

# AMERICAN ACADEMY ALUMNI ASSOCIATION OF NEW YORK, INC.

(A NON-PROFIT FOUNDATION ORGANIZED UNDER THE MEMBERSHIP CORPORATIONS LAW OF THE STATE OF NEW YORK TO HELP SUPPORT THE AMERICAN ACADEMY AT LARNACA, CYPRUS, AND TO ESTABLISH SCHOLARSHIPS FOR POOR BUT PROMISING BOYS AND GIRLS OF CYPRUS)

22 Lawrence Drive, Apt. A  
White Plains, NY 10603  
Tel. (914) 948-6526

April 25, 2005

To the Officers and Members of the American Academy Alumni Association of New York, Inc

Re: Annual Report of the Treasurer for the year ended December 31, 2004

I would like to take this opportunity to present to the Officers and Members of our Association the Annual Report of the Treasurer for 2004. This Report consists of the Balance Sheet for the year, an Income and Expense Statement for 2004 and a Portfolio Analysis of the Association's current investments.

The financial highlights of last year include the following:

- A generous contribution of \$2,000.00 by Mr. Homer Potonides for an endowed scholarship. The amount was transferred to the Morgan Stanley account on February 13.
- Our Annual Meeting on September 7, from which we collected \$3,755.00 in donations and dues.

I would like to point out Dr. Gregory Mestanas' generous contribution of \$2,000.00 for an endowed scholarship. I would also like to thank everyone who contributed to the Association including the Members, friends and the Reformed Presbyterian Church.

- A generous contribution of \$2,000.00 by Dr. Harry Harris for an endowed scholarship.
- The donation of \$4,400.00 to the American Academy on November 19. Ms. Athena Kranidiotou Gregoriou has sent us a letter expressing the "...sincere gratitude and appreciation for the Association's kind gesture" on behalf of the recipients of the scholarship funds and the American Academy.

The Balance Sheet for 2004 shows the Association's assets at the beginning and end of the year (there were no liabilities). For 2004, there was an increase in assets in the amount of \$5,758.88 or about 15.7%. The investment groups show an increase in value for the year in the amount of \$1,097.80 or 3.1%. The Investments show unrealized gains, or the market value of the accounts at the beginning and end of the year. Page 3 has the Balance Sheet without unrealized gains, used for tax purposes.

The Income & Expense Statement for 2004 shows the different sources of income and the Association's expenses. In terms of income, 80% came from Member contributions and the rest from dividends, interest and capital gains distributions. In addition, there were realized gains of \$4,000.00 from the sale of AMERICAN WA MUTUAL A shares on September 2, 2004. This amount together with the sale of \$400.00 of US GOV'T MONEY MARKET TR shares constituted the Association's donation to the American Academy.

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continued from page 1

The expenses for the year were: \$4,400.00 or 80% for the donation to the American Academy, \$900.00 paid to Zenon Restaurant (\$100 were for gratuities) for the Annual Meeting, and, the hosting (2 years) and domain name registration (1 year) of the Association's website.

The last report, Portfolio Value by Security Type, is an overview of the investment accounts. The Bond and Mutual Fund accounts belong to the Morgan Stanley Portfolio while the Tri-Continental Corp Stock is a separate fund from The Seligman Group. The report shows the market value of each account at the end of 2004 and the gain/loss from their cost basis.

Since its opening in February of 2003, the Morgan Stanley account increased by 11.4%. For the Tri-Continental account, there was a loss of \$118.41 in the last seven years (see notes). The Fund managers contribute the negative performance to the bear market of 2002-03 that did not allow for capital gain distributions in 2004. The price of the stock has shown some improvement in the last year.

This concludes the Annual Report of the Treasurer for 2004. The report will be available on the Association's website at <http://www.aaalumniassoc.org>. Please do not hesitate to contact me with any questions you might have about this report.

I thank you for the opportunity to serve the Association and the Academy.

Sincerely,

Michalakis Makris  
Treasurer

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**ANNUAL REPORT OF THE TREASURER**  
For the year ended December 31, 2004

**Balance Sheet 2004**

(Includes unrealized gains)  
As of 12/31/04

| Acct                            | 1/1/04<br>Balance                     | 12/31/04<br>Balance |
|---------------------------------|---------------------------------------|---------------------|
| <b>ASSETS</b>                   |                                       |                     |
| Cash and Bank Accounts          |                                       |                     |
| Independence Checking           | 2,001.36                              | 6,662.44            |
| Other Transactions              | 0.00                                  | 0.00                |
|                                 | <b>TOTAL Cash and Bank Accounts</b>   | <b>6,662.44</b>     |
| Investments                     |                                       |                     |
| Morgan Stanley                  |                                       |                     |
| AMERICAN BALANCED C             | 5,395.90                              | 8,390.39            |
| AMERICAN WA MUTUAL A            | 9,192.94                              | 5,784.42            |
| FORD MOTOR CO DEBENTURE         | 8,799.30                              | 8,955.36            |
| FORD MOTOR CREDIT CO SR NOTE    | 5,149.25                              | 5,110.70            |
| LORD ABBETT MID CAP VALUE C     | 5,477.77                              | 6,755.96            |
| UNIT 1ST TR E-CONOMY PORT SR 1  | 0.00                                  | 0.00                |
| US GOV'T MONEY MARKET TR        | 328.77                                | 411.31              |
| -Cash-                          | 0.00                                  | 0.00                |
|                                 | <b>TOTAL Morgan Stanley</b>           | <b>35,408.14</b>    |
| Tri-Continental                 |                                       |                     |
| Tri-Continental Corp            | 259.37                                | 292.96              |
|                                 | <b>TOTAL Tri-Continental</b>          | <b>292.96</b>       |
|                                 | <b>TOTAL Investments</b>              | <b>35,701.10</b>    |
|                                 | <b>TOTAL ASSETS</b>                   | <b>42,363.54</b>    |
| <b>LIABILITIES &amp; EQUITY</b> |                                       |                     |
| LIABILITIES                     |                                       |                     |
|                                 | 0.00                                  | 0.00                |
| EQUITY                          |                                       |                     |
|                                 | 36,604.66                             | 42,363.54           |
|                                 | <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b>42,363.54</b>    |

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For the year ended December 31, 2004

**Balance Sheet 2004**

As of 12/31/04

| Acct                                  | 1/1/04<br>Balance | 12/31/04<br>Balance |
|---------------------------------------|-------------------|---------------------|
| <b>ASSETS</b>                         |                   |                     |
| Cash and Bank Accounts                |                   |                     |
| Independence Checking                 | 2,001.36          | 6,662.44            |
| Other Transactions                    | 0.00              | 0.00                |
|                                       | 2,001.36          | 6,662.44            |
| <b>TOTAL Cash and Bank Accounts</b>   | <b>2,001.36</b>   | <b>6,662.44</b>     |
| Investments                           |                   |                     |
| Morgan Stanley                        |                   |                     |
| AMERICAN BALANCED C                   | 5,028.82          | 7,780.26            |
| AMERICAN WA MUTUAL A                  | 8,389.19          | 4,953.84            |
| FORD MOTOR CO DEBENTURE               | 8,794.73          | 8,794.73            |
| FORD MOTOR CREDIT CO SR NOTE          | 4,748.36          | 4,748.36            |
| LORD ABBETT MID CAP VALUE C           | 4,909.23          | 5,108.88            |
| UNIT 1ST TR E-CONOMY PORT SR 1        | 0.00              | 0.00                |
| US GOV'T MONEY MARKET TR              | 328.77            | 411.31              |
| -Cash-                                | 0.00              | 0.00                |
|                                       | 32,199.10         | 31,797.38           |
| <b>TOTAL Morgan Stanley</b>           | <b>32,199.10</b>  | <b>31,797.38</b>    |
| Tri-Continental                       |                   |                     |
| Tri-Continental Corp                  | 407.72            | 411.37              |
|                                       | 407.72            | 411.37              |
| <b>TOTAL Tri-Continental</b>          | <b>407.72</b>     | <b>411.37</b>       |
| <b>TOTAL Investments</b>              | <b>32,606.82</b>  | <b>32,208.75</b>    |
| <b>TOTAL ASSETS</b>                   | <b>34,608.18</b>  | <b>38,871.19</b>    |
| <b>LIABILITIES &amp; EQUITY</b>       |                   |                     |
| LIABILITIES                           |                   |                     |
|                                       | 0.00              | 0.00                |
| EQUITY                                |                   |                     |
|                                       | 34,608.18         | 38,871.19           |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b>34,608.18</b>  | <b>38,871.19</b>    |

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## ANNUAL REPORT OF THE TREASURER For the year ended December 31, 2004

### Income & Expense Statement 2004 1/1/04 Through 12/31/04

| Category Description            | 1/1/04-<br>12/31/04 | %<br>of Total  |
|---------------------------------|---------------------|----------------|
| <b>INCOME</b>                   |                     |                |
| AAAA Member Donations and Dues  | 7,755.00            | 79.44%         |
| Interest Inc                    | 5.03                | 0.05%          |
| _DivInc                         | 250.04              | 2.56%          |
| _IntInc                         | 931.26              | 9.54%          |
| _LT CapGnDst                    | 425.18              | 4.36%          |
| _RlzdGain                       | 376.34              | 3.86%          |
| _ST CapGnDst                    | 19.11               | 0.20%          |
| <b>TOTAL INCOME</b>             | <b>9,761.96</b>     | <b>100.00%</b> |
| <b>EXPENSES</b>                 |                     |                |
| AAAA Annual Meeting of Members  | 900.00              | 16.37%         |
| American Academy Larnaca Cyprus | 4,400.00            | 80.02%         |
| Miscellaneous, Bus              | 20.00               | 0.36%          |
| Website                         | 178.95              | 3.25%          |
| Uncategorized Expenses          | 0.00                | 0%             |
| <b>TOTAL EXPENSES</b>           | <b>5,498.95</b>     | <b>100.00%</b> |
| <b>TOTAL INCOME - EXPENSES</b>  | <b>4,263.01</b>     | <b>100.00%</b> |

**Explanation of Income Sources:**

|                     |  |
|---------------------|--|
| <b>Interest Inc</b> | Interest from the Independence Bank Checking Account   |
| <b>_DivInc</b>      | Dividend Income from Morgan Stanley Money Market Fund:<br>US GOV'T MONEY MARKET TR<br>Mutual Funds:<br>AMERICAN BALANCED C, AMERICAN WA MUTUAL A<br>and Tri-Continental Corp Stock |
| <b>_IntInc</b>      | Interest from Morgan Stanley Corporate Fixed Income:<br>FORD MOTOR CREDIT CO SR NOTE, FORD MOTOR CO DEBENTURE  |
| <b>_LT CapGnDst</b> | Long Term Capital Gains Distribution from Morgan Stanley Mutual Funds:<br>LORD ABBETT MID CAP VALUE C, AMERICAN BALANCED C,<br>AMERICAN WA MUTUAL A                                |
| <b>_RlzdGain</b>    | Realized Gains from the sale on 9/2/04 of 137.836 shares of AMERICAN WA MUTUAL A at \$29.02 for a total of \$4000.00 for the AA donation 2004.                                     |
| <b>_ST CapGnDst</b> | Short Term Capital Gains Distribution from Morgan Stanley Mutual Fund:<br>AMERICAN BALANCED C  |

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## ANNUAL REPORT OF THE TREASURER For the year ended December 31, 2004

### Portfolio Value Report by Security Type As of 12/31/04

| Security                     | ◇ Shares ◇ | ◇ Curr Price ◇ | Cost Basis ◇     | Gain/Loss ◇     | Balance          |
|------------------------------|------------|----------------|------------------|-----------------|------------------|
| Bond                         |            |                |                  |                 |                  |
| FORD MOTOR CO DEBENTURE      | 90.000     | 99.504         | 8,794.73         | 160.63          | 8,955.36         |
| FORD MOTOR CREDIT CO SR NOTE | 50.000     | 102.214        | 4,748.36         | 362.34          | 5,110.70         |
| <b>TOTAL Bond</b>            |            |                | <b>13,543.09</b> | <b>522.97</b>   | <b>14,066.06</b> |
| Mutual Fund                  |            |                |                  |                 |                  |
| AMERICAN BALANCED C          | 467.692    | 17.940 *       | 7,780.26         | 610.13          | 8,390.39         |
| AMERICAN WA MUTUAL A         | 187.928    | 30.780 *       | 4,953.84         | 830.58          | 5,784.42         |
| LORD ABBETT MID CAP VALUE C  | 308.210    | 21.920 *       | 5,108.88         | 1,647.08        | 6,755.96         |
| US GOV'T MONEY MARKET TR     | 411.310    | 1.000          | 411.31           | 0.00            | 411.31           |
| <b>TOTAL Mutual Fund</b>     |            |                | <b>18,254.29</b> | <b>3,087.79</b> | <b>21,342.08</b> |
| Stock                        |            |                |                  |                 |                  |
| Tri-Continental Corp         | 16.026     | 18.280         | 411.37           | -118.41         | 292.96           |
| <b>TOTAL Stock</b>           |            |                | <b>411.37</b>    | <b>-118.41</b>  | <b>292.96</b>    |
| <b>TOTAL Investments</b>     |            |                | <b>32,208.75</b> | <b>3,492.35</b> | <b>35,701.10</b> |

#### Note with regards to the Tri-Continental Stock

The Stock was acquired in 1984. However, the data considered for the above report starts on 12/31/97 due to the large number of past transactions and incomplete historical data. The price of the Stock on 12/31/97 was \$26.69, the Association owned 9.074 shares and the market value was \$242.16. The Cost Basis shown in the report for Tri-Continental is not the actual but instead it is the market value on 12/31/97 and all dividends reinvested since then:

|  |                 |
|--|-----------------|
| Market Value 12/31/97                      | \$242.16        |
| Reinvested Dividends (12/31/97 – 12/31/04) | \$169.21        |
|  | =====           |
| <b>Adjusted Cost Basis</b>                 | <b>\$411.37</b> |

As a result, the Gain/Loss for the Tri-Continental account is the difference of the 12/31/04 market value (\$292.96) from the adjusted Cost Basis. The above report states a loss of \$118.41 for the period 12/31/97 to 12/31/04. It does not provide information on the overall performance of the Tri-Continental account since 1984.

#### Note with regards to the Morgan Stanley Portfolio

The account was opened on 2/7/03 to replace the AG Edwards and Sons account by June of 2003. By that time, all of the Mutual Funds and Bonds listed above were purchased or transferred from the previous account. In 2004, \$2000.00 were transferred to the account on 2/13/04 and \$4400.00 transferred out of the account on 9/2/04.