

Call-in to join this meeting: 1-800-704-9804; participant code 39554427#

AGENDA

WELCOME AND CALL TO ORDER

CHAIRMAN'S REPORT (Mr. Gompers)

TAB 1

- Opening Prayer
- Administrator Welcome
- Approval of June 12th Minutes (**ACTION**)
- 2019 PVMF Board of Directors Meeting Schedule
 - January 29, 2019 – PVM Home Office
 - June 11, 2019 – Fountains on Franklin
 - October 8, 2019 – The Village of East Harbor
 - December 3, 2019 – PVM Home Office
- Approval of Amended PFMF Investment Policy (**ACTION**) (Mr. Peter Kurrie)

PVMF GALA, 4 WEEKS & COUNTING! (Mr. Kimble)

TAB 2

- Thursday, **November 8th** The Henry Ford Museum of American Innovation, 7:00 pm
- Fundraising to Date
- What to Expect – *Play Ball!*
- Board Donation – Raffle Prize

DONOR STEWARDSHIP (Ms. Smith)

TAB 3

- Handwritten Thank You Notes to PVMF Donors

_____ BREAK FOR LUNCH 12:10 pm _____

BOARD GENERATIVE DISCUSSION (Task Force Chairs/Mr. Miller)

TAB 4

- Each Task Force Chair will have 5-7 minutes to report out
- PVMF Strategic Plan Task Forces
 - What has been discussed and why
 - Share central themes or findings
 - Q & A
- Further Q & A

PRESIDENT'S REPORT (Mr. Miller)

TAB 5

- Executive Summary
- Pledge Write-Off (**ACTION**)
- Thome Foundation Visit Recap
- Village of East Harbor Fundraising Campaign
- Tom Ahern – PVMF Publications
- Year End Appeal
- Staffing Update
- Grant Updates (Ms. Thomas)
- Weinberg Videos
- PVM Update (Mr. Myers)

Treasurer's Report (Mr. Miller)

TAB 6

EXECUTIVE SESSION (if needed)

TAB 7

ADJOURNMENT

NEXT: November 8 (Thursday); PVMF Gala *Play Ball!* 7:00 p.m., The Henry Ford Museum of American Innovation
December 4 (Tuesday); PVM Foundation Board; 11:30 a.m., PVM Home Office, Southfield, MI



WELCOME AND CALL TO ORDER

CHAIRMAN'S REPORT (Mr. Gompers)

Tab 1

MINUTES OF THE TUESDAY, JUNE 12, 2018 REGULAR BOARD OF DIRECTORS MEETING OF THE
PRESBYTERIAN VILLAGES OF MICHIGAN FOUNDATION BOARD HELD AT LAKESHORE SENIOR LIVING, ST.
CLAIR SHORES

	2/6 BOD Mtg.	2/15 Gala Volunteer & Sponsor Celebration	2/23 Winter Govance Summit	5/18 Donor Societies & BOD Lnchn	6/12 BOD Mtg.	6/22 Village Victory Cup	TBD Summer Govance Summit	9/21 Strategic LDSHP Advance	10/9 BOD Mtg.	11/8 Gala	12/5 BOD Mtg.	TOTAL
Bomberski	X	--	--	--	--							1
Carnaghi	--	--	--	X	X							2
Denler	X	--	x	X	X							4
Dixon	--	--	--	--	--							0
Gompers	X	--	--	X	X							3
Johnson	X	--	X	--	X							3
Kimble	X	X	--	X	X							4
Lau	X	--	--	--	--							1
Lindow	Phone	--	--	--	--							1
Miller	X	X	X	X	X							5
Morgan	--	--	--	--	Resigned							0
Peterson	X	--	--	X	X							3
Rabbideau	Phone	--	--	X	Phone							3
Schroeder	X	X	--	X	X							4
Snider	X	--	--	X	X							3
Turman	--	--	--	--	X							1
Utley	Phone	--	--	X	X							3
Wallace	--	--	--	--	--							0
Ex-Officio												
Ball	X	X	X	X	X							5
Myers	X	X	X	X	X							5

Foundation Staff:

Ms. Bobie Clement, Ms. Debbie Smith and Ms. Avni Thomas

Guests:

Ms. Meagan Matthews, Ms. Pat Cole

Welcome and Call to
Order

Mr. Gompers called the meeting to order at 1:35p.m., followed by prayer.

1. Chairman's Report

Approval of the February 6, 2018 Minutes from Regular Board of Directors Meeting –

A MOTION WAS MADE BY Mr. Bob Schroeder AND SECONDED BY Mr. Bob Peterson TO APPROVE the meeting minutes from the February 6, 2018 Regular Board of Directors Meeting.

PASSED UNANIMOUSLY.

Approval of New PVMF Board Member Paul Hubbard

A MOTION WAS MADE BY Mr. Bob Peterson AND SECONDED BY Ms. Donna Snider TO APPROVE to approve Paul Hubbard as PVMF Board Member.

PASSED UNANIMOUSLY.

Mr. Kimble asked if Pat Cole was also being approved for membership. Mr. Miller indicated not at this time, she will be applying in the near future.

Denise Turman – Thank You

Mr. Gomper announced Mrs. Denise Turman will be leaving the board as she and Kevin are moving to California. He thanked her on behalf of the board for her years of service to the PVMF Board.

Friends and Family Update

- 2018 Goal: \$100,000
- Raised: \$129,000
- 585 individual donors; 135 first time donors
- Ms. Clement indicated a change this year was most villages raised funds for general use with only a few for specific projects

PVMF 990 Form 2017 Review and Approval Update

The 990 is not yet available and will be emailed out to all board members when completed for review.

2. PVMF Gala, 21
Weeks & Counting

PVMF Gala, 21 Weeks & Counting (Mr. Schroeder)

- Committee met for first time this year in May
- Theme: ***Play Ball!***
- Venue: Henry Ford Museum of American Innovation, Thursday, November 8, 2018, 7:00p.m.
- Co-Chairs: Tom & Dede Kimble and Pete Kurrie from Aileron
- Goal: Gross \$300,000 and have attendees know more about PVM before evening is over
- New committee this year: WOW Committee
- Super Raffle will be underwritten by PVMF Board. Mr. Schroeder will email board members outlining the details for donations.
- Sponsorships & tickets now available. Ticket price raised to \$300 each this year. Morrison Community Living again Presenting Sponsor of \$25,000.
- Room layout will be changed to more open space (no Christmas tree) with improved stage area and sound system. Board member asked to join any committee if interested.

3. President's Report

President's Report (Mr. Miller)

PVMF Executive Summary

- PVMF ahead of budget through April.
- Raised \$427,000 YTD
- Grant Projections - Midland-Strosacker Foundation – turned down \$500,000 and suggested a smaller ask next time about \$125,000.
- Midland Foundation & Gerstacker turned us down also.
- Herbert & Grace Dow Foundation – submitted grant and have not heard yet. Dow Foundation is aware of good work of MI Masonic and PVM Foundation. They toured Thome Rivertown & suggested we get more involved in community. We asked Dave Buzzelli, Harbor Springs resident, to reach out to Dow Foundation on our behalf. Send PVMF board members names of Dow Foundation board
- Pg. 19 amount of board giving – last year at 78%, already at 82% for this year; primarily due to Bill Ball's idea of Board Giving Month in March. Hampton Meadows increased from 0% to 100% this year.

Marguerite Nolan Bequest

- PVMF beneficiary of Village of East Harbor resident bequest through a relationship with Gary Gendernalik; approximate \$800,000 bequest. No plan to complete capital campaign with this gift, \$160,000 left to raise.

Village Victory Cup

- Postcard went out last week to 1st time donors in last 6 months to raise awareness of program and encourage to give another gift.
- Board members can be Honorary Captains, June 22nd at 10:30 in Novi at Suburban

Showplace. Board members polled for availability in attending. Denise Turman mentioned that BCBS approved volunteer opportunity for employees for VVC this year. Have approximately 280 residents, 150 volunteers and 50 staff participating.

- Thank you to Paul Hubbard and Denise Turman for VVC donations.

Donor Society Luncheon Recap

- Donors appreciated nice setting.

Thome Rivertown Celebration/Open House

- June 20th 4:30-6:30pm on rooftop deck. Partner with UMRC, Henry Ford Health System, PACE SE Michigan. Underwritten by Capital Impact Partners. Miriam Nolan from CFSEM speaking and Kevin Ryan from Henry Ford attending.

PVM Update (Roger Myers)

- Thank you Donna Snider for personal support and Kresge match.
- Mark Wallace spent time last week presenting to Executive Team about work of Riverfront Conservatory and why he serves on PVMF board.
- Thank you Denise Turman for getting BCBS involved in VVC volunteer opportunity.
- Thank you Bob Peterson for visiting Larry Beck.
- PVM board approved management to enter into a new agreement in Onaway effective August 1st at Lynn Street Manor with 60 subsidized apartments.
- PACE Central Michigan in Mount Pleasant opening in September. Building almost complete.
- Looking for compatible/sustainable ideas for ground floor at Thome Rivertown-Weinberg Greenhouses. If you have any thoughts or suggestions please forward to Roger, Brian or Paul.
- Took over operations of Vista Grand Villa February 1st. Paul and Roger meeting to discuss fundraising.
- PVM now manages 7 villages, 32 total PVM owns or manages.

Staffing Update

- Paige Vanzo had baby girl in April.
- Delliah Moore left PVM in February; Valerie Stokes came back and filled in. Paul and Roger not sharing an assistant anymore. Debbie Smith picking up board responsibilities.
- Bobbie Clement expecting baby girl in September.

4. Donor Stewardship

Handwritten thank you notes by PVMF Board members: (Ms. Clement)

- Board members prepared individual thank you notes to donors who gave at least 2+ gifts to PVM in 2016 & 2017 of \$50+.

5. Board Generative Discussion

PVMF Strategic Plan Task Forces

- Paul lead discussion along with task force chairs.
- Tom Kimble – Board Giving Task Force: Many board members engaged and involved. He thanks team members for coming up with creative and innovative ideas. Bill Ball suggested and helped implement March Board Giving Month. Task force found village boards did not really know about fundraising. Goal to ask governance team members to encourage and communicate with board chairs to fix the process. A list of village board chairs and meeting dates created and a member will be assigned to go out to those 33 meetings to describe the needs and how they can be successful. Foundation needs to do a better job of communicating. Also putting a survey together for all board members. What's in it for villages: 1) create a \$1M endowment campaign at corporate level to give back to villages; 2) 25 village endowment campaign \$25-30,000 back to them as grants of \$1,500 annually (handouts pages 32 & 33).
- Jim Gompers – Leadership Giving Task Force: Page 34 identifies who to ask. Be proud of what we are doing and respectful of what doing, don't back down. Seek organizations that can advise like AFP; also ask other friends and family.
- Henry Johnson – Improve Campaign Planning: What is impactful in conjunction with other

	<p>committees? Need a road map to determine if fits strategic plan, high value, high impact, short and long term, such as grandparents raising grandchildren. Revisit Mission Economic Return grid. Suggested team chairs get together in addition to board meeting.</p> <ul style="list-style-type: none"> • Bob Peterson – Donor Loyalty: Met once and looked at people already giving to PVM. Next meeting look at different categories, how do we contact, acknowledgment process done well, need to contact others rather than asking again for gifts, learn from what we are doing or not doing. Paul and staff calling donors and finding donors really do not know what the Foundation is doing. Trying to change messaging and newsletter content. • Bob Schroeder – Engaging Staff and Volunteers: Task force consists of two board members and several staff. Meeting objectives set – staff runs quite the gamut from CEO to village staff with generally management staff giving the most – 22%. Volunteers at villages are mostly board members but some villages have volunteers 4-5 times a week. Need to communicate to volunteers and staff the importance of PVM mission. Level of giving seems to decrease with merit increase change. Will be concentrating on staff and volunteers who are not board members. Need to have robust volunteer opportunities and know grass root opportunities at both corporate and village level if someone comes through the door and asks. • John Denler – Planned Giving/Bequest: Had two meetings. Goal to increase Calvin membership from 75 to 125, only 48 left to go thanks to Denler's bequest. Donors become Sterling Society members when they reach \$50,000 cumulative giving. Staff can have PVM be life insurance beneficiary. Look at East Harbor, Harbor Springs and Westland residents for estate planning Write thank notes since everyone is potential large bequest and ask to consider PVM in estate (inverted pyramid Page 35). Establish an education process to move people along. Letters to consistent donors with specific language to certain populations, touch on areas of interest, strengths, and transparency, play off of legacy that could be left to PVM. Due to changes in privacy we do not know as much about residents capacity as used to.
6. Treasurer's Report	<p><u>Treasurer's Report (Mr. Carnaghi)</u></p> <ul style="list-style-type: none"> • Pg. 37-38 Review of management of advances. • Pg. 40-41 Motion to reestablish LOC in case of need – repayment triggers at \$500,000. Bob Peterson suggested rewording resolution to trigger payments as borrowed 1/12 month instead of when maximum is reached. Donna Snider ask if any covenant is needed-can we deny to advance funds? Executive Committee can make approvals with access to \$1.5M without additional approval. Jim Gompers gave brief history of borrowing-Foundation supported the operations of PVM with no repayment plan. Bob Peterson indicated Foundation is here to support PVM and PVM supports seniors. Tom Kimble suggested that repayment should be within 12 months. Roger Myers has responsibility to bond holders. Bob Schroeder mentioned there is an annual review of LOC with and interest charge current at 8% even on FA. <p>MOTION MADE BY <u>BOB SCHROEDER</u> AND SECONDED BY <u>TOM KIMBLE</u> TO APPROVE motion as written with revision to: A minimum of 1/12 of balance due will be paid monthly to PVMF by PVM operating cash as borrowed.</p> <p>PASSED UNANIMOUSLY.</p> <ul style="list-style-type: none"> • Suggestion from Investment Committee to raise from 6 to 7½% the limit in holding equity fund.
7. Executive Session	<p><u>No Executive Session</u></p>
Adjournment	<p>The meeting was adjourned at 4:10 p.m. to The Pub for board reception.</p>

Debbie Smith
Recording Secretary

Donald Lindow
Secretary

NEXT MEETING: PVMF Board Meeting; October 9, 2018 (Tuesday), The Park at Trowbridge,
Southfield, MI

**Presbyterian Villages of Michigan Foundation
2019 BOARD OF DIRECTORS MEETING DATES &
OTHER IMPORTANT EVENT DATES**

NOTE: Board meetings will be held at PVM Home Office/PVM Villages location

Per meeting discussion in coordination with the Finance Committee, PVM Corporate Board and PVM Foundation Board the dates listed below follow the PVM Corporate Board and the Finance Committee meetings.

Call-in to join this meeting: 1-800-704-9804; participant code 39554427#

Below are the Foundation board meeting dates and other event dates.

- January 29 (Tuesday); PVM Foundation Board; 11:30 a.m., PVM Home Office, Southfield, MI
- June 11 (Tuesday); PVM Foundation Board; 11:30 a.m., Fountains on Franklin, Southfield, MI
- October 8 (Tuesday); PVM Foundation Board; 11:30 a.m., The Village of East Harbor, Chesterfield, MI
- December 3 (Tuesday); PVM Foundation Board; 11:30 a.m., PVM Home Office, Southfield, MI

Other PVM & PVM Foundation Events

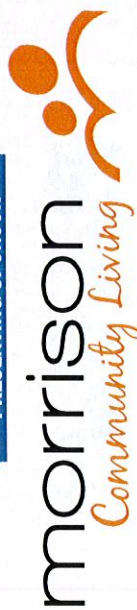
- February 2019 – TBD Winter Governance Summit (Date/Time/Location to TBD)
- August 2019 – TBD Summer Governance (Date/Time/Location to TBD)
- September 2019 - Leadership Advance (Date/Time/Location to TBD)
- November 2019 - PVMF Gala (Date/Time/Location to TBD)

**PVMF GALA,
4 WEEKS &
COUNTING
(Mr. Kimble)**

Tab 2

- Our Sponsors -

PRESENTING SPONSOR



VILLAGE PARTNER SPONSOR



VILLAGE TRENDSETTER SPONSORS

Aileron, Ltd.	Kitch Drutchas Wagner
Bill & Marcia Ball	Valitutti & Sherbrook
Braun Construction Group	Lau & Lau Associates
Dickinson Wright PLLC	Roger & Tammy Myers
Gompers, Cornish & Barr	Plante Moran, PLLC
Huntington National Bank	Security 101

GALA EVENING SPONSORS

Fusco, Shaffer & Pappas, Inc.
Giffels Webster

OFFICIAL MEDIA SPONSOR



15TH ANNUAL GALA EVENT



- Play Ball! -

THURSDAY, NOVEMBER 8, 2018 - 7 P.M.



THE HENRY FORD MUSEUM OF AMERICAN INNOVATION

Spend Thursday November 8 in great company at a great party! You'll help provide things like *transportation*, *emergency assistance* and *safe, quality housing* for Michigan's older adults!

Book a Room

Special room rates available at:

The Dearborn Inn, A Marriott Hotel

20301 Oakwood Blvd.
Dearborn, MI 48124
\$149/night when you mention
the PVM Gala

Call (800) 228-9290 to reserve your
room by October 26.

Best Western Greenfield Inn

3000 Enterprise Dr.
Allen Park, MI 48101
\$79/night a (1) King bed or
\$84/night for (2) Queen beds

Call (313) 271-1600 to reserve
your room by October 26.

Mention PVM Gala when booking!

15TH ANNUAL GALA EVENT

-Play Ball!-

THURSDAY, NOVEMBER 8, 2018

The Henry Ford Museum of American Innovation
20900 OAKWOOD BLVD. • DEARBORN, MI 48124

- EVENT CO-CHAIRS •
Tom & Diandra Kimble
Peter Kurrie
- EVENT ENTERTAINMENT •
The Sugar Snaps

• ARRIVAL •

Cocktail Attire

Complimentary valet provided
(at clock tower entrance)

The event kicks off with
strolling dinner at 7:00 p.m.,
program at 8:00 p.m.!

• TICKETS* •

All Tickets - \$300

*No tickets will be issued

Reserved names will be on
guest checklist upon arrival

Estimated Fair Market Value:
\$125/ticket

REPLY TODAY!

Thank You FOR BEING THERE FOR MICHIGAN SENIORS!

To learn more about Presbyterian Villages of Michigan
Foundation, please call 248.281.2040 or go to pvmf.org.

You're making Michigan a better **THE BEST** place to age!



Presbyterian
Villages
OF MICHIGAN
THE FOUNDATION

15TH ANNUAL GALA EVENT



- Play Ball! -

THURSDAY, NOVEMBER 8, 2018 7:00pm



THE HENRY FORD MUSEUM OF AMERICAN INNOVATION

PRESENTED BY

morrison
Community Living



15th Annual Gala PVM Foundation Gala

Play Ball!

Thursday, November 8, 2018 ♦ The Henry Ford Museum, Dearborn, MI

GALA/RAFFLE CONTRIBUTION FORM

☒ Item (as it should be listed): _____ Cash Donation Toward Grand Slam Prize:

Estimated Fair Market Value: \$ _____ \$ _____

Please list me/us the following way in your event materials:

Name: _____

Company: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail: _____ Contact: _____

☐ Please send invoice to the above address.

☐ Check(s) payable to: **PVM Foundation**

☐ Pay by credit card: ☐ Visa ☐ MasterCard ☐ Discover ☐ American Express
Credit Card Type: ☐ Personal ☐ Business

Card Number: _____

Exp. Date: _____ Amount: \$ _____

Name (as it appears on card): _____

Billing Address: _____
(if different from above) Address City State Zip

Signature: _____

Please complete the above form and mail to: **PVM Foundation, 26200 Lahser Road, Suite 300, Southfield, MI 48033** or email to dsmith@pvm.org or fax to 248.281.2080.

For more information or questions, please contact Debbie Smith at 248.281.2042.

Thank you for supporting older adults!



DONOR STEWARDSHIP

(Ms. Smith)

Tab 3

BOARD GENERATIVE DISCUSSION

**(Task Force Chair/
Mr. Miller)**

Tab 4

Presbyterian Villages of Michigan Foundation

Strategic Directions and Initiatives 2018-2022: SIDE

- I. **Strengthen Donor Loyalty** *(Increasing and strengthening donor loyalty through new approaches to enhanced communications.)*
 - 1.1: Rebalance and strengthen focus on partnerships with donors who give at a more significant level.
 - 1.2: Develop a better understanding of donor expectations and implement action strategies to meet or exceed them.
 - 1.3: Evaluate and revise the current PVM Foundation Mission Statement in 2018.
 - 1.4: Identify and implement methods to improve telling PVM stories that are compelling.
 - 1.5: Increase the number of first-time donors making a second gift from 145 (5-year average) to 190 donors.
 - 1.6: Continue to retain donors who have given consecutively for 3+ years.
- II. **Improve Campaign Planning** *(Continually scanning internal/external markets to proactively plan and determine PVM's major campaign needs requiring philanthropic support – in order to maximize charitable funds raised.)*
 - 2.1: Support high-value and high-impact initiatives, where the most important and transformational projects PVM can envision are targeted.
 - 2.2: Raise aspirations beyond transactional fundraising (i.e., special events).
- III. **Diversify the Fundraising Portfolio** *(Raising \$1.5M annually by expanding the individual, non-grant related donor base and reducing reliance on grant funding.)*
 - 3.1: Increase PVM system-wide Board giving by raising \$500,000 annually by 2022.
 - 3.2: Increase leadership giving (\$100,000+ donors) by raising \$750,000 annually by 2022.
 - 3.3: Develop new corporate giving initiatives in 2018.
 - 3.4: Raise at least \$7.5 Million by 2022 through grants.
 - 3.5: Increase Calvin Society (planned giving) membership from 75 to 125 members by 2022.
 - 3.6: Improve and increase technology, website and social media usage to reach a wider audience for fundraising purposes.
- IV. **Engage Volunteers and Staff in Philanthropy** *(Ensuring Board members and staff are involved in the fundraising process to achieve success.)*
 - 4.1: Ensure every PVM system-wide Board member is engaged in the fundraising process and champions the appropriate use of charitable funds to achieve success.
 - 4.2: Create an environment that supports high performance.
 - 4.3: Examine and consider leadership responsibilities, size and talent of the PVMF Board and staff.



PRESIDENT'S REPORT

(Mr. Miller)

Tab 5



PVM FOUNDATION EXECUTIVE SUMMARY

September 27, 2018

Overview as of August 31, 2018

PVMF STRATEGIC PLAN FUNDRAISING UPDATE (1-1-2018 through 8-31-2018)

Cash and Pledges:	\$ 1,285,120
CFSEM Gifts:	\$ 0
Unrealized Planned Gifts:	\$ 0
Federal Grants:	\$ 0
Earned Income*:	\$ 84,978
TOTAL RAISED:	\$ 1,370,098
GOAL THROUGH 2022:	\$15,000,000
AMOUNT TO GOAL:	\$13,629,902

2018 Progress through August 31, 2018

Cash and Pledges:	\$ 1,285,120
CFSEM Gifts:	\$ 0
Unrealized Planned Gifts:	\$ 0
Federal Grants <i>(none budgeted for 2018):</i>	\$ 0
Earned Income*:	\$ 84,978
TOTAL RAISED:	\$ 1,370,098
GOAL THROUGH 2018:	\$ 2,690,000
AMOUNT TO GOAL:	\$ 1,319,902

**Thru July 2018*

Fundraising Update: Bay Connect/Northern Michigan

Goal: \$900,000

Amount Raised: \$321,140

Left to Raise: \$578,860

New Significant Gifts: None for this period.

Project/Fundraising Update *(looking forward)*:

- Submitting a second grant request to the Weinberg Foundation.
- The Hillside/Perry Farm Board to determine a yearly fundraiser.

Fundraising Update: The Village of East Harbor Health & Wellness Center

Goal: \$2.1 Million

Amount Raised: \$1,933,709

Left to Raise: \$166,291

New Significant Gifts:

- None for this period

Project/Fundraising Update (*looking forward*):

- Approaching a major gift prospect for a \$100,000 gift/pledge.
- Asking cottage owners for gifts to the campaign.

PLANNED GIVING UPDATE

New Significant Gifts:

- **\$900,000 – The Marguerite Nolan Estate**

Project/Fundraising Update:

- Highlighting planned giving donors Ron & Gillham in the fall edition of Your Giving Matters.
- Developing a tailored bequest letter to current donors and residents for 2019.

GRANT FUNDING UPDATE

New Grants Received \$171,000

\$150,000	Thome Foundation for Endowment Installment 2
\$15,000	Petoskey Harbor Springs Area Community Foundation pledge payment for Bay Connect
\$5,000	St. John's Episcopal Church, Harbor Springs for Bay Connect
\$1,000	First Presbyterian Church of Dearborn for Benevolence

Grants Pending \$2,095,000

\$1,500,000	Harry & Jeanette Weinberg Foundation for University Meadows Expansion
\$350,000	Michigan Health Endowment Fund for PACE Central Michigan Students at PACE
\$160,000	Harry & Jeanette Weinberg Foundation for Bay Connect Year 2
\$50,000	Presbyterian Women USA for VEH Health & Wellness Center
\$35,000	First Foundation/First Presbyterian Birmingham for VEH Health & Wellness Center

Future Submissions \$6,130,000

\$5,000,000	Thome Memorial Foundation
\$500,000	Kresge Foundation
\$500,000	Richard & Jane Manoogian Foundation
\$100,000	Charles Stewart Mott Foundation
\$15,000	Petoskey-Harbor Springs Area Community Foundation
\$15,000	Kirk in the Hills

OPERATIONS

Operating (expenses) Budget Update:

- Through August 2018, PVM Foundation departmental expenses are \$66,987 under budget, due to an open position, and the timing of event expenses.

Updates:

- 2018 IRS Form 990 is in progress.
- 2019 budgeting began September. Pending a few details from Finance, next step is to submit the budget for first review

SPECIAL EVENTS

Please mark your calendars!

- **15th Annual PVMF Gala “Play Ball!” Thursday, Nov. 8th** – Henry Ford Museum of American Innovation. **Raffle donations needed!**
 - **Please donate liquor & spirits** (whiskey, vodka, tequila, etc.): 10-12 bottles needed
 - **Please donate \$25+ gift cards** (restaurants, retail, entertainment, etc.): 60-80 cards needed

UPCOMING MAILINGS

- The yearend direct mail solicitation to current donors will mail in late November.
- ***Your Giving Matters Newsletter*** issue #4 of 4 to mail in late October.

CHURCH RELATIONS UPDATE

- Researching churches to visit and pursue as prospective donors, including those near Villages.
- Stewarding gifts from Kirk in the Hills, Grosse Ile Presbyterian and Grosse Pointe Memorial Church.
- Submitting request to First Foundation/First Presbyterian Birmingham and Kirk in the Hills in late 2018.

GIVING PERCENTAGE/DONOR UPDATE

BOARD GIVING: 83%

MANAGEMENT GIVING: 82%*

EMPLOYEE GIVING: 13%

DONOR BASE TO-DATE: 887

NEW DONORS TO-DATE: 215

RETURNING DONORS TO-DATE: 672

Board Giving Detail (*as of August 31, 2018*)

Board	% Giving	# of Total Board Members
PVM Foundation	94%	17
PVM Corporate	94%	18
East Harbor	100%	13
Redford	83%	6
Westland	89%	9
Bethany Manor	88%	8
Brush Park/Woodbridge Manor	77%	13
Hampton Meadows	100%	5
Harmony Manor	67%	9
Hartford Village	83%	6
Hillside/Perry Farm	64%	11
Holly Woodlands	100%	7
Mill Creek	100%	7
Oakland Woods	89%	9
Oakman Manor	83%	12
Our Saviour's Manor	89%	9
Peace Manor	80%	5
Rosebush	80%	15
Sage Grove	50%	4
Spring Meadows	67%	6
St. Martha's	92%	13
Thome Rivertown Neighborhood^	100%	4
Warren Glenn	33%	3

*Board and Management Staff giving not expected until after 90 days of membership

^UMRC representatives not included, only PVM members

GRANT ALLOCATIONS UPDATE

	Grants Awarded in 2018	2017 Grant Dollars Rolled Over
Bethany Manor	\$ -	\$ 2,000
Resident Activities	\$ -	\$ 2,000
East Harbor	\$ 277,400	\$ 601,636
Chapel expenses	\$29,000	\$ 23,000
2 Christmas floral arrangements	\$ -	\$ 113
Health and Wellness Center & \$248,400 for Cameron Café	\$ 248,400	\$ 578,523
Hampton Meadows	\$ -	\$ 2,000
Resident Activities	\$ -	\$ 2,000
Harmony Manor	\$ -	\$ 8,075
Resident Activities	\$ -	\$ 3,075
Resident and Village activities	\$ -	\$ 5,000
Hartford Village	\$ -	\$ 10,684
CFSEM grant to cover service coordinator	\$ -	\$ 10,684
Hillside	\$10,735	\$ 362,975
Bay Connect	\$ 120	\$ 320,970
Resident Activities	\$ -	\$ 4,000
\$5,000 grant from Henry and Consuelo Wenger Fdn for sound baffling panels, printers, garden	\$ 7,815	\$ 34,517
\$2,800 from PHSACF Apr 2018 grant	\$ 2,800	\$ -
\$3,782.25 from 2017 F&F for outdoor improvements	\$ -	\$ 3,488
Holly Woodlands	\$ -	\$ 10,236
Resident Activities	\$ -	\$ 2,835
Technology F&F 2016	\$ -	\$ 7,401
Michigan Masonic Home	\$ 675,000	\$ -
Weinberg grant for PACE Central MI	\$ 675,000	\$ -
Mill Creek	\$ -	\$ 1,000
Resident Activities	\$ -	\$ 1,000
Oakland Woods	\$25,552	\$ 623
CGA received in 2017	\$ 4,357	\$ -
Gift from Kirk in the Hills reallocated from sidewalk repair to tree replacement	\$ 13,500	\$ -
Annual Westerman Funds for Resident Activities	\$ 7,695	\$ 623
Oakman Manor	\$ 6,903	\$ 1,188
Village Improvements	\$ 1,972	\$ -
2018 F&F = \$4,531	\$ 4,931	\$ 852
Transportation for residents	\$ -	\$ 336
Our Saviour's Manor	\$ 2,921	\$ 2,300
Resident Activities	\$ 121	\$ 384
Wireless Access in Common Areas (\$2800 MNA grant + \$1605.60 F&F 2017 + \$1,350 OSM Share the Care 2017)	\$ 2,800	\$ 1,916
Peace Manor	\$ 10,728	\$ 2,304
Resident Activities	\$ 3,036	\$ 104
VVC practice equipment	\$ 382	\$ -
General Village Activities - dance classes, VVC equipment	\$ 7,310	\$ -

Resident Outdoor and Community Room Enhancements	\$ -	\$ 2,200
Perry Farm Village	\$14,131	\$ 21,885
Resident Benevolence	\$ 4,800	\$ 15,885
Facility Improvements	\$ 1,269	\$-
Kitchen upgrade	\$ -	\$ 6,000
Gifts to PFV general gift fund	\$ 8,062	\$-
Redford	\$ 2,323	\$ 74,050
Resident Wellbeing	\$ -	\$ 10,050
VVC practice equipment	\$ 287	\$-
Resident Transportation	\$ -	\$ 4,000
Resident Activities & Grounds Improvement	\$ -	\$ 10,000
Grounds Improvement	\$ -	\$ 50,000
Resident Activities (holiday luncheon, movies, resident council)	\$ 2,037	\$-
Rosebush	\$15,500	\$ 39,419
Fire Suppression System Upgrade	\$ -	\$ 39,327
F&F 2018 for general projects	\$15,000	\$-
\$500 donor designated	\$ 500	\$92
Sage Grove	\$ 956	\$ 1,293
Resident Activities	\$ 464	\$ 1,293
Wellness Grant for Chair Exercise Training	\$ 492	\$-
St. Martha's	\$ -	\$ 14,886
Resident Activities	\$ -	\$ 1,011
Raised Garden Bed	\$ -	\$ 547
for Village Activities and Improvement		\$ 4,754
Outdoor Living	\$ -	\$ 3,820
Village Activities and Improvement	\$ -	\$ 4,754
Warren Glenn	\$ -	\$ 9,772
F&F 2018 celebration	\$ -	\$ 9,772
Wellness	\$ 126,565	\$ 17,750
Fall Risk Reduction		\$ 17,750
Web-based system for VVC	\$15,000	
VVC expenses paid by sponsorships	\$11,565	\$-
MHEF grant to develop Caregivers Best Friend app	\$ 100,000	\$-
Woodbridge	\$ 492	\$ 522
Resident Activities	\$ 492	\$ 522
Grand Total	\$ 1,169,207	\$ 1,184,599

PVM Foundation Executive Summary
October 2018 Meeting
Financial Statement Highlights

The market value of Cash and Investments at August 31, 2018 was \$13,817,000. This is a net increase of \$848,000 from December 31, 2017. Items to note:

- \$1,000,000 Pledge Receivable at December 31, 2017 was received from the Harry and Jeanette Weinberg Foundation (Weinberg Grant)
- \$675,000 of Weinberg Grant disbursed to Michigan Masonic Home for investing in PACE Central Michigan
- \$220,000 of Weinberg Grant disbursed to PVM for investing in PACE Central Michigan
- (\$100,000) of the Weinberg Grant was kept by PVMF as Fundraising Management Fees
- \$250,000 Pledge Receivable at December 31, 2017 was received for the East Harbor Cameron Café
- \$204,000 Disbursed for Village of Redford Bond Payments from Pratt Funds
- \$195,000 Disbursed to East Harbor and Westland for Benevolence
- \$130,000 Raised for Friends and Family
- \$100,000 Contribution received from the Michigan Health Endowment Fund
- \$ 75,000 Contributions (large gifts) received for the East Harbor Health and Wellness Project
- Unrealized and realized gains/ (losses) reinvested in portfolio.

The decrease in PVMF Net Assets from all funds of \$26,000 through year to date August 31, 2018, is \$1,145,000 less than budgeted expectations; primarily due to \$430,000 more in Contributions than budgeted, gains in Adjustments to Market and Sales of Assets and the timing of grant disbursements.

Other Items of Note:

Unrestricted Funds

- Contributions \$670,000 greater than budget
- Salaries \$24,000 less than budget primarily due to maternity leaves and changes in personnel
- Consultant Expense \$10,000 greater than budget due to new contracts
- Unrealized Gain/ (Loss) on Investments \$180,000 (no budget on unrealized gains/(losses)
- Realized Gain/(Loss) on investments \$266,000 greater than budget
- East Harbor was notified of a bequest of approximately \$600,000 in March 2018, which was recorded at 6/30/18 (Subsequently (Sept 2018), \$900,000 was actually received).

Temporarily Restricted Funds

- Contributions \$240,000 less than budget
- Unrealized Gain/(Loss) on Investments \$49,000 (no budget on unrealized gains/(losses)
- Realized Gain/(Loss) on investments \$91,000 greater than budget
- Grant payments \$123,000 less than budgeted due to timing of work and payments

Presbyterian Villages of Michigan Foundation

Balance Sheet

	8/31/2018	12/31/2017
ASSETS		
Cash	\$601,092	\$320,514
Accrued Interest Receivable	\$65,483	\$57,544
Pledges Receivable-Current	\$447,449	\$1,312,449
Investments	\$13,216,716	\$12,649,251
Beneficial Interests	\$224,083	\$223,139
Beneficial Interests-Other	\$58,520	\$58,520
Pledges Receivable-Non Current	\$1,457,595	\$1,424,501
Loan Receivable-Perry Farm	\$0	\$0
Capital Purchases	\$0	\$0
Miscellaneous Assets	\$4,800	\$4,800
Prepaid Assets	\$1,610	\$1,610
Other Receivables	\$0	\$583
Total ASSETS	<u>\$16,077,348</u>	<u>\$16,052,911</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$84,222	\$42,216
Due to PVM	\$84	\$0
Accrued Payroll	\$41,338	\$32,479
Liability Under Split Interest Agreements	(\$11,588)	(\$11,198)
Due To/From Interfund	\$0	\$0
Total LIABILITIES	<u>\$114,056</u>	<u>\$63,497</u>
NET ASSETS		
Unrestricted Funds	\$7,273,497	\$6,563,922
Temporarily Restricted Funds	\$4,421,961	\$3,098,865
Permanently Restricted Funds	\$4,267,834	\$4,326,628
Total NET ASSETS	<u>\$15,963,292</u>	<u>\$15,989,414</u>
Total LIABILITIES AND NET ASSETS	<u>\$16,077,348</u>	<u>\$16,052,911</u>
BEGINNING BALANCE WITH CURRENT YEAR ADJUSTMENTS		
	\$15,989,414	\$14,250,607
NET SURPLUS/(DEFICIT)		
	(\$26,123)	\$1,738,807
ENDING FUND BALANCE		
	<u>\$15,963,292</u>	<u>\$15,989,414</u>

Presbyterian Villages of Michigan Foundation

Income Statement

	8/1/2018 8/31/2018 ACTUAL	8/1/2018 8/31/2018 BUDGET	Variances	1/1/2018 8/31/2018 BUDGET	Variances	2018 ANNUAL BUDGET
UNRESTRICTED FUNDS						
UNRESTRICTED FUNDS OPERATING						
OPERATING REVENUES						
A CONTRIBUTIONS	\$79,562	\$70,000	\$9,562	\$839,517	\$669,517	\$460,000
FUNDRAISING MANAGEMENT FEE REVENUE	\$1,158	\$7,500	(\$6,342)	\$43,444	(\$25,556)	\$199,000
B GRANT ALLOCATIONS/MATCHING FUND TRANSFERS	\$0	\$0	\$0	(\$76,749)	(\$76,749)	\$0
F INVESTMENT INCOME	\$12,002	\$16,667	(\$4,665)	\$264,569	\$81,236	\$300,000
Total OPERATING REVENUES	\$92,721	\$94,167	(\$1,445)	\$1,070,781	\$648,448	\$959,000
OPERATING EXPENSES						
G FOUNDATION OPERATIONS	\$57,143	\$59,007	\$1,864	\$492,709	\$561,561	\$854,617
H OTHER UNRESTRICTED	\$0	\$0	\$0	\$22,507	\$3,500	\$7,000
L GRANTS-EQUIPMENT	\$0	\$0	\$0	\$9,000	\$0	\$0
P GIFTS AND GRANTS	\$2,925	\$0	(\$2,925)	\$481,570	\$477,019	\$777,019
Total OPERATING EXPENSES	\$60,068	\$59,007	(\$1,061)	\$1,005,786	\$1,042,080	\$1,638,636
Total UNRESTRICTED FUNDS OPERATING	\$32,654	\$35,160	(\$2,506)	\$64,995	\$684,741	(\$679,636)
UNRESTRICTED FUNDS NON-OPERATING-REVENUES						
D 4805-050-01 ADJUSTMENT TO MARKET VALUE	\$137,730	\$0	\$137,730	\$179,654	\$179,654	\$0
E 4820-050-01 GAIN ON SALES OF ASSETS	\$52,976	\$25,000	\$27,976	\$466,173	\$266,173	\$300,000
E 5822-910-01 CHANGE IN ACTUARIAL VALUE - PVM GIFT AN	\$0	\$0	\$0	(\$944)	\$944	\$0
Total UNRESTRICTED FUNDS NON-OPERATING-REVENUES	\$190,705	\$25,000	\$165,705	\$646,771	\$446,771	\$300,000
UNRESTRICTED FUNDS NON-OPERATING-EXPENSES						
F 5681-910-01 AMORTIZATION EXPENSE	\$274	\$274	\$0	\$2,191	\$2,192	\$3,288
Total UNRESTRICTED FUNDS NON-OPERATING-EXPENSES	\$274	\$274	\$0	\$2,191	\$2,192	\$3,288
Total UNRESTRICTED FUNDS	\$223,085	\$59,886	\$163,200	\$709,575	\$1,131,514	(\$382,924)
TEMPORARILY RESTRICTED FUNDS						
REVENUES						

Presbyterian Villages of Michigan Foundation

Income Statement

	8/1/2018 8/31/2018 ACTUAL	8/1/2018 8/31/2018 BUDGET	Variances	1/1/2018 8/31/2018 ACTUAL	1/1/2018 8/31/2018 BUDGET	Variances	2018 ANNUAL BUDGET
A CONTRIBUTIONS	\$17,135	\$75,000	(\$57,865)	\$449,975	\$690,000	(\$240,025)	\$1,990,000
B GRANT ALLOCATIONS/MATCHING FUND TRANSFERS	\$0	\$0	\$0	\$138,360	\$0	\$138,360	\$0
D UNREALIZED GAINS AND LOSSES	\$40,032	\$0	\$40,032	\$49,401	\$0	\$49,401	\$0
E REALIZED GAINS AND LOSSES	\$9,941	\$0	\$9,941	\$91,301	\$0	\$91,301	\$0
F INVESTMENT INCOME	\$2,252	\$3,333	(\$1,081)	(\$165,340)	(\$23,333)	(\$142,007)	(\$60,000)
CHANGE IN PLEDGES DISCOUNT	\$0	\$0	\$0	(\$4,535)	(\$15,000)	(\$10,465)	(\$30,000)
Total REVENUES	\$69,360	\$78,333	(\$8,973)	\$559,162	\$651,667	(\$92,505)	\$1,900,000
EXPENSES							
H OTHER	\$0	\$583	\$583	(\$6,513)	\$14,667	\$21,180	\$27,000
J GRANTS-WELLNESS	\$281	\$4,708	\$4,428	\$11,143	\$37,667	\$26,524	\$56,500
K GRANTS-EQUIPMENT	\$0	\$0	\$0	\$378,820	\$387,820	\$9,000	\$639,820
N GRANTS-OTHER PROGRAM EXPENSES	\$70,802	\$42,916	(\$27,885)	\$781,672	\$883,331	\$101,659	\$1,055,000
O GRANTS-BENEVOLENCE	\$5,549	\$1,000	(\$4,549)	\$21,800	\$8,000	(\$13,800)	\$12,000
P GIFTS AND GRANTS	\$5,150	\$0	(\$5,150)	\$5,700	\$0	(\$5,700)	\$0
FUNDRAISING MANAGEMENT FEES	\$1,158	\$7,500	\$6,342	\$43,444	\$69,000	\$25,556	\$199,000
Total EXPENSES	\$82,939	\$56,708	(\$26,231)	\$1,236,066	\$1,400,484	\$164,418	\$1,989,320
Total	(\$13,579)	\$21,625	(\$35,205)	(\$676,904)	(\$748,817)	\$71,913	(\$89,320)
Total TEMPORARILY RESTRICTED FUNDS	(\$13,579)	\$21,625	(\$35,205)	(\$676,904)	(\$748,817)	\$71,913	(\$89,320)
PERMANENTLY RESTRICTED FUNDS							
REVENUES							
A CONTRIBUTIONS	(\$9,390)	\$0	(\$9,390)	\$17	\$0	\$17	\$0
GRANT ALLOCATIONS/MATCHING FUND TRANSFERS	\$0	\$0	\$0	(\$58,811)	\$0	(\$58,811)	\$0
Total REVENUES	(\$9,390)	\$0	(\$9,390)	(\$58,794)	\$0	(\$58,794)	\$0
EXPENSES							
H OTHER	\$0	\$0	\$0	\$0	\$50	\$50	\$100
Total EXPENSES	\$0	\$0	\$0	\$0	\$50	\$50	\$100

Presbyterian Villages of Michigan Foundation

Income Statement

	8/1/2018 8/31/2018 ACTUAL	8/1/2018 8/31/2018 BUDGET	Variances	1/1/2018 8/31/2018 ACTUAL	1/1/2018 8/31/2018 BUDGET	Variances	2018 ANNUAL BUDGET
Total	(\$9,390)	\$0	(\$9,390)	(\$58,794)	(\$50)	(\$58,744)	(\$100)
Total PERMANENTLY RESTRICTED FUNDS	(\$9,390)	\$0	(\$9,390)	(\$58,794)	(\$50)	(\$58,744)	(\$100)
BEGINNING FUND BALANCE	\$15,763,176	\$15,763,176	\$0	\$15,989,414	\$15,989,414	\$0	\$15,989,414
NET SURPLUS/(DEFICIT)	\$200,116	\$81,511	\$118,605	(\$26,123)	(\$1,170,805)	\$1,144,683	(\$472,344)
ENDING FUND BALANCE	\$15,963,292	\$15,844,687	\$118,605	\$15,963,292	\$14,818,609	\$1,144,683	\$15,517,070

Presbyterian Villages of Michigan Foundation

Statement of Cash Flows

As Of 8/31/2018

	<u>Actual</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
NET SURPLUS/(DEFICIT) FOR PERIOD	(\$26,123)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH	
PROVIDED (USED) BY OPERATING ACTIVITIES	
1162-000-01 Decrease in CURRENT PORTION OF SPLIT INTERES	\$0
1165-000-01 Decrease in CHARITABLE GIFT ANNUITY	\$0
1171-000-01 Decrease in REMAINDER TRUST - PCF	\$0
1172-000-01 Decrease in BENEFICIAL INTEREST - CFSM	\$0
1173-000-01 Decrease in BENEFICIAL INTEREST - PCF	\$0
1174-000-01 Increase in SPLIT-INTEREST AGREEMENTS - PVM	(\$944)
1175-000-01 Decrease in SPLIT-INTEREST AGREEMENTS - CFS	\$0
1176-000-01 Decrease in BENEFICIAL INTEREST - GASCHO TRU	\$0
1177-000-01 Decrease in CFSEM - GREEN HOUSE END	\$0
1178-000-01 Decrease in CFSEM - CHAPLAINCY FUND FOR PV	\$0
1179-000-01 Decrease in CFSEM - FAMILY CHAPLAINCY FUND	\$0
1180-000-01 Decrease in MISCELLANEOUS DONATED ASSETS	\$0
1216-000-01 Decrease in ACCOUNTS RECEIVABLE	\$0
1224-000-01 Decrease in A/R OTHER	\$583
1299-000-01 Decrease in RESERVE FOR DOUBTFUL ACCOUNT	\$0
1300-000-01 Decrease in PLEDGES RECEIVABLE	\$873,378
1301-000-01 Increase in ALLOWANCE FOR DOUBTFUL PLEDGE	(\$12,913)
1302-000-01 Increase in PLEDGES RECEIVABLE-LONG TERM	(\$33,094)
1303-000-01 Decrease in DISCOUNT ON PLEDGES RECEIVABL	\$4,535
1330-000-01 Increase in ACCRUED INTEREST RECEIVABLE	(\$7,938)
1340-000-01 Decrease in PREPAID INTEREST	\$0
1341-000-01 Decrease in PREPAID INSURANCE	\$0
1342-000-01 Decrease in PREPAID OTHER	\$0
2101-000-01 Increase in ACCOUNTS PAYABLE	\$48,426
2102-000-01 Increase in DUE TO/DUE FROM PVM	\$84
2103-000-01 Decrease in ACCOUNTS PAYABLE OTHER	(\$28,165)
2104-000-01 Increase in GRANTS PAYABLE	\$21,744
2125-000-01 Decrease in DUE TO/DUE FROM UNRESTRICTED F	(\$750,697)
2126-000-02 Increase in DUE TO/DUE FROM TEMPORARILY RES	\$676,904
2127-000-03 Increase in DUE TO/DUE FROM PREMANENTLY RE	\$58,794
2128-000-04 Increase in DUE TO/DUE FROM BOARD DESIGNATE	\$14,999
2163-000-01 Decrease in CURRENT PORTION OF SPLIT INTERES	(\$390)
2165-000-01 Decrease in ANNUITY PAYABLE	\$0
2166-000-01 Decrease in PVMF ANNUITY PAYABLE	\$0
2170-000-01 Decrease in DISCOUNT FOR FUTURE INTEREST	\$0
2221-000-01 Increase in ACCRUED PAYROLL	\$13,155
2222-000-01 Decrease in ACCRUED PAYROLL WITHHOLDINGS	(\$4,504)
2223-000-01 Increase in FICA EMPLOYER PORTION	\$208
3990-000-01 Decrease in NET ASSETS	\$0
3990-000-02 Decrease in NET ASSETS	\$0
3990-000-03 Decrease in NET ASSETS	\$0

Presbyterian Villages of Michigan Foundation

Statement of Cash Flows

As Of 8/31/2018

		<u>Actual</u>
3990-000-04	Decrease in NET ASSETS	\$0
	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$848,043</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
1213-000-01	A/R PERRY FARM LAND CONTRACTS	\$0
1214-000-01	A/R OBLIGATED GROUP	\$0
1219-000-01	A/R PVM LINES OF CREDIT	\$0
1725-000-01	COMPUTER SOFTWARE	\$0
1735-000-01	A/D COMPUTER SOFTWARE	\$0
1940-000-01	CAPITAL PURCHASES - CURRENT YEAR	\$0
	NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$0</u>
NET INCREASE/(DECREASE) IN CASH		\$848,043
CASH AND CASH EQUIVALENTS AS OF 1/1/2018		<u>\$12,969,765</u>
CASH AND CASH EQUIVALENTS AS OF 8/31/2018		<u>\$13,817,808</u>



Memo

To: Presbyterian Villages of Michigan Foundation Board
From: Paul J. Miller, CFRE, President, PVM Foundation
CC: Don House, Vice President of Finance, Presbyterian Villages of Michigan
Andre Davis, Vice President of Finance, Presbyterian Villages of Michigan
Date: October 9, 2019
Re: Uncollectible Pledge-Francile Anderson

According to the PVM Foundation Pledge Policy, pledges that have been determined uncollectible by PVM and PVM Foundation executive staff that total an amount greater than \$5,000, require PVM Foundation Board approval in order to be written-off. The total proposed amount to be written-off as of October 9, 2018 is \$5,000.

The following is the pledge that has been determined uncollectible:

Francine Anderson

Pledge Amount: \$5,000

Date: 5-18-2012

Write-Off Amount: \$5,000

Description: Francine Anderson made a \$5,000 temporarily restricted pledge to The Village of Oakland Woods in May 2012.

Ms. Anderson passed away September 22, 2013 with no payment having been made. Attempted to collect pledge balance from family without success.

Smith, Debbie

To: Clement, Bobie
Subject: RE: Ahern response part 2: Re: Hello from Detroit!

From: Tom Ahern [<mailto:a2bmail@aol.com>]
Sent: Thursday, July 19, 2018 12:32 PM
To: Clement, Bobie
Subject: Ahern response part 2: Re: Hello from Detroit!

Bobie...

I have only one thing to add, now that I've read all the way through.

WOW!

Keep telling these stories this well, this delightfully. I found myself full of smiles. I enjoyed getting to know people. Everything felt honest and respectful. The cover story is a tragedy with a twist: just fascinating. You've got something special here. I don't think I've ever seen one quite like this (that's a good thing; you've created your own voice).

Anyway, let's see what happens. As for scheduling our next phone meeting, I'm sure we can get something on the calendar. Momentarily, I have to run. But I'll get back to you shortly.

-- tom

"Tom Ahern ... is one of the country's most sought-after creators of fund-raising messages." – The New York Times, Nov. 2016

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TREASURER'S REPORT (Mr. Miller)

Tab 6

**Presbyterian Villages of Michigan Foundation (PVMF)
Treasurer's Report – One Page Executive Summary
For October 9, 2018**

From time to time, PVMF supports PVM through boutique financing and credit enhancement for key initiatives.

Current credit facilities used to assist PVM are as follows:

	Current Balance Owed 9/30/18	Forecasted Balance Owed 1/31/19
\$1M Facilities Advancement Line of Credit (LOC) for PVM, 3/2013	\$0	\$0
\$500,000 Operating Line of Credit (LOC) for PVM, 6/2018	\$0	\$0

The 2018 financial operating performance is contained in the President's report.

The overall performance of the investment portfolio through August 31, 2018 was 7.32%, which is above the benchmark performance of 4.66%. There have been no significant funds drawn and/or reinvested since the February 2018 report. \$900,000 towards a \$950,000 bequest to East Harbor was received in September 2018. These funds, net of PVMF 10% fee, were temporarily invested in the HNB MMAX in September, and will be primarily used in the East Harbor new independent living project as early as December 2018.

**Presbyterian Villages of Michigan Foundation (PVMF)
Treasurer's Report – Detailed Report and Related Motions
For June 12, 2018**

PVMF \$1 Million Line of Credit to PVM for Facilities Advancement

The LOC available to PVM Corporate at August 31, 2018 is \$1 million.

History of Actions Taken:

The PVMF Board approved the following:

- A \$1 million line to the PVM Corporate entity for facilities advancement purposes (3/2013), including rigor and due diligence around the request, approvals, and estimates of risk to paying the advance back.
- Approved continuation of FA LOC resolution (2/2015).
- Numerous loans have been draw and repaid since inception of the facility.

Recent History and Forecast of Line of Credit Activity:

	Initial Approval and Purpose	Withdrawal	Returned	Balance Available
				\$1,000,000

Motion – No action necessary. No attachment.

PVMF Line of Credit to PVM for General Operations of \$500,000

The LOC available to PVM Corporate at August 31, 2018 is \$500,000.

History of LOC for Operations:

The PVMF Board previously approved the following:

- Expanded use of FA LOC to cover operating costs of PVM and its affiliates (7/2009).
- Changed the reporting treatment of a grant to a LOC (5/2010).
- Increase LOC for operations to \$2M to cover current and projected needs of PVM (2/2011).
- Conversion of FA LOC to conversion for operations only (3/2013).
- Generative discussions on use of the LOC (6/2011, 2/2014, 4/2015).
- \$2 million in accumulated LOC advances were contributed to PVM Corporate as part of overall capital restructuring (4/2015).
- Re-establish LOC to PVM Corporate for \$500,000 (6/2018).

Recent History and Forecast of Line of Credit Activity:

	Initial Approval and Purpose	Withdrawal	Returned	Balance Available
				\$500,000

Motion – No action necessary. No attachment.

Investment Policy, Portfolio Performance, and Activities

The year to date August 31, 2018 performance was up 7.32%, net of fee adjustment, compared to the benchmark of 4.66%. There was a \$2,121,000 positive spread between market value and cost on August 31, 2018, up from \$1,810,000 at December 31, 2017. The market value at August 31, 2018 and 2017 was \$13,176,000 (including \$14,000 in the HNB MMAX account) and \$11,836,000, respectively, for an increase of \$1,340,000. The portfolio's equity position is at 66.5%, which is slightly above the investment policy. The full August 2018 investment report was sent electronically to the PVMF Board. See excerpt attached.

The Investment Committee meets just prior to the PVM Foundation Board, but no changes in asset allocation, managers, etc. are being proposed at this time, except for 1) a change in the %age of any equity or convertible investment at market and 2) a clarification in one of the performance objectives. See attached.

The Committee is recommending a thorough review by the members of the Investment Policy, so that all members are aware of the policy.

Management forecasted cash flows the balance of 2018, particularly to reflect the influx of cash generated from operations, including a recent bequest received in 2018, and draws from temporarily restricted funds for PVM facilities advancement projects. \$1.2 million of operating cash at September 28 was moved to the HNB MMAX account.

Motion – Approved the proposed Amended Investment Policy, October 9, 2018, as recommended by the Investment Committee. Attachment.

**PRESBYTERIAN VILLAGES OF MICHIGAN
FOUNDATION
AUGUST 31, 2018**

4 of 15

Foundation Market Value	\$13,176,515
Increase/Decrease from July Report	\$266,886

ASSET ALLOCATION

	<u>Guidelines</u>	<u>Actual</u>	<u>Delta</u>
Large Cap Equity	45%	47.5%	2.5%
Convertibles	10%	10.0%	0.0%
Int'l Large Cap Equity	10%	9.1%	-0.9%
Total Equity	65%	66.5%	1.5%
US Fixed Income	35%	33.5%	-1.5%

Note: Portfolio is rebalanced if an asset class exceeds 10% or more of PVMF Guidelines

2018 INVESTMENT PERFORMANCE - FEE ADJUSTMENT

	Net of Fees	Benchmark	
	Return	Return	Delta
PVMF	7.32%	4.66%	2.66%
Wm. Blair All Cap	22.37%	9.94%	12.43%
Eagle Lg Cap	11.18%	9.94%	1.24%
Macquarie Conv.	3.44%	6.32%	-2.88%
Wm. Blair Int'l Eq	-1.76%	-2.32%	0.56%
Wedge Fixed Income	-0.60%	-0.36%	-0.24%

**INVESTMENT PERFORMANCE - INCEPTION TO DATE ANNUALIZED FEE ADJUSTMENT
07/01/1996 - 08/31/2018**

	Net of Fees	Benchmark	
	Return	Return	Delta
PVMF	8.38%	7.08%	1.30%
Wm. Blair All Cap (1)	10.56%	8.86%	1.70%
Eagle Lg Cap (2)	12.03%	9.18%	2.85%
Macquarie Conv. (3)	7.15%	3.98%	3.17%
Wm. Blair Int'l Eq (4)	3.80%	3.00%	0.80%
Wedge Fixed Income (5)	1.25%	1.31%	-0.06%

PVMF goal is to exceed a blended return of the following indices net of fees:

1. S&P 500 Index
2. Merrill Lynch U.S. Value Convertible Index
3. EAFE Index
4. Bloomberg Barclays Intermediate Govt./Credit Index

- (1) William Blair All Cap hired on 7/01/96
 (2) Eagle Capital hired on 9/01/06
 (3) Macquarie (Delaware) hired on 11/01/10

- (4) William Blair International hired on 5/01/14
 (5) Wedge Fixed Income hired on 5/01/14

**PRESBYTERIAN VILLAGES OF MICHIGAN
FOUNDATION
ASSET AND MANAGER ALLOCATION AS OF
AUGUST 31, 2018**

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	<u>Cost Value</u>	<u>Market Value</u>	<u>% Allocation</u>	<u>Target</u>
<u>Manager Allocation</u>				
Equities				
Domestic Large Cap				
William Blair (All Cap Growth)	2,400,448	3,279,679	24.9%	
Eagle (Core)	<u>1,918,138</u>	<u>2,966,043</u>	<u>22.5%</u>	
	\$4,318,587	\$6,245,722	47.5%	45.0%
Convertibles				
Macquarie	1,235,662	1,320,257	10.0%	10.0%
International Equity				
William Blair	<u>1,013,127</u>	<u>1,191,670</u>	<u>9.1%</u>	<u>10.0%</u>
Total Equities	6,567,375	8,757,649	66.5%	65.0%
Fixed Income				
Domestic Intermediate				
Wedge	<u>4,473,898</u>	<u>4,404,543</u>	<u>33.5%</u>	<u>35.0%</u>
Total Fixed	4,473,898	4,404,543	33.5%	35.0%
Cash				
Cash Equivalents	<u>0</u>	<u>0</u>	<u>0.0%</u>	<u>0.0%</u>
Total Fund	<u>\$11,041,274</u>	<u>\$13,162,192</u>	<u>100.0%</u>	<u>100.0%</u>
Sub Fund				
Huntington MMAX Money Market	<u>14,323</u>	<u>14,323</u>		
Total Fund	<u>\$11,055,597</u>	<u>\$13,176,515</u>		

- Huntington Bank provides custody



Presbyterian Villages of Michigan Foundation
INVESTMENT POLICY

EFFECTIVE DATE: FEBRUARY 2007,
 AMENDED NOVEMBER 17, 2009,
 AMENDED SEPTEMBER 30, 2014,
 AMENDED APRIL 14, 2015
 AMENDED JUNE 14, 2016
AMENDED OCTOBER 9, 2018

SUBJECT: -INVESTMENT GUIDELINES

OBJECTIVE: LONG TERM FOCUS ON GROWTH IN PRINCIPAL WITH
 SPECIFIC 5% ANNUAL LIQUIDITY NEEDS

SCOPE: All Accounts and Investment Managers

GUIDELINES: The Investment Instrument Characteristics and Maturities
 Requirements

A. General

Investments are limited to the following:

- Debt securities issued by U.S. Government
- Debt securities guaranteed by U.S. Government
- Debt securities issued by U.S. Corporations
- Debt securities issued by governmental entities within the U.S.
- Debt securities issued by a foreign subsidiary of a U.S. Parent Corporation which are guaranteed by a U.S. Parent Corporation
- Deposits, including Certificates of Deposits in a U.S. Bank or its Foreign subsidiaries
- Eurodollar Bonds
- International Government AAA debt
- Equity securities listed on a U.S. stock exchange or OTC

B. Derivatives.

To control the level of risk inherent in derivative securities by specifying quality, duration and concentration for all Fixed Income accounts and all Investment Managers.

Investments in derivative securities are permitted for the purposes of yield enhancement, duration management, and sector diversification. These standard types of securities would include: asset backed securities, collateralized mortgage obligations (such as PACs and TACs), strip treasury and agency bonds and other like securities in which total investment performance (i.e. income return and principal value change) is not dependent upon the single direction of market interest rates.

Such investments must meet the following requirements:

1. AA or better.
2. The expected average duration must comply with the portfolios' duration requirements as specified in the investment guidelines.
3. Investments in derivative securities are not permitted for the sole purpose of speculating on the direction of market interest rates. Included in this prohibition are leveraging, shorting, swaps, futures, options, forwards and like strategies. These speculative types of securities would include: I.O.'s, P.O.'s, and inverse floaters and other like securities where total investment performance (i.e. income return and principal value change) is solely dependent upon the single direction of market interest rates.

C. Bonds

1. Minimum Bond Grade = BBB-
2. Minimum Weighted Average of Bond Portfolio = AA
In the event that a fixed income security falls below investment grade, the investment manager will be responsible for immediately notifying the investment committee and detailing a course of action to be taken with regard to each downgraded security.
3. No single issuer to represent more than 2.5% of total market value of bonds at any time, with the exception of U.S. Treasury and Agency obligations or those obligations guaranteed by the U.S. Government and AAA Int'l Government bonds within that specific mandate.
4. Duration Requirements: The duration of the Bond Portfolios should approximate the duration of the Bloomberg Barclays Intermediate Government/Credit Bond Index, but at no time should the duration be greater than 115% of the Index or less than 85% of the index.

Ratings refer to those U.S. recognized securities rating organizations.

D. Equities

Investment in any specific equity or convertible issue is limited to **67.5%** of the total equity or convertible portfolio investment at market.

- E. Cash Equivalents** – See Cash Management Investment Guidelines, Section O.
– Minimum Cash Equivalent Grade = A2, P2

F. Asset Allocation	Target
Domestic Equities	40%
Domestic Mid Cap Equities	5%
Convertibles	10%
International Equities	10%
Domestic Fixed Income/Intermediate	35%

The procedure to follow for allocating portfolio assets within the guidelines is:

1. The portfolio's actual asset allocation versus the guidelines will be monitored and a determination to rebalance the asset mix will occur annually:
 - a) Except for temporary investments, if an asset class exceeds its target by 10% or more of its asset class value, the assets will be rebalanced back to its target.
 - b) If the asset allocation remains within the 10% minimum and maximum ranges stated above, no action is required.
 - c) The asset mix may violate the guidelines during a six month period; however, rebalancing should occur based on end of period market value.

G. Investment Performance Objective

The investment performance objective is to exceed a blended return of the following indices net of fees based on the weighting of the asset allocation set for in F. above:

- o S&P 500 Index
- o Merrill Lynch ~~All~~ U.S. Value Convertibles Bond Index
- o S&P 400 Index
- o EAFE Index
- o Bloomberg Barclays Intermediate Government/Credit Bond Index

H. Currency - U.S. Dollars Only.

I. Securities lending -- prohibited.

J. Pooled funds -- may be utilized if they comply as a portfolio with these stated guidelines.

K. Fixed Income investments -- restricted to those, which, at the time pay interest, if any, without the deduction of withholding tax.

L. Approvals -- Investments outside the terms and restrictions above must first be approved by the PVM Foundation President and Treasurer and confirmed in writing.

M. Realized Losses -- A threshold of \$50,000 per month is the maximum allowable realized loss per investment manager. Any realized losses greater than \$50,000 per month must be approved by PVM Treasurer and confirmed in writing.

N. Investment Manager Review and Evaluation

To establish guidelines for review, evaluation and termination of the investment managers.

Investment performance and policy compliance will be reviewed monthly. Formal reports to the PVM Foundation will be prepared monthly.

In the event an investment manager fails to meet an established guideline, the following steps shall be taken:

1. Policy Compliance

- a. Manager is contacted and required to correct the situation or justify the variation in writing.
- b. After a second consecutive month below the guideline, the investment manager will receive written notification with immediate action expected or justification in writing.
- c. Further failure to comply, or inadequate justification for variation, will lead to a review by the Company for possible termination of the investment manager.

2. Investment Performance

The investment manager may be terminated if their historical annualized return over three years has not met the specific fund objective over the time period.

The three year rule for terminating managers may be waived and termination proceedings may go into effect if any one of the following situations occur:

- a. Failure to comply with the investment guidelines as detailed in the Monthly Review and Evaluation.
- b. The portfolio's return falls below the objective for four consecutive quarters.
- c. After two years, the investment manager is 200 basis points below the objective.
- d. The investment manager substantially increases fees.
- e. Any change at the investment manager's firm that is not acceptable to the PVM Foundation.

O. Cash Management Investment Guidelines (see attached)

P. Spending Guidelines (see attached)

Q. Framework for Investments (see attached)

PRESBYTERIAN VILLAGES OF MICHIGAN FOUNDATION

CASH MANAGEMENT INVESTMENT GUIDELINES

Investment Policy, Attachment O

EFFECTIVE DATE: April 14, 2015

OBJECTIVE: To establish Cash Management Investment Guidelines within the framework of six major criteria:

1. Maintenance of principal - Safety
2. Anticipated cash flow - Liquidity
3. The need for current return
4. The level of acceptable risk
5. Low cost of service
6. Essentially compliant local providers

SCOPE: All daily operating funds classified as Cash or Cash Equivalents.

GUIDELINES:

- A. Repurchase Agreements: Repurchase Agreements (REPOs) are agreements to sell short-term notes to an investor with the understanding the investor will return (the issuer repurchases) the notes at a specific date. Only fully collateralized REPOs are permitted. The minimum quality criteria are as follows:
 1. Acceptable collateral is US Treasuries at 120% of market value.
 2. The senior credit of the dealer or Bank must be "A" or higher.
- B. Commercial Paper: Commercial Paper is a short-term security issued by corporations with maturities less than 270 days. The minimum requirements are:
 1. Issuer must be a domestic corporation.
 2. Minimum quality grade is A1/P1 or equivalent.
- C. Treasury Bills: Treasury Bills are short-term securities issued with maturities of three months, six months, and one year. Treasury Bills are issued with the full backing of the U.S. Treasury.
- D. Certificates of Deposit: Certificates of Deposit (CDs) are negotiable certificates issued by financial institutions against funds deposited for a specific period of time earning interest at a certain rate. The CD minimum requirements are:
 1. Issuing institution is chartered in the United States.
 2. Issuing institution has an investment grade credit rating of AA or

better.

- E. Treasury and Agency: Treasury and Agency securities with maturities less than one year or an original issue maturity date of less than one year.
- F. Money Market Funds: Money Market Funds may be utilized if every security in the portfolio complies with the quality intent of the stated guidelines and excludes currency risk, derivatives, and any leveraging transactions.
- G. Diversification: Investments shall be made to avoid concentration in any one security or fund, other than Treasuries and Agencies, and to diversify funds by security and due date.
- H. Duration: Duration shall not exceed one year on any security.
- I. Currency: U.S. dollars only.
- J. Sovereign Risk: Non United States sovereign risk is not allowable.
- K. Exceptions: Investments outside the terms and restrictions of these guidelines must first be approved by the Investment Committee and confirmed in writing.

**Presbyterian Villages of Michigan Foundation
Endowment Spending Policy**

Investment Policy Attachment P

UPMIFA

The State of Michigan adopted UPMIFA (Uniform Prudent Management of Institutional Funds Act) effective September 10, 2009.

UPMIFA Standards of Prudence to consider for Endowment Spending:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

UPMIFA adds a new provision that allows a charity to modify a restriction on a small (less than \$25,000) and old (over 20 years old) fund without going to court. If a restriction has become impracticable or wasteful, the charity may notify the state charitable regulator, wait 60 days, and then, unless the regulator objects, modify the restriction in a manner consistent with the charitable purposes expressed in any documents that were part of the original gift.*

Donor Restricted and Board Designated Endowments- Spending Policies

Under UPMIFA, the Presbyterian Villages of Michigan (PVM) Foundation Board has the authority to spend into the corpus of both (1) endowments established and restricted by the terms of the donors gift ("Donor Restricted Endowments") and (2) endowments created by the PVM Foundation Board not otherwise subject to donor restrictions ("Board Designated Endowment") during periods of low investment return in accordance with the Standards of Prudence set forth above. Notwithstanding, it is the general policy of the PVM Foundation to preserve the corpus of Donor Restricted and Board Designated Endowments.

March 2011

As a matter of general policy, the maximum annual cash payout from both Donor Restricted and Board Designated Endowments shall not exceed the 5% of the average of the market value of invested assets, using a three-year rolling average as of June 30th of each of the three most recent years. This amount will be available for distribution each year for the purposes of the endowment.

** At this time, the PVM Foundation holds no endowment funds that meet these criteria*

Assets include all invested securities, cash, and interest bearing instruments. Invested assets do not include the pooled income fund.

The PVM Finance Department will report each endowment fund's interest, dividend, and realized gains total for the previous fiscal year at the end of the first quarter of the current fiscal year.

Notwithstanding the foregoing, subject to the Standards of Prudence set forth above, a super majority of two thirds (2/3) of the PVM Foundation Board may authorize exceeding the 5% spending limit in any year.

All unspent endowment earnings including investment income and realized gains shall be reinvested on an annual basis in order to build and perpetuate the endowment funds.

Classification of Endowment Earnings

Donor Restricted Endowments (Permanently restricted gifts to endowment): Investment income including realized and unrealized gains and losses are classified as temporarily restricted income. Upon sufficient documentation of meeting donor intent, the aforementioned earnings are released from temporarily restricted to unrestricted, and subsequently classified as unrestricted at the end of each quarter for financial statement purposes only. These funds may not be spent at the time of reclassification except as permitted by the endowment spending policy described above and the restricted intended purpose of the endowment.

Board Designated Endowments (unrestricted funds by definition): Investment income including realized and unrealized gains and losses are classified as Board Designated unrestricted income. These funds may not be spent except as permitted by the endowment spending policy described above and the Board Designated intended purpose of the endowment.

Temporarily Restricted Classification

PVM Foundation maintains that all Village funds including Redford, East Harbor and Westland are treated as temporarily restricted funds only to be used at the designated Village for which the donor intended their gift. These funds are released from restriction (i.e. reclassified as unrestricted net assets) at the time the donations are used for the intended purpose.

March 2011

PVM FOUNDATION

FRAMEWORK FOR INVESTMENTS

OCTOBER 2008

PVM utilizes a Total-Return approach to investing. Mean-variance optimization is used to determine the asset allocation that is expected to provide, for each portfolio, the highest risk-adjusted returns. The Total-Return approach is an attempt to grow assets at a faster rate than the known liabilities and/or needs of each PVM account. The following attributes are employed to ensure the long-term financial success of each PVM account:

- **Investment Policy Statements for each portfolio** - Each account established covers a liability and/or need. Each must be defined to set each investment strategy. Endowment Funds have annual expected payout percentages.
- **Fiduciary Oversight - Governance** is provided with quarterly detailed investment performance and policy compliance reviews with annual checklists. Management performs annual tasks to reaffirm each PVM portfolio investment strategy.
- **Independent Oversight** - Each investment manager retained by PVM is reviewed monthly by an outside consultant to provide an independent risk/return report with various portfolio attributes and policy compliance.
- **Transparency for accountability and evaluation of risk/return** - PVM utilizes separately managed accounts by asset class in lieu of funds. Transparency leads to accountability and an independent detailed attribution of performance and risk analysis not obtainable through funds or closed vehicles. Each stock and bond can be viewed and evaluated.
- **An active vs. passive application in the management of investments** - Historical data suggests that separately managed accounts, meeting certain criteria, outperform mutual funds and index funds. PVM Investment Policy provisions cannot be applied to mutual and index funds.
- **Diversification of asset classes with low correlation** - Consistent with modern portfolio theory, risk cannot be eliminated but can be managed. The advantages of a well-diversified portfolio by asset class and manager, are well documented and have been achieved by PVM.
- **High-quality investment grade portfolios** – High-quality investment criteria by asset class leads to predictability, especially in high volatile markets, usually seen in economic downturns or in unforeseen economic or geo-political events.
- **A defined Investment Process** - Each step in the process is documented, measurable and transparent.
- **Adherence to investment standards and industry best practices** – Management, with the assistance of an independent consultant, strives to meet the standards, GIPS (Global Investment Performance Standards), set forth by the industry.

This framework is not permanently binding. It is a flexible tool to frame and evaluate the investment policies and the risk/return expectations of PVM.

EXECUTIVE SESSION (if needed)

Tab 7



ADJOURNMENT