

MTRC's Annual Report for 2003

ANNUAL REPORT TO SPONSORS

October 25, 2003

The following is a report on the status of MTRC, Inc., from the Board of Trustees as of October 1, 2003.

The Audit of MTRC's financial records as of June 30, 2003 is in the process of final completion by Walpert & Wolpoff, LLP. Their preliminary audit found "the financial position of MTRC as of June 30, 2003, and the results of its operations and changes in fund balances for the year then ended, in conformity with generally accepted accounting principles." Deutsche Bank Alex Brown manages MTRC's investments. Operating funds are obtained from the investment income and from undesignated donations. This past year, the Trustees set a goal of a 7-8% return in the MTRC's Investment Policy. The Time Weighted Return from date of inception of the investments is 7.72%.

Luanne Frebertshauer, RN, LSW A, MS, continues to work under a contractual arrangement as a consultant for MTRC. Three Case Managers, Linda Heinsohn, Sandy Yingling, and Marilyn Folus, provide services to the active clients and perform case management for the Supplemental Service contracts. Beverly Rill continues as the Director of Administration.

The MTRC membership totals 285 as of October 1, 2003. Of this number, 230 are vested (have completed their membership payment), 9 are part of the Original Trust which provided payment of the membership fee through a Will provision, 2 are in the process of completing their membership fee, and 44 are receiving active services due to the death of their sponsors. The deaths of 2 clients have been reported to MTRC since October 2002. Two applications for membership have been approved.

The active clients are in the process of being visited by either a volunteer or one of the MTRC Case Managers. Written assessments are sent to the closest relative, trustee, or guardian for their review and follow up instructions. The Shrine of the Sacred Heart in Baltimore once again donated holiday presents which were either mailed or hand delivered to the active clients.

MTRC continues to offer educational information to its families regarding care plans, estate planning, financial planning, and resources to contact for services.

Visits, attendance at planning meetings, and concentrated services performed by the MTRC professionals are billed on a fee for service basis through the Supplemental Services program.

Board committees include the Volunteer, Finance, and Member Review Committees. The Committees have diligently worked this year to secure MTRC's future. The committees continue to look for grants and funding for special projects.

Plans to incorporate MTRC into a 501(c)3 non-profit corporation are progressing. MTRC has preliminarily been approved as a 501(c)(3) tax-exempt organization. The IRS has extended MTRC an advanced ruling, with a final determination to be made on June 30, 2007. So long as MTRC fulfills its charitable purpose during and beyond the advanced ruling period, MTRC will remain tax-exempt. With this ruling, MTRC will make plans in FY 2004 to transfer assets from MTRC to MTRC, Inc. The board has been busy updating literature to be ready when the transfer is completed.

GOVERNANCE

The MTRC program continues to be governed by a volunteer Board of Trustees. Trustees serving during the Fiscal Year 2003 included: Marsha S. Carow, Chairman; Jeffrey Dahlka, Sr., Treasurer; Patty Wolfe Buckner, Secretary; Shirley Carson; Louise Michaux Gonzales, Esquire; Joan Kolobielski; Colleen Sinclair Prosser, Esquire; Kim Knapp; James A. Kushel; and William D. Ward.

There are presently nine trustees on the board serving staggered three-year terms. Patty Wolfe Buckner and Shirley Carson have resigned from the Board. Dean Hoffman was elected for a 3-year term beginning July 1, 2003. Officers elected to lead the MTRC board effective July 1, 2003 are: Marsha S. Carow, Chairman; Jeffrey Dahlka, Sr., Treasurer; and Kim Knapp, Secretary. .

The Trustees constantly search for individuals from different professions who are willing to serve on the board or act as support for the various board committees.

Respectfully submitted, .

***Marsha S. Carow, LCSW-C
Chairman/Trustee, FY 2003***