



THE GEM FUND: AAUW ASHEVILLE SCHOLARSHIP ENDOWMENT, INC.
Celebrating 14 Years of Supporting Higher Education for Women in Western North Carolina

2015-16 Annual Report

Prepared by Marilyn Kolton, AAUW-Asheville, President

Board of Directors

- Marilyn Kolton, Pres.
- Susan Grabel, 1st VP
- Alice Doner, 2nd VP
- Jeanne Smolkin, Treasurer
- Helen McClintock, Secretary
- Susan Grabel
- Millie Massey
- Karen Mauro
- Jill Preyer
- Carol Smith
- Marlene Shaklan
- LaDean Peterson, Past president
- Pat Argue, Advisor
- Carolyn Worthington, AAUW President

Dedication

This report is dedicated to the memory of Martha McMullen in appreciation of her many contributions to the GEM Fund.

Martha was a longtime member of the Asheville branch of AAUW and a founding mother of the GEM Fund. She died on July 11, 2016. Martha was on the original exploratory committee to assess the feasibility of establishing an endowment-based scholarship fund.

Martha was also on the first board of directors and active on the finance committee. She was an early and generous financial supporter of the GEM Fund. Her initial and continued financial support helped ensure that the GEM Fund would survive and thrive. She was instrumental in establishing the policies and procedures that shape the organization. Martha was one of the first Legacy Society donors and left funds for GEM in her will.

President's Report

The 2015-2016 fiscal year was the 14th year of the GEM Fund's existence. From an initial single scholarship of \$500 in 2002, the GEM Fund has grown to grant 20 scholarships for the 2016-2017 academic year. The growth of the GEM Fund is the result of the involvement and stewardship of the many AAUW members and friends who have served on the board. The generous and continuing donations of AAUW members and friends through the memorial and honorarium program provided the initial growth of the fund. The annual fundraisers added further income for scholarships. AB-Tech's offer at no cost of the elegant Fernihurst as the locale for the fundraiser has been an asset in attracting participants to our fundraisers. The more recent Birthday Dollars for Scholars is popular with members and is a steady source of income.

Special appreciation to past and current board members who made the GEM Fund a success.

As the GEM Fund begins its 15th year, the prospects for continued growth suggest that the number of scholarships will increase over time. The Board of Directors is grateful to all who made the GEM Fund a growing source of scholarships for women returning to school to complete their education.

Committee Reports

Financial Committee Report for 2015-2016

Karen Mauro, Chair

Tasks completed by the Finance Committee:

- Created an Investment Policy Statement for the GEM fund. Approved by Board.
- Reviewed and changed bylaws and Financial Policies and Practices as follows:
 - ✓ Gifted securities are now sold on receipt. (FPP)
 - ✓ New Forms must be signed when President and Finance Chair change. (FPP)
 - ✓ The board deleted the last sentence under “Arms-Length Transactions,” (FPP)
- Discussed the following:
 - ✓ Need to hire a manager in view of GEM’s Wells Fargo advisor’s upcoming retirement and the growth in GEM funds.
 - ✓ Need for continuity of investment management.
 - ✓ Need for a manager who would have discretion to manage the funds on a day-to-day basis.
- Recommended that the GEM fund hire a particular manager.
After reviewing several management options, the finance committee recommended Decker Wealth Management because of the fees and services offered as well as active performance reporting. The GEM Board voted to accept the recommendation. Decker (at 0.8% fee) will actively manage GEM investments according to the GEM Fund’s asset allocation plan and investment statement. This arrangement can be terminated with no loss, unlike such an arrangement with Community Fund (CFNC). We can always turn to the CFNC later. We still vote our own proxies. The change was made in May, 2016.
- Scholarships were voted on for 2017-2018.
- Scholarship funds were distributed for 2016-17 Academic Year as follows:

Scholarship Distribution for 2016-17 Academic Year	Amount	Number
University of North Carolina–Asheville	\$4,000.00	2
AB Technical College: Terminal Degree	\$17,000.00	17
AB Technical College: Culinary scholarship	1,500.00	1
Total	\$22,500.00	20

See Table for GEM Fund’s Performance from July 1, 2015 to June 30, 2016. Performance and Asset Allocation Studies are available on request.

Treasurer's Report

Jeanne Smolkin, Treasurer

Assets at the end of the fiscal year total \$213,418, including \$154,106 in the Endowment Fund, \$12,891 in CDs and \$46,421 in checking.

Contributions designated for scholarships totaled \$5,655 and \$1,200 for the Endowment Fund. Undesignated funds totaled \$39,465. Undesignated funds are split 50/50 between scholarships and the Endowment Fund.

In addition to donations and sponsorships made during the fundraiser, significant contributions to the GEM Fund were made throughout the year, including \$5,515 in Birthday Dollars, \$6,459 from the Kathryn Preyer Charitable Trust, \$606 from a day's sponsorship at Sensibilities Spa, \$343 from a percentage of sales during the Friendraiser at 10,000 Villages.

Cash Outflows for 2015-16 totaled \$36,410, including \$22,500 in scholarships and \$10,858 transfer to the Endowment Fund. Fundraising, administrative and Birthday Dollar expenses totaled \$3,052.

College Liaison's Report

Susan Grabel, Chair

GEM awarded 19 scholarships for the 2015-2016 academic year. Sixteen \$1,000 scholarships and one \$1,000 memorial award were awarded to students at A-B Tech. Two \$2,000 scholarships were awarded to students at UNC-Asheville. For the 2016-17 academic year, GEM will award 20 scholarships, one more than the previous year's total. Seventeen \$1,000 scholarships will go to students at A-B Tech, plus a special award of \$1,500 to a student enrolled in the Culinary Arts program. Two \$2,000 scholarships will be awarded to students at UNC-Asheville.

All scholarship women were invited to AAUW and GEM special events, and some did attend the December Friendraiser or the June Fundraiser, thus providing a good opportunity for AAUW members to interact with the scholarship winners.

AAUW also offered a mentor program to the GEM scholarship winners. Jeanne Smolkin coordinated this program, which provides an AAUW member as a mentor to any winner who requests such support.

Goals for college liaison program for 2016-2017:

- Establish relationship with new A-B Tech scholarship director concerning GEM and our scholars.
- Continue to include GEM scholars in special events.
- Use phone contact, if available, to communicate invitations to scholars in addition to email.
- Provide GEM scholars with AAUW membership information.
- Continue to offer the mentor program.

Beatrice Rice Wells Legacy Society

Jill Preyer and Marilyn Kolton, Co-Chairs

This is the GEM Fund's planned giving group and includes the following members: Pat Argue, Louis Dwarshuis, Marilyn Kolton, Deborah Fulton-Helmer, Pat Kutay, Renee Levine, Karen Mauro, Helen McClintock, Martha McMullen, Karen O'Hara, Mary Powell, Jill Preyer, Jeanne Smolkin, and Ann Snell.

At several AAUW branch meetings during the year, members were given information about 1) the Legacy Society and 2) how to add the GEM Fund to their estate plans. The goal was to encourage members to join the Legacy Society. In addition, all new members received a letter about the Legacy Society when they joined.

In July, 2016, Martha McMullen, a founding mother of the GEM Fund died. See the dedication on page 1 for more details. Memorial contributions were received in her honor.

Marion Matthews, an AAUW member also died in July of 2016. Her family honored her by designating the GEM Fund for memorial contributions. In addition Marion left a donation to GEM in her will.

June Fundraiser

Committee: Nini Abbott, Alice Doner, Susan Grabel, Millie Massey, Karen Mauro, Helen McClintock, Dale Pokembla, Marlene Shaklan, Carol Smith, and Jeanne Smolkin

The spring fund drive and fundraiser party raised a record \$25,505. Ticket sales brought in \$4,800 with over 100 guests in attendance. Raffle tickets netted \$2,005, and the GEM Friends' Silent Auction brought in \$2,720. GEM sponsorship was also up this year, with 44 sponsors, 7 at the Diamond level who each gave gifts of \$1000 or more; four at the Ruby level (gifts from \$500 to \$999), and 33 at the Sapphire level (gifts from \$100 to \$499). A record 28 local businesses also contributed items and services for the raffle.

The planners once again held the fundraiser party at the historic Fernhurst mansion, featuring good food, wine, and conversation. The program included greetings from Dr. Dennis King, president of A-B Tech; a farewell to long-time GEM friend Sue Olesiuk, who is retiring from her post as A-B Tech Executive Director of Academic Advancement; and words from honor student Savannah Brown, one of our GEM Scholars. This year's silent auction once again featured services offered by our branch members and other GEM friends, including such offerings as a picnic for 30 at Karen Mauro's Mills River home; arts and crafts workshops by Cathy Battle, Molly Keeney, Jan Schwartz, and Alice Doner; and private catering by GEM friend and caterer Michelle Kelley, the "Cracker Jack Chef." Raffle items included a wide array of goods and services, including numerous gift cards from local restaurants, tickets to live theatre and the symphony, gift cards to local nurseries, etc. Both the silent auction and raffle included many more outstanding items, and our thanks goes to those who contributed.

Special thanks also goes to the fund drive planning committee, who made this year's fundraiser another fun and successful event. The event theme for this year was "A Celebration in Black and White," and guests were encouraged to wear black or white, "with a splash of color."

Donor Relations

Carol Smith, Chair

Carol Smith leads the way in acknowledging all gifts and support that GEM receives throughout the year. All memorial and honorarium gifts were acknowledged.

For the 2016 GEM fundraiser, 44 people became sponsors. In addition, 26 local businesses and institutions contributed gifts for the fundraiser raffle. Dale Poklemba sent acknowledgment notes to these sponsors and donors using a special notecard designed for this purpose.

Communications

Alice Doner, Chair

Again this year Alice Doner published the GEM Fund's newsletter "GEM Chips," highlighting GEM scholars and GEM news. For the first time, she published a summer edition of the newsletter, in addition to the traditional fall and spring publications. The summer edition highlighted the success of the spring fund drive and the culminating event at Fernihurst, including fundraising results and pictures from the event. The summer edition also allowed for the prompt recognition of those who contributed to the GEM Friends' Silent Auction and to our business partners who contributed items for the raffle. The fall edition of "GEM Chips" featured the announcement of the 2015–16 GEM Scholars, with pictures and information about the aspirations of these select women. As usual, the spring edition featured news of the upcoming spring fund drive.

For the third year, Alice created birthday cards as part of our "Birthday Dollars for Scholars" program, initiated by Jeanne Smolkin three years ago. Alice also once again designed and published invitations, programs, ads, and all other printed materials related to the spring fund drive and fundraiser party.

Pat Argue chipped in once again to contact the editor of *WNC Woman* and the *Asheville Citizen Times* to publicize GEM and the fundraiser event. For the first time, the publisher/editor of *WNC Woman*, Sandi Tomkin-Sutler, attended and spoke at the June event.

Becoming better known in the community continues to be a priority for the Board.

New GEM Fund Board

At the end of the fiscal year, the GEM and AAUW Asheville Boards of Directors approved the following GEM Board members and officers for the 2016–17 fiscal year. The last year of their current board membership is listed within parentheses:

Marilyn Kolton (2019) President
Susan Grabel (2018) 1st Vice-President
Alice Doner (2017) 2nd Vice-President
Jeanne Smolkin (2019) Treasurer

Helen McClintock (2017) Secretary
 Bette Feingold (2019)
 Millie Massey (2018)
 Karen Mauro (2019)
 LaDean Peterson (2019)
 Marlene Shaklan (2018)
 Carol Smith (2018)
 Wendy Haner (2017) AAUW Asheville President and Branch Representative

Special thanks to these present or former members of the GEM board:

- Pat Argue, past president, long term board member, member of the finance committee, and advisor to the GEM Board. Pat's many years on the board, her mentoring and guidance of GEM officers, and her contributions to the GEM Fund's policies and procedures were instrumental to GEM's stability and success.
- Jill Preyer for her service on the GEM Board and for her leadership on the Legacy Committee.
- Jeanne Smolkin, Karen Mauro, and LaDean Peterson for agreeing to serve for a second term. Their continuity on the board helps the GEM Fund meet its goals.
- Helen McClintock for producing and typing this report.

Table. GEM Fund's Annual Performance Report July 1, 2015, to June 30, 2016

Bank Name	07/01/2015 Balance	Principal added during year*	06/30/2016 Balance	Return on Investment Adjusted for Principal Added**	
				Dollars	Percentage
PNC	\$41,924.00 \$102.00	\$4,395.00	\$46,319.00 102.00	0.00	0.00%
CDs	\$12,739.14	0.00	\$12,891.31	\$152.17	1.19%
Wells Fargo & Decker	\$142,956.69	\$10,858.00	\$154,106.00	\$291.31	0.20%
Total GEM	\$197,721.83	\$15,253.00	\$213,418.31	\$443.48	0.22%

Net adjusted return
on investment

Barclay's Index 60/40 Index for same
period was 5.04%***

* End Balance minus Principal Added minus Beginning Balance = Net Increase for year

** This is the Net between deposits to the account and payments from the account for the year.

*** Barclay's Index 60/40 Index is the Index used as the Performance Measurement Benchmark

Barclay 60% stock and 40% in Fixed Income