

NEYM Permanent Board

17 March Meeting, at Putney Friends Meeting, Putney, VT

Agenda

1. Opening worship (9:30am)
2. Roll call (10:00am)
3. Consideration of minutes of 2012.01.21 Permanent Board Meeting.
4. Yearly Meeting Secretary Report (Jonathan Vogel-Borne)
5. New England Friends Home ad hoc property committee (Jonathan)
 - Sale of property, Norwell VNA
 - Insurance update
 - Discrimination case
 - Kim Coughlin Consulting, update on fraud case
 - Steve Snow CPA update
6. Coordinating and Advisory Committee and Presiding Clerk report (Jackie Stillwell)
 - Sessions planning, workshops
 - Mid-year gathering
7. Search committee report (Bruce Neumann)
8. Development Committee Report (Nancy Haines)
9. Treasurer's reports
 - Financial report
10. Nominating Committee Reports
 - Yearly Meeting Nominating (Christopher McCandless)
 - Internal Nominating (Donn Weinholtz)
11. Other items
 - Bank Resolution for NEYM Pooled Funds
 - Puente de Amigos recommendations for visitation with Cuban Friends
 - Travel Minutes
 - Len Cadwallader
 - Kathleen Wooten
 - Nancy Shippen
 - Jennifer Baily
 - Josie Baily-Zona
 - Anne Dodd Collins
12. Closing worship
13. Locations for future PB Meetings
 - 12 May 2012, Dover Meeting, Dover, NH (contact: Charlotte Fardelmann 603.772.2524 cfardelmann@comcast.net)

New England Yearly Meeting of the Religious Society of Friends
Permanent Board Minutes *draft*
January 21, 2012
Westport Monthly Meeting – Westport, MA

12-1 Opening Worship: We opened in waiting worship, as the snow fell outside.

12-2 Roll Call: The Recording Clerk called the roll.

Present: Edward Baker, Holly Baldwin, Aimee Belanger, Travis Belcher, Debbie Block, Deana Chase, Jeremiah Dickinson, John Humphries, Christopher McCandless, Bruce Neumann, Suzanna Schell, Donn Weinholtz, Fritz Weiss, Carl Williams

Regrets: Jennifer Baily (Personnel Committee, Clerk), Susan Davies, Sarah Gant, Ben Guaraldi, Galen Hamann, Jan Hoffman, Allan Kohrman, Rebecca Leuchak, Dwight Lopes, Ed Mair (Treasurer), Donald Mick, Robert Murray, Karen Sanchez-Eppler, Patricia Shotwell, Carolyn Stone, Ruah Swennerfelt, Jane Van Landingham, Rosemary Zimmermann

Ex-Officio: Jackie Stillwell (YM Presiding Clerk), Jonathan Vogel-Borne (YM Secretary)

12-3 Minutes of 11/19/2011 were **approved** with corrections.

12-4 Memorial Minute: Friends heard a memorial minute celebrating the life of David Douglas (West Falmouth). **Friends approved** forwarding this minute to Sessions, asking that the Memorial Minutes Committee review and edit it, as necessary.

12-5 Report from the Yearly Meeting Secretary: Jonathan Vogel-Borne, YM Secretary, began his report on YM activities in recent months by distributing copies of the 2011 Minute Book, celebrating the completion of this major annual task.

Staff updates: Beth Collea, Religious Education Coordinator, continues to be very active in providing support for First Day School programs. Nat Shed is back from his sabbatical and seems refreshed. Jodi Goodman is still in her 6-month trial period, but her formal training as an archivist is already proving to be a gift to the YM.

Around YM: Young Friends returned to Friendly Crossways for the mid-winter retreat. Jonathan visited for a morning, participating in a very centered period of worship. He noted that the results of a survey of participants posted on the wall included responses to questions such as “Do you believe in God?” and revealed great diversity.

Jonathan shared some concerns regarding the relationships between MMs and the YM based on some recent communications: He reported that the recent North Sandwich MM newsletter referred to what they perceive as “the evangelical agenda of the YM.” He shared that the State of Society report written by YM Ministry & Counsel and distributed to MMs, prompted a formal, minuted response from Worcester MM, expressing disappointment with the text, which “does not address our spiritual condition....” Worcester MM actively engaged with the State of Society report, while most MMs seem to have just ignored it. Several Friends reflected on the process for drafting and sharing State of Society reports in their own MM and QM, with some noting the tensions among differing visions for these reports as an

annual report of activities, an expression of our hopes for ourselves and our communities, or an honest reflection on where we are and our ongoing struggles.

- 12-6 Priorities Process Budget:** Jonathan Vogel-Borne presented the current draft of the priorities process budget, which incorporates discernment from the “Funding Our Vision” Day last October, the Personnel Committee, and Coordinating & Advisory Committee. He reviewed the suggested changes in income and expenses, noting that MM contributions were up last year despite an \$11,000 reduction in the contribution from Cambridge MM. The “next tier” contributors increased their donations, and that seems to be sustainable, with some smaller meetings giving a significant amount.

While Friends were comfortable with much of the proposal, some saw a lack of integrity in the proposed two-step incremental increase in hours for the Religious Education Coordinator. It was observed that our staff person already works more hours than is reflected in the incremental increase. PB recommends that increasing the RE Coordinator to 32 hours per week be listed as a Level 2 priority.

The next step in the process is to distribute the priorities process budget to YM committees for review and comment. At the same time, a letter presenting an overview of the budget and the budget process will be sent to MMs.

- 12-7 Report on New England Friends Home Property:** Jonathan Vogel-Borne reported on behalf of the Ad Hoc Friends Home Property Committee (see PB Minute 11-78). Referencing the Progress Report distributed with the advance documents, he reviewed the major developments since the November meeting, including: the solicitation of proposals and the decision to decline an initial lease-to-buy offer from a Montessori school, which is now working to identify funding and submit a revised proposal; establishing a formal asking price of \$1.5 million while deciding to complete the process of securing an appraisal; the challenge of securing adequate insurance coverage for the property; and steps taken to address the bookkeeper fraud discovered at the end of November.

Jonathan reported that the YM has engaged Steve Snow, a CPA, to help clear up the Friends Home books, close out FY2011, and help to implement best practices moving forward. Current procedures involve Chris Doehlert, who is serving as treasurer for the ad hoc committee, filling out the checks and send them to Alice Schaefer, along with appropriate documents. Alice signs the checks and mails them.

Jonathan clarified the details of the bookkeeper fraud:

- Coughlin Consulting Services (CCS) is the independent contractor hired by NEYM in June 2011 to handle the bookkeeping for the Friends Home following the resignation of the Friends Home’s director. Kim Coughlin is the principal and sole employee of the company.
- CCS subcontracted the work to Tenneysa Hughes, an independent contractor, who is the mother of three young children and performed the work at home.
- Sometime during the summer, Ms. Hughes acquired the rubber stamp signature from the CCS office, contrary to YM’s agreement with CCS that the stamp would

remain at the office. Over the next four months, Ms. Hughes wrote 14 fraudulent checks, amounting to roughly \$23,000.

- Because the fraud involves independent contractors rather than employees, neither the YM's insurance nor CCS's insurance will cover the loss, and due to the use of a signature stamp, the bank will not cover it.
- Ms. Hughes was arraigned in court on January 19, and a warrant for her arrest was issued when she failed to appear.
- It seems unlikely that CCS will survive as a business in the face of the fraud, which also involves other clients in addition to NEYM.
- NEYM has paid CCS \$4,159 for the services rendered since June.
- Jeanne McKnight, serving as counsel for the YM, has advised that if we were to file a civil suit against CCS, seeking to recover damages, the expenses of doing so will likely exceed the funds we might recover. A criminal proceeding against Ms. Hughes may provide a greater likelihood of financial compensation.

Friends addressed the question of whether to pursue legal action against Kim Coughlin for negligence. Several Friends expressed discomfort with pursuing the course of legal action, especially since it seems unlikely to lead to recovering NEYM funds. Friends were also uncomfortable with doing nothing, raising concerns about our responsibility to protect potential future clients from a similar loss and wanting to explore options that could lead to both reconciliation and restitution. Friends recognized the human costs already faced by both Ms. Coughlin and Ms. Hughes.

Friends asked Jonathan and the ad hoc Committee to pursue a face-to-face meeting with Kim Coughlin to explore opportunities for reconciliation and restitution, perhaps at least seeking the return of the fees NEYM paid to CCS. Jonathan intends to gather more information about our options for seeking some compensation within the context of the criminal proceedings against Ms. Hughes.

12-8 Reports from Coordinating and Advisory Committee (C&A) and Sessions

Committee: Jackie Stillwell, YM Presiding Clerk, reported on behalf of C&A, as well as for the Sessions Committee.

Mid-year gathering – The notice for the mid-year gathering, scheduled for March 31-April 1 (see PB Minute 11-96), was sent to all MMs last week and will go out to individuals soon. The gathering will be held in a church near the Wellesley meetinghouse to allow adequate space for a large attendance and breakout groups.

Sessions Planning – Aaron Fowler and Laura Dungan of Great Plains YM have agreed to lead the Bible Half-hours, and Joe Crookston has agreed to lead the Tuesday evening session. Sessions Committee is still working to identify panelists for the two plenary sessions.

YM Search Committee – Four more people have agreed to serve on the YM Secretary Search Committee (see PB Minute 11-96): Hannah Zwirner, Dwight Lopes, James Grumbach, and Jackie Stillwell. C&A is still seeking one more person to serve on the Search Committee.

12-9 Report from the YM Secretary Search Committee: Bruce Neumann, Clerk of the YM Secretary Search Committee, reported for the Committee. It seems unlikely that

the Committee will be able to bring a recommendation to PB in May. He suggested that a called meeting in July might be necessary in order to move this process along in time for Sessions. After some discussion, the Committee decided against seeking to fill an interim position unless this process takes considerably longer than expected. Advertising for the position will commence soon, with a notice in the *NE Friend* and on the NEYM website; *Friends Journal*, *Quaker Life*, and other national publications are being considered. Friends encouraged a widespread promotion. The YM budget includes \$1000 for recruiting expenses.

12-10 Report from Personnel Committee: Edward Baker reported that the Personnel Committee has recommended a salary range of \$55,000 to \$62,500 for the new YM Secretary position. **Friends approved** this recommendation.

12-11 YM Governance Structure: Jackie Stillwell, YM Presiding Clerk, invited Friends to continue the conversation on YM governance structure, noting that the advance documents had included a comprehensive record of this discussion over the previous decade by incorporating links to earlier reports.

Holly Baldwin shared notes from her conversation with Susan Davies (see PB Minute 11-104). They identified two interconnected issues of concern that have been discussed previously at PB: 1) a lack of meaningful connection with the more remote MMs; and 2) a mistrust of YM structures. While the steps being taken to improve transparency are important, there is still a need for pastoral efforts to address what seems to be spiritual brokenness in the relationships. Recognizing that this concern is broader than the relationship between PB and MMs, it will be important to consult with YM Ministry & Counsel and its subcommittee on Traveling Ministries and Intervisitation, possibly through a gathering of representatives from the three bodies. At the same time, it could be fruitful to be intentional about choosing PB meeting locations that provide opportunities for outreach to and connection with more remote MMs, inviting the participation/attendance of visitors.

One Friend noted the need to address this perception of a separation between the YM and MM by seeking to help people understand that “we are it,” that when you join a MM, you also join the YM. Friends also suggested reviving the practice of formally recording MM representatives to Sessions and continuing to offer scholarships for individuals coming to Sessions from MMs that have not been represented in recent years.

12-12 Treasurer’s report: Jonathan Vogel-Borne reviewed the written report provided by the Treasurer. He explained the allocation of expenses related to the Friends Home transition: expenses incurred as part of the ongoing maintenance of the property will continue to be handled through the Friends Home books, while any expenses related to the sale of the property (including legal fees) will be processed as part of the YM operations budget.

Edward Baker reported that Eileen Cummings has resigned as Clerk of Finance Committee for health reasons.

12-13 Internal Nominating Committee Report: Donn Weinholtz, Clerk of Internal Nominating Committee, reported the following recommendations:

- YM Nominating (At-Large) – Nancy Isaacs (Monadnock), class of 2015

- Internal Nominating – Donn Weinholtz (Hartford), class of 2015

Friends approved these recommendations.

12-14 Travel Minute for Kristna Jan Evans: Edward Baker read a travel minute for Kristna Jan Evans, who will be traveling to Cuba as an elder for Betsy Cazden (see PB Minute 11-99). The minute has been approved by Keene MM but has not yet been considered by Northwest Quarter. **Friends approved** endorsing the travel minute, pending the Quarter's approval.

12-15 Recommendations from Puente de Amigos Committee: Edward Baker reported on behalf of the Committee. The Committee recommends the following Friends for travel in the ministry as representatives of New England Yearly Meeting to visit and work among Friends in Cuba Yearly Meeting during April 2012:

Wellesley MM

Christopher Curt Arico-Muendel
Matthias Carl Arico-Muendel
Christopher Lowell King
Mary Elizabeth (Marybeth) Toomey
Rebecca (Becky) Penn Winkler

Fresh Pond Monthly Meeting

Jennifer Edwards Baily
Josie Edwards Baily-Zona

All of these Friends have completed the appropriate clearness process with their MMs. **Friends approved** these Friends for travel to Cuba.

12-16 Bank Resolution Minute for the NEYM Pooled Funds accounts: Friends approved the following resolution:

The Treasurer of NEYM Pooled Funds (Brian Clark), the Clerk of the Board of Managers (Mark Orłowski), the Yearly Meeting Treasurer (Ed Mair), and the Yearly Meeting Secretary (Jonathan Vogel-Borne) shall all be designated as signers, individually, on all bank accounts related to the New England Yearly Meeting Pooled Funds.

12-17 Closing Worship: We closed in waiting worship, planning to meet again on Saturday, March 17, 2012, at Putney MM at 9:30 AM.

Edward Baker, Clerk
John Humphries, Recording Clerk

Progress Report on the disposition of the NEYM property, the former NE Friends Home, 86 Turkey Hill Lane, Hingham, MA

To: Ad Hoc Property Committee, Finance Committee, Coordinating & Advisory Committee
and Permanent Board

From: Jonathan Vogel-Borne

Updated: 13 March 2012 (*new material after the 17 January 2012 update begins on page 10*)

With the last of the residents moving out to a new situation, the New England Friends Home officially closed operations on Friday, September 2, 2011. The following is an update on subsequent events and decisions:

- **9/2/2011:** Barry Corbin, a friend of Alice Schaefer's (former clerk of the Friends Home Committee) moved into the Home as our contracted live-in caretaker that same Friday. Barry and Jonathan Vogel-Borne signed a letter of agreement outlining terms of service. The agreement was for one month trial period, ending on September 30, 2011.
- Alice Schaefer spent time in the Home's office, sorting papers, handling phone calls, cancelling no longer needed insurance, working with Barry to close down various systems in the house (heat, automatic lighting, etc.) and generally closing out the Friends Home operations.
- Jonathan Vogel-Borne took over the administration of the Friends Mutual Health Group insurance serviced by Everence.
- **9/10/2011:** Friends Home Committee held its last meeting. It minuted a request to NEYM that the Friends Home Committee be laid down. After lunch, Permanent Board's ad hoc Property Committee took up its charge, minuted (#11-78) at the Board's August 11, 2011:

New England Friends Home Update: Edward Baker reported that the entire Home may be vacated by September 1. The last 3 residents are close to finding other accommodations, so it may not be necessary to hire an interim director.

Friends reviewed the authorization from Sessions for PB to move forward with creating an ad hoc committee to oversee disposal of the property:

YM Minute 11-30. Edward Baker then outlined a process for the sale or lease of the property to take place, under the care of an *ad hoc* Friends Home Property Committee to plan and supervise this transition under the oversight of Permanent Board. Friends approved the creation of the *ad hoc* committee.

Volunteers are needed to serve on the Property Committee and those interested are invited to speak to any member of the Permanent Board. It is expected that the Yearly Meeting Treasurer and Yearly Meeting Secretary will serve on it *ex officio*, and that 3-5 additional members will be needed. This committee would create a request for proposals for the property, distribute the Request for Proposals to companies managing retirement homes or communities and other interested parties, supervise at least one showing of the property, receive proposals, and share the proposals with their recommendation for the most advantageous course of action with the Permanent Board.

YM Minute 11-31. We authorize the Permanent Board to select the most appropriate proposal for sale or lease of the Friends Home property and to take all necessary actions to transfer the property to a new owner, or lessee, as the case may be, and to report to Sessions next year on the matter. We authorize the Permanent Board to determine the "best use" for the property, and not necessarily be bound to take the highest offer, in their discernment.

Friends approved the appointment of an Ad Hoc Friends Home Property Committee, consisting of the YM Secretary, YM Treasurer and PB Clerk as ex-officio members, along with Trish Hogan,

Travis Belcher, and Chris Doehlert, who have agreed to serve on the committee. Betsy Kantt, Judith Shea, and possibly other Friends, will also be asked to serve on the Committee. Phil Stone, who has experience with closing down facilities, has offered his services as a resource.

Friends approved authorizing the ex-officio members of the committee (Jonathan Vogel-Borne, Ed Mair and Edward Baker) to make decisions with regard to issues that arise that cannot wait for an initial meeting of the full ad hoc committee.

Friends approved the hiring of Kopelman and Paige LLC (the law firm which Jeanne McKnight works with) to provide legal services for the sale of the Friends Home property, including review of any responses to a Request for Proposal, and disposal of antiques or other property. The firm has offered their services at \$165/hr (their lowest rate).

- The ad hoc Property Committee members are Edward Baker (clerk, Permanent Board and convener), Trish Hogan (Finance Committee), Jonathan Vogel-Borne (YM Sec), and Ed Mair (Treasurer), Zona Douthit (Lawyer, and from Providence Meeting), Travis Belcher (Former clerk of Finance Committee), Barry Corbin (Caretaker), Chris Doehlert (NEFH Treasurer), Betsy Kantt (NEFH Committee), Jeanne McKnight (Legal Counsel).
- The Committee decided to:
 - obtain an appraisal of the property
 - engage a commercial real estate broker, if that seemed advisable
 - arrange for an auction house to sell certain contents of the Home
 - contact Friends Services for the Aging for general advice
 - create a Request for Proposals to circulate among parties interested in buying the property
 - assure that Friends Home accounts have sufficient funds available to maintain the property until it is sold. Loans from the NEYM operating reserves, to be repaid upon sale of the property, are to be transferred as needed to the Friends Home accounts to cover the property's expenses.
 - work with Barry Corbin, the live-in caretaker, to assess the immediate and long-term maintenance needs of the property.
 - not formally show the property until the appraisal was completed, a Request for Proposals was written, and we had decided about whether or not to engage a commercial realtor.
 - to meet again on October 9, 2011 at Wellesley (MA) Meetinghouse.
- **9/13/2011:** A \$20,000 check from NEYM's operating reserves sent to the NE Friends Home accounts to cover closing and ongoing expenses.
- **9/21/2011:** Barry Corbin and Jonathan Vogel-Borne develop a comprehensive list of immediate and long-term maintenance needs.
- Alice Schaefer adjusted our insurance coverage through Church Mutual to reflect our current condition.
- **9/28/2011:** Upon Jeanne McKnight's recommendation, Jonathan Vogel-Borne engaged T.H. Reenstierna, LLC, Real Estate Appraisers and Consultants to conduct a commercial appraisal of the property. Total cost \$3,000 to be completed in four to five weeks.
- **9/29/2011:** A second check for \$20,000 from NEYM's operating reserves sent to the NE Friends Home accounts to cover ongoing expenses.
- **9/30/2011:** Barry Corbin and Jonathan Vogel-Borne sign a letter of agreement that Barry's contracted service as live-in caretaker would continue until the property is sold.
- **10/1/2011:** Trish Hogan, Jonathan Vogel-Borne, and Ed Mair update the Finance Committee on progress towards sale of the Hingham property. The Committee instructed Ed Mair and

Jonathan Vogel-Borne to seek advice as to how to show in the NEYM operations accounts, the loans to Friends Home accounts and the anticipated expenses related to the sale of the property (i.e., appraisal, legal services, etc.).

END OF 7 OCTOBER 2011 UPDATE

- **10/9/2011:** Ad Hoc Committee holds second meeting, where we:
 - Agreed on general principles of accounting transparency
 - *NEYM operations books:* Fees for the appraisal, brokers fee, legal fees, and anything else to do with sale of the property
 - *NE Friends Home Books:* All expenses related to the maintenance of the property.
 - Jonathan Vogel-Borne (YM Secretary), Chris Doehlert (NE Friends Home Treasurer), and Ed Mair (NEYM Treasurer) will develop budgets for the ongoing maintenance and sale of the property.
 - Assigned Barry Corbin, Jonathan Vogel-Borne, and Travis Belcher to develop a triage list of maintenance items that need our urgent attention with priority given to security, safety, cost lowering tasks (weatherizing, broken windows, etc.), tasks that if not attended in the next couple of months will incur large costs in the future (water entering the house, etc.), and other tasks that may negatively affect the sale of the property.
 - Heard a report from Edward Baker that Willis Henry Auctions, Inc. who has agreed to conduct an auction of Friends Home items sometime this fall, perhaps November.
 - Learned that Amesbury (MA) Meeting has asked for items related to John Greenleaf Whittier to be indentified and transferred to the care of the Amesbury Meeting.
 - Asked Chris Doehlert to pursue his contacts of commercial real estate brokers and Jonathan Vogel-Borne to use the content from the commercial appraisal to work on a draft Requests for Proposals.
- **10/14/2011:** Mark Reenstierna, a commercial appraiser with TH Reenstierna, LLC, visits the property.
- **10/20/2011:** NE Friends Home property insurance cancelled and transferred to the NEYM operations Church Mutual Insurance policy for an additional fee of \$2,761 (paid 11/8/2011).
- **11/1/2011:** A third check for \$12,500 from NEYM's operating reserves sent to the NE Friends Home accounts to cover ongoing expenses, hopefully taking us into December 2011.
- **11/3/2001:** Chris Doehlert, Ed Mair, Jonathan Vogel-Borne and Tenneysa Hughes (Coughlin Consulting, NE Friends Home bookkeeping service) have a conference call to determine estimates of non-recurring and ongoing monthly costs. A bill from the NE Friends Home accounting firm, Joseph P Costello, CPA, for \$7,881 surprised us. It was for FY2009 (unbilled due to clerical error) and FY2010 tax filings and a large fee for QuickBooks consultations. Chris is in conversation with the firm to see if we can put off payment for this bill until the sale of the property. We also looked at how to reduce the high costs for utilities now that there is only one person living at the home.
- **11/10/2011:** Kevin Delaney, a prospective commercial real estate broker, visits the property.
- **11/10/2011:** Mark Reenstierna delivers a DRAFT appraisal for our review.
- **11/10/2011:** Jonathan Vogel-Borne has an extensive conversation with Joanne Heffernan of South Shore Preparative Meeting. The Meeting meets at the Home and is very concerned

about both the Meeting's and the Home's future. They were distressed to have only heard about the closing through reports in the local papers. Joanne conveyed the Meetings sense that NEYM should not sell the property but should turn it into a retreat center or find some other use consistent with Friends ways.

- **11/13/2011:** Ad Hoc Committee holds second meeting. We took action on the following items:
 - **Kevin Delaney** a commercial broker with Coldwell Banker attended the open segment of our meeting. He sees the highest and best use of the property is to continue operations in elder services. We discussed the various methods in which the property would be marketed and the terms of a potential listing agreement. Given that we have already been approached by a number of interested parties, we asked whether we would need to be bound by Coldwell Banker's exclusive listing. Kevin assured us that within a mutually agreed time period, NEYM could obtain sale proposals from any potential buyers who have already approached us and proceed with a sale on our own. **We agreed to engage Kevin Delaney as our broker.** Kevin's rate for the sale is 6%. We will offer him 3% if the sale of the property is from a party that has already approached NEYM. Edward and Jonathan will finalize a list of interested parties and convey that information to Kevin Delaney. Since Coldwell Banker is prepared to do extensive marketing of the property, we will not pursue writing a separate Requests for Proposals.
 - **Appraisal:** We were disappointed with many aspects of the appraisal, such as:
 - The final market value is based on sales of properties that we feel are not comparable with the NE Friends Home's facility and operation.
 - Rather than just an "as is" appraisal of the property, we wanted to see analyses for other potential uses, including such information as the sale of 1 acre lots in Hingham, assuming 3 one-acre lots on the property would pass septic system requirements. With Kevin Delaney as our broker, we see no need to continue development of the appraisal and **we will seek to terminate the contract** with T.H. Reenstierna.
 - **Finances:** We reviewed the ongoing expenses of the property. As of this date, NEYM has sent \$52,500 to subsidized the property's expenses
 - **South Shore Preparative Meeting:** Jonathan Vogel-Borne, Betsy Kantt, and Barry Corbin reported on their contacts with the Meeting. Jonathan and Barry will keep in touch with the Meeting so as to keep them informed.
 - **Hanson/Hill Fund:** NEYM operations carry the Hanson/Hill fund, a fund restricted for the support of the NE Friends Home with an approximate value of \$24,000. **We will ask Permanent Board to approve the liquidation of this fund** to support the ongoing expenses of the home until sale.
 - **Amesbury Meeting request:** Permanent Board will take up the question of returning items at the home related to John Greenleaf Whittier.
 - **Contents of the Home:** Willis Henry Auctions, Inc. did not find many items of value at the home. They would include some items in a general auction, but would not hold a separate auction at the Home. A local Hingham business is interested in doing an inventory of the Home's contents and would then offer to buy some of the items. Any purchase offer will need to be presented to the ad hoc Property Committee. The South Shore Preparative Meeting is making a list of books that belong to them.

END OF 14 NOVEMBER 2011 UPDATE

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- **11/18/2011:** Jonathan Vogel-Borne circulates an email to parties that had expressed interested in property with a flyer describing the property, "Property available for Elder Services Provider." These parties were: 1) Benchmark Senior Living, 2) Atlantic Retirement Group, 3) Montessori Secondary School, 4) The Horizon Group (consulting group), 5) Norwell Visiting Nurses Association and Hospice, and 6) a couple in Hingham looking to buy the Home and move in with their elder parents.
 - **11/18/2011:** Permanent Board approves the liquidation of the Hanson/Hill Fund to support the ongoing expenses of the home until sale.
 - **11/21/2011:** Jonathan Vogel-Borne receives the proposed listing agreement from Kevin Delaney. Jonathan passes the agreement on to Jeanne McKnight, who sends back an extensive revision, mostly to clarify and strengthen language enabling us to seek proposals for a long-term lease as well as for sale of the property.
 - **11/21/2011:** Kevin Delaney asks Jonathan Vogel-Borne for a copy of the appraisal. Jonathan telephones Kevin to tell him that the Committee had agreed not to share the appraisal for the reasons listed in the notes from our 11/13/2011 committee meeting. Kevin asks the Committee to complete the appraisal, noting that he, as a broker, can only give an opinion of value, where a licensed appraiser can offer an actual value. For Kevin, having a commercial appraisal in hand is a tool that would help him to sell the property. Jonathan consults with other Committee members and ask the Committee to re-open whether or no we would ask Mark Reenstierna to complete the appraisal for a final decision at the next Ad Hoc Committee meeting.
 - **11/30/2011:** Jonathan Vogel-Borne and Kevin Delany sign the revised listing agreement engaging the services of Kevin Delaney, with Coldwell Banker, as our broker.
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Email sent December 20, 2011 with a chronology of the NE Friends Home bookkeeper fraud

November 29, 2011: We find that close to \$23,000 has been embezzled from the NE Friends Home accounts by a bookkeeper, subcontracted by a firm we hired on June 27, 2011. Below is a chronology what's happened and where we are as of December 20, 2011. This document was sent by email to the Ad Hoc Property Committee, Finance Committee, and Coordinating & Advisory Committee, with the following attached: 1) the referenced email string (available from Jonathan Vogel-Borne upon request); 2) a spreadsheet prepared by Chris Doehlert showing comparative transaction details between bank statements and QuickBooks; 3) Chris Doehlert's cover letter of a fax to the Hingham Police Department sending images of fraudulent checks; and 4) Letter of intent between Coughlin Consulting Services and NE Friends Home, dated June 23, 2011.

- **November 29, 2011:** Chris Doehlert (the NE Friends Home Treasurer) receives a late evening call from Kim Coughlin (principal of Coughlin Consulting Services which had been engaged as an outside bookkeeper) indicating that Tenneysa Hughes (an independent contractor engaged to support NEFH) had admitted to stealing \$4,000 from the Home. The admission had been made in the context of investigating other fraud.
- **November 30, 2011:** Jonathan Vogel-Borne receives a call and an email from Chris Doehlert letting Jonathan know of the situation (see 11/30/2011 email from Chris Doehlert, subject: "another (serious) problem").
- **November 30, 2011:** Chris Doehlert spends the day in Hingham meeting with Kim Coughlin, officials at the Hingham Institution for Savings (HIS), and filing a report with the Hingham Police Department.

- **December 1, 2011:** Chris Doehlert asks Hingham Institution for Savings (HIS) for past bank statements and front and back images of cancelled checks, dating back to before the beginning of Tenneysa Hughes' hire date, June 27, 2011 (see 12/1/2011 email from Chris Doehlert to Mary Lambert, subject: "old statements").
- **December 1, 2011:** Chris Doehlert alerts the rest of the ad hoc Property Committee of the theft (see two emails dated 12/1/2011 from Chris Doehlert, subject: "bookkeeping incident at the NEFH - update").
- **December 5, 2011:** Chris Doehlert receives bank statements and check images from HIS and finds that the fraud from 9 checks Tenneysa Hughes wrote to herself amounted to much more money than we had originally thought, slightly more than \$20,000. Comparing the bank statements with the QuickBooks report, Chris found a few other questionable checks made out to unknown individuals or vendors, amounting to an additional \$3,000 in possible fraud (see 12/5/2011 email from Chris Doehlert, subject "re: need for cash," where Chris outlines his preliminary findings).
- **December 6, 2011:** Jonathan Vogel-Borne files an insurance claim, informing Church Mutual, our insurance provider, of the loss. They will send Jonathan a package with forms to fill out and procedures to follow.
- **December 7, 2011:** Jonathan Vogel-Borne drives to Hingham and deposits \$30,000 into the NE Friends Home account at Hingham Institution for Savings. The bank closes the account and transfers the money into a new account without requiring a corporate resolution to open a new account. Signatories on the account are Chris Doehlert, Alice Schaefer (the last clerk of the NE Friends Home Committee), and Laura Leventhal (the last NE Friends Home Director).
- **December 7, 2011:** Chris sends an email to update the ad Hoc Property Committee (see 12/7/2011 email from Chris Doehlert, subject: "update on NEFH bookkeeping/finance issues").
- **December 8, 2011:** Chris obtains online access to the bank account (see 12/8/2011 email from Chris Doehlert, subject: "Business Online Banking").
- **December 9, 2011:** Chris sends Jonathan Vogel-Borne and Ed Mair an updated spreadsheet showing the suspected fraud (see 12/9/2011 email from Chris Doehlert, subject: "fraud update." The spreadsheet attached to this email accompanied the "fraud update").
- **December 9, 2011:** Chris sends the Hingham police (copies to Jonathan Vogel-Borne) a PDF including a cover letter (attached to this email), check images (front and back) of NE Friends Home checks made out to Tenneysa Hughes, images of a few other suspected checks, and the letter of intent with Coughlin Consulting Services (attached to this email).
- **December 11, 2011:** Jonathan Vogel-Borne attends the South Shore Preparative Meeting at the former NE Friends Home in Hingham. Jonathan meets with Barry Corbin the live-in caretaker at the Home. Jonathan picks up the computer used by the administrators of the NE Friends Home to take back to the NEYM Office in Worcester.
- **December 13, 2011:** Jonathan Vogel-Borne and Ed Mair have conference calls with Chris Doehlert and Trish Hogan (Finance Committee representative on the ad Hoc Property Committee) to assess where we are and what next steps to take.
- **December 16, 2011:** Jonathan Vogel-Borne receives the QuickBooks portable file that was exported from Tenneysa Hughes' computer with the current NE Friends Home QuickBooks

accounts. Jonathan successfully loads the QuickBooks file as a new company on the NE Friends Home computer with the stand-alone version of QuickBooks 2010 Pro software.

- **December 16, 2011:** Jonathan Vogel-Borne calls Trish Hogan to consult with her about next steps. As an experienced bookkeeper, Trish might be available to clean up the books and help us through this period until the sale of the property. We are all very clear that the person creating the checks should NOT be signing the checks. In that conversation, upon Trish's recommendation, Jonathan is exploring the idea of hiring an outside Certified Public Accountant to clean up the books, bring them up to date and recommend accounting procedures for the NE Friends Home accounts until the property is sold (*see continuation of this item in December 28, 2011 and January 3, 2012 entries below the fraud chronology*).
- **December 19, 2011:** Upon receipt of the "Dishonesty Proof of Loss Form" in regard to our claim (#1163435) with Church Mutual Insurance, Jonathan Vogel-Borne calls Michelle Thimm at Church Mutual and determines that our coverage relates only to employee dishonesty, and by definition Tenneysa Hughes is NOT an employee. In Church Mutual's language of our insurance policy's "Employee Dishonesty" coverage, "'employee' does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character." Tenneysa Hughes was an independent contractor hired by Coughlin Consulting Services, yet another independent contractor. While Church Mutual agents will not deny a claim over the phone, Michelle Thimm did confirm that because our coverage is only for employee dishonesty, our insurance policy will not cover this loss. We need to decide whether or not to file Church Mutual's "Dishonesty Proof of Loss Form," which requires sworn/affirmed testimony in front of a notary public.
- **December 19 2011:** Until the books are brought up to date, Chris Doehlert will create checks to pay the bills and send the checks with copies of the documentation to Alice Schaefer for her to sign and mail.

END OF FRAUD CHRONOLOGY SENT BY EMAIL, DECEMBER 20, 2011

- **12/6/2011:** Dan Podolsky, a former Church Mutual Insurance representative now an independent broker, reviews our insurance policy for the home and points out to Jonathan Vogel-Borne that the Turkey Hill building is listed as "vacant" and is therefore underinsured. Jonathan contacts Church Mutual to find out what would be required for the building to be insured as "occupied." Church Mutual underwriters say that short of the building being back in partial or full operation, they will not underwrite a policy giving us full coverage as an occupied building. They say one person—our contracted, live-in caretaker—inhabiting a 15,000 square foot building is vacant, whether or not that person is an NEYM employee or an independent contractor (*see December 29, 2011 below, for more about insurance coverage*).
- **12/9/2011:** Kevin Delaney shows the property to a prospective buyer. The buyers ask for architectural drawings of the building. Barry Corbin is asked to look for them.
- **12/16/2011:** Jonathan Vogel-Borne sends an email to Benchmark Senior Living, Atlantic Retirement Group, Montessori Secondary School, and the Horizon Group inviting them to bring a proposal for purchase of the property to the table by December 31, 2011. After that date, we would still welcome a proposal, but the groups would be dealing directly with Kevin Delaney through Coldwell Banker. The Visiting Nurses Association and Hospice never got back to Jonathan and the couple in Hingham had decided not pursue the purchase. Benchmark

Senior Living returned Jonathan's email saying they were withdrawing their interest in the property.

- **12/28/2011:** Brian Clark, NEYM Pooled Funds treasurer who runs a business in Hingham, assists Jonathan Vogel-Borne find a South Shore-based CPA to help us clear up the Home's books, close last fiscal year 2011 (Sept 30), do government filings, and advise us in best practices for the way forward. Consulting with Ed Mair and Edward Baker, Jonathan begins the process of engaging the services of Steve Snow a CPA with the Braintree accounting firm, Leonard, Mulherin, and Greene (lmgpc.com).
- **12/29/2011:** Jonathan Vogel-Borne receives final confirmation from Church Mutual Insurance that they will not fully insure what they consider is an unoccupied building. The email from Church Mutual is as follows:

Our Underwriting Department has reviewed the Vacant Building located at 86 Turkey Hill Lane Hingham, MA 02043. They have determined that this building will need to remain as a Vacant Building. Our underwriting department has also restricted the perils covered to our Basic Form. I have enclosed a copy of the Basic Form here for you to review.

Also included in your Multi Peril Policy under the Property Conditions Form (See below) is our Vacancy Clause. This clause clearly states that if a building where loss or damage occurs has been vacant for more than 60 consecutive days before the loss or damage, we will: **not pay** for any loss or damage caused by any of the following, even if they are covered causes of Loss: (1) Vandalism (2) Sprinkler Leakage (unless protected against freezing) (3) Building Glass Breakage (4) Water Damage (5) Theft or (6) Attempted Theft. Also, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

During our telephone conversation, you had also stated that a small religious organization is also using this location every Sunday for meetings. We will need to know the full legal name of this organization and receive a Certificate of Insurance from them, naming your organization as an Additional Insured. Once this is received, we will exclude coverage from your organizations policy for this outside group. They need to be carrying their own insurance for their operations.

Jonathan Vogel-Borne consults with Dan Podolsky about next steps.

- **12/30/2011:** Jody Maxwell from the Montessori Secondary School Board emails Jonathan Vogel-Borne a business plan proposing a 60-month lease to buy the property.
- **12/31/2011:** John James of the Horizon Group phones and emails Jonathan Vogel-Borne to say a proposal to continue the property as a provider for elder services is on the way. As of December 31, 2011 Jonathan has not heard back from the Atlantic Retirement Group. This leaves us just two proposals, one in hand from the Montessori Secondary School and the other, from the Horizon Group, promised.
- **1/3/2012:** Jonathan Vogel-Borne sends Steve Snow, CPA with Leonard, Mulherin, and Greene, the NE Friends Home QuickBooks file and other financial information. Steve will look over our situation and get back to Jonathan on Friday, January 6, 2012 with his recommendations on the scope of the work. These recommendations will be forwarded to the Ad Hoc Committee to review at its 1/8/2012 meeting.
- **1/4/2012:** Jonathan Vogel-Borne and Barry Corbin meet to consult about the ongoing maintenance of the building. Barry has found architectural drawings of the building and has scanned them for distribution at the 1/8/2012 meeting. Barry also updates Jonathan that the leak in the furnace has been repaired.
- **1/6/2012:** Steve Snow sends Jonathan Vogel-Borne a letter of understanding, specifying the work he would do for us: 1) Compile information to produce financial statements for the fiscal

year ending September 2011; 2) Prepare NEFH Federal Form 990 for the fiscal year ending September 30, 2011; 3) Review NEFH financial records in an effort to identify any improperly recorded or unauthorized transactions; 4) Assist in updating NEFH QuickBooks file for activity from October 1, 2011 forward.

- **1/8/2012:** Ad Hoc Committee holds third meeting. We took action on the following items:
 - **Montessori Secondary School:** The School's Board proposes a 5 year lease to buy at \$1.1 million. The lease would cover the carrying expenses, but what about costs to modify/improve the property, maintain it and cover unexpected costs? The committee felt that a purchase instead of a lease would be preferable, even if it meant that we gave them a mortgage. Barry Corbin reported that he has shown the home to the school several times and that they have the support of the Trustees and the other abutters. Jeanne McKnight asked if the Trustees could be part of the plan and buy a restriction on the property to prevent future development. Would the Trustees consider buying the land and leasing the building to the school? There are many details missing from their plan, but the committee likes the idea of the school and would like to ask Jonathan to continue a discussion with them.
 - **Disposition of appraisal:** The appraiser wants to finish his work. He only looked at continuing to use the property as a healthcare facility and did not explore or consider any other options. Kevin Delaney feels that a complete appraisal would be beneficial. The committee agreed we should have the appraisal completed and pay the balance due.
 - **New CPA:** The committee approved using Steve Snow as CPA. The committee will ask Jonathan to discuss with Steve the benefits of doing a complete audit. Is there a reason for us to do this? How expensive will it be?
 - **Litigation:** Chris Doehlert will be speaking with the Assistant District Attorney (ADA) on January 9, 2012 and will have the opportunity to provide the ADA with details about the fraud.
 - Tenneysa Hughes is to be arraigned on January 11, 2012 and the charges against her will be formalized at that time. Chris reported that he understands that there is no benefit to us being present. If this case proceeds any further, we may need to be present.
 - Coughlin Consulting Services: Tenneysa Hughes worked for Kim Coughlin, principal, as a independent contractor. Although Kim has insurance, it covers only employees and not contractors. There was clear negligence on Kim's part. Do we want to pursue a civil case against Kim? Jeanne's firm could represent us and will get an estimate. The committee felt that because this is NEYM's money, we have an obligation to protect it and try to recover it.
 - **Insurance:** Church Mutual considers the building to be vacant and will not provide us with the coverage that we need. We have some liability insurance, but very limited, it doesn't include theft, damage by sprinkler, etc.... The committee agrees that Jonathan should pursue getting adequate insurance.
 - **Whittier Items:** Permanent Board approved transferring the Whittier items to Amesbury. Barry Corbin and Ed Mair will coordinate this.

- **1/12/2012:** Following up on the Ad Hoc Property Committee meeting, Jonathan Vogel-Borne contacts the following people:
 - Kevin Delaney who urges the Committee to set an asking price so that he can more fully market the property. Jonathan sends an email to the Committee suggesting that we set the price at \$1.5 million.
 - Mark Reenstierna, the commercial appraiser, asking him to finish the appraisal. Mark expects to have a final draft of the appraisal by early February
 - Steve Snow, CPA, to formally engage his services.
 - Dan Podolsky to check-in about fully insuring the building. Dan is still looking for companies that will insure us.

END OF 17 JANUARY 2012 UPDATE

- **1/21/2012:** Permanent Board meets, Hartford CT

Report on New England Friends Home Property: Jonathan Vogel-Borne reported on behalf of the Ad Hoc Friends Home Property Committee (see PB Minute 11-78). Referencing the Progress Report distributed with the advance documents, he reviewed the major developments since the November meeting, including: the solicitation of proposals and the decision to decline an initial lease-to-buy offer from a Montessori school, which is now working to identify funding and submit a revised proposal; establishing a formal asking price of \$1.5 million while deciding to complete the process of securing an appraisal; the challenge of securing adequate insurance coverage for the property; and steps taken to address the bookkeeper fraud discovered at the end of November.

Jonathan reported that the YM has engaged Steve Snow, a CPA, to help clear up the Friends Home books, close out FY2011, and help to implement best practices moving forward. Current procedures involve Chris Doehlert, who is serving as treasurer for the ad hoc committee, filling out the checks and send them to Alice Schaefer, along with appropriate documents. Alice signs the checks and mails them.

Jonathan clarified the details of the bookkeeper fraud:

- Coughlin Consulting Services (CCS) is the independent contractor hired by NEYM in June 2011 to handle the bookkeeping for the Friends Home following the resignation of the Friends Home's director. Kim Coughlin is the principal and sole employee of the company.
- CCS subcontracted the work to Tenneysa Hughes, an independent contractor, who is the mother of three young children and performed the work at home.
- Sometime during the summer, Ms. Hughes acquired the rubber stamp signature from the CCS office, contrary to YM's agreement with CCS that the stamp would remain at the office. Over the next four months, Ms. Hughes wrote 14 fraudulent checks, amounting to roughly \$23,000.
- Because the fraud involves independent contractors rather than employees, neither the YM's insurance nor CCS's insurance will cover the loss, and due to the use of a signature stamp, the bank will not cover it.
- Ms. Hughes was arraigned in court on January 19, and a warrant for her arrest was issued when she failed to appear.
- It seems unlikely that CCS will survive as a business in the face of the fraud, which also involves other clients in addition to NEYM.
- NEYM has paid CCS \$4,159 for the services rendered since June.
- Jeanne McKnight, serving as counsel for the YM, has advised that if we were to file a civil suit against CCS, seeking to recover damages, the expenses of doing so will likely exceed the funds we might recover. A criminal proceeding against Ms. Hughes may provide a greater likelihood of financial compensation.

Friends addressed the question of whether to pursue legal action against Kim Coughlin for negligence. Several Friends expressed discomfort with pursuing the course of legal action, especially since it seems unlikely to lead to recovering NEYM funds. Friends were also uncomfortable with doing nothing, raising concerns about our responsibility to protect potential future clients from a similar loss and wanting to explore options that could lead to both reconciliation and restitution. Friends recognized the human costs already faced by both Ms. Coughlin and Ms. Hughes.

Friends asked Jonathan and the ad hoc Committee to pursue a face-to-face meeting with Kim Coughlin to explore opportunities for reconciliation and restitution, perhaps at least seeking the return of the fees NEYM paid to CCS. Jonathan intends to gather more information about our options for seeking some compensation within the context of the criminal proceedings against Ms. Hughes.

- **1/22/2012:** Jonathan Vogel-Borne receives a letter from the Massachusetts Commission Against Discrimination giving notice of a discrimination complaint filed on December 2, 2011 by Robin Kizito, alleging racial discrimination and wrongful termination of employment against Barbara Rugg (a former NE Friends Home Director), individually, and the NE Friends Home, and NEYM. Since NE Friends Home is not separately incorporated, the NEYM operations is the named organizational defendant.
- **1/23/2012:** The complaint was also sent to Barbara Rugg. Jonathan Vogel-Borne contacts Barbara Rugg to let her know that he is looking into our insurance coverage and that she should not do anything until she hears back from him.
- **1/23/2012 to 2/8/2012:** Jonathan Vogel-Borne contacts our two different insurance agencies (Church Mutual Insurance with our Multi-Peril coverage and the Mount Vernon Fire Insurance Company, carrying the NE Friends Home Directors and Officers' and Professional Liability insurance policy) to find that we were not covered for a discrimination complaint. In order to be covered for such claims, we needed to have carried Employment Practices insurance. Our Multi-Peril policy, though, will cover the first \$5,000 of legal fees in a defensible claim.
- **1/31/2012:** Jonathan Vogel-Borne sends a letter/PDF to the Massachusetts Commission Against Discrimination to ask that the submission date for our Position Statement be extended to 2/24/2012.
- **2/2/2012:** Jonathan Vogel-Borne puts the NE Friend Home QuickBooks account online, giving access to Steve Snow, Chris Doehlert, and Frederick Martin.
- **2/6/2012:** Hearing back from both insurance companies that we likely do not have coverage for the discrimination complaint, Jonathan Vogel-Borne contacts Barbara Rugg, asking her to prepare her response to the allegations in a Position Statement
- **2/7/2012:** Dan Podolsky, an independent insurance broker, secures a new insurance policy for the property, with full coverage, through Central Mutual Insurance Company, Van Wert, OH. The annual premium is \$6,907. Our underinsured policy with Church Mutual had an annual premium of \$2,761. We will be reimbursed on a pro-rated basis for the remainder of the annual premium when the coverage is cancelled.
- **2/7/2012:** Mark Reenstierna, commercial appraiser, sends Jonathan and Jeanne McKnight the final version of the appraisal. Jonathan authorizes a check for \$1500 to be sent to T.H. Reenstierna LLC, completing payment for the appraisal.

- **2/7/2012:** Jonathan Vogel-Borne contacts Steve Snow, CPA, asking him to obtain an extension for filing the NE Friends Home's federal form 990.
- **2/8/2012:** Jonathan Vogel-Borne contacts Fran Barbieri of the Andover, MA law firm, Schwartz Hannum PC about representing us in the discrimination complaint. This was the lawyer and the firm that handled Barbara Rugg's several employee terminations in late 2010 and early 2011. The firm also represented the Home at appeal hearings for former employees with the Department of Unemployment Assistance. Robin Kizito worked for the NE Friend Home from June of 2010 to February of 2011, at which date her employment was terminated.
- **2/9/2012:** Jonathan receives Barbara Rugg's answers to Robin Kizito's allegations and forwards them to Fran Barbieri.
- **2/11/2012:** Finance Committee is updated on the disposition of the NE Friends home property. Friends expressed concern about the ±\$6,000/month of ongoing expenses NEYM carries on the property.
- **2/12/2012:** Kevin Delaney informs Jonathan Vogel-Borne that we have an offer for \$1.1 million on the property from an assisted living developer/organization. Kevin also lets us know that another interested party is likely to make an offer on the following day. Jonathan convenes a conference call with available members of the ad hoc Committee and, on Kevin Delaney's advice, we decide to counter offer at \$1.4 million (our asking price was \$1.5 million). The assisted living developer/organization returns with a "split the difference" of \$1.25 million. We do not answer.
- **2/13/2012:** We receive an offer of \$1.625 million from Campus of Caring, an organization looking to establish the first residential hospice on Boston's south shore area. The Horizon Group, with whom we have been in conversation since November 2011, interested in continuing the property as an assisted living facility, gives us an informal offer of \$1.3 million. The Montessori Secondary School group asks us once more to consider whether we would agree to lease to buy arrangement for the property
- **2/13/2012:** Schwartz Hannum PC is engaged to represent NEYM and Barbara Rugg in a joint defense. Jonathan instructs Fran Barbieri to contact MCAD to arrange for mediation, rather than a formal hearing. Robin Kizito is being represented pro bono by the Boston University Civil Litigation Program. Fran Barbieri informs us that our willingness to enter into the mediation setting provided by the MCAD means that we are prepared to make a cash settlement with Robin Kizito. A cash settlement, however, does not legally mean that we or Barbara Rugg are admitting to having discriminated against Robin Kizito. Given the costs of a formal hearing and perhaps further litigation, Jonathan Vogel-Borne in consultation with Edward Baker, Ed Mair, and Barbara Rugg, decides that NEYM's best interest is served by attempting to resolve the complaint through mediation.
- **2/14/2012:** Ad Hoc Property Committee meets via conference call and accepts Campus of Caring's offer of \$1.625 million with no mortgage contingency and a closing date in early April.
- **2/15/2012:** On behalf of NEYM, Jonathan Vogel-Borne signs the formal offer with Campus of Caring. Edward Baker, clerk of Permanent Board, sends the following message to the members of Permanent Board and to the Finance Committee:

Greetings Members of Permanent Board,
The Friends Home Ad Hoc Property Committee held a conference call on Tuesday evening

(14 February) to make a decision regarding three active offers for Thayer House (the former Friends Home). We have accepted a cash offer of \$1,625,000 from the Campus of Caring, a 501(c)3, not-for profit corporation, proposing to use the facility as a hospice care center to be operated by the Norwell Visiting Nurse Association and Hospice. We received letters of support for accepting this offer from both Dinah and Vickie Starr, daughters of the donor of the property, Polly Starr. The only contingency on the offer is a structural walkthrough by a member of the organization's board who is a contractor. This group has been in existence for seven years with a mission to build the first hospice care facility on the South Shore. (A reminder: our asking price had been \$1,500,000.)

In the process, we rejected an offer from Landmark Senior Living Group for \$1,600,000. Landmark, a commercial venture, owns and operates four assisted living facilities (some with memory care units) with from 105 to 75 beds across the state.

We also rejected an offer from Horizon Group of \$1,300,000 who were planning to continue to run the facility as an assisted living facility.

In addition we have been actively communicating with the (yet to be established) Montessori Secondary School of New England (MSSNE) which has a fully visualized plan for using the property in conjunction with the surrounding Trustees of Reservations property and CSA to create a secondary school program based on agriculture. They have progressed far in the past several months, but they have no cash at this point to bring to the table. They proposed a long-term partnership with the Yearly Meeting, taking ownership and responsibility for the property and sharing a percentage of their net profits. Although many of us felt the MSSNE vision would indeed be a good use for the property, we agreed that it simply wouldn't be prudent to transfer the property to a start-up private school with no guarantee of return.

We agreed the "highest and best use" to be the Campus of Care proposal – which was also offering us the highest price, with the added feature that it is a not-for-profit. The broker reported that the Campus of Care board has been in contact with the Town of Hingham and they have no concerns about having the property rezoned for their intended use.

We authorized Jonathan to sign the documents accepting the deposit today. The purchase and sales agreement will be signed on the 27th of February, and the closing is scheduled for 6 April [**Note: at the Purchase and Sale, that date was changed to 24th of April**]. At the 17 March Permanent Board meeting we will have an opportunity to review this further and we expect that you will affirm the decision to accept this offer.

This is a wonderful development which we believe the Yearly Meeting will also find to be very appropriate.

- **2/21/2012:** In January we were served a subpoena for the employment records of a former and deceased NE Friends Home employee, who last worked there in 2007. Jonathan Vogel-Borne, with Barry Corbin's help in locating the documents, sent a copy of this person's employment records to the law firm of Foster & Eldridge, LLP. I was assured by the law firm that this subpoena had nothing to do with Home, per se, but with another former employee.
- **2/22/2012:** Jonathan Vogel-Borne applies for Employment Practices Liability coverage with Church Mutual Insurance. The underwriters will get back to Jonathan with their determination.
- **2/25/2012:** Dinah Starr, in her role on the Friends Meeting at Cambridge (FMC) Ministry and Counsel speaks with Jonathan Vogel-Borne about visiting with the South Shore Preparative Meeting. The Preparative Meeting is under the care of FMC and Dinah has been charged with contacting the Meeting to help them think through possible next steps. Dinah, Jonathan, and Anne Thompson (also of FMC Ministry & Counsel) are scheduled to meet with South Shore Preparative Meeting on Friday evening 3/23/2012.
- **2/27/2012:** The Purchase and Sale agreement with Campus of Caring is signed by Edward Baker on behalf of NEYM and Walter Sullivan on behalf of the Campus of Caring. NEYM stipulated a contingency that the sale would need Permanent Board approval at its meeting on

3/17/2012 and that all personal property, with the exception of a painting over the library fireplace, go to the buyer as part of the sale. The closing date is set for April 24, 2012.

- **2/28/2012:** MCAD sets 1pm, March 26, 2012 as the mediation date for Robin Kizito's discrimination complaint.
- **3/1/2012:** Steve Snow, CPA, returns Jonathan's calls to say that he had filed for an extension of the submission date for the NE Friends Home 990 and he is ready to begin engagement with us.
- **3/5/2012:** Steve Snow sends Jonathan a list of administrative and financial items needed for filing the 990 form. He also sends Jonathan PDF copies of the NE Friends Home's 990s for the prior two years. Jonathan asks Chris Doehlert to obtain the financial items necessary (bank and investment statements). Jonathan will see to obtaining the administrative items needed.
- **3/8/2012:** Jonathan contacts Kim Coughlin of Coughlin Consulting Services, beginning the conversation with her to set up a face-to-face meeting to "to explore opportunities for reconciliation and restitution." Kim Coughlin will think about this possibility and get back to Jonathan in a week or two. Jonathan will follow up, nonetheless.
- **3/8/2012:** Hingham Institution for Savings (\$227,000 original mortgage amount) and the Providence Friends Meeting (\$30,000 original mortgage amount) are listed on the new insurance policy with Central Mutual Insurance as holders of the first and second mortgages respectively. Jonathan contacts the Hingham Institution for Savings to let them know we have changed insurers and sends them a PDF of the binder listing them as holders of the first mortgage. Jonathan cancels the NE Friends Home property segment of the NEYM insurance policy with Church Mutual Insurance.
- **3/9/2012:** Jeanne McKnight hears from Campus of Caring's Walter Sullivan that the board of the Norwell Visiting Nurses Association (NVNA) voted to purchase the property itself, and that the buyer, Campus of Caring, Inc., anticipates assigning its rights under the Purchase & Sale (P&S) to purchase the property, to NVNA." Jeanne also discloses that a partner in her firm is a member of the Board of Directors of the NVNA, and that she needs to obtain Edward Baker's consent as clerk of the Permanent Board to allow her firm to continue representing NEYM in this transaction, now that NVNA is to be the buyer. She goes on to say that "since the terms of the P&S have already been negotiated, I do not believe that continuing to work on this matter is a violation of professional ethics, provided that formal written disclosure is made and signed approval is obtained, from both NEYM and from NVNA." Edward agrees to sign such a letter of consent.

New England Yearly Meeting of Friends

Treasurer's Report
Third Month 17
Prepared by Ed Mair

Summary

We have a deficit which is normal this time of year. Our expenses exceed our income. The Budget vs Actual have been skewed by the costs of maintaining and selling the New England Friends Home. (See for example Budgets vs. Actuals expense accounts 5140 Legal Expenses and 5150 Liability Insurance). Upon the sale of the home, all expenses should be covered and we may even show a surplus, although perhaps not as much as Friends might wish for.

Individual (account 4010) income is \$4,221 less than last year while Monthly Meeting (account 4020) income is \$28,909 higher than in FY2011. Overall our income to date is \$184,654; our expenses are \$207,715 so we stand with a deficit of \$ 23,061.41. This almost \$4,000 less than the deficit we had at this time last year.

Introduction

The bulk of the information in the report is in three tables, named “FY12 Balance Sheet”, “FY12 and Previous Year” and “FY11 Budget vs. Actuals”. These Tables will not show interest income or changes in fair market value until the end of the year.

Balance Sheet Comparison (Last Fiscal Year-to-Date to this Fiscal Year-to-Date)

The balance sheet table shows where we have our money and how we intend to use it

Our total assets are \$944, 135 of which about \$615,681 are in the New England Yearly Meeting Pooled Funds (1075), about \$82,500 is due from Friends Home (1190), and about \$145,088 are in low risk certificates of deposit (account 1050), money market funds (account 1020), and checking accounts (account 1000). The low risk assets provide a mixture of security and liquidity relative to the more volatile pooled funds.

We have no significant liabilities (debts).

Our “equities”, which we often refer to as “funds”, indicate how we intend to use our assets. We have \$128,351 in Board designated funds (account 3600), \$470,044 in restricted funds (account 3800) and \$172,853 in revolving accounts (account 3700).

Our current working capital reserves are \$189,168. This working reserve represents about 20% of our total equity and 20% of our current assets. Our cash advances to the NEFH represent 8.6% of our assets.

FY2012 and Previous Year

This table compares where we are this year as compared to the last fiscal year.

Budget vs. Actual Summary FY12

This table shows our income and expenses year to date relative to our annual budget for the whole year.

	A	B	C
1	NEYM		
2	Balance Sheet Comparison		
3	As of March 13, 2011 and March 13, 2012		
4			
5		13-Mar-2011	13-Mar-2012
6	ASSETS		
7	Current Assets		
8	Bank Accounts		
9	1000 Checking Accounts		
10	1005 TD Bank Checking	19,724	39,656
11	1010 Checking Northampton Coop	5,505	5,492
12	1011 DNU (deleted)	0	0
13	Total 1010 Checking Northampton Coop	\$5,505	\$5,492
14	1015 Bank of America - Checking	6,975	0
15	1040 Petty Cash	200	200
16	Total 1000 Checking Accounts	\$32,404	\$45,347
17	1020 Money Market Accounts		
18	1022 TD Bank MM \$#1	2,503	2,541
19	1025 Money Market Northampton Coop	33,977	38,036
20	1070 Bank of America - Money Market	11,687	0
21	Total 1020 Money Market Accounts	\$48,167	\$40,578
22	1050 Certificates of Deposits		
23	1051 TD Bank MM #2 CD	25,229	5,312
24	1052 CD'S Northampton Coop	87,528	53,851
25	Total 1050 Certificates of Deposits	\$112,757	\$59,163
26	Total Bank Accounts	\$193,328	\$145,088
27	Accounts Receivable		
28	1200 Accounts Receivable		
29	1210 SLOA AR Principal Interest	18,260	17,699
30	1215 SLOA Principal Non Interest	70,890	69,890
31	1220 SLOA Interest Receivable	5,997	5,152
32	1230 CD sales receivable	0	0
33	1275 Book Sales	0	2,112
34	1277 Postage	0	0
35	Total 1275 Book Sales	\$0	\$2,112
36	Total 1200 Accounts Receivable	\$95,147	\$94,853
37	Total Accounts Receivable	\$95,147	\$94,853
38	Other Current Assets		
39	1075 Pooled Funds	591,928	615,681
40	1100 Accrued Receivable	(284)	(284)
41	1110 Due to/from Friends Camp	0	1,265
42	1112 Camp Disability	40	120
43	1114 Camp - Retirement	0	0
44	1115 Camp Loan	32,200	0
45	1116 Camp Mailings	0	0
46	1118 Camp - Umbrella Liability Insur	0	0
47	1119 Camp Funds in Transit	0	0
48	Total 1110 Due to/from Friends Camp	\$32,240	\$1,385
49	1120 Employee Advances	0	0
50	1130 Student Loan Principal Rec.	0	0
51	1132 Student Loan Principal Non Inte	0	0
52	1135 Student Loan Interest Rec.	0	0
53	1140 Due to/from Sessions	0	0
54	1150 Prepaid Expenses	5,196.46	4,912.14
55	1190 Misc due to/from (NE Friends Home)	0	82,500

	A	B	C
56	1499 Undeposited Funds	0	0
57	Total Other Current Assets	\$629,081	\$704,194
58	TOTAL ASSETS	\$917,556	\$944,135
59	LIABILITIES AND EQUITY		
60	Liabilities		
61	Current Liabilities		
62	Accounts Payable		
63	Accounts Payable	0.00	0.00
64	Total Accounts Payable	\$ 0.00	\$ 0.00
65	Other Current Liabilities		
66	2010 Accrued Liabilities	3,876	2,006
67	2110 Federal Taxes	0	0
68	2120 State Taxes	0	0
69	2150 Health Insurance Premium	(272)	1,395
70	2155 Sect 125 Employee Withholding	(770)	632
71	2160 403B Retirement	0	0
72	Total Other Current Liabilities	\$2,834	\$4,033
73	Total Current Liabilities	\$2,834	\$4,033
74	Total Liabilities	\$2,834	\$4,033
75	Equity		
76	3500 Working Capital	189,168	189,168
77	3600 Board Designated Funds	0	0
78	3620 Faith & Practice Revision	33,453	34,898
79	3630 World Conference Travel	4,000	7,000
80	3650 Quasi-Endowment (Investments)	84,060	86,453
81	Total 3600 Board Designated Funds	\$121,514	\$128,351
82	3700 Revolving Accounts	0	0
83	3705 Archives	4,346	4,346
84	3712 FUM Intervisitation	1,654	1,654
85	3714 Peace Tax Fund	0	9,365
86	3715 Peaceworker	1,784	1,784
87	3720 Prejudice & Poverty	1,412	6,762
88	3725 Puente de Amigos	4,271	3,839
89	3730 Suffering	4,939	4,939
90	3740 CE Pubs	0	0
91	3750 M & C Pubs	0	0
92	3755 Student Loan	135,298	137,193
93	3760 Young Friends Travel	2,971	2,971
94	3780 FCNL Pass through	0	0
95	Total 3700 Revolving Accounts	\$156,675	\$172,853
96	3800 Permanently Restricted Funds	0	0
97	3802 Endowment Fund	0	0
98	38021 Unavailable	18,792	19,546
99	38022 Available	981	981
100	Total 3802 Endowment Fund	\$19,773	\$20,527
101	3804 Alice Needham	0	0
102	38041 Unavailable	14,989	14,794
103	38042 Available	797	797
104	Total 3804 Alice Needham	\$15,786	\$15,591
105	3806 Amy S. Hayden	0.00	0.00
106	38061 Unavailable	49,309.12	48,756.49
107	38062 Available	2,532.00	2,532.00
108	Total 3806 Amy S. Hayden	\$51,841	\$51,288

	A	B	C
109	3808 Anna M. Brown	0	0
110	38081 Unavailable	27,256	28,350
111	38082 Available	1,404	1,404
112	Total 3808 Anna M. Brown	\$28,660	\$29,754
113	3810 Freedmen's	0	0
114	38101 Unavailable	112,577	105,503
115	38102 Available	22,394	21,987
116	Total 3810 Freedmen's	\$134,971	\$127,490
117	3812 FUM Foreign Missions	0	0
118	38121 Unavailable	40,400	39,873
119	38122 Available	2,149	2,149
120	Total 3812 FUM Foreign Missions	\$42,549	\$42,022
121	3814 FUM Home & Foreign	0	0
122	38141 Unavailable	5,655	5,583
123	38142 Available	300	300
124	Total 3814 FUM Home & Foreign	\$5,955	\$5,883
125	3816 FUM Ramallah	0	0
126	38161 Unavailable	51,083	50,417
127	38162 Available	2,717	2,717
128	Total 3816 FUM Ramallah	\$53,800	\$53,134
129	3818 Hanson/Hill	0	0
130	38181 Unavailable	24,830	25,557
131	38182 Available	1,036	1,306
132	Total 3818 Hanson/Hill	\$25,866	\$26,863
133	3824 Mosher Book & Tract	0	0
134	38241 Unavailable	53,285	54,765
135	38242 Available	2,547	2,742
136	Total 3824 Mosher Book & Tract	\$55,832	\$57,507
137	3826 Phillips/Purington/Hawkes	0	0
138	38261 Unavailable	21,804	21,470
139	38262 Available	1,209	1,209
140	Total 3826 Phillips/Purington/Hawkes	\$23,013	\$22,679
141	3828 Pittsfield/Varney	0	0
142	38281 Unavailable	5,854	6,089
143	38282 Available	300	300
144	Total 3828 Pittsfield/Varney	\$6,154	\$6,389
145	3830 Susan B. Kirby	0	0
146	38301 Unavailable	6,486	6,732
147	38302 Available	336	350
148	Total 3830 Susan B. Kirby	\$6,822	\$7,082
149	3832 West Falmouth Prep Mtg	0	0
150	38321 Unavailable	3,687	3,635
151	38322 Available	200	200
152	Total 3832 West Falmouth Prep Mtg	\$3,887	\$3,835
153	Total 3800 Permanently Restricted Funds	\$474,909	\$470,044
154	3900 Retained Earnings	(554)	2,747
155	Net Income	(26,990)	(23,061)
156	Total Equity	\$914,722	\$940,102
157	TOTAL LIABILITIES AND EQUITY	\$917,556	\$944,135
158			
159	Wednesday, Mar 14, 2012 11:13:40 AM GMT-4 - Cash Basis		
160			

	A	B	C	D
1	Year-to-Date Comparison with Previous Year			
2	October 1, 2011 - March 13, 2012			
3				
4				
5		Oct 1, 2011 - Mar 13, 2012	Oct 1, 2010 - Mar 13, 2011	\$ Change
6	Income			
7	4010 Individual Contributions	31,521	35,741	(4,221)
8	4020 Monthly Meeting Contributions	119,326	90,417	28,910
9	4022 FUM MM Restricted Funds		180	(180)
10	4030 Organizations Contributions	5,101	1,900	3,201
11	4050 Interest and Dividend Income	3,294	4,525	(1,231)
12	4055 Student Loan Interest		90	(90)
13	4070 Books and other Items	386	22	363
14	4080 Retreat Program Fees	24,607	25,792	(1,185)
15	4085 Sessions Program Fees	420		420
16	Total Income	\$184,654	\$158,668	\$25,986
17				
18	Expenses			
19	4000 Reconciliation Discrepancies	0	10	(10)
20	5000 Staff	129,640	126,791	2,850
21	5075 Undistributed Credit Card Charge	4,954		4,954
22	5100 General & Administration	29,280	15,258	14,021
23	5300 Travel & Conferences	12,284	9,777	2,507
24	6000 Programs	24,134	24,818	(683)
25	6140 Books and Other		500	(500)
26	6200 Benevolence	280	505	(225)
27	6600 Publications	7,143	7,999	(856)
28	Total Expenses	\$207,715	\$185,658	\$22,057
29				
30	Net Operating Income	(\$23,061)	(\$26,990)	\$3,929
31				
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	A	B	C	D
1	NEYM			
2	Budget vs. Actuals: NEYM - FY12			
3	October 1, 2011 - March 13, 2012			
4		Actual	Total Budget	% of Budget
5	Income			
6	4010 Individual Contributions	31521	110000	29%
7	4020 Monthly Meeting Contributions	119326	310000	38%
8	4030 Organizations Contributions	5101	2200	232%
9	4050 Interest and Dividend Income	3294	12000	27%
10	4070 Books and other Items			
11	4072 Sales - Books	274	19500	1%
12	4074 Quip Discount	(95)		
13	Total 4072 Sales - Books	\$179	\$19,500	1%
14	4075 Sales -Other Items	192.76	500.00	39%
15	4076 Shipping/Postage	13.84		
16	Total 4070 Books and other Items	\$386	\$20,000	2%
17	4080 Retreat Program Fees	24,606.57	51,370.00	48%
18	4085 Sessions Program Fees	420.00	173,500.00	0%
19	Total Income	\$184,654	\$679,070	27%
20				
21	Expenses			
22	5000 Staff			
23	5010 Salaries & Wages	84,908	228,000	37%
24	5037 Housing Allowance	10,000		
25	Total 5010 Salaries & Wages	\$94,908	\$228,000	42%
26	5020 Payroll Taxes	4,748	13,000	37%
27	5030 Benefits			
28	5033 Health Benefits	19,934	39,000	51%
29	5035 Retirements	8,196	20,000	41%
30	5040 Disability	602	1,131	53%
31	5045 Workers' Compensation	630	811	78%
32	Total 5030 Benefits	\$29,362	\$60,942	48%
33	5050 Spiritual Retreats	622	1,200	52%
34	Total 5000 Staff	\$129,640	\$303,142	43%
35	5075 Undistributed Credit Card Charge	4,953.83		
36	5100 General & Administration			
37	5110 Administration			
38	5120 Bank Expense	538	3,500	15%
39	5130 Contracted Services	3,030	6,000	50%
40	5140 Legal Services	4,799	1,000	480%
41	5150 Liability Insurance	11,433	3,500	327%
42	5160 Payroll Service	721	2,500	29%
43	5170 Recruiting Expense		1,000	0%
44	5180 Rent	4,675	9,350	50%
45	Total 5110 Administration	\$25,196	\$26,850	94%
46	5200 Office			
47	5220 Cleaning Services	110	150	73%
48	5230 Maint - Equip & Hardware		2,000	0%
49	5240 Postage	1,726	3,000	58%
50	5250 Office Equipment		2,000	0%
51	5260 Office Supplies	655	2,500	26%
52	5270 Printing & Copying		4,000	0%
53	5280 Software & Updates	246	1,250	20%
54	5290 Telephone	1,346	3,500	38%
55	Total 5200 Office	\$4,084	\$18,400	22%
56	Total 5100 General & Administration	\$29,280	\$45,250	65%
57	5300 Travel & Conferences			

	A	B	C	D
58	5310 Travel - Committee	1,078	2,000	54%
59	5320 Travel - Clerk	568	3,000	19%
60	5330 Travel - Programs	469	1,000	47%
61	5335 Travel - Representatives Travel	3,445	6,500	53%
62	5350 Travel - Staff	4,624	11,000	42%
63	5360 Travel - Ministries	2,100	500	420%
64	Total 5300 Travel & Conferences	\$12,284	\$24,000	51%
65	6000 Programs			
66	6105 Honoraria - Speakers/Wkshp Ldrs	3,010	9,600	31%
67	6110 Sessions Room & Board		163,000	0%
68	6112 Retreats - Room & Board			
69	6114 Room Rental	11,017	20,000	55%
70	6150 Food Expense	4,187	10,000	42%
71	Total 6112 Retreats - Room & Board	\$15,204	\$30,000	51%
72	6125 Program Expenses	435		
73	6115 Equipment Rental		4,000	0%
74	6120 DNU	195		
75	6121 Supplies and Other Expenses	1,197	8,900	13%
76	6165 Pre-Sessions Expense		900	0%
77	Total 6125 Program Expenses	\$1,826	\$13,800	13%
78	6130 Committee Expenses - General	4,095	15,000	27%
79	6160 Support - Retreats & Sessions		1,000	0%
80	Total 6000 Programs	\$24,134	\$232,400	10%
81	6140 Books and Other			
82	6142 Books		10,000	0%
83	6145 Other Items for Sale		500	0%
84	6147 Consignment Sales		4,000	0%
85	Total 6140 Books and Other	\$0	\$14,500	0%
86	6200 Benevolence			
87	6310 FGC		17,608	0%
88	6320 FUM		16,635	0%
89	6325 FWCC		7,206	0%
90	6328 Ramallah Friends School		100	0%
91	6330 Friends' Organizations			
92	6335 AFSC		300	0%
93	6340 FCNL		750	0%
94	6345 QEW		300	0%
95	6350 Friends Peace Teams		100	0%
96	6355 FWCC 3rd World Travel		500	0%
97	6360 QUNO		200	0%
98	Total 6330 Friends' Organizations	\$0	\$2,150	0%
99	6450 Support for Individuals/Family	280		
100	6575 Other Organizations		650	0%
101	6590 Ecumenical Organizations			
102	6592 State Council of Churches		4,000	0%
103	6594 NE Council of Churches		150	0%
104	6596 NECL		150	0%
105	6598 World Council of Churches		100	0%
106	Total 6590 Ecumenical Organizations	\$0	\$4,400	0%
107	Total 6200 Benevolence	\$280	\$48,749	1%
108	6600 Publications			
109	6610 Yearly Meeting Minute Book	5,500	5,500	100%
110	6620 New England Friend	1,643	5,000	33%
111	Total 6600 Publications	\$7,143	\$10,500	68%
112	Total Expenses	\$207,715	\$678,541	31%
113				
114	Net Operating Income	(\$23,061)	\$529	
115				
116	Tuesday, Mar 13, 2012 02:12:17 PM GMT-4 - Cash Basis			