



In the continuing effort of the Trustees to regularly communicate with members of the Class, this is the eighth of regular Newsletter communications to all Classmates.

SURVEY RESULTS

A survey was circulated earlier this year to all Classmates, seeking views on the future of the Foundation. A total of 756 surveys were mailed, and 313 were returned for a response rate of 43%, which was exceptional.

A clear majority (61%) felt that we should terminate Foundation activities not later than our 50th reunion in 2013. A comparably large majority (69%) felt that we should also discontinue scholarships no later than our 50th reunion.

Continued financial support of the 1963 Center for Academic Excellence was favored by 81% of the Class. In support of this effort, and other activities of the Foundation, 78% favored our continuing with fund raising activity so long as the Foundation continues to operate.

BOARD ACTION

With the guidance offered from the survey, the Board of Trustees voted at the Spring Meeting to formally dissolve the Foundation as of our 50th reunion in 2013. Based on that decision, certain committees were formed to address the implementation of winding down our operations. These included a Funds Disposition Committee which addressed the matter of distributing any remaining corpus in 2013; a Scholarship Policy Committee to address the discontinuance of those efforts; and an Administrative Termination Committee to address the mechanics of bringing Foundation activity to a conclusion in an orderly fashion over the next 6 years.

These committees met over the early summer months and the Board of Trustees then considered the committee recommendations at its Summer Meeting. The Board voted to cease all scholarship program enrollment as of 2009 and thus conclude all scholarship funding as of 2013, although scholarship requests for unusual circumstances that might arise between 2009 and 2013 will be considered. The Board further voted to contribute the bulk of the corpus remaining in 2013 to the 50th reunion Class gift to the 1963 Center for Academic Excellence; and to initiate a major fund raising drive to raise a minimum \$1,963,000 for the Center as our 50th reunion gift.

RECENT MEMORIAL ACTION

The Foundation recently contributed funds to the Academy Chapel for a dedicated Pew in memory of Classmates lost in active service. This donation was a combination of Foundation

general account funds as well as designated contributions to the Foundation from Jim Williamson and funds contributed by several donors who made gifts in memory of Kit Karson.

FINANCIALS

The Class Foundation presently has a net worth, through September 30, 2007, of \$554,864, as reflected on the financial statement below. The liabilities are those of funding to completion the scholarship grants to which we are already committed. Operations are on a calendar year basis.

Expenditures this year also include the above noted gift to the Chapel for a Memorial Pew, as well as a contribution to a new plaque in Memorial Stadium dedicated to those lost in the USS Liberty.

U. S. NAVAL ACADEMY
CLASS OF 1963 FOUNDATION

30 Sept. 2007
BALANCE SHEET

<u>ASSETS</u>		
Checking Account	\$ 3,273	
Pledges Receivable	19,246*	
Schwabb (at market)	570,011	
TOTAL ASSETS		\$592,530
<u>LIABILITIES</u>		
Scholarship Commitments:		
Doughtie, Carl II	\$ 12,016	
Garrett, Cheryl	1,000	
Gilroy, Kara	10,000	
Rohrbach, Sarah	<u>14,650</u>	
	\$ 37,666	
TOTAL LIABILITIES		<u>(37,666)</u>
NET WORTH		<u>\$ 554,864</u>
*Per information supplied by NAF		

OPERATING STATEMENT

<u>INCOME</u>		
Donations (direct)*	\$ 5,417	
Donations (via NAF)	17,500	
Investment Account/Schwab	16,610	
Checking Account/Interest	<u>79</u>	
*\$3,263 Received for Jack Karson Memorial		
TOTAL INCOME		\$ 39,606
<u>EXPENSES</u>		
Scholarships & Memorials	\$ 11,167	
Memorials		
USS Liberty \$3,000		
Chapel Per \$25,000	28,000	
Fund Raising Expenses	10,409	
Administrative Expenses (stationery, bank charges, printing, postage, mail expenses, meeting expenses and fidelity bond insurance)	<u>6,496</u>	
TOTAL EXPENSES		<u>(56,072)</u>
NET INCOME (LOSS)		<u>\$ (16,466)</u>

GOVERNANCE

Given the decision to bring Foundation operations to a close in 2013, the Board determined that a continuity of governance in these remaining few years was in the best interest of efficiently wrapping up Foundation efforts. To that end, the Nominating Committee has proposed the reelection, on an uncontested basis, of the 2 Trustees whose terms expire at the end of this year. The Board of Trustees endorses this approach.

The Trustees thus proposed for reelection are Harry Salmon and Bill Howard, and both have agreed to serve. Enclosed is a ballot which you are asked to compete and return.

While an uncontested election has been endorsed by the Board of Trustees, as noted above, there is nonetheless an option to write-in a candidate if you so choose.

DRESS FOR 1963 - SALE!

We continue to have a good stock of four-in-hand ties, bow ties and cummerbunds, as well as lovely silk scarves for your ladies. All are done in the Class pattern of regimental stripes designed exclusively for our use.

Ties (both styles), scarves and the cummerbunds are \$63 each, but a discount is offered for orders of more than one article - any three at a price of \$163, or all four for \$200.

Please be specific when ordering.
Order by sending a check made payable to Class of 1963 Foundation and mail to:

Ms. Dawn Storm
Lowe Enterprises
P.O. Box 12393
Aspen, CO 81612