**.
- Modifying the Matching Gift Program **leverages** individual member’s personal contributions even further by lifting the cap on club projects and expanding the match to world community service projects.

- A new Executive Leadership Coaching service launched by NorthSky helps nonprofit leaders learn skills that will improve their organization's ability to make **positive change in our region**.
- At the heart of Rotary Charities' growing support of NorthSky and Organizational Capacity Building Grants is the principle of **helping people help themselves**.
- Our **Rotarian values of truth, fairness and goodwill** are all reflected in the Charities' board development of new policies that call for openness and transparency in accepting gifts and dealing with public policy issues.
- Rotary Charities' leadership role in the Grand Vision provided **a catalyst for change** to move the citizen created vision forward by supporting networks made up of nonprofits, institutions, governments and businesses that will actually implement the changes.

I want to thank all of you for the honor and privilege of serving this amazing organization. I invite all of you to continue helping us lead positive change in our region.

Marsha Smith

Executive Director



Total Grants Awarded: \$1,607,150

Capital: \$816,500

Program: \$410,500

Organizational Capacity Building (OCB): \$219,500

Planning: \$160,650

CAPITAL GRANTS: \$816,500

- Elk Rapids Historical Society – Building Improvements: \$24,000
- Elmwood Township –Greilickville Harbor Park: \$38,500
- Glen Arbor Township - Tennis Courts: \$15,000
- Grow Benzie – Building Improvements: \$30,000
- GT BAY YMCA – New Y Building: \$425,000
- GT Regional Community Foundation – Historic Barns and Botanic Gardens: \$55,000
- Historic Elk Rapids Township Hall – Building Improvements: \$33,000
- Leelanau Community Cultural Center – Sound and Technology Equipment: \$15,000
- NMC Foundation – Maritime Simulator: \$20,000
- Peach Ranch – Covered Riding Area: \$40,000
- The Rock of Kingsley – Equipment: \$11,000
- Third Level - Technology: \$60,000
- Traverse City Film Festival – Building Façade: \$50,000

PROGRAM GRANTS: \$410,500

- Alliance for Economic Success – Honor Area Revitalization Program (Year 1): \$30,000
- Goodwill – Food Rescue (Year 3): \$24,000
- Goodwill – Paperworks (Year 2): \$31,000
- Grand Traverse Conservation District – NEST Program (Year 3): \$16,000
- Grand Traverse County Health Department – Youth Health Clinic (Year 3): \$31,000
- Grand Traverse Regional Community Foundation – College Access Network (Single Year): \$25,000
- Grand Traverse Regional Land Conservancy – FARMAbility (Single Year): \$40,000
- Land Information Access Association – UpNorth Media (Year 1): \$40,000
- Leelanau Children’s Center – Parenting Communities (Year 2): \$17,000
- Leelanau Conservancy – FARMAbility (Year 3): \$14,000
- Maritime Heritage Alliance – SAIL Champion (Year 3): \$10,000
- Regional Collaborative Alliance (Year 3): \$25,000

PROGRAM GRANTS (Cont.)

TART Trails – Complete Streets Initiative (Single Year): \$40,000

Traverse Bay Children’s Advocacy Center – Family Advocate (Year 2): \$32,500

United Way – Volunteer Center (Year 1): \$35,000

ORGANIZATIONAL CAPACITY BUILDING GRANTS: \$219,500

Antrim Conservation District – Outreach and marketing (Year 2): \$24,000

Brickways – Development (Year 3): \$36,000

Communities in Schools Mancelona – Management, fundraising and financial operations (Year 2): \$34,000

Junior Achievement – Marketing and communications (Year 1): \$12,500

Old Town Playhouse – Board development, fundraising and technology (Year 3): \$19,000

Traverse Health Clinic – Marketing and public relations (Year 2): \$22,500

Watershed Center ~ Grand Traverse Bay – Marketing, outreach, sustainability (Year 3): \$24,000

Women’s Resource Center – Community needs assessment, creating partnerships, technology (Year 1): \$47,500

PLANNING GRANTS: \$160,650

Artists Creating Together – Organizational Capacity Assessment and Planning: \$8,000

Benzie Conservation District - Organizational Capacity Assessment and Planning: \$3,000

Benzie Council on Aging - Organizational Capacity Assessment and Planning: \$8,000

Benzie Home Health Care - Organizational Capacity Assessment and Planning: \$8,000

Botanical Garden Society – Business Plan Development: \$5,000

Elizabeth Land Oliver Center for the Arts - Organizational Capacity Assessment and Planning: \$8,000

Disability Network - Organizational Capacity Assessment and Planning: \$7,000

Elk Rapids Historical Society - Organizational Capacity Assessment and Planning: \$8,000

Grand Traverse Lighthouse Museum - Organizational Capacity Assessment and Planning: \$2,900

Grand Traverse County Parks and Recreation - Organizational Capacity Assessment and Planning: \$8,000

Grand Traverse Regional Community Foundation - Organizational Capacity Assessment and Planning: \$8,000

History Center of Traverse City – Capital Planning: \$3,750

Land Information Access – Business Plan Development: \$5,000

Leelanau Conservation District - Organizational Capacity Assessment and Planning: \$8,000

Leelanau Township Community Foundation – Program Planning: \$5,000

Maritime Heritage Alliance – Program and Business Planning: \$5,000

Michael’s Place - Organizational Capacity Assessment and Planning: \$8,000

Michigan Legacy Art Park – Capital Planning: \$5,000

Northwestern Michigan Fair - Organizational Capacity Assessment and Planning: \$8,000

PLANNING GRANTS (Cont.)

Old Town Playhouse – Capital Planning: \$5,000

Parallel 45 – Program Planning: \$3,000

Samels Family Heritage Society - Organizational Capacity Assessment and Planning: \$5,000

SEEDS - Organizational Capacity Assessment and Planning: \$5,000

The Festival Foundation - Organizational Capacity Assessment and Planning: \$8,000

Third Level – Technology Plan Development: \$5,000

Traverse Area Chamber Foundation – Capital Planning: \$5,000

Traverse Bay Economic Development Corporation – Capital Planning: \$3,000

*A message from Charities Board Chair
Bob Portenga*

Reflecting back on the past year at Rotary Charities, I can't help but think about my first term on the board and how much has been accomplished. I am thankful to have served for the past nine years with all my Rotary colleagues. What a dedicated group of volunteers! Through all my many board experiences, I have never encountered such a dedicated, smart, strategic group of thinkers. We don't always agree on specific issues, but when those hearts and minds meet, the mission and vision of Rotary Charities carry the day.

Much of the work that gets done by the board is unseen by the club however, it is manifested by millions of dollars invested in our region in the form of grants. During my tenure, the formation of NorthSky has contributed countless service to the nonprofit sector, building capacity and effective organizations. I am so proud to have served for the past nine years on the board and played a small part in contributing the quality of life in northwest Michigan. Imagine how different our region would look without the resources of Rotary Charities. We should all be proud of our contributions to our community. I will miss serving on the board, but know that I am leaving it in very capable hands.

With deep respect,

Dr. Bob Portenga

Chairperson, Rotary Charities Board
Board member since 2003

Rotary Charities Trustees 2011-2012

Mack Beers
Al Bonney
Ed Downing
Sid Lammers
Ken Osborne
Bob Portenga
George Powell
Gregg Smith
John Racine
Elaine Wood

*A Message from NorthSky Nonprofit
Director Debbie McKeon*

NorthSky Nonprofit Network is the capacity building arm of Rotary Charities. NorthSky is a trusted resource that is widely recognized for its accomplishments in strengthening the social sector and growing social impact to help our communities thrive. 2011-12 was a year of continued growth, especially deepening work in leadership development programs, network/affinity group building, professional development offerings, strategic partnership facilitation and collective impact initiatives. We are especially proud of the excellent quality consultant network that makes much of this work possible, the outcomes that clients indicate were achieved and the consistently high satisfaction ratings reported.

In an increasingly fast-paced changing environment, it is essential that nonprofit staffs and volunteers continue to grow and hone their skills and knowledge. Participation in the NorthSky professional development series, online resource center and free business counseling services has also continued to grow tremendously as staffs and volunteers working in the social sector expand their engagement as learning organizations.

NorthSky believes it is essential to lead by example so we took what we learned from our organizational capacity assessment to help grow our capacities and capabilities this year. We are also currently working alongside Rotary Charities to develop an evaluation system for their grantmaking activities and to understand the lessons to be learned when considering the NorthSky and Rotary Charities evaluation systems collectively. As learning organizations, we are continually using evaluation to improve the quality of our work. A full evaluation report for NorthSky will be available on our website in January 2013.

On behalf of NorthSky, thanks to all who work in the social sector. It is a pleasure to work beside you!

Warm wishes,

Debbie McKeon

Executive Director

Rotary Charities
Financial Summary 2011-2012

Rotary Charities

Financial statement

June 30, 2012 and 2011

	<u>2011</u>	<u>2012</u>
Net assets, Beginning of Year	36,811,233	42,684,392
Revenue and gains		
Dividends and interest	\$1,077,245	\$1,180,567
NorthSky- consulting fees	308,837	394,276
Oil and gas royalty income	405,903	415,097
Net Realized and Unrealized Gain (Loss)	6,406,859	(1,789,353)
Other	<u>215,474</u>	<u>196,182</u>
Total Revenue and Gains	8,414,318	396,769
Operating expenses and grants		
Program Services		
Grants	1,869,706	2,037,366
NorthSky	291,416	394,468
Management and general	<u>380,037</u>	<u>432,679</u>
Total operating expenses and grants	2,541,159	2,864,513
Change in unrestricted net assets	<u>5,873,159</u>	<u>(2,467,744)</u>
Net assets end of year	42,684,392	40,216,648

I have appreciated sitting on the Rotary Camps & Services Board this past year. We have had made progress in a number of areas: with a timber harvest and land management plans, sale of the Timbers Camp, convening regional camps, work bees and teaching kids how to fish. Our work relates back to our mission of stewarding natural resources and creating access to recreational opportunities.

We manage over 1700 acres that are owned by Rotary Camps & Services. We partnered with the Conservation District, Grand Traverse Regional Land Conservancy and a forester to create sustainable forestry plans for all our properties and contracted for a select timber harvest at East Creek. We also work closely with the Boy Scouts and Girl Scouts to ensure area kids have opportunities to explore the natural world. When one of the region's most treasured camps was on the chopping block, Camp Timbers on Long Lake, we worked to help resolve property sale issues and it appears the land will stay in the public trust. For the fifth year in a row, regional camps convened biannually to discuss pressing issues and find new ways to work together.

Our Water committee hosted its 7th annual Kids Free Fishing Day, where almost 500 kids and their families came for fishing, fun and food. Work bees are part of the Water Committee's role and last year we partnered with the Grand Traverse Conservation District on the Jim VanEenenam memorial work bee to build and clear trails at the East Creek Reserve property.

It's been a pleasure to serve on the Camps & Services Board. I look forward to great things for the coming year!

Dr. John Hall

Chairperson, Rotary Camps & Services

Rotary Camps & Services Trustees 2011-2012

Chuck Downey
John Hall
Beth Karczewski
Rob Lovell
Doug Meteyer
Dave Millross
Al Olson
Phil Rosi
Paul Schmuckal
Bob Witkop

Rotary Camps & Services
Financial Summary 2011-2012

Rotary Camps

Financial statement

June 30, 2012 and 2011

	<u>2011</u>	<u>2012</u>
Net assets, Beginning of Year	\$2,766,206	\$2,867,401
Revenue and gains		
Interest and Dividends	18,816	23,370
Oil and Gas Revenue	27,830	28,232
Net Realized and Unrealized Gain (Loss)	89,015	(6,986)
Other Contributions	<u>68,200</u>	<u>47,968</u>
Total Revenue and Gains	203,861	92,584
Operating expenses and grants		
Administrative and general expenses	42,732	48,850
Grants-general	<u>59,934</u>	<u>43,162</u>
Total operating expenses and grants	102,666	92,012
Change in unrestricted net assets	<u>101,195</u>	<u>572</u>
Net assets end of year	2,867,401	2,867,973