Waterman Village
Mount Dora, Florida
Foundation Town Hall Meeting

Harmon Massey opened the meeting at 3:00 and did a welcoming and introduction of the Waterman Communities Foundation Fundraising Committee Members. Pastor Fred, Director of Spiritual Wellness and Foundation Representative, started the Foundation Meeting with a prayer and followed with the Pledge of Allegiance.

Arvon Byle- Chairman of Fundraising & Vice Chairman of the Foundation

- I am delighted to see as many of you here as there are. We were unsure what to expect—any time you ask people for money, it can feel a bit uneasy. We are grateful for the opportunity to share our message with you. One of our primary goals today is to reassure you and keep you informed about the Foundation's progress and activities over the past 18 months. As some may know, the Foundation was established in 1989 by three visionary residents who understood that Waterman Village could not provide everything the community might need. They took the initiative to form the Foundation, which was formally incorporated with bylaws in 1991.
- However, one key component was never put in place—an endowment. Over the past 12 to 15 years, the Foundation has spent approximately $180,000 on resident-focused projects. The problem is that it only raised about $180,000 at the time, so there has been no long-term revenue generation to sustain future efforts. As I look around at other communities—friends and family of mine—I see how far behind we are in terms of future planning and sustainability. My sister lives in a similar community in Grand Rapids, Michigan, which operates across two campuses and has a $30 million foundation. Here we are today, hoping to establish just $500,000. We have a long journey ahead.
- Another friend of mine lives in Novi, Michigan, in a community called Fox Run—part of the national Erickson network of 25 communities. I sent him a copy of an interview I did with Harmon for our campus TV, and he responded by sharing that he had just attended a luncheon with 160 attendees, each of whom gave a minimum of $1,000. That one event raised $450,000 in a single year to support staff scholarships. It was Ken—the same friend—who initially encouraged me to explore ways to help our employees here. Until recently, the Foundation has been focused solely on resident needs. However, I think all of us have developed relationships with team members—whether it is Plant Operations or the Dining staff—who could benefit from a bit of help. Some may have made poor decisions or fallen on hard times, and it often feels like they are stuck digging a deeper hole. Given the quality of life we enjoy here, I believe it is meaningful for us to lend a hand when we can.
- At first, I naively thought we would be awarding significant university scholarships. However, that is not what is needed at this time. Our staff are seeking certification programs and educational grants—from Lake Tech, Lake-Sumter State College, or other local institutions—to gain skills in cosmetology, therapy, auto mechanics, and more. The goal is not necessarily for them to stay at Waterman forever. I hope we can help them grow, move on to greater opportunities, and create a cycle where more young people are drawn here, benefit from our support, and then move forward. Now, let me update you on what the Foundation has been working on over the last 18 months. A significant focus has been on reintroducing the Foundation to the resident community. I suspect that if we walked outside today and asked 100 people about the Foundation, 95 of them might not even know it exists. One of our primary objectives was to increase visibility—making the Foundation known, accessible, and

transparent. You may have noticed that recent materials include the names and contact information of our Board of Directors. That was not the case before. The Foundation was somewhat of a hidden asset. We also spent considerable time cleaning up legal documents. Thanks to Andrew, we were able to work with his legal team in Orlando to align our bylaws and articles of incorporation. Previously, these documents conflicted in terms of names, dates, and other legal details. That has now been resolved, and we are officially a 501(c) (3) nonprofit organization—fully documented and compliant.

- Any donation you make is now definitively tax-deductible. Two years ago, the Foundation's Board had dwindled. Our charter allows for 12 board seats, but when I joined, only five were filled, and participation was waning. With little activity, there was not much incentive to stay engaged; that has changed. Our fundraising committee, in particular, has been incredibly active, meeting every two weeks for the past year and a half at Lakeside. I have served on many committees in my life, but few have been as enjoyable, collaborative, and productive as this one. It has been an absolute pleasure to work with such dedicated individuals.

- I was recently writing thank-you letters, and I would like to take a moment to recognize Susan Kerr—she is right over here in the pink. We affectionately call her "the lady with the golden pen." Susan wrote every brochure, flyer, and documentation you now have in your hands. We also had the benefit of a professional designer, and as you can tell, someone with marginal design skills did not create these materials. I had always assumed our designer, Angela Parton, was based in downtown Mount Dora. Last week, I asked Susan for her address so I could send a thank-you note. To my surprise, Susan replied that Angela lives in Graham, North Carolina. I was shocked, so I called Susan to confirm—and yes, Angela is indeed in North Carolina. What is remarkable is that everything you have seen was written and designed by Susan and Angela, who have never met in person. They have communicated, of course, but they have never worked together face-to-face. This speaks volumes about the effectiveness of the digital world in which we now live. Another key accomplishment of the Foundation this year was updating our mission statement. As many of you know, change does not come easily around here—we have all experienced it firsthand. However, after thoughtful discussion and effort, we successfully amended our mission. It now reads: *"for the benefit of residents and employees."* While we will always keep our focus on residents, we now officially recognize the importance of supporting our employees as well.
- We also introduced **term limits** for board members, which will take effect this fall. It is not healthy for an organization to have the same leadership in place for a decade or more. New perspectives and fresh ideas are essential, and we will begin a phased rotation of board members. Those of us currently serving will be stepping aside shortly, and we hope some of you will consider getting involved. When I joined the board, I asked if I could choose the members of the fundraising committee. The answer was yes, and the individuals who raised their hands today were handpicked because I knew they possessed the skills we needed. I worked in fundraising at the university level, and while that was on a much larger scale, the core skills remained the same. I sincerely appreciate everything this committee has done—they have been exceptional.
- One crucial structural change was the establishment of a separate fundraising committee independent of the Board of Directors. If you live in Lakeside, you probably had a representative visit your door. This committee has been a major force in producing what you see today.
  We have also formed a **Finance Committee**, currently led by Bob Kime and Mike McGuire. Mike and Bob are responsible for holding Raymond James, our investment manager, accountable.

- They have reviewed several other brokerages and developed a formal investment policy. Bob is a detail-oriented financial mind—what I would call a perfect "bean counter"—so you can rest assured that every donation would be professionally managed and closely monitored. Just this past Tuesday, we launched a **Donor Recognition Committee**. Pastor Fred is chairing it, with Susan Kerr and Carl Kusky as members. This group will oversee donor plaques and recognition systems. We are planning a *virtual Wall of Fame*. For those on the Lakeside campus, I have just confirmed with Brady that we can use one of the empty TV channels, such as Channel 3, to display a rolling tribute. This eliminates the need to spend $40,000 to $50,000 on physical plaques. We will not list donation amounts, but we do have six giving categories, and your name will be included within the appropriate tier. This is a creative, cost-effective way to show appreciation.
- As for our **campaign kickoff**, we had planned to launch the big TV interview on Monday morning, but we encountered a few technical hiccups. If you have not seen the interview that Harmon and I recorded, you can watch it on Channel 998 (this side of the road) or Channel 5 (the other side) at 11 a.m. or 7 p.m. It is approximately 20 minutes long and provides a comprehensive overview of the Foundation's current direction. The main challenge continues to be awareness—getting the word out about what we are doing and why it matters. We have mentioned before the importance of establishing an endowment. If we reach our goal of $500,000 and achieve just an 8% return, that would be $40,000 annually to reinvest in the community. It may seem small, but it's a start—and crucially, we won't touch the principal. Only the revenue it generates will be used.
- You have also received a **naming pamphlet**, which just became available from the printer. Unfortunately, we did not have it in time for Saturday's meeting. This is another great collaboration between Susan and Angela. The pamphlet includes our updated giving policy and a pricing sheet. We have reviewed the campus and assigned naming opportunities to various locations and items. Now, you might be thinking, "I don't want my name on something." Consider dedicating something in honor of a loved one—or even a beloved pet. We have already had one family claim a naming opportunity. It is first-come, first-served, and your name (or dedication) will remain for 10 years, with the option for your family or estate to renew it after that. We printed only 500 of these pamphlets due to cost, so we are limiting distribution to one per household. However, please take an extra copy from the back if you have a friend who could not attend today and might be interested. **So, how can you help?** We need two kinds of support—i**mmediate cash gifts** to help us meet our campaign goal and start generating revenue. **Planned giving**—through your estate, will, or legacy gift—so the Foundation can continue to grow well into the future. Remember, every bit helps. Our goal may be ambitious, but with your help, we can build something lasting. Let's work together to set the Waterman Foundation on a strong path forward—for residents, for employees, and for generations to come.
- Now, to bring things up to date, we are no longer starting from scratch. As of today, we have already raised $50,000 in this campaign. Here is something essential to know: when we formed the Finance Committee, the very first question I asked was, "Are we willing to personally invest in this effort?" I could not ask friends and fellow residents for money if I had not already given myself. I am proud to say that every member of the Fundraising Committee has contributed; together, we have raised over $30,000 just from that small group. Now, let's discuss the broader potential.
- We have 420 doors—420 residences—on this campus. If every household gave just $1,000, we would be nearly at our goal. Currently, we are averaging $51 per door, which is a solid start, but there is potential for growth ahead. Of course, we know not everyone can give that amount, and that is okay. What matters most is participation. A friend of mine in Michigan told me that at a

similar luncheon in their community, Fox Run, they raised $450,000 with a 78% participation rate. That is phenomenal, and it proves what is possible when people come together. Here at Waterman Village, we would love to see 100% participation. I originally only planned to approach upper-level administration for donations, but Andrew strongly encouraged us to invite all employees to participate. Some staff have already been contributing for years, giving modest amounts through monthly payroll deductions. It may not seem like much, but those small gifts add up. One of our neighbors reminded me of something powerful: France gave us the Statue of Liberty, but it was nickels and dimes collected during the Great Depression that built the pedestal—and the park around it. Just nickels and dimes, and look what they accomplished.

<u>Todd Mazenko- Estate Planning Attorney</u>

- I love charitable organizations, and I love *your* organization. I currently serve as Chairman of the Board for the AdventHealth Waterman Foundation, a charitable organization with assets exceeding **$40 million**. I am not here to discuss the Foundation in detail, but I do want to share a few examples of what a foundation of that size can accomplish, as it is both inspiring and relevant to what you are building here.
- For instance, Dr. Allen, one of the most highly regarded cardiothoracic surgeons in Central Florida, initially performed only traditional open-heart surgeries. The hospital, at the time, lacked the necessary capital to fund his transition to robotic-assisted surgery. They also could not afford the specialized equipment and tables needed for that type of surgery—hundreds of thousands of dollars in total—because their capital budget for the year had already been allocated. They came to the Foundation. We agreed to fund it. Today, thanks to that investment, we are now one of only **four hospitals in Florida** performing robotic cardiothoracic surgeries. Instead of a full sternotomy, patients now receive six small ports. There is no major incision, and most people go home in three to four days. *That is life-changing technology*, made possible not through hospital funds but through *foundation funds*.
- Now, let us bring that concept back here. Let's say you have $500,000 in your Foundation, with a modest 8% return; that translates to $40,000 in available revenue per year. Think about what $40,000 could do annually. If you're a golfer, you could consider installing a golf simulator—a great amenity for those who love the game but want to avoid the heat. Perhaps a therapeutic garden space or upgraded fitness equipment would be beneficial. These are the kinds of extras that a foundation can fund—things that do not fit into Waterman's capital budget. That is the beauty of having your Foundation: **you can respond to community needs**—needs that might otherwise go unmet because of budget constraints.

Planned Giving:

- Let me shift gears to my passion—**planned giving**. Planned giving is simply giving after you are gone. The beauty of it is that you will not miss it. Often, neither will your heirs. If you are in a financially secure position, giving just **1% or 5% of your estate** to a charity like this Foundation is something your children or grandchildren are likely to appreciate. Especially if the gift comes from your **IRA**, **401(k)**, or **annuity** assets that have not yet been taxed, let me explain: If you leave those assets to your children, they will be subject to income tax on them, typically at a rate of 25% to 38%, depending on their tax bracket. If you leave them to the Foundation, **they pay no tax**. So rather than losing up to half of the asset value to the government, 100% of your gift goes toward the cause you care about.

Easy Ways to Make a Planned Gift: There are **several simple ways** to include the Foundation in your estate plan:

- **Update your will** to include a gift to the Foundation.
- **Amend your trust** to leave a percentage or fixed amount to the Foundation. If you are my client, that will take just a few days.
- **Assign a refund** from Waterman Village to the Foundation. Request the form—five minutes, and it's done.
- **Update your beneficiary designations** on accounts, such as IRAs or annuities. Most of these can be changed online or in a quick form. You could change your beneficiary designations from 33% to each of the three children to 32% each and give the remaining 4% to the Foundation. These small changes can make a **significant impact** on future residents.
- Planned giving is how most major foundations grow. The Advent Health Waterman Foundation did not reach $40 million through bake sales and car washes. We had one estate gift worth **$13 million**. Most are smaller—$30,000, $100,000, $800,000—but together, they add up. Let us say ten of you include $100,000 in your estate plans. Suddenly, your Foundation goes from $500,000 to **$1.5 million**. Now, instead of $40,000 in annual funding, you have **$120,000**—money that can fund programs, amenities, scholarships, or improvements that benefit everyone. The growth continues as others leave planned gifts over time. One day, you could be managing **$30 million**—and making real, transformative investments in your community. The charities I work with vary in size, but they are all equally important. While we sincerely appreciate current gifts, I believe that planned giving is where the *most significant impact* truly happens.

Does anyone have questions about changing the beneficiary on an annuity, 401(k), or IRA?

- Let me walk you through a couple of examples from my personal experience: I have an IRA at Charles Schwab, which a financial advisor manages. When I wanted to make a change, I contacted my advisor. He sent me a form, I filled it out, returned it, and it was done. I also have a 401(k) through a different provider. In that case, I literally pulled out my phone, logged into the app, and updated the beneficiary information right there. It took just a few minutes. The process is usually very easy, either through your advisor or directly through your financial institution's website or app.
- If you have a trust and are amending it to include a gift to the Foundation, ensure that your attorney uses the correct legal name of the Foundation. Even better, include the EIN (Employer Identification Number)—that is, the Foundation's tax ID number. It ensures the gift goes exactly where you intend.
- **Q: Can I earmark my gift for a specific project or purpose?**
  A: Yes. If you want to donate, say, $100,000, and you would like it to go toward a specific project, you can specify that. You can earmark your gift for a cause that you are passionate about. For example, we have had donors who are passionate about cancer care, and they have given substantial gifts, like $500,000, to support that area specifically. One family was deeply touched by the care they received during childbirth and donated $50,000 to the hospital's maternity unit. Another donor purchased a blanket warmer for babies—an item that cost about $30,000. We even had someone purchase training mannequins—what I casually refer to as "fake babies"—used to help train healthcare staff. Those cost around $50,000, and they were happy to fund that specific need. So yes, you can get creative with your giving. If there is a particular need you want to fill or a passion project close to your heart, you can make that your legacy.

Donor-Advised Funds (DAFs)
There are also other innovative charitable giving strategies. One I love is the use of **Donor-Advised Funds (DAFs)**. Here is how it works:

- Let us say you have a large RMD this year. You can take that money and contribute it to a **DAF**, allowing you to receive the full tax deduction for the donation in the same year.
- Then, over time, you can direct how the funds are distributed to different charities, even years later. For example, I often take the **standard deduction** because I no longer have a mortgage. In a year, when I want to **itemize**, I will frontload my charitable giving by putting **three years' worth of donations** into a DAF. That lump sum allows me to itemize it in that year, and then I can distribute it from that fund gradually over the next few years. It's an innovative and flexible way to give generously while still planning.

A Personal Approach to Generosity

- I set aside a fixed amount of money every month for giving. I refer to this as **"God's money"**—it is already set aside. When an opportunity arises to help someone or support a cause, I can give joyfully and freely without hesitation. I have found that **true generosity** is not just about sharing in the moment when you are moved by emotion. It is about **consistently, intentionally, and regularly giving**, whether to a charity, a community project, or a person in need.

Essential Estate Planning Documents

- Now, I'd like to shift gears and briefly discuss estate planning, as it is crucial for everyone. Whether or not I am your attorney, I firmly believe that every individual should have **five essential legal documents**:

1. **Last Will and Testament**
2. **Durable Power of Attorney**
3. **Living Will**
4. **Health Care Surrogate (or Health Care Power of Attorney)**
5. **Pre-Need Guardian Declaration**

These documents ensure your wishes are respected—both medically and financially—and that your loved ones are spared unnecessary complications during difficult times.

- If I had the fifth document and the doctor knocked on my door, would I tell him to go to the devil? No. **Here is what would happen:** When the guardianship process begins, both you and your family receive notice. At that point, the person you have named in advance would file the document I have prepared with the court. That action stops the process immediately before the court can even order doctors to evaluate you. Why? Because the court will say, "We can't proceed with guardianship. This person already has valid powers of attorney for finances and healthcare, and they've named someone else, not the petitioner, as their guardian." Therefore, that person trying to become a guardian could never take over.

- If you ever need a guardian, it will be the person you named, not someone else. This document essentially locks down your estate plan so that no one can override your powers of attorney or healthcare surrogate. It is straightforward. If someone wants to take over your financial affairs, they can petition to be appointed your guardian. If successful, that guardianship invalidates your power of attorney because the court can be persuaded that the POA is abusing its authority. For example, let us say you name your son or daughter as your POA, but a caregiver who has been with you for several years says, "I'm the one who's always here. Your kids are never around. I take care of you—I should be in charge."

- Even though you are paying them to provide that care, they may feel entitled to more, especially if you have a lot of money. I have seen it happen many times. That is why I drafted pre-need guardian documents. I have done them for thousands of clients, and none of them has ever had a guardianship imposed. We have probably only needed to use the document five or six times, but when you need it, it is powerful. Sometimes, it is not a caregiver but a new spouse who tries to take control. For example, in places like The Villages, people often remarry later in life. You might have been married for 55 years, named your longtime spouse as your primary agent, and then your kids as backups. If you have a new spouse who is not named in any of your documents, they might say: "Judge, I should be in charge. They would have wanted that—they married me, didn't they?" Without a pre-need guardian document, it is much easier for them to convince a judge. However, with one, your children can say: "No—here's the legal document saying it's us, not the new spouse." This prevents anyone from taking over, regardless of their intentions. You make these decisions while you are of sound mind because once you are not, you cannot protect yourself or change anything. That is the purpose of this planning: to protect you before something happens. If you forget this later, I have videos on my website, MazekoLaw.com, explaining pre-need guardianship.

- Yes, I just wanted to briefly explain, without providing any tax advice, which we are always cautioned against, what I understand a Qualified Charitable Distribution (QCD) to be and why it is relevant when it comes to your Required Minimum Distribution (RMD) from an IRA. Essentially, a QCD allows you to direct part of your RMD directly to a qualified charity, which can reduce your taxable income. **For example**, if your RMD for the year is $100,000 and you designate $20,000 of that amount as a QCD to a qualified charity or Foundation, then you only pay tax on the remaining $80,000. The $20,000 given through the QCD is not included in your taxable income. It is essentially a direct charitable transfer that offers a tax-efficient way to support causes you care about. It's a straightforward strategy, and in that sense, the QCD acts like a "pure credit" against taxable income. However, it's not technically a credit in the tax code but rather a powerful way to reduce your tax burden by donating directly.

Additional Questions

Q: What if I don't have a trust or complex estate plan—can I still make a planned gift?
A: Absolutely. Even with a basic will or by filling out a simple beneficiary form, you can make a significant impact. It does not have to be complicated or expensive.

Q: How do I add the Foundation as a beneficiary to my IRA?
A: Contact your financial institution or visit their online portal, depending on how you manage your account. Request or access a beneficiary designation form and include the Foundation as a partial beneficiary.

Q: Do I need an attorney for this?
A: Not always. Some planned giving arrangements can be handled without legal assistance—for example, adjusting beneficiary designations. However, if you are amending a will or trust, it is advisable to consult an estate planning attorney.

Q: What is a QCD?
A: A QCD, or *Qualified Charitable Distribution*, is a way to give directly from your **IRA** to a **qualified 501(c)(3)** charity, like our Foundation, and receive a **tax benefit** for doing so. If you are of the age where

you are required to take **Required Minimum Distributions (RMDs)** from your IRA, those distributions usually are considered taxable income. However, if you make a **QCD** directly to a charity, that amount is **excluded from your taxable income**, which can lower your overall tax liability. Yes, suppose you donate all or a portion of your Required Minimum Distribution (RMD) to the Foundation. In that case, you will not incur income tax on that amount, which can be a significant benefit, particularly if you are in a high tax bracket.

Q: If I give my Qualified Charitable Distribution (QCD) to a Donor-Advised Fund (DAF), do I still have to pay taxes on it?
A: That is a great question—and it is essential to clarify this because **QCDs and Donor-Advised Funds (DAFs) are two separate giving tools**, and they operate under different tax rules.
No, you cannot direct a QCD to a Donor-Advised Fund. If you do, **you will not receive the tax benefit of a QCD**, and **yes, you would owe income tax** on that withdrawal from your IRA.

A **Qualified Charitable Distribution (QCD)** must be made directly from your IRA to a qualified public charity, such as a 501(c)**(3)** organization.
DAFs are not eligible to receive QCDs. If you distribute funds from your IRA to a donor-advised fund, it does not qualify as a QCD and is treated as a **taxable distribution**.
If your goal is to lower your taxable income **this year** by using a QCD, ensure the money is transferred **directly from your IRA to a qualified charity**, not a DAF.

Understanding Donor-Advised Funds (DAFs)
Now, **Donor-Advised Funds** are still a fantastic tool, but they work differently:
When you contribute **non-retirement funds** (like cash, stocks, or appreciated assets) to a **DAF**, you **do** receive a tax deduction in that year. The money in the DAF can then be invested and continue to grow tax-free. You can recommend grants from your DAF to qualified charities **at your discretion over time**.
In my case, I typically contribute a significant gift to my DAF in a single year—roughly equivalent to three years' worth of giving. I get the full tax deduction upfront and then spread out my donations from the DAF over several years.

Q: If I already have a power of attorney and a doctor shows up for a court-ordered evaluation, can I refuse to see them?
A: No. However, if you have a pre-need guardian document filed promptly, it would prevent that evaluation from being ordered in the first place.

Q: What does a pre-need guardian document do?
A: It legally names the person you want to serve as your guardian, should the need arise. This stops anyone else from being appointed by the court.

Q: Can someone override my power of attorney?
A: Yes, through a guardianship proceeding—unless you have a pre-need guardian designation in place.

Q: Who typically tries to take over someone's guardianship?
A: Often, it is caregivers or new spouses, especially if they feel entitled to financial control.

Q: What happens if I lose mental capacity and do not have this document?
A: You may be vulnerable to someone else petitioning the court to become your guardian, possibly against your original wishes.

Q: Will the finance committee decide how the money is spent?
A: With board approval, every decision that's made is brought to the Board of Directors. By the way, the board meets on the first Tuesday of every month — except during the summer. However, we will be holding a special meeting on July 1, and you're welcome to attend.

We meet in the EOC boardroom, though you can also join virtually. Our president — and we have not mentioned her yet — is Jody McEwon. She and her husband own Hillcrest Insurance. Typically, she attends and runs the board meetings virtually. The EOC boardroom is equipped for that, and in another week, Larry and I will be in the northern part of the country, and we will attend the board meeting virtually as well. We now have that capability on campus. You are welcome to come again — we meet on the first Tuesday of each month. Plan on July 1 if you are interested. After that, we will skip August and meet again on September 9.

Q: Are the people on the Fundraising Committee the same as those on the Board of Directors? What is the difference between the two?
A: Good question. They are not the same. If you look at the back of the brochure, members of the Fundraising Committee have a little star next to their names. There are eight of us on the Fundraising Committee. The Board of Directors comprises eight members plus three additional people. We currently have 11 members on the board. We are chartered for 12 seats, and we may put out a call this fall to add another resident.

Q: If Waterman Village were to get into financial trouble, would the Foundation bail them out?
A: That is a fair question, but the honest answer is: I cannot say. You would ultimately make that decision, or rather, you're elected representatives on the Board of Directors of the Foundation.
To clarify, there are two separate boards:

- The Board of Directors of the Foundation, which is listed in your literature.
- The Board of Governance (or Board of Directors) of Waterman Village.

These are two entirely different bodies with separate responsibilities. They meet together only once a year and otherwise have little to no connection. John, to answer your question, even if the Foundation wanted to bail out Waterman Village, it could not do much. The Foundation's $500,000 endowment is small compared to the millions that Waterman Village might need in a true financial crisis. In that kind of extreme scenario, Andrew might be knocking on our front door — but again, the Foundation alone could not provide significant support. Now, if Waterman Village were ever to go under (which, heaven forbid), and the Waterman Communities Foundation still existed, then yes — the Foundation's Board of Directors would decide what to do with those funds, likely redirecting them to another charitable organization.

Q: When you all decide to do something, is that voted on by the board? Additionally, is there a way for residents to provide input on this?
A: Yes. We will be holding focus sessions this fall once we have a clearer picture of where things stand. During those sessions, we will be asking residents for their input, specifically, what they would like to see done and how they would like the Foundation to allocate its funds.
Q: This is relevant to me—when my mom passed, she had a reasonably large estate. Even before that, when she was becoming increasingly confused, I needed to contact various agencies and people she had

lost touch with, including Social Security. Ultimately, I had to take her to a neurologist to have her declared incompetent so I could handle her affairs. **Would a pre-need guardian document prevent me from being able to step in and help her in that situation, or would it make that process easier?**

Todd M: To clarify—were you your mother's trustee or successor trustee at that time? That would affect what authority you had to act on her behalf.

Resident: The issue was that I had to get my mom declared incompetent before I could deal with someone who was holding stock in her name. She did not even remember that she owned it. So my question is: **Would having a pre-need guardian document in place have helped in that situation, or would it have made it harder for me to act?**

Todd M: Oh, so that is different. You were the successor trustee. If you set up a revocable living trust, which is the type of trust I typically recommend, you put everything into it while you are alive and remain in control of it. Your successor trustee can only take over under three circumstances:

1. You're declared incompetent,
2. You resign, or
3. You pass away.

Now, *incompetence* is not a medical standard; it is a legal standard. In my documents, if you set up a trust with me, I require a letter from one of your doctors stating that you are no longer able to manage your financial affairs. That is the threshold—once the doctor puts that in writing, your successor trustee can take over. If you later regain the ability to manage your finances, you can take back control—but that situation can get tricky.

In your case, they probably wanted a neurologist because the original trust document may not have included clear language about incapacity. Unfortunately, some attorneys do not include that, but I always define what "incapacity" means in my documents. Again, it is a legal, not medical, term, and every doctor has a different interpretation. There is a separate incapacity for financial decisions and another for medical decisions. For example, in Florida, a power of attorney becomes valid the moment you sign it. If your mother had a valid Florida power of attorney naming you, and the stocks were not held in the trust, you should have been able to manage them.

Here is the key: the trustee handles only trust assets. If the stocks were not titled in the trust, you would not have had authority as trustee. Instead, you would act under the power of attorney. If your father were named initially and had passed away, you would need to show his death certificate, along with your ID, to access the accounts.

That raises a crucial point—not everyone understands this. When I explain trust to clients, I use the analogy of a bucket:

- Your trust or trustee controls everything inside the bucket.
- Your power of attorney controls anything outside the bucket.

To make things simple, I often suggest clients name the trust as the beneficiary of their accounts. That way, once they pass away, those assets are poured into the trust and then distributed to the beneficiaries.

Especially if you are naming the same person as your power of attorney and your trustee, that separation of authority is essential. If an asset is not in the trust, your power of attorney can manage it on your behalf. Again, powers of attorney are effective immediately, so we always tell our clients to keep the document in a safe place until they are ready for it to be used. It is a potent tool—you do not want someone managing your money before you are prepared for them to take on that responsibility. In your situation, if you had a valid Florida power of attorney and were named correctly, you should have been able to access your mother's stocks without needing a court declaration of incompetency.

Resident: I recall it was an incredibly challenging process to navigate, and I had to go through numerous hoops. Honestly, I did not understand how it all worked.

Todd M: Yeah, some banks are just precise—that is all. Some banks have higher standards than others do. For example, I was recently working with a couple of clients who were dealing with banks in other states, and they kept saying, "Todd, they're requiring this," and "They're requiring that." I told them, "That's not the law. The law says this." I even tried different approaches, and eventually, I provided the bank with an email from me explaining the situation. Once they saw that, they said, "Okay, that makes sense." Sometimes, when attorneys weigh in, people are more likely to listen. Many banks request information that is not legally required, primarily to protect themselves. Once you call them on it and show them the rules, they usually back down and do what is necessary. Some of these delays occur because people are unwilling to put in the effort. Bigger institutions, especially, tend to pass you off from one department to another. You end up going back and forth with the same person or different people, and it becomes frustrating. That is why I prefer dealing with local banks. They tend to be easier to work with because you can talk to someone face-to-face, someone who has been there a while and lives in the community.

Resident: Well, I guess to reconstruct the whole problem, Social Security was another big headache, and part of the issue was that some documents were not updated properly.

Todd M: Yeah, and with Social Security, you are not going to move them—they are pretty much immovable. They have strict rules, and they are going to follow those rules no matter what. That said, they are usually reasonably prompt in processing changes once you notify them. They are one of the few agencies that can be quick, except, of course, when it comes to getting you your money after someone passes away. For example, if your spouse dies and you are switching to receive their Social Security benefits because it is a higher amount than yours, they tend to take their time with that. If they happen to overpay you? They will refund that money immediately, with no questions asked.

Resident: I want to ask this question so I do not walk out of here confused. I am looking at that "Staircase to Success" goal of $500,000. Now, Todd's information was beneficial, but that is about money coming out of our estate or our deposit down the line. What you want now is actual cash, correct? You're trying to reach $500,000 now—that's your goal?

Arvon Byle: Well, we have two goals; one is to get cash, and the other is to achieve what Todd was talking about — keeping the Foundation going. We are all very aware of inflation. $500,000 five years from now will be, you know, a drop in the bucket compared to what it is today. We need that perpetual motion. The immediate goal is to address the need for cash, which will enable the endowment to generate revenue. **What is the period you're looking at?** Well, we really cannot say, Norm. You people could make it happen in a month — that would make us the happiest people in the world. I would guess six months. During the TV interview, I mentioned it would be great if we could secure a couple of legacy donors — substantial donations. We would put your name on the endowment. For instance, if we had a couple of those, it would certainly accelerate the process. It will take time for people to come up with $1,000. Remember, if everyone gave that amount, we would be there next week. If we got 420 checks, we would hit our goal. Anyway, this is your money. You control it. It has nothing to do with Andrew and Company.

Announcement from Arvon Byle:

- I believe it is the Spiritual Wellness Advisory Committee, and to clarify, that has nothing to do with the Foundation. Now, looking ahead to this fall, this is your money, and we will be asking you how you would like it to be spent. That is something we have never done before. In the past, if you were part of a group seeking to establish a project like a garden and required funding, you had to visit the Foundation and deliver a formal presentation. This fall, we are flipping that around. We will come to you, actively seeking your input on how you would like your money spent, once we have sufficient revenue available. This is your organization, and it is your money. We intend to maintain that approach.

Respectfully submitted,
Ashley Morris, Recorder