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EVANGELICAL HOMES OF MICHIGAN

Creating Communities... Changing Lives®

2008 ANNUAL REPORT

Dear Friends:

Over our 129 year history, Evangelical Homes of Michigan has continually demonstrated its versatility by embracing change. We've done this while staying true to our core mission of serving older adults and their extended families by creating innovative programs and caring communities in southeast Michigan.

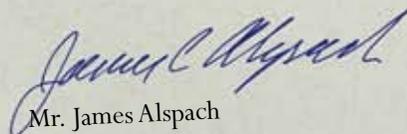
Last year was no exception. During the year we continued to focus on our *Mission Driven Marks of Distinction*, the strategic plan that guides our organization and focuses the company on goals related to future expansion. In this report, we're pleased to update you on several major accomplishments: the capital campaigns for the Memory Support Center in Saline and the Hospice Care Unit in Sterling Heights; as well as the expansion of our community based programs through the acquisition of two home care agencies. In addition, we developed a second short stay rehabilitation program in Saline and launched a wellness initiative.

With such expansion and commitment came the birth of a new corporate logo for Evangelical Homes of Michigan which defines our historical Christian roots as we continue to transform ourselves in the 21st century.

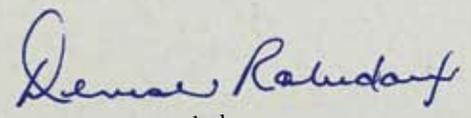
We remain an organization blessed despite the challenges present today. Last year, we received significant support to help us achieve our mission to care for those in need. With the addition of a broadening group of friends and supporters, our donors contributed more than \$1.8 million in gifts and pledges, an increase of 56% in financial gifts from past years. Because of such generosity, we gave back to our community by providing nearly \$2.3 million in charitable support to residents who have outlived their financial resources.

We are a ministry graced by the passion, talents and dedication of our staff, volunteers and donors. We provide exceptional service due to the loyalty of our staff whose compassion and love shows in every resident interaction. We thank all the individuals who stepped forward to serve as campaign leaders and supporters, as well as our Board of Directors, which continually guides us by sharing its expertise and talent.

Blessings and peace to you.



Mr. James Alspach
Chair
Board of Directors



Ms. Denise Rabidou
President and
Chief Executive Officer



Elie Wiesel, a writer, philanthropist, Holocaust survivor and Noble Peace Prize recipient said, "As always when human generosity is affirmed, words of gratitude are in order." That statement is the heart and soul of our 2008 message. Because of you, Evangelical Homes of Michigan is able to create programs that transform and enhance lives each day. You continually inspire us with your generosity and commitment and for that we will be forever grateful.

TRANSFORMING

Two years ago Evangelical Homes of Michigan adopted a visionary directive, the **Mission Driven Marks of Distinction**. As a leading senior service provider in southeast Michigan, we address the needs of our aging population through a plan that embraces growth, innovation and change. 2007 was a *transforming* year as Evangelical Homes of Michigan boldly moved forward by creating new programs, expanding services, and renovating facilities to fulfill our faith-driven mission and values.

Revolutionizing Memory Support Care

Evangelical Homes of Michigan moved closer to its dream of providing a statewide model for memory loss care. On June 19, 2008, *Commit to Memory*, a \$2 million capital campaign, was announced to build a comprehensive **Memory Support Center** on the Brecon Village campus in Saline. In just over a year, more than \$1,000,000 was donated or pledged by more than 150 generous donors. The Center will offer a full array of services including residential assisted living for those suffering with memory loss; an adult day care program; a resource center and library for residents, their caregivers and families; and community outreach services. The center is scheduled to be completed in summer 2009.

Changing the Face of Rehabilitation Services

Pathways TransitionCare® at Sterling Heights and Saline continues to meet the need for subacute rehabilitation for older adults. Last year, more than 800 individuals were treated by a team of clinicians, physicians and therapists, utilizing a multi-disciplinary approach to improve daily living skills. We are proud that 70% of Pathways patients were able to return to their previous living situations.

Converting for Hospice Care

Committed to providing quality care and support to individuals facing end-of-life illnesses, Evangelical Homes decided to dedicate existing space at Sterling Heights solely to **Hospice Care**. Mauser Hall was renovated to provide optimal comfort and privacy for Hospice patients and families. A celebration in September 2008 formally dedicated the Hospice Care Unit, which includes 12 private suites, a large day room, lounge and kitchen facilities for families and friends. One-fifth of the \$500,000 capital project was provided by the generous support of family members, staff and the wider community. With this expansion, along with Hospice Care at Evangelical Home—Saline, EHM has nearly doubled capacity specific to Hospice Care to meet the growing need in our community.

Energizing the Community

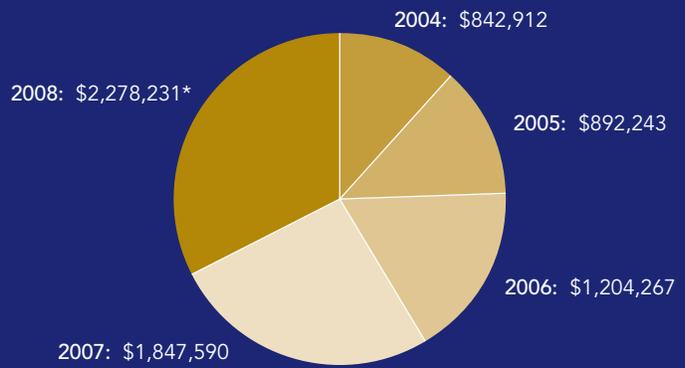
Evangelical Homes of Michigan's **Community Based Programs and Charitable Care and Services** continued to expand by serving 174 home-bound seniors in Washtenaw and Oakland Counties. **Shared Care Services**, our private duty service, and **Shared Services Home Health Care**, our Medicare-approved homecare, host flu clinics within churches that are a part of EHM's Church Ambassador Program in Washtenaw, Oakland, Lenawee, Macomb and St. Clair Counties.



FULFILLING OUR MISSION

At Evangelical Homes of Michigan, we are proud of our commitment. Each year we help numerous individuals who otherwise would be unable to access services or receive appropriate care due to their limited financial resources. Over the past five years, our organization has provided more than \$7 million in charitable care and support. In 2008, this charitable support exceeded \$2 million. On behalf of those we serve, we thank you for your ongoing financial support and contributions.

Charitable Care and Services 5-Year Total \$7,065,243



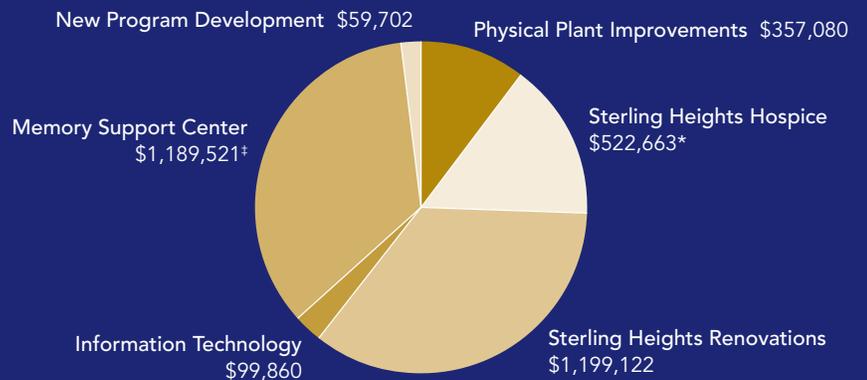
* \$716,972 of this total was private donations.

INVESTING IN OUR COMMUNITIES

Evangelical Homes of Michigan recognizes the importance of program innovation and service improvement. Over the past five years, our organization has committed more than \$9 million in building improvements and technological upgrades designed to serve you better. In 2008, under the leadership of our Board of Directors, EHM targeted its capital spending to program expansion and new construction. Every day is a new day at EHM.

Capital Projects

Fiscal Year Ending April 30, 2008 | Total Spending \$3,427,948

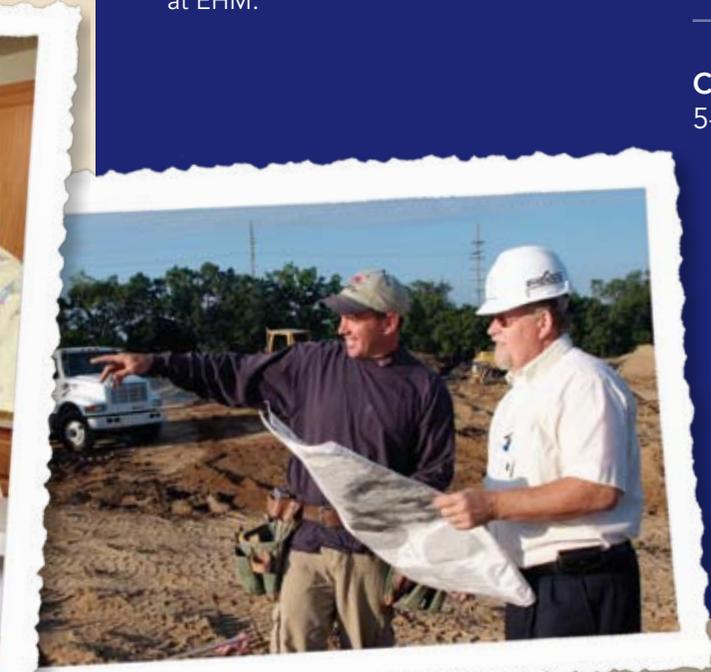
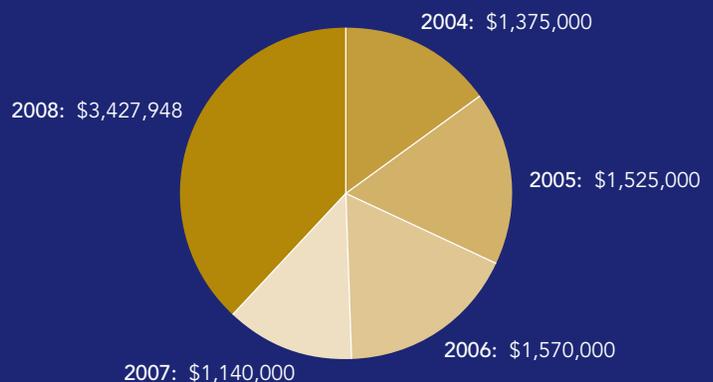


* \$78,456 of this total was private donations.

† \$894,419 of this total was private donations.

Capital Spending

5-Year Total \$9,037,948



A BRAND NEW DAY... BRIGHT WITH FUTURE

Evangelical Homes of Michigan is proud of its connection to the United Church of Christ (UCC), and the healing ministry that has been a part of the church throughout its existence. When the UCC was formed more than 50 years ago, Evangelical Homes adapted the denomination's logo not only to reflect our connection to the denomination, but also to help advance the identity of the UCC.

As Evangelical Homes of Michigan continues to evolve and grow, so too is it time to change our logo to boldly express the new dynamism of the organization. This evolution was carefully considered and designed.



- 1 The cross, which re-emphasizes our Christian heritage and faith-based mission, still connects us to the UCC. The right arm of the cross does not have a clearly defined edge, indicating that Evangelical Homes of Michigan is continuing to evolve and move into the future.
- 2 The beacon behind the cross reflects the **new EHM**, bright with future, leading the way in our efforts to assist people in our communities. That image, along with our tagline "Creating Communities... Changing Lives®," identifies us as an organization that transforms itself, creating a bright new day, one experience at a time, wherever our clients call home, wherever our services are delivered.
- 3 These two colors will be used to standardize all of the print and other media where EHM's name will appear. The rich, bold colors convey that we are a solid, faith-based organization in whom you can put your trust.



SOCIAL ACCOUNTABILITY

Evangelical Homes of Michigan believes that the Social Profit of a not-for-profit organization can be found in the impact the organization has on the communities in which it does business and the wider world. By partnering with more than 40 local, state and national organizations, we are able to make a larger impact on the world in which we live and work. Last year, more than \$206,000 was given back to these organizations; primarily in the form of volunteer servant leadership to various boards, committees and projects, but also on occasion by supporting the research, educational and humanitarian efforts of a partner. This active participation at all levels allows us to discern the emerging needs of the populations we serve.

We offer programs that provide tuition reimbursement to employees and serve as a training site for Certified Nursing Assistants, Dietitians, Social Workers and Nurses. More than \$16,000 was invested in educational pursuits last year. In this way, we help to ensure that there are always persons well trained to care for those seniors who helped create the America we know today.

The largest need supported by EHM is the charitable care and services we provide. Last year, nearly \$2.3 million was invested in the care of real persons who experience this need. This is an area of need that is growing and continues to benefit from your support.

Finally, a measure of the Social Profit of an organization is how it is responded to by the community. EHM was blessed by volunteers who gave nearly 15,000 hours to our residents, making their lives better...one experience at a time.

A special thanks to the residents and staff whose photos grace the pages of this report.

EVANGELICAL HOMES OF MICHIGAN

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