Dear Friends:

It gives me great pleasure to present our Annual Report for 2004. We are proud of the many accomplishments we have made this year, and I wish to take this opportunity to share a few.

• We have purchased an 11-unit apartment complex and are ready to develop a mixed-use housing project that will provide another valuable residential opportunity for consumers.

• We have agreed to provide staffing to a HUD house in Ridgefield, a separate non-profit organization which owns and operates the building.

• We have developed and implemented a marketing plan to improve the message sent to our community.

• We have purchased a new fund raising program that will help us maintain accurate databases and improve our message. We are applying for more and more grants, and we are developing new resources and ways of raising funds.

• We queried our consumers and their families in order to determine what services they would like in the future. We learned that housing and employment opportunities are on the top of their lists.

• We have helped make it possible for a consumer—not on the DMR “priority” list—to be served in one of our homes with friends and family nearby.

• We have advocated with DMR to make eligible a consumer from another country who could not otherwise prove his disability. We have also battled with DMR to provide adequate funding for a consumer who needed more than was being offered. We’ll continue to advocate as necessary.

• We have plans for new programs and improvements to existing ones to serve consumers better in this changing economic environment.

• We’re evaluating franchises, small businesses, and perhaps a clinic license.

• We have developed a reserve analysis which puts money away to ensure that our buildings will be well maintained and in good repair.

• We have demonstrated what our folks can do—our ARI Artists’ Initiative and our successful Jobs Program demonstrate this. Our community knows what we can do and that’s how we sell our workforce. They are dedicated, good workers who show up on time, every day.

The ARI staff is the backbone of our exemplary services. They keep the institutional knowledge, remind us what works, and act as mentors for us all. As a keen example, we presented a twenty-five year Longevity Award to Bea Grabell in the Accounting Department. A great big thank you to her and all our staff who are dedicated professionals, committed to our mission on a daily basis.

Our Board of Directors is truly exceptional. I wish to thank those volunteers who serve with great dedication and tireless commitment. Our Board is an incredible group of professionals, family members and community-spirited volunteers who give their time and expertise in order to keep us moving ahead, in spite of the challenges we face.

While we have had a great year, the State of Connecticut has not met the cost of services here in Fairfield County. Over 90% of our income comes from fees and contracts through the Department of Mental Retardation. Annual increases have not kept pace with inflation or general increases in the cost of doing business. We have been unable to stretch the State reimbursement to equal some of the cost of our quality services. Lower Fairfield County has lagged in funding due to the cost of living, and the gap in State reimbursement has grown wider. Therefore, we have positioned ourselves to make changes that will protect our agency immediately. We will never provide less than a quality service, but we will still be here ten, twenty and thirty years from now.

But for every challenge, there is opportunity and we intend to take it. We have the right people in place, the right people coming in to fill the vacancies, and we are uniquely positioned to take on the challenges.

To date, Board, volunteers, staff and families have been willing to work with us to share thoughts, ideas and time to provide our folks with the best possible opportunities. We can and will move forward with all your help.

So until next time, I thank you for your attention, but mostly, I thank you for your support. I hope for the very best for all of you in the coming year. It will be an exciting time for the ARI family.

Thank you for all you do.

A. Jane McEwen
President/CEO
To the ARI Family:

This has been an exciting year of change and transition for ARI. During my two-year term as Chairperson of the Board of Directors, I have been honored by the chance to work with such a devoted staff and exceptional consumers. I am further grateful for the opportunity to have worked with the members of our Board—all of whom exhibit the finest qualities of volunteerism and integrity.

We were busy! During my term we hired A. Jane McEwen as President/CEO of ARI. Since 4/03, she’s been leading our agency into a position of greater strength and confidence, in spite of the worst budget restraints in our history. With her guidance and vision, the Board addressed its current situation and now enters into a positive phase of growth that positions us for more success in the future of our industry. For example:

- A new budget format was created and implemented.

- The Finance Committee’s Capital Reserve Analysis was completed, enabling us to put adequate money aside for renovations and the necessary maintenance of all of our facilities.

- The Marketing Committee reinstated the term "Always Reaching for Independence" as part of an agency-wide marketing strategy.

- The Board and staff met jointly with industry leader Peter Brinckerhoff to perfect our skills/abilities to lead the agency as a “team.”

- The Facilities Planning Committee researched and recommended the purchase of a new property on Dryden Street, in Stamford.

The ARI Board also participated in the planning and execution of some very special events this year. The first annual “disAbilities Fair” successfully presented helpful information/state-of-the-art resources for individuals living with disabilities and their families. The first ARI Artists’ Initiative Exhibit, entitled “Reaching for Independence through Art” was held at the Stamford Art Association Gallery. It received rave reviews. The 9th annual Lotstein/Martin Golf Outing was, once again, an outstanding event.

I am confident that Peter Buck, as the next Chairperson, will lead this fine Board and exceptional staff in the direction of supporting our dear friends at ARI to “Always Reach for Independence.”

Sincerely

Barbara Aronica-Buck
Chairperson, ARI of Connecticut

<table>
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<tr>
<th>2004 ARI Staff Awards</th>
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<tr>
<td>25 YEARS OF SERVICE</td>
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<tr>
<td>Be a Grabell</td>
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<td>Gloria Padden</td>
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<td>ALWAYS REACHING FOR INDEPENDENCE AWARD</td>
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<td>ROOKIE OF THE YEAR AWARD</td>
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<td>Danielle Prefontaine</td>
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<td>CONSUMER OF THE YEAR AWARD</td>
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<td>Shelley Sokol</td>
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VOLUNTEERS OF THE YEAR 2004

Don and Genevieve Axelroad with members of the ARI Artists’ Initiative
ARI Program Services

All initiatives, including High School Transition, ESL (English as a second language) programs, respite, and all of the day service program areas, are designed to assist individuals with achieving their greatest level of independence.

HIGH SCHOOL TRANSITION SERVICES

Grants totaling $10,000 from UBS and Citibank supported the continuation of the High School Transition Program, serving students with special needs. This year, we worked with a total of 14 students representing the Stamford and Darien schools.

A second staff person was hired to assist the Coordinator with supporting each student in community based work experiences. The students, aged 19-21, are being taught skills to succeed in employment and perform everyday tasks such as using the ATM, making purchases, and navigating the community.

The High School Transition program, in conjunction with the Bosak Funeral Home and Pete’s Wholesale Florist, has begun a new program called “Flower Power.” The students are recycling and arranging flowers in vases and delivering them to the Laurel House Cafeteria. The students have made a huge difference by providing fresh flowers each week.

ESL SERVICES

A $10,000 grant from Pitney Bowes and a $20,000 grant from the Fairfield County Community Foundation, provided dollars to initiate an ESL (English as a Second Language) Program for fourteen Spanish-speaking family members with children in the Birth to Three* program and the High School Transition Program. The grants were used to hire the Bosak Learning Academy to provide the classes. Childcare was provided as well as a support group to teach families to communicate effectively with therapists and other professionals working with their children.

RESPITE SERVICES

ARI received a $10,000 grant from the Frederick H. Leonhardt Fund/The New York Community Trust—to provide respite services for caregivers of persons with disabilities. Scholarships of up to $1,000 per family will be granted to give families a rest from their daily responsibilities.

DAY SERVICES

ARI Day Program participants continue to be visible by working and volunteering in the Stamford community.

- Participants distribute meals to seniors through “Meals on Wheels” five times a week.

- Through the “Senior Services of Stamford Friendly Visitors and Shoppers Program” participants perform weekly chores for five seniors.

- We continue to volunteer in the day care program at the Rehabilitation Center as well as at the Tandet Center, performing a variety of important services for the residents.

Friends forever—Sonny, Chris and George.

*ARI ended Birth to Three Services as of June 30, 2004. We helped many children and families in the past three years of successful operation. We provided services using a model of service that utilized outside consultants. The state no longer will certify this alternative method. All families have been referred to other state sponsored programs for service.
• Other individuals volunteer at New Covenant House in a wide range of capacities from serving to meal preparation.

• The Stamford and Greenwich Red Cross offices and the local animal shelter have benefited from ARI volunteers.

All of these volunteer opportunities provide valuable work experiences that can lead to competitive employment. And hence, as our consumers become gainfully employed, they will assume greater independence.

Job placement efforts have been successful with the development of important relationships with employers in the community. ARI has experienced great success by assisting individuals in exploring career options and assessing them in a variety of employment settings.

OTHER GRANTS

$73,140 from the City of Stamford, Community Development Block Grant funding to replace the roof on the Richmond Hill Avenue building.

Financials

2002–2003 Financials

Support and Revenue:

Fees $5,433,282
Workshop Contracts: 138,760
Grants: 50,450
Misc: 1,961
Investment Income: 1,868
Released from Restriction: 5,815
Total: $5,632,136

Expenses:

Admin: $ 565,150
Day Programs: 1,675,944
Residential Programs: 2,797,137
Birth to Three: 315,283
Other: 40,548
Total: $5,394,062

Net Public Support and Revenue over Expenses: $238,074
Investment Surplus or Loss: 1,868
Net Public Support and Revenue over Expenses plus Investments: $239,942

A new financial reporting package and budgeting process was implemented during the year. The formats present financial results for each program in detail to assist operating managers in making pro-active decisions as they track progress throughout the year. Board-level summaries and analyses provide explanations of key variances.

David Merkle
ARI Controller
Recreation Services

In June, 2003 Nancie Baumann, Recreation Coordinator, began working at ARI. Since then she has been on the go with consumers—travelling the world and enjoying creative and fun programs.

WINTER

Police Association Holiday Party at ARI
Holiday Party at Knights of Columbus
Bahamas Trip
Valentine's Day Party at the Knights of Columbus
Sweetheart Basket Sale
Clay Classes begin. Dance Classes continue.
Party for Aqua Aerobics
St. Patrick's Day Party at the Knights of Columbus

SUMMER

The ARI Artists' Initiative was launched with volunteer/teacher Don Axleroad.
Trip to Boston to see Yankees vs. Red Sox game.
Bowling with friends from Thomson Corporation
Fishing Trip
Foxwoods Day Trip

FALL

Vermont Trip to Mount Snow to see fall foliage
Heart & Soul Band and music classes at James Daniels
Dance classes at Ballet School of Stamford
Weekly Bowling and Aqua Aerobics Classes
Special Olympics Bocce Team attends Fall Sports Festival in Vernon, CT
Halloween Party at the Knights of Columbus

SPRING

ARI Artists’ Initiative Art Show at Stamford Art Association Gallery
People in Motion Golf begins

Special Olympics Basketball, Track and Field and Swim Teams practices resume. First time ARI enters four swimmers.
Donors 2004

Alert Security Plus
Sandra Amendola
Anquillare, Ruocco, Traester & Co.
Maureen & Pasquale Apruzzese, in memory of Josephine Woodhall
Mr. Herbert J. Ashe
Donald M. Axelroad
Michelle Balzano
Joseph Banas
Chandan Banerjee
Kamalesh Banerjee
Benefit Planning Services, LLC
Joel Berns
Best Plumbing Supply Inc.
Michele Beudert
Mr. & Mrs. Bert A. Bodenheimer
James Bosilevas
Mr. & Mrs. Karl A. Braunigam
Henry & Jo-Ann Brenner
Michael Bridge & friends
Mr. & Mrs. Leo Brinkmann
Barbara & Peter Buck
Cacace Tusch & Santagata
Mary Calicchio
John Campbell Jr.
Rosemarie & Frank Caputo, in memory of Alice P. Schrieber
Michael & Audrey Carella, in memory of Josephine Woodhall
Virginia Chapin, in honor of Charles Hertz’s 70th Birthday
Diane Chartier
Mary Churley
Gloria Clark
Ed Clark
Edward & Maureen Clark
Jennie G. Clark, in memory of Josephine Woodhall
Mary Cleary
Gladys & Morton Cohen
Michael Colabella
Columbian Charities
Lee Combrinck-Graham
Jane Combrinck-Graham
Mark Combrinck-Hertz
Helen Conners, in memory of Josephine Woodhall
Richard & Robin L. Cordero, in memory of Josephine Woodhall
Kenneth D’Andrea
Michael & Marie DeBartolomeo
Michael A. DeBartolomeo
Margaret A. Deluca
Marie DeRubis
Susan & Paul Duarte
Nicholas Du Biago
John & Christine Dunster
Nicholas & Annetta Esposito
Kellie Eudowe & Friends
Maurice & Carol Feinberg Family Foundation, in honor of Dr. Melvin & Denise Grove
Richard Fellinger
First County Bank
Roslyn Fleisher
Dan & Marcia Fowler
Freedom Fabrics, Inc.
Dr. & Mrs. Oscar H. Friedman
Friends of Ferguson Library
Mrs. Estelle Fruchtman
Joseph Fusaro
Mr. & Mrs. Kevin Gallagher
Jon Gallup
Roxanne Gentles
Stephen Gerard
Lawrence Goebbeg
James Goldsmith
Edward E. Granelli
Peter Grant
Movira Grattaroli
Myra & John Graubard, in memory of Josephine Woodhall
Harriet D. Gray
Denise & Mel Grove
Charles A. Cuenta
John Gulick
R.M. & C.P. Gumkowski, in memory of Josephine Woodhall
Elizabeth Hagander
George Hagman
Geraldine Maher, in memory of Josephine Woodhall
Ms. Jane Hall
Charles H. & Rose Lee Halper
Heart of Gold
Charles G. Hertz, M.D.
Paul Howard/Howard Construction
Peter Howard
Darrell Ingram
Alan & Sari Jaffe, to the David Jaffe Memorial Fund, in honor of Mindy Blonder
JHM Financial Group
KAF Manufacturing Co. Inc.
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Diane Kupusta
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Elizabeth King
Max & Susan Kolbrenner
Judy Ratner & Peter LaForte
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David Lasnick
Mr. & Mrs. William Leach
Carol Levine, in honor of Morton Cohen’s Birthday
Liberty Mechanical
Alexander Lionetti
Kathleen Livolsi
John & Margaret Loehr
Corrine S. Lotstein
The Estate of Irving Lotstein
Viola Lovello
Candid Lucia & Theresa Lucia, in honor of Alice Schrieber
Mr. & Mrs. Paul Macari, in memory of Ted Lionetti; Katherine Nocita; Robert & Winona Saunders; Angelo V. Lucia; Oscar F. Saunders; Bert Sessa; Alice P. Schrieber; and in honor of Kathy Cravinho
The Machenberg Family
Annette Maiberger
Anthony & Mildred Mallozzi, in honor of Alice Schrieber
Joseph J. Marino, in memory of Josephine Woodhall
Mr. & Mrs. Julian Mark
Anna Markoja
Ben Marzullo & friends
A. Jane McEwen
Geoffrey McIntosh
R. Douglass McPheters & Elizabeth Adams, in honor of Mark Combrinck-Hertz
Mechtronics Corporation
Thomas Meehan
Ruth Mellman, in honor of Charles Hertz
Mr. Douglas Milne, R.E.O. Solutions
Richard Moavero
Philip & Jane Molstre, in honor of Lillian Lotstein; Jim Lotstein
Lynn Mottoloese
Mario P. Musilli
National Collector’s Mint, Inc.
Ms. Viola P. Nelson, in memory of Josephine Woodhall
J. Douglas Newman
Carol Newman
Dorothy Newman
Joyce Nicoletti, in memory of Alice P. Schrieber
Judith Notaro
Mr. & Mrs. Oscar S. Ochs
Mr. Harold Orlow
Theodora Pagano, in memory of Josephine Woodhall
Mary Lee Paine
Dennis Palumbo
Susan Parisi
Grover C. Parker, Jr.
Enriching the lives of individuals with disabilities to help them reach their fullest potential.