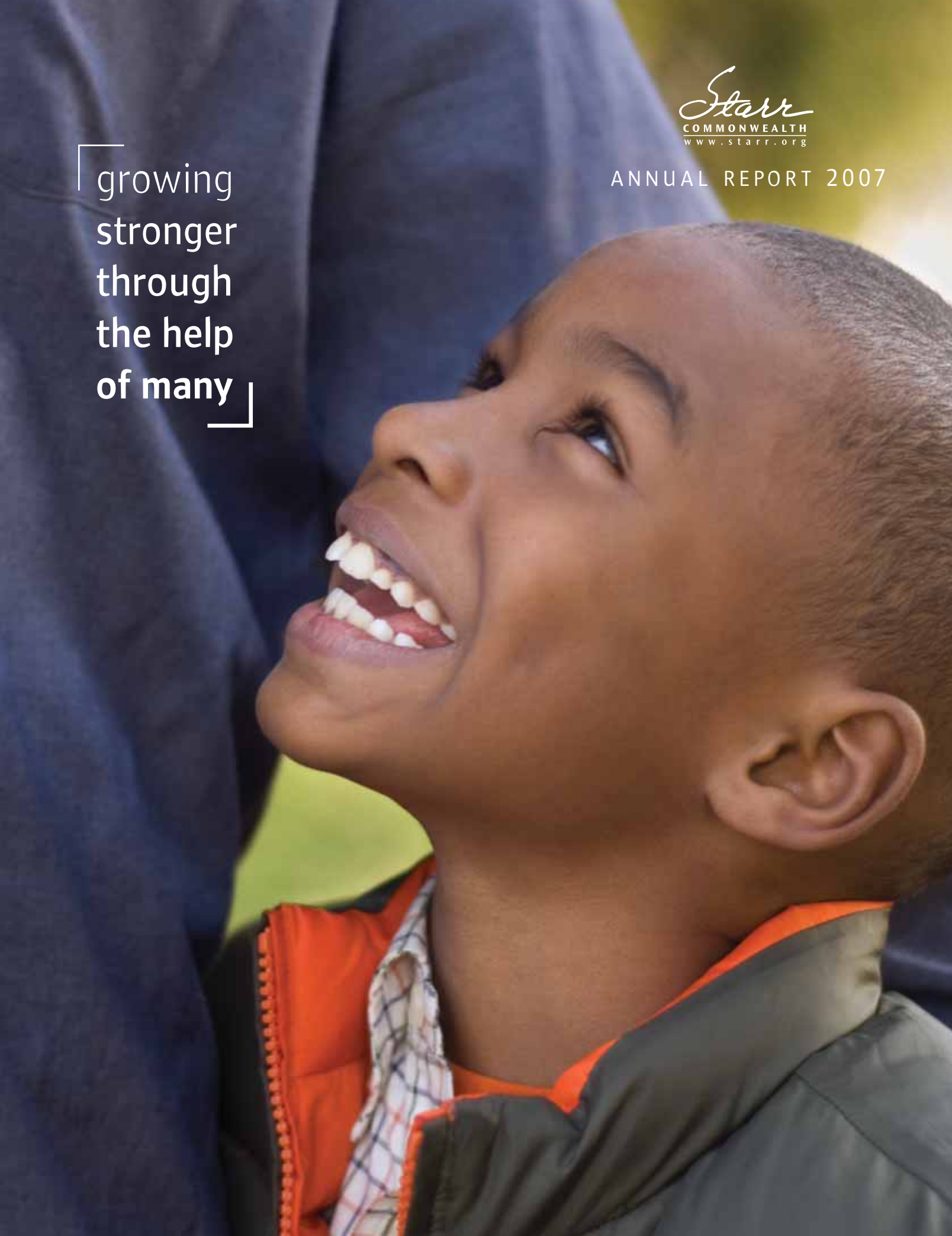


growing
stronger
through
the help
of many



BE A NATIONAL LEADER



Martin Mitchell

As we set our sights on the 95th anniversary of Starr Commonwealth, we're reflective of Floyd Starr's original creed that "there's no such thing as a bad child." We're also looking at exciting new opportunities to make ourselves young again.

That requires preparing for the future by leveraging our credibility and brand built on the history of our mission. On the horizon are several strategies that align with our mission, values and strategic directions. Through our research, we are looking at opportunities within our own programs and services to capitalize on our strengths to assist in helping thousands more children flourish. Also, we're evaluating the prospects of opening our doors to new segments of the market that need our help. We're also envisioning new programming and services targeted at very specific markets based on the same strength-based model that is at the root of Starr's success.

These are future-thinking areas of opportunities for Starr Commonwealth to further our reach to children and families in need and maximize our appeal to the philanthropic community.

Because of the generosity and support of our faithful friends, we are able to offer value-added services over and beyond what our fees and tuition alone cover. Donors have and will continue to play an increasingly important role in maintaining the best quality of care and services for children.

We are sincerely grateful and appreciative of the friends mentioned throughout the following pages. On behalf of the children and families we serve, thank you to all those who contribute to our mission.

Martin L. Mitchell

Martin L. Mitchell, Ed.D.
President & Chief Executive Officer



INVEST IN OUR PEOPLE



Herman McCall

Our national leadership position continues to be established and maintained through our founder's "roll-up-your-sleeves" approach. This past year we served nearly 5,000 children, families and professionals, both directly and indirectly, in various settings created so that children and families could view themselves as important and strong. With more than 2,000 No Disposable Kids® workshop-trained professionals, more than an estimated 60,000 children were potentially impacted.

Our transition to national leadership also includes establishing program standards that continue to set a high bar for program success, something we could not do without retaining the right employees and attracting new people.

Continuous self-improvement is very much a part of Starr's philosophy. This is demonstrated through a commitment to helping make employees successful and is achieved in a number of ways. Along with establishing a culture that is rooted in a positive mindset about the potential of children, we also believe in teamwork. Teamwork is about honest and open dialog and helping each other continue to learn and grow.

We believe the investment in our people, which includes creating a supportive work environment and providing them with excellent coworkers through the hiring process, relevant training (both internal and external), and resources for self improvement, results in the continued development of a high-quality workforce and, ultimately, excellent services for children and families.



Herman J. McCall, Ed.D.
Senior Vice President & Chief Operations Officer

Affiliations

Starr Commonwealth has always understood the importance of effective collaborations; our leadership position is maintained through licensure, accreditation and strategic alliance with national childcare and service organizations, as well as specific trade and business affiliations.

Accreditations

Council on Accreditation

Licensure

Michigan Department of Human Services
Michigan Department of Human Services – Camp License
Michigan Department of Education – Boarding School License
Ohio Department of Job & Family Services

Associations and Memberships

Alliance for Children and Families
American Institute of Certified Public Accountants
American Payroll Association
American Psychological Association
Associate for Experiential Education
Association for Information Technology Professionals
Association of Fund Raising Professionals
Independent Educational Consultants Association
Institute of Management Accountants
International Association for Social Educators
Michigan Archival Association
Michigan Federation for Children and Families
Michigan Psychological Association
National Association of Therapeutic Schools and Programs
National Black Child Development Institute
Ohio Association of Child Caring Agencies
Ohio Family Care Association
Society for Human Resource Management

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ACHIEVE GREATER FINANCIAL INDEPENDENCE



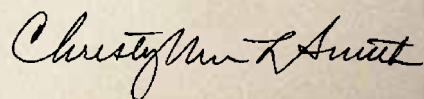
Chris Smith

The past decade has been a financially challenging time for many human service organizations. Governmental appropriations for child welfare and mental health services have not kept pace with the cost of living and fewer children are being provided with the appropriate care necessary to address their needs.

For private agencies like Starr Commonwealth, the consequences of inadequate reimbursement for service and unstable referral patterns are less income and a greater need for help from donors. For some agencies the financial consequences have been so severe they have had to go out of business. Our response has been to do as much as possible within the resources we have. We also decided to take a close look at alternative business plans that would attract new customers and lessen dependency on traditional governmental purchasers of service.


Fortunately, Starr has never been fully dependent on this sector. In addition to fees for service, our mission is supported by contributions, grants and endowment funds. To remain financially viable, all of these sources of income must be sustained and developed. Fee income has been Starr's largest revenue source for several decades, and until recently, these revenues were provided entirely from public sources. To achieve greater financial independence, fees for service come from a wide array of customers with nearly 25% derived from private sources. Further income diversification is being achieved through the growth of community-based services.

Much credit for Starr's financial strength and independence today must be given to the generations of donors who have generously supported our mission with annual contributions and major gifts through their estate plans. This support is the key reason why Starr has been able to maintain value-added services and a beautiful environment for children in these adverse economic times. The involvement of donors in the future will be vital to filling in the growing gaps left by receding government appropriations and important to helping Starr grow ever more independent of public funding.

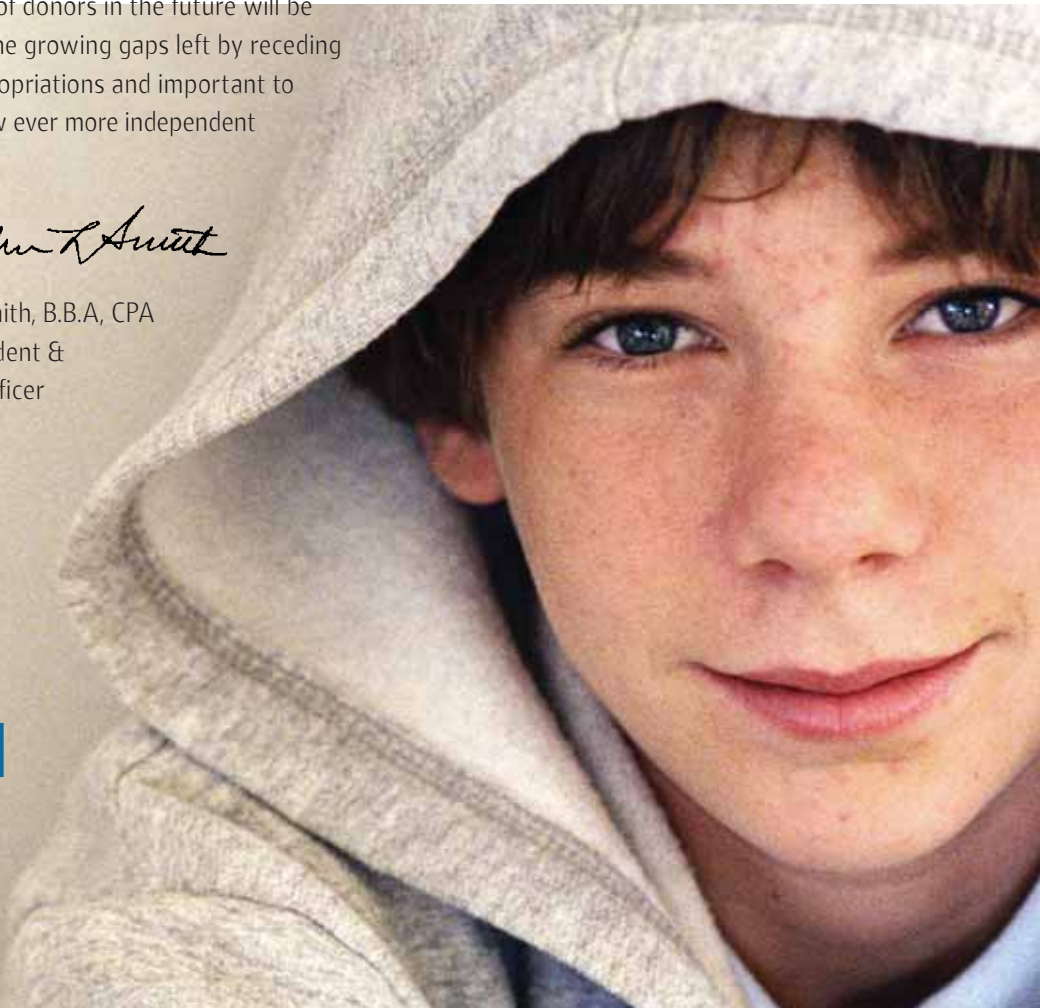


Christopher L. Smith

Christopher L. Smith, B.B.A, CPA
Senior Vice President &
Chief Financial Officer



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of many



BUILD LASTING RELATIONSHIPS



Simon Bisson

Our fundraising efforts this year have brought the students and families of Starr Commonwealth many blessings. We understand that you must be approached by many worthy causes, all asking for your support and that your charitable dollars only stretch so far. Nevertheless, thousands of donors and friends like you have chosen to share their financial resources with us to further our mission of creating positive environments for children.

In return for your investment, Starr Commonwealth is able to deliver excellent treatment, programs and services to children and families in crisis. We carefully evaluate each program and monitor our ability to create real value change in the lives of the children we serve, and we are proud of the accomplishments our children make on a daily basis.

Thanks to your generosity, we have been able to invest in the future of Starr Commonwealth by building our endowment fund and, through our campus improvement campaign, have made significant improvements to our buildings and facilities. We also have been able to meet individual needs of the students in our care, from providing a young man with new glasses to rewarding students with scholarships to attend college.

Through this Annual Report, we are proud to acknowledge the donors and friends who have helped make our work possible. It is only through the help of many that we grow stronger. Thank you.

Simon P. Bisson, B.A. (Ed) Hons
Senior Vice President & Chief Development Officer



CAMPUS IMPROVEMENT CAMPAIGN



\$3,154,690

\$2,800,000

\$1,800,000

\$1,000,000

\$ 200,000

We did it – and we couldn't have done it without YOU!

We've been working on updating our learning and living environments since 2004 with a Campus Improvement Campaign to replace heating units, roofs and other needed updates. We're proud to say that we've exceeded our \$2.8 million goal and that YOU are to thank.

With a completion date of Sept. 30, 2007, we've raised \$3,154,690 toward much-needed repairs and enhancements to all our campuses. We believe Floyd Starr would be proud that we are continuing his legacy of creating beautiful environments that reflect the importance of our students.

Among the many improvements that you have helped us make along the way include the addition of safer mini-buses for our students plus

the replacement of miles of carpeting in our residential cottages, updating dorm furniture, replacement and recoating of numerous roofs, purchasing fine arts equipment for students, interior and exterior painting of several buildings, adding wall coverings, updating heating systems, and the replacement of many windows and doors. A new state-of-the-art track also is being added to the Albion campus.

We appreciate the continued generosity of our friends as we update and maintain our living and learning environments for our children. On their behalf, we thank you!

Just some of the improvements made through the Campus Improvement Campaign

Cottages:

Allen: Carpet replacement, dorm furniture
Clara Starr: Kitchen cabinets
Edward Starr: Kitchen remodeling, roof replacement
Herrick: Carpet replacement, dorm furniture
Houston House: Conversion to STL apartments, central air
Kresge: Carpet replacement, dorm furniture
Mendelssohn: Roof replacement, sisal walls
Neil Unit: Furniture
Ness Unit: Living room furniture
Norton: Heating system, carpet replacement
Oliver: Doors, trim & hallway wallcovering
Payne: Window replacement
Reynolds: Sisal walls
Wilcox: Sisal walls

Other repairs and maintenance:

Albion: Floyd's Footsteps,
North campus fiber optics
Candler Hall: Renovations
Mawby Center: Renovations
Corporate: Telephone system
Detroit: Roof recoating
Columbus: Classroom HVAC
improvements, common area
carpet and furniture replacement,
fine arts department equipment,
interior painting
Van Wert: Asphalt replacement,
rubber roof, retrofit pool,
lawn mower



Bricks & Benches

The purchase of commemorative bricks and benches helps support campus environments in Albion, Michigan and Columbus and Van Wert, Ohio. Benches are available for \$2,000, and two sizes of bricks are available for \$100 and \$200.



We appreciate the following friends who provided commemorative bricks and benches in the 2006-2007 fiscal year.

Benches

Mrs. Irene Beshgetoor
Mr. and Mrs. Robert Davis
Dr. and Mrs. Robert M. Failing
Dr. and Mrs. Arlin E. Ness
Taylor Auto Sales
Mr. Jerry S. Worthington
Mr. and Mrs. Brian Shaw

Bricks - Albion

Mr. and Mrs. Robert A. Allesee
Mr. Andrew M. Amendola
Mrs. Norma Artman
Mr. and Mrs. Melvin L. Boltz
Mr. Franklin D. Brewer II
Mr. and Mrs. Dave Cahall
Mr. Garry G. Carley
Mr. and Mrs. Marvin L. Colness
Nick and Fran Costianes
Mrs. Kimyata Crofford
Mr. and Mrs. William H. Culp
Dr. Miriam S. Daly
Mr. and Mrs. R. B. Davis
Mr. Eugene Dawber
Ms. Dorothy G. DeMarco

Mr. Charles E. Dewey Jr.
Mr. and Mrs. John J. Dick
Mr. and Mrs. William Duncan
Mr. Robert M. Dust
Mr. and Mrs. Melvin D. Ely
Ms. Joslynn Embry
Mr. Ivan B. Fall
Ms. Kelley Fast
Mr. and Mrs. Tom Franke
Mrs. Richard B. Gerisch
Mr. and Mrs. Walter (Chip) Gerken
Mr. and Mrs. Russell A. Gill
Mr. and Mrs. Eugene Gillespie
Mr. Jerry Goranson
Mr. Gordon P. Grant
Ms. Ashley Gray
Mr. Donald G. Hammontree
Mr. Wayne L. Hartman
Mrs. Christine R. Haselden
Ms. Roselle C. Havens
Mr. and Mrs. John E. Herring
Mrs. Blanche Howard
Mrs. Sharon Howell
Ms. Sherise Hutchinson
Mr. William C. Jackson
Reverend Charles P. James
Mr. and Mrs. John Kerr
Mr. and Mrs. Chester W. Krause
Mr. Gerald Kuhn
Mr. Daniel P. Lattimore
Mr. Kenneth O. Liley
Mr. and Mrs. Richard Magsig
Ms. Grace Main
Mr. Bennet Mbek

Mr. Robert M. McCormick
Metropolitan Process Service
Mrs. Frances M. Miller
Dr. Peter R. Miller
Dr. and Mrs. Peter Mitchell
Ms. Carmen Mooror
Mr. Randy R. Neumann
Ms. Diane Nielsen
Drs. Jack and Kitty Padgett
Mrs. Marjorie Pennock
Plymouth Optimist Club
Mr. and Mrs. David N. Price
Mr. and Mrs. Carl Prill
Mr. Bruce A. Rapp
Mrs. Barbetta Raymond
Ms. TaTaNisha Reed
Mrs. Mary E. Reynolds
Mrs. Sylvia S. Richey
Sam's Club
Ms. Kisha Simpson
Mr. and Mrs. John S. Slavens
Mr. and Mrs. Maynard Stafford
Mr. Richard W. Sturgis
Mr. and Mrs. Ronald A. Tachuk
Mrs. Patricia L. Teel
Mrs. Patsy A. Trine
Mr. and Mrs. Don J. Uhl
Mr. and Mrs. Mark Veich
Mrs. Mary M. Wagoner
Mrs. Margaret Wilson

Bricks - Columbus

Mr. and Mrs. F. Nathan Bryan
Ms. Kim A. Collins
Ms. Sharen Fisher
Mr. Robert C. Giehls
Mrs. Bette D. Hawks
Mr. and Mrs. Brant Holtzmeier
Jim Keim Ford, Inc.
Mr. and Mrs. Harold L. Walters

Bricks - Van Wert

Mr. and Mrs. Andrew Beck
Ms. Mary L. Boylan
Mr. and Mrs. Rick Dischar
Mr. and Mrs. W. Wallace Grimm
Mrs. Phyllis Keller
Mr. Hugh G. Kocob
Mr. and Mrs. Anthony J. Lippi
Mr. Kevin Matthews
Mr. and Mrs. Patrick O'Neill
Ms. Lori L. Thompson
Starr Commonwealth VW
Administrative Team
Mr. and Mrs. Jack E. Werner
Mr. Jimmy R. Zielke

We appreciate the following individuals, foundations, groups, businesses and organizations who have made donations of \$500 or more to Starr Commonwealth during the 2006-2007 fiscal year.

Individual Donors:

Mr. Andrew M. Amendola *
 Dr. and Mrs. Rick E. Amidon *
 Mr. and Mrs. Raymond I. Anderson *
 Mr. and Mrs. C. P. Babcock *
 Mr. and Mrs. Andrew Beck *
 Mrs. Irene Beshgetoor *
 Ms. M. Deborah Beyer
 Mr. and Mrs. Noble Billingsley *
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 Mr. and Mrs. Simon Bisson *
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 Mr. and Mrs. Robert E. Bradley *
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 Ms. Muriel J. Burman
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 Mr. and Mrs. Chris T. Christ
 Ms. Phillis Christopherson *
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 Mr. and Mrs. Tim Conway
 Mr. and Mrs. Robert J. Copland
 Mr. H. James Cox *
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 Mrs. Rebecca Davis
 Mr. and Mrs. Robert Davis *
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 Mr. and Mrs. Kenneth R. Davis, Jr.
 Mr. Robert A. Dent *
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 Anne Ophelia Dowden
 Mr. and Mrs. Keith Dufrane
 Mr. and Mrs. David Dunshee *
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 Mr. and Mrs. Robert Easterling
 Mr. and Mrs. J. Dean Eckersley
 Mr. and Mrs. G. Ralph Elliott
 Mr. and Mrs. Elwood A. Ellis
 Mr. and Mrs. Melvin D. Ely *
 Mr. and Mrs. John A. Ernster
 Dr. and Mrs. Robert M. Failing *
 Mr. and Mrs. Harold Fassold *
 Mr. and Mrs. Parker T. Feldpausch *
 Mrs. Shirley Flanagan
 Mr. and Mrs. Howard P. Freers
 Mr. and Mrs. Donald Friedman
 Mr. Robert W. Garthwait *
 Miss Adelaide George
 Mr. and Mrs. Walter (Chip) Gerken *
 Mr. Robert C. Giehls *
 Mr. and Mrs. William R. Gillam *
 Mr. and Mrs. Lawrence Givens *
 Mr. and Mrs. George D. Goodman *
 Mr. Jerry Goranson *
 Mr. and Mrs. Jon M. Gould *
 Dr. Robert Greenway *
 Miss Helen J. Grinnell *
 Mrs. Judy Guenther
 Dr. and Mrs. David L. Haarer
 Eugene B. Hamilton
 Mr. and Mrs. Felton L. Hammond
 Mrs. Emma Harris
 Mr. and Mrs. James R. Hartzell
 Mr. and Mrs. Jeff Hastings *
 Ms. Elizabeth Heaton *
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 Mr. and Mrs. Daniel Hesseling
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 Mr. and Mrs. William W. Houghton
 Mrs. Blanche Howard *
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 Mr. William C. Jackson *
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 Mr. Douglas W. Jardine
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 Mr. and Mrs. Virgil Johanningsmeier *
 Mr. and Mrs. David L. Johnson
 Mr. and Mrs. Ken Kinter
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 Ms. Jenny Klitch, Esq.
 Mr. Hugh G. Kocab *
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 Dr. and Mrs. Harry Leibowitz
 Dr. and Mrs. Clyde LeTarte *
 Mr. Ronald Lewis *
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 Ms. Ann Longfellow
 Ms. Olga Lucia
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 Elizabeth C. Pentz
 Mr. Thomas N. Peters
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 Mr. and Mrs. Art D. Reum
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 Mr. Jared C. Scofield
 Mr. and Mrs. Dallas E. Seiler *
 Mr. and Mrs. Brian Shaw *
 Mr. and Mrs. Jack Shaw *
 Mr. and Mrs. Myron Shwartz *
 Ms. Doris E. Slater
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 Ms. Angela Murray *
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 Mr. Gary L. Taylor *
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 Alma L. Weixelbaum
 Mr. Howard J. Weyers *
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 Mr. Jerry S. Worthington *
 Mr. and Mrs. Daniel T. Zallanta
 Mr. Frankie A. Zanetti *
 Mr. and Mrs. William Zehnder
 Miss Martha H. Zemke



**Foundations, Corporations,
Groups and Organizations:**

Albion Beer Well
 Albion Machine & Tool Co.
 American Electric Power
 Battle Creek Community Foundation *
 BluFish Consulting LLC
 Bob Evans Farms, Inc. *
 Brown and Caldwell
 Burnham Family Foundation
 Cardinal Health
 Center for Cognitive and Behavioral Therapy
 Charles M. Bauervic Foundation, Inc.
 Chase Home Finance LLC
 Chemical Bank Shoreline *
 Citigroup Foundation
 Columbus Kiwanis Foundation
 Consumers Energy Foundation
 Deloitte & Touche, LLP
 DeRoy Testamentary Foundation
 Detroit Forming, Inc. *
 Erdis G. Robinson CharitableTrust
 ExxonMobil
 Fifth Third Bank
 Fitch H. Beach Charitable Foundation
 Frederick S. Upton Foundation
 Giarmarco, Mullins & Horton, P.C. *
 Grange Insurance Companies

Greater Muskegon Jaycees
 Hannah Neil Center Foundation *
 Harry A. and Margaret D. Towsley Foundation *
 Hartzell-Norris Charitable Trust
 Helen L. Kay Charitable Trust
 Highlights for Children *
 Holiday Inn on the Lane
 Huntington National Bank *
 J. Ernest & Almena Gray Wilde Foundation
 J. F. Ervin Foundation
 Jasam Foundation
 Jessie R. Stewart Trust
 Jim Keim Ford, Inc. *
 Jumpies Inflatable Rentals, LLC
 Junior League of Columbus, Inc.
 Kiwanis Club of Battle Creek
 Kiwanis Club of Lombard *
 Lane Bryant
 LaValley Foundation
 Leo Yassenoff Foundation
 Liebert Corporation
 Longfellow Investment Management Company
 Loraine and Melinese Reuter Foundation
 Matilda R. Wilson Fund
 Maurice H. Sobell Trust
 MGM Grand Detroit, LLC
 Miami Marketing Group

Miller Foundation *
 Nationwide Foundation
 Nationwide Insurance
 Nina B. Pohlman Fund
 Norman's, Inc.
 North Congregational Church
 O.P. & W.E. Edwards Foundation
 OSU Medical Center
 Primore, Inc.
 Quality Deer Management Association
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 Ruff & Kreger Builders, Inc. *
 Russell Investment Group
 Sam's Club *
 Samuel Higby Camp Foundation
 Schottenstein, Zox & Dunn
 Sidney Frohman Foundation
 Siemer Family Foundation
 Stryker-Johnston Foundation *
 SymCon *
 Taylor Auto Sales *
 Team 1 Michigan *
 The Alden & Vada Dow Family Foundations *
 The Andersons Inc.
 The Ayco Charitable Foundation
 The Beck Foundation
 The Calhoun Child Abuse/Neglect Prevention Council, Inc.
 The Charles J. Strosacker Foundation *
 The Cleveland Foundation

The Columbus Foundation
 The Deuble Foundation
 The Mercator Club *
 The Montei Foundation
 The Troy Foundation
 The Walter and Marian English Foundation
 The Woodall Foundation *
 Timberland Co
 U. S. Department of Housing and Urban Development (HUD) *
 United Way of Central Ohio
 United Way of Greater Battle Creek
 Van Wert County Foundation *
 W. K. Kellogg Foundation *
 Wal-Mart Stores, Inc.
 Weatherwax Foundation
 WJBK-Fox 2 Detroit
 Woman's National Farm & Garden Association
 Young Woman's Home Association

** Asterisks indicate friends who have given pledges and gifts to the Campus Improvement Campaign in fiscal year 2006-2007*

Names appearing in gold denote Legacy gifts received in fiscal year 2006-2007.

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 stronger
 through
 the help
 of many



Champions for ChildrenSM

The good work of Starr Commonwealth would not be possible without many friends giving at all levels during their lifetime and beyond. Starr Commonwealth's Champions for Children recognition society was created to recognize this support and celebrate those who help us transform the lives of troubled children and families.

All costs associated with our three stewardship programs are underwritten by special friends who join us in saying, "Thank you for caring!"

Arlin E. Ness Circle

"There are no disposable kids."

Named after Starr Commonwealth's President Emeritus, this recognition society remembers our history as a working dairy farm, and symbolizes our work of nurturing children's bodies, minds, and spirits. Each bottle represents \$2,500 of accumulated gifts to Starr Commonwealth. Receiving eight bottles represents total accumulated giving of \$20,000 or more.

The Arlin E. Ness Circle celebrates the friends who give generously to ensure that our needs are met each year.



The following donors reached the next level of accumulated giving and qualify for new milk bottles in the 2006-2007 fiscal year.

Milk Bottle 1 - Summary of Gifts \$2,500 - \$4,999

Individuals:

Mr. and Mrs. James Baldwin
 Mr. and Mrs. Leonard Beard
 Mr. and Mrs. Robert J. Beattie
 Mrs. Phyllis Brownlee
 Mr. and Mrs. Calvin R. Burkett
 Mrs. Bliss B. Cartwright
 Mrs. Natalie R. Coles
 Mrs. Rebecca Davis
 Mr. and Mrs. William Foster
 Mrs. Florence P. Givens
 Mr. and Mrs. Jon M. Gould
 Mr. and Mrs. John E. Herring
 Mr. and Mrs. Daniel Hesseling
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 Mr. George R. Koonce
 Mr. and Mrs. Allen J. Libbe
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 Mrs. Leslie McCarley
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 Mr. and Mrs. Alex S. Papalas
 Mrs. Lillian L. Patty
 Dr. and Mrs. James E. Pelt
 Mr. and Mrs. Alex A. Polityka

Mr. and Mrs. Jack Shaw
 Mr. and Mrs. A. Lee Smith
 Mr. Andrew R. Spencer
 Mr. and Mrs. Roger Thompson
 Mr. Jerry S. Worthington

Organizations:

BluFish Consulting LLC
 Deloitte & Touche, LLP
 Jim Keim Ford, Inc.
 Jumpies Inflatable Rentals, LLC
 LaValley Foundation
 MGM Grand Detroit, LLC
 OSU Medical Center
 Sam's Club
 Team 1 Michigan

Milk Bottle 2 - Summary of Gifts \$5,000 - \$7,499

Individuals:

Mr. and Mrs. Raymond I. Anderson
 Mr. and Mrs. Andrew Beck
 Mr. and Mrs. Robert Easterling
 Mr. Douglas W. Jardine
 Mr. and Mrs. David L. Johnson
 Mr. and Mrs. Jack Lawler

Featured Friends

Miss Virginia Spieth has been a friend of Starr Commonwealth for many years – beginning with the times she and her sister would send in a joint Christmas donation to help "Uncle Floyd's boys."

"My sister, Marge, and I have made many donations to Starr Commonwealth. We believed in "Uncle" Floyd, Starr and the special concern that permeates this organization. Many people have helped Starr move forward through the years, and I am sure all have been proud to be able to do so.

"I'm happy to be a part of the recognition societies and have the 8 milk bottles with the Starr Commonwealth Core Values printed on the side, and the statue of Floyd Starr and Boy. I make an annual donation and also have my estate plan set up so Starr Commonwealth will be included.

"I have watched Starr Commonwealth grow over the last 60-plus years that I've supported the organization, and I take pride in knowing that through my estate plan, my life insurance, and my named endowment, I will be helping these children far into the future."



Mr. and Mrs. Jon A. Rhoades
 Mr. Jared C. Scofield
 Mr. Kurt O. Tech
 Mr. and Mrs. Charles F. Tellas

Organizations:

Chemical Bank Shoreline
 Quality Deer Management Association
 Samuel Higby Camp Foundation
 Timberland Co.

Milk Bottle 3 - Summary of Gifts \$7,500 - \$9,999

Individuals:

Dr. and Mrs. Robert M. Failing
 Mr. and Mrs. Jeff Hastings
 Mr. and Mrs. Virgil Johannsmeir
 Ms. Carla Muggio
 Mr. Paul F. Thiele

Organizations:

Columbus Kiwanis Foundation
 The Beck Foundation
 Van Wert County Foundation

Milk Bottle 4 - Summary of Gifts \$10,000 - \$12,499

Individuals:

Mr. and Mrs. Tom Kolassa
 Mrs. Patricia A. McJoynt and
 Mr. Robert Griffith
 Mrs. Mary M. Wagoner

Organizations:

Detroit Forming, Inc.
 Fifth Third Bank
 Giarmarco, Mullins & Horton, P. C.
 Longfellow Investment Management
 Loraine and Melinese Reuter
 Foundation
 Matilda R. Wilson Fund
 The Montei Foundation
 Plante & Moran
 Wolfe Enterprises, Inc.
 Woman's National Farm
 & Garden Association

Milk Bottle 5 - Summary of Gifts \$12,500 - \$14,999

Individuals:

Mr. and Mrs. C. P. Babcock
Ms. Erma Bulgrin
Mr. and Mrs. Melvin D. Ely
Mrs. Mary Ann Krauss
Mr. Austin D. Bryan and
Ms. Ann Longfellow
Mr. and Mrs. Nicholas A. Valentine

Milk Bottle 6 - Summary of Gifts \$15,000 - \$17,499

Individuals:

Mr. and Mrs. John A. Ernster
Mr. and Mrs. Myron Schwartz
Dr. and Mrs. Warren Van Wicklin

Organizations:

Meritain Health
Young Woman's Home Association

Milk Bottle 7 - Summary of Gifts \$17,500 - \$19,999

Individuals:

Mr. and Mrs. Michael J. Gable
Dr. and Mrs. Charles W. Walton

Milk Bottle 8 - Summary of Gifts more than \$20,000

Individuals:

Mr. and Mrs. William F. Earle
Mr. and Mrs. Ken Kinter

Miss Grace M. Kirchner
Dr. and Mrs. Clyde LeTarte
Mr. Levi R. Marttila
Mr. and Mrs. Avi Telyas
Mr. Howard J. Weyers

Organizations:

Chase Home Finance LLC
Citigroup Foundation
Siemer Family Foundation

Vision:

Be a national leader in strength-based practices for children and youth

Mission:

Create positive environments where children flourish

Core Values:

- Honesty
- Compassion
- Respect
- Responsibility
- Fairness

growing stronger through the help of many



Floyd Starr Founder's Circle

"There's no such thing as a bad boy."

Floyd Starr Founder's Circle recognizes friends who give to Starr Commonwealth through their wills or estate plans. Members receive a beautiful replica of the statue "Floyd Starr with a Boy" that graces the entrance of our Albion campus, as well as other benefits.

Floyd Starr Founder's Circle celebrates "Uncle" Floyd's dedication to children, and the dedication of those who continue to support his vision.



Legacies:

We are forever grateful to our friends who passed away last year and remembered our children in their wills and estate plans. We will never forget them.

Ms. Adelaide George
Ms. Muriel Burman
Ms. Doris Slater
Curtis A. Gibson
Mr. Henry H. Hirsch
Mrs. Anne Ophelia Dowden
Mr. G. John Beck
Ms. Anna Brewer Howell
Ms. Blanche (Mitzie) Lile
Steven A. Maselli Trust

Will Inclusions:

We are pleased to recognize our friends who have informed us that they have included Starr Commonwealth in their wills and estate plans.

Mr. and Mrs. G. Warren Abbott
Mrs. Pearl Albert
Mr. and Mrs. Stanley Allen
Dr. and Mrs. Rick E. Amidon
Mrs. Lee R. Baker
Mrs. Violet E. Baker
Mrs. Leahbelle M. Balbach
Ms. Gloria Baltzer
Mr. Elwood W. Battin
Mrs. Lavonne G. Bauer
Mrs. Robert W. Bell
Mr. and Mrs. Bruce H. Bellard
Mrs. Reginald T. Bentley
Mr. and Mrs. Jim Bolton
Mr. and Mrs. Frank P. Brown
Mr. and Mrs. Fred C. Buhler
Mrs. Vincent W. Bunker
Mr. Paul E. P. Carlson
Dr. and Mrs. Jeffrey C. Carrier
Mr. William E. Chapman
Mrs. Dorothea K. Coleman

Mrs. Margerite Collins
Mr. and Mrs. Jack L. Comp
Mr. John D. Corrigan
Ms. Julia Crenshaw Patterson
Mr. and Mrs. William H. Culp
Mr. and Mrs. Robert Davis
Miss June E. Deal
Mr. Robert A. Dent
Miss Marcia A. Dettloff
Mrs. Rose F. Doane
Ms. Nellie J. Drake
Mr. and Mrs. Harry Eckinger
Mrs. Carl H. Eggebrecht
Mr. Stanley A. Evans
Miss Meta M. Fogas
Miss Barbara P. Garrett
Mrs. Dorothy Greider
Ms. Mary S. Hargraves
Ms. Elizabeth Heaton
Mrs. Janet C. Hewett
Dr. and Mrs. Thomas F. Higby
Miss Esther L. Hofley
Mr. Ronald Hooker
Miss Ruth J. Husung
Miss Cathryn Janssen
Mr. Russell E. Jenter
Mrs. Martha Knorr
Mr. Thaddeus S. Kornowski
Ms. Diana S. Langley
Dr. and Mrs. Harry Leibowitz
Mr. Wendell G. Lindgren
Mrs. Margaret Long
Mr. Robert Lorig
Mrs. Donald A. Mandell
Mr. and Mrs. Lyle H. Marshall
Mrs. Beryl H. Martin
Mrs. Mary E. Marxen
Dr. and Mrs. Russell G. Mawby
Dr. Herman J. McCall
Mrs. Eleanor McNeil Clark
Dr. Thomas and Dr. JoAnne Milburn
Mrs. Frances M. Miller

Featured Friends

Paul Carlson knows about legacies. His family giving spans almost as long as the existence of Starr Commonwealth itself.



"When my grandfather was about to die of cancer in the hospital in 1949, my mother went to see him every day. He told several stories, some that we had heard before, and talked about Floyd Starr. He said that this experience was heart rending and that Mr. Starr was doing a truly wonderful job. He asked my mother to keep sending money when she could since it was so worthwhile."

Mr. Carlson's mother honored her father's wishes and continued the tradition of helping the children of Starr Commonwealth until her death in 1995. Today, Mr. Carlson is continuing this legacy, and has also made provisions for the continued support of our children by providing a percentage of his will.

We are grateful for this longstanding support and for the knowledge from Mr. Carlson of his will inclusion so we may acknowledge him during his lifetime for his thoughtful generosity and that of his family.

Mr. Kenneth Miller
Dr. and Mrs. Martin L. Mitchell
Dr. and Mrs. Arlin E. Ness
Mrs. Irma I. Nordheim
Mrs. Richard Owen
Mr. Richard A. Patterson
Mrs. Ruth B. Phillips
Dr. and Mrs. Richard L. Pinkerton
Mrs. Sylvia S. Richey
Mrs. Margaret Rink
Mr. and Mrs. Stanton G. Roesch
Ms. Bertha A. Roth
Mrs. Grace Sagendorf
Mrs. Newell D. Saigeon
Mrs. MerryAnn L. Sauls
Mr. and Mrs. Ferris L. Shenk
Mr. and Mrs. Dennis Sheridan
Mrs. Ann J. Simpson
Mr. and Mrs. Christopher L. Smith
Miss Virginia Spieth
Mr. and Mrs. Paul Stearns
Mr. William K. Stoffer
Mr. and Mrs. Richard W. Sturgis
Miss Virginia M. Tripp

Mrs. Marjorie Underhill
Dr. and Mrs. Charles W. Walton
Mr. and Mrs. Robert Weir
Mr. Robert A. Whiting
Mr. and Mrs. J. R. Wilson
Mr. and Mrs. Lynn A. Wilson
Mrs. John E. Yarnelle



Gladsome Circle

"Beauty is a silent teacher."

Gladsome Circle recognizes our friends who fund named endowments, endowed scholarships, charitable gift annuities, and charitable trusts. These planned gifts secure the future financial stability of Starr Commonwealth. Each member of Gladsome Circle receives a limited edition print of "The Old Barn," depicting Floyd Starr's original barn and the story of its significance, as well as other benefits.



Gladsome Circle celebrates the ongoing mission of Starr Commonwealth and our friends who ensure that our services are available to children in need as long as these services are needed.

Named Endowments:

We are pleased to recognize our friends who have fully funded named endowments and endowed scholarships for Starr Commonwealth. The income from these gifts is used to provide services and scholarships, while the principal is kept intact.

Charles & Russell Amidon Endowment Fund
John M. Ankrum & Murphy Swindell Memorial Endowment Fund
Mildred Asselstine Endowment Fund
Kathleen Barnett Endowment Fund
Robert & Edna Barstow Endowment Fund
Lillian H. Beach Endowment Fund
Roy W., Watula, & Ernest C. Beckman Endowment Fund
Jim & Wanda Bolton Endowment Fund

Irma M. Bradley Memorial Endowment Fund
Fred M. & Maude Brakeman & Blanche VanDyke Endowment Fund
Brasseur Family Endowment Fund
Kenneth A. Brower, Sr. Memorial Endowment Fund
Buhler Children's Endowment Fund
Fred C. & Dorothy A. Buhler Endowment Fund
Phyllis C. Clark Endowment Fund
Edward S. Coe Memorial Endowment Fund
Lucille Beebe Coles Endowment Fund
David & Edie Cole Endowment Fund
Marvin L. & Laverne I. Colness Endowment Fund
Grace Oliver Colter Endowment Fund for Oliver Cottage
Marjorie S. Cowherd Endowment Fund
Alton D. & Phyllis Crandell Endowment Fund
Julia Dalrymple Memorial Endowment Fund *
Jeannette A. Davis Memorial Named Endowment

Leland F. & Gertrude A. Deibele Endowment Fund
Dent Family Endowment Fund
David W. & Amanda B. Deshler Endowment Fund
Theodore S. & Adelaide M. Diehm Endowment Fund
Marion & John Dix, Sr. Memorial Endowment Fund*
Anne & Raymond Dowden Endowment for Fine Arts
Hugh C. & Marian W. Downer Endowment Fund
William F. & Mary F. Earle Endowment Fund
Elsie M. Farley Endowment Fund
Gary R. & Betty E. Faircloth Endowment Fund
Martinus Faircloth Memorial Endowment Fund
Clarence E. and Harvey D. Fassold Endowment Fund
I. Janet Field Endowment Fund
Dorothy Jean Fowler and Elizabeth Leone Heaton Endowment Fund

J. Deloras (Cashman) Friderichsen Endowment Fund
Edna A. Frobenius Memorial Endowment Fund
Helen M. Gager Endowment Fund
Susan & William R. Gillam Endowment Fund
M. Gene Smith and Joseph J. Gondol Education Endowment Fund
George & Judith Goodman Endowment Fund
Dale & Rita Hollandsworth Music and Art Therapy Endowment Fund *
William Johnston & Ronda Stryker Endowment Fund
Helen E. Jones Endowment Fund
Robert A. & Anita M. Junker Memorial Endowment Fund
Calvin W. & Mary E. Kalte Endowment Fund
Sophie C. Kunz Endowment Fund
Charles W. & Alma M. LaFleur Named Endowment

Featured Friends

In the fast-paced, bustling scenery of Hollywood, Alice Nuland is less concerned with celebrity gossip and more interested in today's youth.

Ms. Nuland of Los Angeles, generously and unselfishly chooses to give to Starr through Charitable Gift Annuities, she said, because of the values we instill in the children we serve and the belief that all children have strengths and the potential to succeed.

"I'm very impressed by the work Starr does with youth and believe that success isn't just in the children who become doctors or lawyers, but in the youngsters who become good workers, good parents and good citizens," Ms. Nuland said.

"With such high success rates, I'm confident that the money really goes toward the benefit of children," she said. "I am so proud of my relationship with Starr Commonwealth. I know they truly care about children and look for the best in each of the young people they work with."



Simon Bisson, Senior Vice President and Chief Development Officer, with Ms. Nuland

Andrew & Greta Lamberson
Endowment Fund
Jerry Neil Lantz Memorial
Endowment Fund
William C. & Gladys E. Larson
Endowment Fund
Lauff Family Endowment Fund
Frances Lehmann Memorial
Endowment Fund *
Clyde and Kathy LeTarte
Scholarship Fund
John & Judy Lore Endowment Fund
Betty Lowman Memorial
Endowment Fund
Carl G. & Betty L. Maple
Endowment Fund
Ruth & Russ Mawby for Continuing
Education Named Endowment
Ruth & Russ Mawby for the Fine Arts
Named Endowment
Edward F. & Sarah McCauley Family
Endowment Fund
Donald J. & Dorothy C. McIntosh
Endowment Fund
Chandan Mehta Endowment Fund
Mary L. Melvin Endowment Fund
Peter J. E. Mitchell Endowment Fund
Phyllis Mitchell Memorial
Endowment Fund
Stewart Payne Moffatt Endowment
Fund for Payne Family Cottage

Francis E. Morse Endowment Fund
Arlin E. & Barbara A. Ness
Endowment Fund
Keith O. Palmer Endowment Fund
Verne and Marlene Plassman
Endowment Fund
Glen & Joan Rager Endowment Fund
Margaret Ann Riecker Endowment Fund
George & Sandy Ropp
Endowment Fund
William Sallace Memorial
Endowment Fund *
Gail M. Seitz Endowment Fund
Herbert & Christine Sellers Memorial
Endowment Fund
Chad M. Shelton Memorial
Endowment Fund
Charles E. Shontz Endowment Fund
Lora M. Sims Endowment Fund
Doris E. Slater Endowment Fund
Christopher L. & Cathy L. Smith
Endowment Fund
Jessie L. Soars & Janet Soars Platt
Endowment Fund
Virginia Z. Spieth Endowment Fund
David & Elta Starr Endowment Fund
Edward S. & Clara H. Starr
Endowment Fund
John F. Starr Endowment Fund
Paul Stearns Endowment Fund
William K. Stoffer Endowment Fund

Milton & Ella Stover Endowment Fund
Margaret I. Syring Endowment Fund
Vivian B. Tate Endowment Fund
Dr. Carl S. & Florence Taylor
Endowment Fund
Wilbert and Mary Thitgen
Endowment Fund
Mary Towler Scholarship
Endowment Fund
Joseph A. & Judith S. Valentine
Endowment Fund
Warren and Marian Van Wicklin
Endowment Fund
Robert Reino Williams
Endowment Fund
Ralph Lindsay Williamson
Endowment Fund
Haslet H. Wilson Endowment Fund
for Fine Arts
Wayne L. Yanz Endowment Fund
Harold H. & Geneva B. Youngs
Endowment Fund

* Restricted to the Hannah Neil
Center Foundation

Scholarship Funds:

Charles and Evelyn Munford
Scholarship
Christian and Emma Breisch
Scholarship
Collins Carter Scholarship
Earl and Eileen Payne Scholarship
Floyd Kent Scholarship
Floyd Starr Scholarship
Frederick and Anne Raisch Scholarship
Harry C. Moores Scholarship
Herbert J. and Ruth Ann Richmond
Scholarship
Jane and Dwight Weber Scholarship

John D. and Ruth Gillman
Scholarship Fund
Louann and Russ Mawby Scholarship Fund
Mildred J. Carter Scholarship
Miriam and Samuel Crowder
Memorial Scholarship
Ruth and William Pierce Scholarship
Thomas Metz Kent Scholarship
Thomas T. Lloyd Scholarship
Tim Ness Memorial Scholarship

Annuitants:

We are pleased to recognize
our friends who created a
Charitable Gift Annuity during
the 2006-2007 fiscal year.

Mr. and Mrs. Marvin L. Colness *
Ms. Mary Tatroe *
Mr. and Mrs. Dallas E. Seiler *
Mr. Robert A. Dent *
Ms. Grace Kirchner *
Ms. Alice Nuland *

* Multiple annuities with
Starr Commonwealth

Charitable Trusts:

We are pleased to recognize
our friends who created
Charitable Trusts on
behalf of the children of
Starr Commonwealth

Mrs. Robert W. Bell
Dr. and Mrs. Delwin K. Buckhold
Mr. and Mrs. Robert Davis
Miss Nellie J. Drake
Mr. and Mrs. Warren A. Genee
Ms. Helen J. Grinnell
Mr. and Mrs. Howard Kern
Mr. George Kramer
Mr. and Mrs. Ernest Kratzert
Mrs. Margaret Starr Leutheuser
Mrs. Margaret Yaryan

Featured Friends

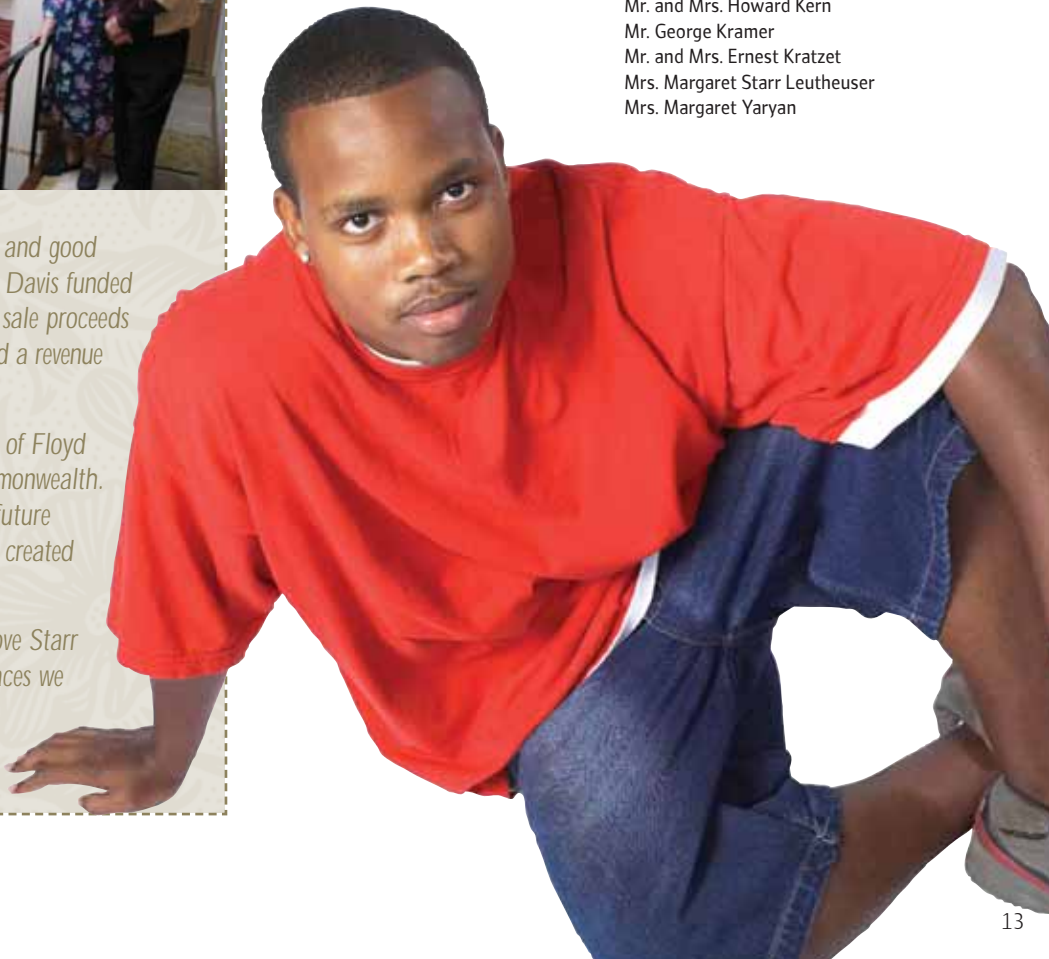
Meeting Bob and Terry Davis
in their home is akin to walking
into one of the many travelogues
they have filmed over the years.
Memorabilia, photographs, art
and artifacts adorn every surface.



Regular donors to Starr Commonwealth and good
friends of "Uncle" Floyd, Bob and Terry Davis funded
a Charitable Remainder Trust. With the sale proceeds
of some property they owned, they secured a revenue
stream during their retirement.

Bob and Terry have many great memories of Floyd
Starr and their connection to Starr Commonwealth.
Their legacy of giving will continue for future
generations of Starr students as they have created
a generous estate plan.

"We loved Uncle Floyd dearly and we love Starr
Commonwealth – it's one of the best places we
know," the Davises said.

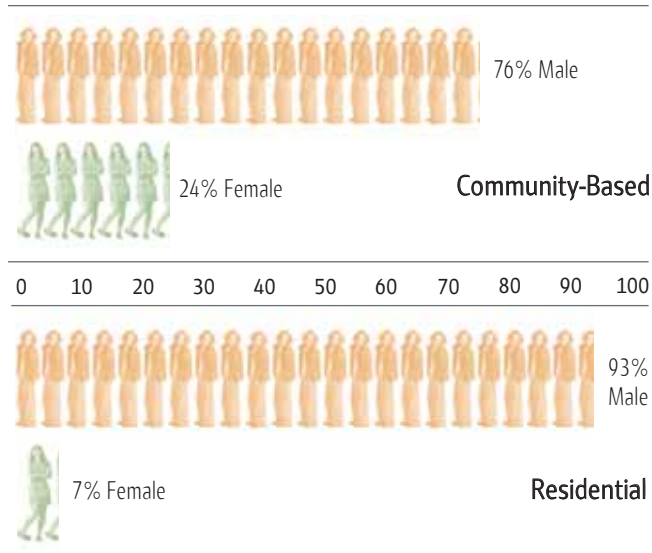


All Starr Programs

From therapeutic residential treatment to foster care to community-based services, Starr offers a variety of programs to serve children, families and professionals from across the country at campuses in Albion, Battle Creek and Detroit, Michigan, and Van Wert and Columbus, Ohio. Through Montcalm Schools, parents can directly refer students to our programs. Starr also offers No Disposable Kids[®], a training program for educators to create safe and productive schools.

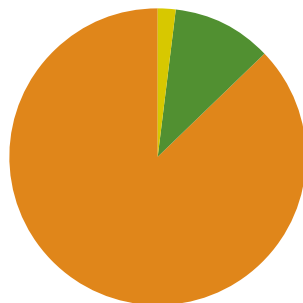
Numbers Served – 4,604 children, families and professionals; 1,536 through direct program services

Sex



Age at Intake

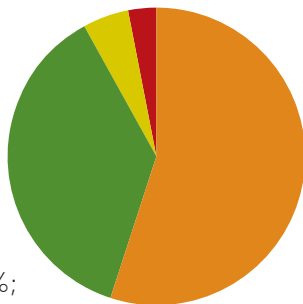
- 2% – 0-6 years
- 11% – 7-12 years
- 87% – 13-20 years



Average number of previous out of home placements – 3.8

Ethnicity

- 55% African American
- 37% Caucasian
- 5% Mixed Race
- 3% Other



Referral Source

- Wayne County CMO's – 37%;
- Children Services – 16%;
- County FIA – 11%; Juvenile Court – 8%;
- Juvenile Justice Assignment Unit – 6%;
- Community Mental Health – 4%;
- FIA CAC Board – 3%; Parent/Guardian – 7%;
- Educational Consultants – 4%; Other – 4%

Top 4 Committing Offenses

- Offense against property – 21%
- Status offense – 21%
- Offense against people – 16%
- Sexual offense – 14%

Significant Issues

- Victim of abuse – 42%
- Perpetrator of abuse – 30%
- Other mental health problems – 25%
- Personality disorder – 24%

Note: Total exceeds 100% due to multiple presenting problems by some youth.

Family Status

- Single parent – 44%
- Non-familial custodial arrangement – 25%
- Both biological parents – 11%
- Blended family – 10%
- Other – 10%

Family History

- Neglect – 65%
- Judicial system involvement – 63%
- Illegal substance – 51%
- Trauma – 36%
- Suicide – 9%

All Starr

Follow-up Summary – 12 Month

- Productive* – 86%
- Less restrictive setting – 87%
- Free of convictions – 90%
- Free of charges – 81%
- Passing in school – 87%

**in school, working, or caring for a child*

80% reported they were better off compared to before Starr.

Financial Summary

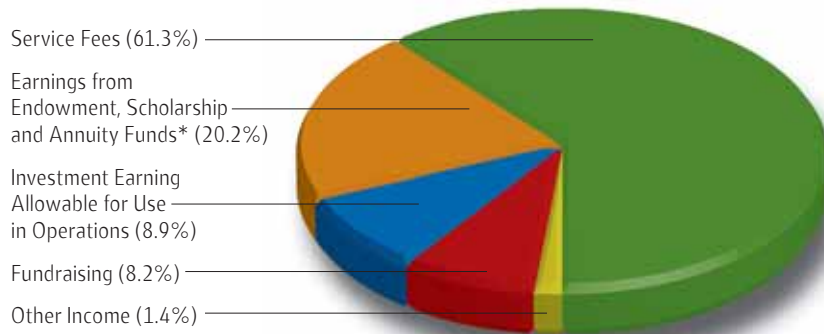
Starr experienced a deficit from current operations of approximately \$650,000. Challenging funding and child placement conditions, particularly in the governmental sector, resulted in a \$1.3 million decrease in revenue sources for operating activities when compared to 2006.

Through prudent management of expenses, the loss was mitigated to the extent possible.

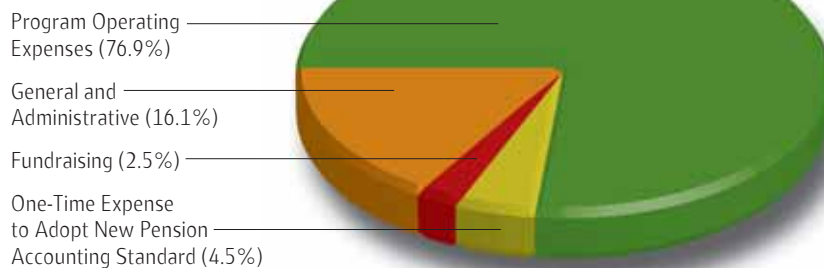
Starr maintains a pool of financial assets that includes permanent endowments, scholarship funds, gift annuity reserve funds and Board Designated endowments. Investment return from these assets was a very positive \$12.5 million this year. Most of these assets are restricted and are not available for spending in any way other than use of income to support operations, scholarships, grants and to pay annuity obligations.

For the entire organization, money was received and used in the following way:

Income Total: \$42,943,000



Expenditure Total: \$34,001,000



Fundraising Income

Contributions and Grants	\$2,628,000
Legacies	\$ 904,000
Total	\$3,532,000

Total fundraising costs were 24% of contributions, grants and legacies.

Total Net Assets as of September 30, 2007 – \$102,667,000

The information above is unaudited. Complete audited financial statements for the fiscal year that ended September 30, 2007 will be available upon request.

*Most of these assets are restricted and not available for spending.



Officers

Martin L. Mitchell, Ed.D.
President and
Chief Executive Officer

Herman J. McCall, Ed.D.
Senior Vice President and
Chief Operations Officer

Christopher L. Smith, B.B.A., CPA
Senior Vice President and
Chief Financial Officer

Simon P. Bisson, BA (Ed) Hons
Senior Vice President and
Chief Development Officer

Governance and Oversight

4 Trustee Meetings –
73% average attendance

4 Executive Committee
Trustee Meetings –
75% average attendance

*Starr Commonwealth Board
of Trustees meets regularly to review
performance measures of our organ-
ization including budgets, fundraising
practices, financial policies and
program quality.*

Board of Trustees (2007/08)

Jon A. Rhoades, Chair
Vice President (Retired)
Central Mutual Insurance
Van Wert, OH

Honorable Eugene A. Moore,
Vice Chair
Chief Probate Judge
Oakland County
Pontiac, MI

Lawrence Givens, Secretary
Blackmond and Givens, Inc.
Southfield, MI

George D. Goodman, Immediate
Past Chair
Executive Director (Retired)
Michigan Municipal League
Ann Arbor, MI

C. Patrick Babcock
Senior Policy Consultant
Lansing, MI

Noble Billingsley
Director of Rates &
Business Support
Consumer's Energy
Jackson, MI

Patricia Brasseur
Owner
McDonald's Restaurants
Battle Creek, MI

Ralph J. Burrell
President and CEO
SymCon, Inc.
Detroit, MI

Kyle Caldwell
President and CEO
Michigan Nonprofit Association
Lansing, MI

H. Ronald Griffith
President (Retired)
Baker College of Jackson
Jackson, MI

Tom Kolassa
Senior Vice President
HUB International
Battle Creek, MI
Jennifer Lawter

Corporate Director,
Claims Management
St. John Health System
Warren, MI

Albert Little
Vice President and Business
Development Officer
Greenleaf Trust
Kalamazoo, MI

Dr. Lorraine R. Matusak
President
LarCon Associates
Battle Creek, MI

Patricia A. McJoynt
Managing Director
Keefe, Bruyette and Woods
Dublin, OH

Dr. James E. Pelt
President
Diversified Vocational
Services Corporation
Madison Heights, MI

Donald J. Ribar
Director, Integrated Sales Support
Accenture
Columbus, OH

Joyce Soebbing
Regional Vice President (Retired)
State Farm Insurance Company
Marshall, MI

Clara J. Stewart
Retired Educator
Kellogg Community College
Battle Creek, MI

Gary Taylor
Owner
Taylor Auto Sales Inc.
Van Wert, OH

Trustees Emeritus

Margaret Starr Leutheuser
Daughter of Floyd Starr
Haverford, PA

Michael J. Gable
Chief Operating Officer
Honigman Miller Schwartz
and Cohn
Detroit, MI

Dr. Russell G. Mawby
Chairman Emeritus
W.K. Kellogg Foundation
Battle Creek, MI

William K. Stoffer
Chairman and CEO
Albion Machine & Tool Co.
Albion, MI

Honorary Trustees

Anne Willson Dupré
Granddaughter of Floyd Starr
Toronto, Canada

Diana Starr Langley
Montecito, CA

Sylvia Starr Richey
Granddaughter of Floyd Starr
Seal Beach, CA

President Emeritus

Arlin E. Ness
President Emeritus
Coldwater, MI

