PRESBYTERIAN HOMES AND SERVICES AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2010 AND 2009

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PRESBYTERIAN HOMES AND SERVICES AND AFFILIATES
BOARD OF DIRECTORS
SEPTEMBER 30, 2010

Directors

	No. of Years Served		No. of Years Served
Bingham, Mr. Michael C.	9	Olson, Mrs. Carole Mae	6
Carlson, Mr. Larry A.	9	Olson, Dr. Philip K.	3
Chapman, Mr. Austin	6	Tortelli, Mr. Ronald C.	5
Chien, Mr. Theodore	6	Weicht, Mr. Scott A.	8
Doyle, Mrs. Megan A.	7	Weins, Mr. Harold J.	3
Dunbar, Mr. Robert S.	8	Brown, Rev. Dr. Philip C.	Synod Representative (Ex-officio)
Emmerich, Mrs. Karol D.	5		
Hawley, Mrs. Sandra S.	9		
Olson, Mr. Allen I.	5		

INDEPENDENT AUDITORS' REPORT

Board of Directors
Presbyterian Homes and Services and Affiliates
Roseville, Minnesota

We have audited the accompanying consolidated statements of financial position of Presbyterian Homes and Services and Affiliates as of September 30, 2010 and 2009, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Presbyterian Homes and Services and Affiliates as of September 30, 2010 and 2009, and the results of their operations and changes in their net assets, and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

LarsonAllen LLP

LarsonAllen LLP

Minneapolis, Minnesota
December 7, 2010

PRESBYTERIAN HOMES AND SERVICES AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2010 AND 2009
(DOLLAR AMOUNTS IN THOUSANDS)

	2010	2009
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents:		
Unrestricted	$ 39,465	$ 32,635
Restricted for Residents	5,400	4,042
Cash Held or Restricted, Current Portion	8,999	8,640
Accounts Receivable, Net	18,300	18,332
Pledges Receivable, Current Portion	218	218
Prepaid Expenses and Other Assets	1,666	1,361
Total Current Assets	74,048	65,228
INVESTMENTS AND OTHER ASSETS		
Investments and Cash Held or Restricted:		
By Agreements with Trustees and Others	22,547	21,897
Restricted by Donors and Others	17,212	14,517
Replacement Reserves	21,017	18,054
Endowment Funds, Including Perpetual Trust	41,815	38,937
Pledges Receivable	1,935	3,390
Deferred Financing Costs, Less Accumulated Amortization	13,552	13,805
Investment in Other Entities	21,032	13,721
Other Assets	19,525	41,301
Total Investments and Other Assets	158,635	165,622
PROPERTY AND EQUIPMENT		
Land	86,087	81,136
Building and Land Improvements	597,442	593,030
Equipment and Furnishings	75,791	70,011
Automotive Equipment	1,155	968
Construction in Progress	6,236	4,773
Subtotal	766,711	749,918
Less: Accumulated Depreciation	178,101	152,903
Net Property and Equipment	588,610	597,015
Total Assets	$ 821,293	$ 827,865

See accompanying Notes to Consolidated Financial Statements.

LIABILITIES AND NET ASSETS	2010	2009
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	$ 9,994	$ 10,462
Accounts Payable	6,049	6,744
Construction Payable	7	1,009
Security Deposits and Other Resident Fund Payables	3,725	3,451
Accrued Payroll and Benefits	13,016	12,358
Accrued Interest and Other	13,435	12,664
Total Current Liabilities	46,226	46,688
LONG-TERM DEBT AND OTHER OBLIGATIONS		
Long-Term Debt, Less Current Maturities	552,797	575,255
Resident Notes Payable and Entrance Loan Deposits	67,816	64,516
Other	19,457	16,526
Total Long-Term Debt and Other Obligations	640,070	656,297
MINORITY INTEREST IN AFFILIATES	211	548
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted, Undesignated	88,809	81,853
Unrestricted, Designated by Board for Endowment Fund	7,466	7,100
Total Unrestricted	96,275	88,953
Temporarily Restricted	5,671	4,363
Permanently Restricted	32,840	31,016
Total Net Assets	134,786	124,332
Total Liabilities and Net Assets	$ 821,293	$ 827,865

PRESBYTERIAN HOMES AND SERVICES AND AFFILIATES
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2010 AND 2009
(DOLLAR AMOUNTS IN THOUSANDS)

	2010	2009
OPERATING REVENUE	$ 252,937	$ 238,665
OPERATING EXPENSE		
Services to Residents	159,827	154,252
General and Administrative	30,762	29,012
Interest	26,071	26,787
Depreciation and Amortization	29,108	26,654
Total Operating Expense	245,768	236,705
OPERATING INCOME	7,169	1,960
NONOPERATING GAINS (LOSSES) AND OTHER SUPPORT		
Unrestricted Contributions	2,705	279
Income from Endowment Investments	418	1,368
Net Change in Fair Value of Investments	1,188	57
Interest Rate Swap Market Adjustment	(3,910)	(3,399)
Gain (Loss) on Refinancing	(224)	4,614
Fundraising Expense	(1,040)	(1,020)
Other Nonoperating Expense	(235)	(330)
Total Nonoperating Gains (Losses) and Other Support	(1,098)	1,569
EXCESS OF REVENUE OVER EXPENSE	6,071	3,529
OTHER CHANGES IN UNRESTRICTED NET ASSETS		
Minority Interest in Expense Over Revenue	337	440
Net Assets Released from Restriction	915	11,282
CHANGE IN UNRESTRICTED NET ASSETS	7,322	15,251
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	2,217	1,443
Net Assets Released From Restriction	(909)	(11,282)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	1,308	(9,839)
PERMANENTLY RESTRICTED NET ASSETS		
Contributions	350	226
Gain (Loss) From Endowment Investments	1,474	(2,334)
CHANGE IN PERMANENTLY RESTRICTED NET ASSETS	1,824	(2,108)
CHANGE IN NET ASSETS	10,454	3,304
Net Assets - Beginning of Year	124,332	121,028
NET ASSETS - END OF YEAR	$ 134,786	$ 124,332
SUPPLEMENTAL DISCLOSURE OF TOTAL REVENUE AND EXPENSE		
Operating Revenue	$ 252,937	$ 238,665
Total Contributions	5,272	1,948
Total Revenue	258,209	240,613
Operating Expense	245,768	236,705
Other Nonoperating Losses	1,987	604
Total Operating Expenses and Other Nonoperating Losses	247,755	237,309
Change in Net Assets	$ 10,454	$ 3,304

See accompanying Notes to Consolidated Financial Statements.

PRESBYTERIAN HOMES AND SERVICES AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2010 AND 2009
(DOLLAR AMOUNTS IN THOUSANDS)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 10,454	$ 3,304
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	28,280	25,853
Amortization	828	801
(Gain) Loss on Refinancing	224	(4,614)
Change in Minority Interest in Affiliates	(337)	(440)
Contributions Restricted for Capital Expenditures or Endowments	(2,567)	(1,669)
Net Change in Fair Value of Investments	(2,662)	2,277
Interest Rate Swap Market Adjustment	3,910	3,399
Changes in Assets and Liabilities:		
Receivables	32	(5,721)
Prepaid Expenses and Other Assets	(2,688)	3,944
Pledge Receivable	1,455	1,902
Accounts Payable	(695)	(756)
Accrued Expenses	1,256	2,226
Net Cash Provided by Operating Activities	37,491	30,506
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(20,877)	(59,484)
Change in Amounts Held with Trustees and Others	(8,208)	5,032
Change in Other Restricted Investments	241	(4,718)
Net Cash Received, Wayzata Bay Redevelopment Company, LLC	1,404	-
Investments in or Advances to Affiliated Entities and Changes in Other Assets	(1,511)	(1,364)
Net Cash Used by Investing Activities	(28,951)	(60,534)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Long-Term Debt	(14,018)	(12,925)
Proceeds from Long-Term Debt	7,224	41,986
Proceeds from Resident Entrance Loan Deposits	10,201	7,158
Payments on Resident Entrance Loan Deposits	(6,901)	(9,427)
Financing Costs Paid	(782)	(1,173)
Cash Received from Contributions Restricted for Capital Expenditures or Endowment	2,567	1,669
Net Cash Provided (Used) by Financing Activities	(1,709)	27,288
NET INCREASE (DECREASE) IN UNRESTRICTED CASH AND CASH EQUIVALENTS	6,830	(2,740)
Unrestricted Cash and Cash Equivalents - Beginning	32,635	35,375
UNRESTRICTED CASH AND CASH EQUIVALENTS - ENDING	$ 39,465	$ 32,635

See accompanying Notes to Consolidated Financial Statements.

PRESBYTERIAN HOMES AND SERVICES AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2010 AND 2009
(DOLLAR AMOUNTS IN THOUSANDS)

	2010	2009
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Payments for Interest (Net of Interest Capitalized)	$ 29,261	$ 29,842
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Property Acquired through Construction Payable	$ 358	$ 562
Refinanced Long-Term Debt	$ 12,304	$ 23,390
WAYZATA BAY REDEVELOPMENT COMPANY LLC TRANSFER (See NOTE 5)		
Assets Transferred:		
Real Estate Development Costs	$ (34,329)	$ -
Prepaid Expenses	(2)	-
Liabilities Transferred:		
Contract for Deed	16,149	-
Accrued Property Taxes	800	-
Security Deposits	6	-
Assets, Net of Liabilities, Transferred	(17,376)	-
Assets Received:		
Note Receivable	10,172	-
Investment In Wayzata Bay Commercial - Equity Contribution	5,800	-
Net Cash Received	$ 1,404	$ -

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The consolidated financial statements include the consolidated accounts of Presbyterian Homes and Services and Affiliates (the Organization), a Minnesota not-for-profit corporation structured similar to a holding company for care centers and other senior residences, services to community participants and projects being developed. Several of the care centers, communities and divisions are incorporated as non-profit corporations or limited liability companies. The Organization operates primarily in the Twin Cities, Minnesota, metropolitan area, with two campuses in Iowa, located in Ankeny and Williamsburg, and two campuses in Wisconsin, located in Pewaukee and Waukesha. As of September 30, 2010, the Organization was comprised of the following:

Divisions	Activity
Care Centers	Care centers provide a variety of skilled nursing and other services and programs to their residents. There are currently 12 skilled nursing communities with a total of 1,298 beds in service.
Housing and Assisted Living	Housing and assisted living communities provide room rentals and services to residents at 33 communities. There are a total of 4,288 units in communities that include independent living and assisted living apartments, duplexes and town houses. Some of the units are restricted for rental to elderly tenants that meet income restrictions, and the rental rate may be restricted.
Creative Independence	Provides a variety of services to community participants in their homes including companionship, housekeeping, transportation, medication assistance, skilled nursing care and therapies. Home delivered meals are also available through Creative Senior Dining.
Management and Services	Administrative support for the affiliated organizations and similar not-for-profit organizations.
Foundation	Recipient of the Organization's fund-raising efforts.
Development, Marketing and Design Services	Provide a comprehensive package of market research, strategic planning, project development, financing, construction, interior design, marketing and management for the senior housing industry.

As of September 30, 2010, the Organization also has contributed capital and appoints board members in six non-profit and one for-profit joint venture relationships. These consolidated financial statements do not include the accounts of the joint ventures, as the Organization does not control them (see Note 5).

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Affiliation and Principles of Consolidation

The consolidated financial statements include the accounts of the Organization and its affiliates. All material intercompany balances, transactions, and earnings have been eliminated in consolidation.

Minority Interest

The minority interest includes other partners' interests related to the ventures of PHS/CG Center, LLC dba: Norris Marketplace and Central Towers Limited Partnership, which are included in these consolidated financial statements. The Organization is the 80% partner of Norris Marketplace, which is consolidated due to the Organization's majority ownership. The Organization is the general partner of Central Towers Limited Partnership, which is consolidated in these financial statements with earnings and losses allocated to each partner in accordance with the operating agreement. A pro rata share of the income or losses and net assets applicable to other partner's interests has been recognized in the Organization's consolidated financial statements as minority interest.

Tax Exempt Status

The Organization and its affiliates are generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable sections of the state statutes; consequently, no provision has been made for income taxes. However, there are immaterial amounts of unrelated business income in certain affiliates that are taxable.

The Organization follows the accounting standard for contingencies in evaluating uncertain tax positions. The Organization files information returns as a tax-exempt organization. Should that status be challenged in the future, all years since inception could be subject to review by the IRS. The Organization's tax returns for the 2007, 2008, and 2009 fiscal years are open to examination by the IRS.

Community Benefit

The Organization provides a subsidy to certain residents, based on their income levels, to reduce the charges for rents and services. Because the Organization does not pursue collection of amounts determined to qualify as community support, they are not reported as revenue. As part of its operations, the Organization provides various services, outreach programs and support programs at a low cost to the community. The amount by which the costs of providing these services exceed the revenue earned is considered community support. During the years ended September 30, 2010 and 2009, the amount of community support provided was approximately $2,296 and $2,329, respectively.

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual result could differ from those estimates.

Basis of Presentation

Contributions received are recorded as an increase in unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted – Those resources over which the board of directors has discretionary control. Designated amounts represent those revenues which the board of directors has set aside for a particular purpose.

Temporarily Restricted – Those resources subject to donor imposed restrictions which will be satisfied by actions of the Organization or passage of time. The Organization has elected to present temporarily restricted contributions that are fulfilled in the same period within the unrestricted net assets class. These are primarily contributions that are restricted for the acquisition of property and equipment.

Permanently Restricted – Those resources subject to a donor imposed restriction that they be maintained permanently by the Organization. A significant portion of the income derived from these resources is used for capital investments, new project development, and furtherance of the Organization’s mission. A large portion of the assets are held by a trust for the Organization.

Unconditional promises to give cash and other assets are accrued at estimated fair market value at the date each promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is satisfied, net assets are released and reported as an increase in unrestricted net assets. Income earned on temporary or permanently restricted support, including capital appreciation is recognized in the period earned. Conditional promises to give cash or other assets are recorded when the condition has been satisfied.

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Excess of Revenue Over Expense

The consolidated statements of operations and changes in net assets include excess of revenue over expense. Changes in unrestricted net assets which are excluded from excess of revenue over expense, consistent with industry practice, include unrealized gains and losses on non-trading securities, permanent transfers of assets to and from affiliates for other than goods or services, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets) and minority interest in expense over revenue.

The financial performance of the Organization is influenced by the startup of new projects. For each of the years ended September 30, 2010 and 2009, the Organization has been in various stages of developing, constructing and leasing new housing and assisted living projects. The Organization expenses, as they are incurred, all of the costs associated with the marketing and preparation of these projects for opening and also incurs expense over revenues as these projects are leased up to stabilized occupancy. The Organization incurred expenses in excess of revenue of approximately $1,364 and $7,109 for 2010 and 2009, respectively, related to these new projects.

Cash and Cash Equivalents

For purposes of the statements of cash flows the Organization considers all unrestricted, undesignated cash accounts, certificates of deposit and highly liquid debt instruments with a maturity of three months or less when purchased to be cash and cash equivalents. The carrying amount of cash equivalents is a reasonable estimate of fair value.

Concentration of Credit Risk

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and temporary cash investments. The Organization believes it places its cash and cash equivalents and temporary cash investments with high quality credit institutions. At times such investments may be in excess of the FDIC insurance limit.

The Organization has investments in a variety of investment funds. In general, investments are exposed to various risks such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that change in the values of the investments will occur in the near term and that such changes could materially affect account balances and the statements of operations.

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Cash Held or Restricted

Investments and cash held or restricted includes assets held by trustees under bond and mortgage indenture agreements, assets held under HUD mortgage agreements, assets restricted by donors, replacement reserves (designated by the Organization over which it retains control and may, at its discretion, subsequently use for other purposes), and assets held as endowment funds, including perpetual trusts. Investments in debt and equity securities with readily determinable fair market values are measured at fair value in the accompanying consolidated statement of financial position. The fair value of the perpetual trust approximates the estimated present value of the future cash flows. The current portion of restricted cash and investments is determined based upon the amount required to meet current liabilities for which the cash is restricted.

Investment income or loss (including realized gains and losses on investments, unrealized gains and losses on investments, interest, and dividends) are included in excess of revenue over expense unless the income or loss is restricted by donor. Purchases and sales of securities are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest income is recognized when earned. Realized gains and losses are recognized based upon specific identification, and unrealized gains and losses are recognized based upon the change in fair values of investments between reporting periods and reported as net change in fair value of investments.

Under the HUD regulatory agreements, the HUD entities are required to make deposits into restricted escrow, reserve for replacement and residual receipt accounts. All disbursements from the reserve for replacement and residual receipts account require proper written approval from HUD.

Accounts Receivable

The Organization uses the allowance method to account for uncollectible accounts. The allowance is based on management's estimate of potential bad debts, historical collection history and by considering the resident's financial history, credit history, and economic condition. When the Organization has exhausted all collection efforts and accounts are deemed uncollectible, they are charged to bad debt expense. Accounts receivable are net of an allowance for doubtful accounts of approximately $474 and $541 as of September 30, 2010 and 2009, respectively.

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable

Pledges, less an allowance for uncollectible pledges, are recorded as receivables in the year made. Pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the pledges are received. Amortization of the discount is included as additions to the appropriate donor restricted net asset classification. The Organization accounts for uncollectible pledges receivable under the reserve method.

Deferred Financing Costs and Amortization

Deferred financing costs of $17,363 and $17,053 at September 30, 2010 and 2009, respectively, are amortized over the terms of the related debt using the effective interest method. Accumulated amortization at September 30, 2010 and 2009 was $3,811 and $3,248, respectively.

Investment in Other Entities

Investment in other entities includes share certificates owned in a Cooperative, investments in not-for-profit unconsolidated joint ventures that are recorded at cost, and an investment in a for-profit joint venture that is recorded under the equity method of accounting.

Property and Equipment

Property and equipment are recorded at cost for purchased assets or fair value at date of receipt for donated assets. Depreciation is computed on the straight-line method over the following lives:

Buildings and Land Improvements	10 - 50 Years
Equipment and Furnishings	5 - 12 Years
Automotive Equipment	3 - 5 Years

Contributed property, equipment, and material is recorded at fair value at the date of donation. A contribution is also recognized when assets or businesses are acquired where the fair value of the assets exceeds the purchase price. If donors stipulate how long property or equipment is to be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property, equipment, and materials are recorded as unrestricted support.

Maintenance, repairs, and replacements which do not improve the assets or extend the assets' lives are expensed as incurred.

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

Construction and development costs have been deferred until the projects have been completed. When the projects are completed, these costs will be capitalized and depreciated over the life of the projects. If the projects are cancelled, the construction and development costs are expensed during that period.

The Organization reviews its long-lived assets periodically to determine potential impairment by comparing the carrying value of the asset to the sum of undiscounted cash flows expected to result from the use and eventual disposition of the asset. Should the sum of the undiscounted cash flows be less than the carrying value, the Organization would determine whether an impairment loss should be recognized. An impairment loss would be measured by comparing the amount which the carrying value exceeds its fair value. To date, management has determined that no impairment of long-lived assets exists.

Interest Capitalization

Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets, and depreciated over the estimated useful lives by the straight-line method of depreciation.

Resident Notes Payable and Entrance Loan Deposits

Certain residents that rented units at certain facilities made entrance loan deposits totaling approximately $67,816 and $64,516 as of September 30, 2010 and 2009, respectively. Some of the tenants received interest-bearing notes for their deposits, but most received non-interest bearing notes. The residents' monthly rent is reduced as a result of making the deposit. The deposits were or are expected to be used by the Organization to fund construction costs. The notes and deposits are due 90 to 120 days after the resident moves out. The Organization anticipates that the notes and deposits that come due, as a result of the resident moving out, will be repaid from the proceeds of the next resident moving in. However, if this does not occur, the funds designated by the board of directors as repair and replacement reserves (see Note 2) will be used. The repair and replacement reserves and the resident notes are reported as long-term asset and liability, respectively, on the consolidated statements of financial position. At each of the facilities, the contracts with the residents limit the total amount of the deposits that the Organization must return at any one time. The maximum amounts at each of the facilities range from $100 to $2,000. If at any time the net amount it has returned to former residents exceeds the amount that it has received from new tenants by the applicable maximum amount, the Organization is not required to refund additional deposits.

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset Retirement Obligation

Asset retirement obligation represents obligations to dispose of assets that are legally required to be removed at a future date. These are recorded at the net present value using a risk-free interest rate and inflationary rate and are included in other long-term liabilities on the consolidated statements of financial position.

Resident Service Revenue

The primary source of housing and assisted living revenue is rental charges to residents. Rental revenue is recognized ratably over the terms of the leases, which are generally on a month-to-month basis. Revenue from services provided is recognized when they are provided. Resident service revenue, where a third-party payor is responsible for paying the amount, are carried at a net amount determined by the original charge for the services provided, adjusted by an estimate made for contractual adjustments or discounts provided to third-party payors.

Certain Care Centers of the Organization charge rates for most services that are provided primarily through third party payors through the Medical Assistance and Medicare programs. The Medical Assistance programs are established in accordance with rules established by the states of Minnesota and Iowa. The Medicare program is administered by the United States Centers for Medicare and Medicaid Services (CMS). The rates charged to residents in these facilities are subject to retroactive adjustment based on audits performed by the states. The Organization does not expect adjustments (if any) to be material to the consolidated financial statements and, accordingly, no provision for adjustments has been recorded. Revenues of approximately $33,979 and $31,576 from Medical Assistance residents were recognized for the years ended September 30, 2010 and 2009, respectively.

Medical Assistance accounts receivable were approximately $3,088 and $3,274 for the years ended September 30, 2010 and 2009, respectively. Revenues of approximately $26,314 and $23,764 from Medicare residents were recognized for the years ended September 30, 2010 and 2009, respectively. Medicare accounts receivable were approximately $3,371 and $4,384 for the years ended September 30, 2010 and 2009, respectively.

Donated Services

No amounts have been reflected in the consolidated financial statements for donated services, since no objective basis is available to measure the value of such services, and the types of services received do not meet accounting principles generally accepted in the United States of America’s criteria for recognition. Nevertheless, volunteers gave approximately two hundred and twenty seven thousand hours of their time to the Organization during the year ended September 30, 2010.

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest Rate Swaps

The Organization records all derivative instruments, currently consisting of interest rate swap agreements, on the consolidated statements of financial position at their respective fair values and all changes in fair value in the consolidated statement of operations as interest rate swap market adjustment.

Fair Value Measurements

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Organization emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Additionally, from time to time, the Organization may be required to record at fair value other assets on a nonrecurring basis in accordance with accounting principles generally accepted in the United States of America. These adjustments to fair value usually result from the application of the lower-of-cost-or-market accounting or write down of individual assets. The Organization began applying the above policies to nonfinancial assets and nonfinancial liabilities that are recognized or disclosed in the consolidated financial statements on a nonrecurring basis beginning October 1, 2009. Nonfinancial assets measured at fair value on a nonrecurring basis would include nonfinancial assets and nonfinancial liabilities measured at fair value in the second step of a goodwill impairment test, other real estate owned, and other intangible assets measured at fair value for impairment assessment.

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

The Organization also adopted the policy of valuing certain financial instruments at fair value. This accounting policy allows entities the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis. The Organization has not elected to measure any existing financial instruments at fair value, however may elect to measure newly acquired financial instruments at fair value in the future.

Reclassifications

Certain items in the prior year financial statements have been reclassified to conform with the current year basis of presentation. These reclassifications had no effect on the overall net assets of the Organization.

NOTE 2 INVESTMENTS AND CASH HELD OR RESTRICTED

The fair value of investments is based upon quoted market prices for those or similar investments. The fair value of the perpetual trust approximates the estimated present value of the future cash flows. Guaranteed investment contracts are recorded at contract cost. At September 30, 2010 and 2009, the Organization had investments in the following categories:

	2010	2009
Cash and Cash Equivalents	$ 29,408	$ 29,632
Mutual Funds	7,038	7,473
U.S. Government Securities	6,736	6,850
Guaranteed Investment Contracts (GICs)	2,848	2,848
Corporate Bonds	19,597	13,652
Common Stocks	6,087	5,859
Municipalities	1,134	1,413
Alternative Investments	637	497
Certificates of Deposit	11,721	9,046
Perpetual Trust	26,384	24,775
Total	$ 111,590	$ 102,045

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 2 INVESTMENTS AND CASH HELD OR RESTRICTED (CONTINUED)

Total recorded income and gains on investments consist of the following:

	Years Ended September 30, 2010	Years Ended September 30, 2009
Operating Revenues:		
Investment Income - Other	$ 6,322	$ 6,109
Nonoperating Revenues:		
Investment Income - Endowment Funds	418	1,368
Net Change in Fair Value of Investments (Primarily Endowment Funds)	2,662	(2,277)
Total	$ 9,401	$ 5,200

Investments and cash restricted for specific purposes are based on bond indentures, board designation or other agreements. A description and composition of these funds at September 30 follows:

	2010	2009
Reserve Fund - Available for payments to Bond Fund in the event that sufficient funds are not available to meet debt service requirements. Interest earned which accumulates in excess of reserve requirements may be transferred to the Bond Fund.	$ 16,375	$ 16,359
Bond Fund - Available for payment of principal and interest on bonds	6,218	6,311
Project Fund - Available for payments for construction of facilities, startup and other project costs	-	403
Resident entrance deposits and other cash and investments designated for future construction costs	9,431	6,188
Restricted by agreements with HUD	405	396
Restricted by agreement with Minnesota Department of Commerce pledged as security for workers' compensation self-insurance reserves (see Note 11)	3,462	2,727
Replacement Reserves - funds designated by the Organization for future repairs and replacements and restricted by HUD	21,017	18,054
Endowment Funds, including perpetual trust	41,815	38,937
Restricted by financing arrangements and other	12,867	12,670
Subtotal	111,590	102,045
Less: Current Portion	8,999	8,640
Total	$ 102,591	$ 93,405

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 2 INVESTMENTS AND CASH HELD OR RESTRICTED (CONTINUED)

Approximately $6,918 and $6,299 at September 30, 2010 and 2009, respectively, of replacement reserve funds were restricted by agreements with HUD or revenue bonds. The remaining replacement reserves represent funds that are designated by the board of directors for future repairs and replacements or other operating requirements. The funds may also be used to repay resident notes and entrance deposits if required.

NOTE 3 FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization measures fair value refer to Note 1 – Nature of Business and Summary of Significant Accounting Policies. The following table presents the fair value hierarchy for the balances of the assets and liabilities of the Organization measured at fair value on a recurring basis as of September 30, 2010 and 2009:

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

Assets	September 30, 2010	Level 1	Level 2	Level 3
Investments and Cash Held or Restricted:				
Mutual Funds	$ 7,038	$ 7,038	$ -	$ -
U.S. Government Securities	6,736	6,736	-	-
Corporate Bonds	19,597	-	19,597	-
Common Stocks	6,087	6,087	-	-
Municipalities	1,134	-	1,134	-
Alternative Investments	637	-	-	637
Perpetual Trust	26,384	-	-	26,384
Total	$ 67,613	$ 19,861	$ 20,731	$ 27,021
Liabilities				
Derivatives	$ 14,419	$ -	$ 14,419	$ -

Assets	September 30, 2009	Level 1	Level 2	Level 3
Investments and Cash Held or Restricted:				
Mutual Funds	$ 7,473	$ 7,473	$ -	$ -
U.S. Government Securities	6,850	6,850	-	-
Corporate Bonds	13,652	-	13,652	-
Common Stocks	5,859	5,859	-	-
Municipalities	1,413	-	1,413	-
Alternative Investments	497	-	-	497
Perpetual Trust	24,775	-	-	24,775
Total	$ 60,519	$ 20,182	$ 15,065	$ 25,272
Liabilities				
Derivatives	$ 10,807	$ -	$ 10,807	$ -

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Assets and Liabilities Recorded at Fair Value on a Recurring Basis (Continued)

The following table provides a summary of changes to fair value of the Organizations Level 3 financial assets for the years ended September 30, 2010 and 2009.

	Perpetual Trust	Alternative Investments	Total
Beginning Balance - 10/1/09	$ 24,775	$ 497	$ 25,272
Total Gains or Losses (Realized or Unrealized) for the Year Included in:			
Realized Gains	1,285	-	1,285
Unrealized Gains	1,614	15	1,629
Purchases, Sales, Issuances, and Settlements, Net	-	125	125
Disbursements	(1,290)	-	(1,290)
Ending Balance - 9/30/10	$ 26,384	$ 637	$ 27,021

	Perpetual Trust	Alternative Investments	Total
Beginning Balance - 10/1/08	$ 26,717	$ -	$ 26,717
Total Gains or Losses (Realized or Unrealized) for the Year Included in:			
Realized Losses	(2,435)	-	(2,435)
Unrealized Gains	1,834	-	1,834
Purchases, Sales, Issuances, and Settlements, Net	-	497	497
Disbursements	(1,341)	-	(1,341)
Ending Balance - 9/30/09	$ 24,775	$ 497	$ 25,272

Investments and cash held or restricted (securities) are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Securities valued using Level 2 inputs include private collateralized mortgage obligations, municipal bonds, and corporate debt securities. Securities valued using Level 3 includes alternative investments and perpetual trusts that are valued based on the present value of future cash flow from these investments.

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Assets and Liabilities Recorded at Fair Value on a Recurring Basis (Continued)

Quoted market prices are available and used for exchange-traded derivatives, such as certain interest rate futures and option contracts; such derivatives are classified as using Level 1 inputs. However, substantially all of our derivatives are traded in over-the-counter markets where quoted market prices are not readily available. For those derivatives, fair values are determined using internally developed models that use primarily market observable inputs, such as yield curves and option volatilities, and, accordingly are classified as Level 2 inputs.

Fair Value of Financial Instruments

The following disclosures represent financial instruments in which the ending balances at September 30, 2010 and 2009 are not carried at fair value in their entirety on the consolidated balance sheet.

	June 30, 2010		June 30, 2009	
	Cost	Fair Value	Cost	Fair Value
Long-Term Debt	$ 562,791	$ 550,580	$ 585,717	$ 556,310

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate fair value:

Long-Term Debt

The fair value of long-term debt is calculated based on the estimated trade values as of September 30, 2010 and 2009. The value is estimated using the rates currently offered for like debt instruments with similar remaining maturities.

All Other

The carrying value is a reasonable estimate of the fair value for all other financial instruments due to the short-term nature of those financial instruments.

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 4 PLEDGES RECEIVABLE

Pledges receivable as of September 30 consist of the following:

	2010	2009
Unrestricted	$ 1,500	$ 1,800
Temporarily Restricted	805	1,863
Permanently Restricted	115	123
Total Pledges Receivable	2,420	3,786
Less: Unamortized Discount	152	55
Total Net Pledges Receivable	2,268	3,731
Less: Current Portion	218	218
Less: Amount Reported as Endowment Funds	115	123
Non-Current Pledges Receivable	$ 1,935	$ 3,390

Pledges receivable that are permanently restricted, or temporarily restricted for capital, are presented as non-current assets. At September 30, 2010 the amount of pledges expected to be collected within the next five years are as follows:

Year Ending September 30,	Amount
2011	$ 630
2012	445
2013	405
2014	405
2015	405
Thereafter	130
Total	$ 2,420

NOTE 5 INVESTMENT IN OTHER ENTITIES AND OTHER ASSETS

Investment in Gideon Pond Cooperative (the Cooperative)

The Organization has received or purchased share certificates (each share represents the right to occupy a cooperative housing unit in the Cooperative's buildings) and at September 30, 2010 and 2009, owned 90 cooperative share certificates of 101 total shares. The share certificates are carried at the lower of amortized cost or estimated fair value. All units held by the Organization are currently available to lease to tenants.

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 5 INVESTMENT IN OTHER ENTITIES AND OTHER ASSETS (CONTINUED)

Investment in Gideon Pond Cooperative (the Cooperative) (Continued)

At September 30, the investment in Gideon Pond Cooperative consisted of the following components:

	2010	2009
Share of Certificates	$ 8,337	$ 8,379
Notes and Accounts Receivable on Sold Certificates	174	163
Garages	236	236
Total	$ 8,747	$ 8,778

Unconsolidated Affiliates

The Organization assists various other not-for-profit corporations with the development of senior housing projects. For some of these entities, the Organization is generally allowed to appoint members to the entity's board of directors, but does not maintain control over the board. Other entities, while operating as not-for-profit entities, are joint ventures with another not-for-profit organization. In these joint ventures, both entities appoint board members, and distributions (if any) are determined by the entities' bylaws and membership control agreements. As a result of not having control, these affiliates (the Unconsolidated Affiliates) are not included in these consolidated financial statements.

The Organization generally provides capital to these Unconsolidated Affiliates to assist them in the project's development. Sometimes these advances fund initial costs, which are reimbursed to the Organization when the project is financed. For the years ended September 30, 2010 and 2009, the Organization has contributed capital of approximately $8,635 and $4,943, respectively, to these Unconsolidated Affiliates, which it has recorded as an investment at its original cost basis. These investments are reduced upon distributions received from the Unconsolidated Affiliates, and the Organization recognizes revenue from distributions received in excess of the original cost basis.

The Organization generally provides management services to the Unconsolidated Affiliates under management contracts. For the years ended September 30, 2010 and 2009, the management fees earned were approximately $807 and $788, respectively.

The Unconsolidated Affiliates at September 30, 2010 include PHM/New Richmond Senior Housing, Inc. (The Deerfield), PSA Housing and Assisted Living, Inc. (St. Andrews Village), Shepherd's Path Senior Housing, Inc. (McKenna Crossing), Crosby Senior Services (Heartwood), PHS/VOA Rochester, Inc. (The Homestead of Rochester), and Carondelet Village, Inc. and affiliates.

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 5 INVESTMENT IN OTHER ENTITIES AND OTHER ASSETS (CONTINUED)

For-Profit Joint Venture

The Organization also has a 50% interest in Wayzata Bay Redevelopment Company, LLC which is a for-profit joint venture accounted for under the equity method of accounting. At September 30, 2010, the Organization's investment in Wayzata Bay Redevelopment Company, LLC was $3,650. See further discussion of this joint venture below in Note 5.

The following is summarized financial data for the Unconsolidated Affiliates and For-Profit Join Venture as of and for the year ended September 30, 2010.

Assets	$	163,647
Liabilities		163,372
Net Assets	$	275
Operating Revenues	$	22,969
Operating Expenses		16,296
Interest Expense		5,529
Depreciation and Amortization Expense		3,563
Net Loss	$	(2,419)

Other Assets

Other assets include the following at September 30:

		2010		2009
Real Estate Development Costs	$	6,692	$	39,821
Donated Land Held for Future Resale		350		350
Notes Receivable		11,243		26
Other		1,240		1,104
Total	$	19,525	$	41,301

NOTE 5 INVESTMENT IN OTHER ENTITIES AND OTHER ASSETS (CONTINUED)

Other Assets (Continued)

Real estate development costs include costs related to planned developments of new projects. These generally include costs related to architectural drawings, market research, site development, and other predevelopment costs. Once construction begins on these projects the costs are transferred to construction in progress. If the Organization determines to not move forward with a project, these costs will be expensed at that time. The balance at September 30, 2009 included predevelopment costs related to the planned Wayzata Bay Project which were transferred to a joint venture formed subsequent to September 30, 2009. The joint venture, Wayzata Bay Redevelopment Company, LLC, intends to continue development of the project which will include 155 condominiums, a 100 room hotel, twenty seven thousand square feet of office space, and one hundred thirty thousand square feet of retail space. As of September 30, 2009, approximately $12,000 had been incurred related to the development of this property and is included in other assets on the consolidated financial statement. Also included in other assets at September 30, 2009 is $22,700 of land that was being held for development related to this project. Upon entering into the joint venture agreement, predevelopment costs of approximately $11,575 and land held for development of $22,700 were transferred to Wayzata Bay Redevelopment Company LLC.

Notes receivable consist of a note receivable from Wayzata Bay Redevelopment Company, LLC related to the excess of assets over liabilities transferred by the Organization to this joint venture. The note earns interest at a rate of 5% per year and is payable upon the earlier of Wayzata Bay Redevelopment Company, LLC closing on the first construction loan with respect to the project or the dissolution and termination of Wayzata Bay Redevelopment Company, LLC. The balance of this note was $10,172 at September 30, 2010. Also included in notes receivables is a note from Carondelet Village, Inc. related to funds advanced by the Organization to fund Carondelet Village, Inc.'s required debt service reserve fund. The note earns interest at a rate of 6% per year and is payable upon demand unless Carondelet Village, Inc. is in default on payment of their bonds or payment of the note would cause them to be in default on their bond payments. The balance of this note was $1,071 at September 30, 2010.

NOTE 6 CONSTRUCTION IN PROGRESS

Lake Minnetonka Shores

During the year ended September 30, 2010, the Organization started construction on a major campus renovation. Total cost of project is expected to be $16,600 and is being funded through loan proceeds of $15,100 and $1,500 of owner equity. The project consists of 52 units of assisted living, which includes demolition and replacement of a 37 unit assisted living building along with 18 new memory care assisted living units, 9 new independent living apartments and a 20,000 square foot town center connecting all components of the campus. As of September 30, 2010, $3,537 has been incurred related to this project and is included in construction in progress on the consolidated financial statement.

Management Office

During the year ended September 30, 2009, the Organization began construction on a twenty seven thousand square foot addition to the management office, in Roseville, Minnesota. At September 30, 2009, approximately $3,700 had been incurred and was included in construction in progress on the consolidated financial statements. During the year ended September 30, 2010, the addition was completed at an approximate total cost of $7,400, which was funded through loan proceeds of $5,500 in addition to $1,900 in owner equity.

Wayzata Bay Senior Housing, Inc.

During the year ended September 30, 2010, the Organization acquired property in Wayzata, Minnesota on which they plan to build 255 Senior Housing Units. At September 30, 2010, approximately $1,088 has been incurred and is included in construction in progress.

Other

The Organization has also incurred construction costs related to the planned development of new building projects, as well as planned renovations and remodeling of existing nursing facilities and senior housing projects.

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 7 LONG-TERM DEBT

Notes, Bonds and Mortgages

Notes, bonds and mortgages at September 30 consist of the following:

Description	2010	2009
$2,500 Revolving Note for Bloomington Housing, interest at prime rate, due 2011. Paid in full in 2010	$ -	$ 1,500
Revenue Bonds, Series 2003 for Farmstead, payments due at a variable interest rate through 2033 (4)	11,645	11,945
Revenue Refunding Bonds, Series 1999A and B, for Presbyterian Homes of Arden Hills, Inc., payments due at a variable interest rate through 2029 (1)	15,932	22,661
Revenue Refunding Bonds, Series 2008, for Summerhouse of Bloomington, Mississippi Shores, Echo Ridge, Summerhouse of Shoreview, payments due at a variable interest rate through 2038 (6)	23,725	23,725
5% to 5.5% Revenue Bonds, Series 2006, for Bloomington Care Center, payments due through 2041	21,810	22,065
5.5% Mortgage Note for Broadmoor Apartments, payments due through 2015, with balloon payment	3,904	4,049
7.5% Revenue Note, Series 2004, for Broadmoor Apartments, payments due through 2014	7,437	7,644
Revenue Refunding Bonds, Series 2002, for Roseville Care Center, payments due at a variable interest rate, through 2029 (1)+A2	7,495	7,730
4.25% to 5.7% Revenue Bonds, Series 1998, for Castle Ridge, payments due through 2028	2,925	3,015
6.77% Mortgage Note for Central Towers, payments due through 2026	2,400	2,400
2% Mortgage Note for Central Towers, payments due through 2018	171	191
1% MHFA Mortgage Note for Central Towers, payments due through 2027	125	125
2.9% to 6.25% Revenue Bonds, Series 2003 for Summerwood of Chanhassen, payments due through 2033, less unamortized bond discount (5)	22,577	22,907
5% to 6% Revenue Bonds, Series 2006, for Norris Square, payments due through 2041	29,180	29,180

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 7 LONG-TERM DEBT (CONTINUED)

Notes, Bonds and Mortgages (Continued)

Description	2010	2009
7% Mortgage Note Payable with maximum borrowing limit of $10,000 for Norris Marketplace, payments due through October 2011, with balloon payment	2,657	2,718
2.33% Loan Participation Notes, Series 2003, for Croixdale, payments due through 2025 (7)	8,234	8,471
Revenue Refunding Bonds, for EagleCrest, payments due at a variable interest rate through 2039 (8)	23,030	23,390
6.85% Mortgage Note for Country Inn & Suites, payments due through 2020 (2)	3,307	3,534
4.75% Revenue Note, Series 2005 for Maranatha, payments due through 2031, with balloon payment (7)	4,263	4,384
6.0% Mortgage Note for Maranatha, payments due through 2031, with balloon payment	990	1,014
6.5% Mortgage Note for Maranatha, payments due through 2010	-	292
5.56% HUD-Insured Mortgage Payable to Oak Grove Capital Corporation for Avalon Square, payments due through 20433	18,181	18,372
4.5% to 5.5% Subordinate Revenue Bonds, Series 2005, for Avalon Square, payments due through 2025	1,570	1,640
4.88% Mortgage Note to Department of Housing and Urban Development (HUD) for Ridgeview Terrace, payments due through 2032	1,829	1,877
4.88% Mortgage Note to HUD for Newton Manor, payments due through 2025	1,231	1,285
Revenue Refunding Bonds, Series 2005 for Inver Grove Heights, payments due at a variable interest rate through 2035 (4)	28,035	28,535
4.01% mortgage for Management & Services (Hamline Office Building), due through 2029	5,403	2,406
Revenue Note Payable, Series 2008 for Mill Pond Apartments, interest at 3.975% with reset every five years based upon US Treasury rate with a ceiling of 6.475%, payments due through 2028	3,575	3,710
4.75% HUD-Insured Mortgage Payable to Oak Grove Capital Corporation for Mill Pond, payments due through 2035	5,179	5,284

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 7 LONG-TERM DEBT (CONTINUED)

Notes, Bonds and Mortgages (Continued)

Description	2010	2009
Revenue Bonds, Series 2003 for Oakcrest, payments due at a variable interest rate through 2033 (4)	6,960	7,160
7.0% Mortgage Notes for Lake Minnetonka, interest due monthly, principal due 2011. Refinanced in 2010	-	1,200
4.0% Mortgage Note for Lake Minnetonka, Series 2010 payments due through 2020 (9)	14,575	-
Multi-family Housing Revenue bonds, for Shoreview Apartments, payments due at variable interest rate through 2032. Refinanced in 2010	-	6,345
5.25% Notes, Series 2001A and B, for Bloomington Housing, payments due through 2021	2,969	3,229
0% Note Payable for Bloomington Housing, principal paid in equal annual installments through 2019.	633	-
Carondolet Village Debt Service Reserve Fund Notes	1,062	-
5.48% Mortgage Note to HUD for Summerwood of Plymouth, payments due through 2043	17,161	17,341
7.125% mortgage note for 1221 Building, payments due through 2015, with balloon payment. Rate was reset to 4.05% effective 12/1/10 (2)	9,302	9,510
4.75% - 7.625% Revenue Bonds, Series 2006 for Grace-Pointe East, payments due through 2033, less unamortized bond discount.	8,310	8,450
7.625% Note Payable for GracePointe East, payments due through 2011	129	386
5.25% to 6.5% Revenue Bonds, Series 2007, for Waverly Gardens, payments due through 2047	80,680	80,680
6% Contract for deed, for Waverly Gardens, payments due in $700 installments in December 2009, 2010, & 2011	-	2,100
4.5% to 5.6% Revenue Refunding Bonds, Series 2006, for Kirkland Crossings, payments due through 2041	17,915	18,130
Revenue Refunding Bonds, Series 2005, for Boutwells Landing, payments due at a variable interest rate through 2035 (3)	58,035	59,075
6% Mortgage Note for Boutwells Landing, payments due through 2019	1,422	1,543
4.75% Tax Exempt Loan Participation Notes, Series 2007 for Boutwells Landing, payments due through 2017 (7)	19,712	20,000
Revenue Bonds, Series 2004 for Beacon Hill, payments due at a variable interest rate through 2034 (4)	9,910	10,010

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 7 LONG-TERM DEBT (CONTINUED)

Notes, Bonds and Mortgages (Continued)

Description	2010	2009
2.31% Revenue Bonds, Series 2006 and 2007 for Highland Ridge, payments due through 2017	5,477	5,477
2.31% Revenue Bonds, Series 2005B, for Highland Ridge, payments through 2017 (2)	4,910	5,145
4% to 5.75% Revenue Refunding Bonds, Series 2006, for Stonecrest, payments due through 2041	13,490	13,650
5.0% to 6.4% Revenue Bonds, Series 1999, for Stonecrest, payments due through 2034	8,140	8,270
4.5% Revenue Note, Series 2003 for GracePointe West, payments due through 2023 (7)	2,287	2,412
4.5% Revenue Note, Series 2003, for GracePointe Terrace, payments due through 2023 (7)	2,041	2,153
4.4% to 6.0% Revenue Bonds, Series 1998 for GracePointe Commons, payments due through 2033	10,160	10,355
6% Mortgage Payable for Wayzata Bay, payments due through October 2010	-	16,149
7.125% Mortgage Payable for Wayzata Bay, payments due through 2011	9,233	9,387
Other	1,468	1,511
Subtotal	562,791	585,717
Less: Current Maturities	9,994	10,462
Total	$ 552,797	$ 575,255

(1) The 1999A, 1999B and 2002 Revenue Bonds are scheduled to be paid in varying annual principal installments, but can be called on a daily basis by the bondholders. The Organization has a remarketing agreement with underwriters that provides for a “best efforts” remarketing of the Revenue Bonds. The 1999A, 1999B and 2002 Revenue Bonds are secured by letters of credit of $16,635, $6,407 and $7,836, respectively, which expire September 2012. If the letters of credit are drawn on to pay for Revenue Bonds that were not remarketed, such amounts are due 13 months after the draw. Accordingly, based on the terms of the letters of credit, the Revenue Bonds, other than the original amount scheduled to be paid in fiscal year 2010, are reported as long-term debt liabilities. Interest would be due monthly at a rate equal to the prime rate plus 2%. Substantially all of the property, equipment and assets, plus the assignment of rents, collateralize the letters of credit. During the year ended September 30, 2010, the 1999B bonds were refinanced by the Series 2010 mortgage note described in (9) below. Subsequent to year end, the 1999A and 2002 revenue bonds were refinanced, see Note 12.

NOTE 7 LONG-TERM DEBT (CONTINUED)

Notes, Bonds and Mortgages (Continued)

(2) The interest rate and monthly payment will be adjusted in 2011 and 2015 (if applicable).

(3) The 2005 Revenue Bonds are scheduled to be paid in varying annual installments through 2035; however, the 2005 Revenue Bonds can be called on a daily basis by the bondholders. The Organization has remarketing agreement with underwriters that provides for a “best efforts” remarketing of the 2005 Revenue Bonds. The 2005 Revenue Bonds are secured by a credit enhancement from Federal Home Loan Mortgage Corporation (Freddie Mac), which is effective for the term of the bonds. If the credit enhancement is used to pay for Revenue Bonds that were not remarketed, such amounts are due 13 months after the draw. Accordingly based on the terms of the credit enhancement, the 2005 Revenue Bonds, other than the original amount scheduled to be paid in fiscal year 2010, are reported as long-term liabilities.

(4) The mortgage loan is secured by a letter of credit enhancement agreement with Fannie Mae, which guarantees the payment of the mortgage loan.

(5) The Chanhassen 2004 Revenue Bonds require that an $850 reserve fund be maintained. The Organization has obtained a letter of credit from a bank to fulfill this requirement. No amounts are drawn on the letter of credit at September 30, 2010.

(6) The bonds are secured by a credit enhancement agreement with Freddie Mac which guarantees the payment of the bonds.

(7) The interest rate on these bonds is set upon issuance, and re-set every five years through a predetermined index, and have interest rate floors and ceilings as set in the agreement.

(8) The EagleCrest Revenue Bonds that were issued in 2009 are scheduled to be paid in varying annual principal installments, but can be called on a weekly basis by the bondholders. The bonds are secured by a credit enhancement agreement with Freddie Mac which guarantees the payment of the bonds. In addition, any draws upon the liquidity agreement are to be repaid 365 plus 1 days after drawn upon which supports the classification as a long-term liability.

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 7 LONG-TERM DEBT (CONTINUED)

Notes, Bonds and Mortgages (Continued)

(9) The mortgage note was issued in 2010 for Lake Minnetonka Housing, Lake Minnetonka Care Center, and Lake Minnetonka Employee Housing. The interest rate on the note is 4% until June 1, 2010, at which time the rate resets to the greater of 3% plus 70% times the sum of the current 30-day LIBOR rate or 4%. At any time after the date of substantial completion of the project improvements and the note has been fully funded or the Organization agrees in writing that no further advances shall be made under this note, the Organization may elect to fix the interest rate for either (I) a period of five years at a rate equal to the greater of 70% times the sum of the current five year LIBOR swap rate plus 3% or 5%; or (II) fixed through May 31, 2015, at rate equal to the greater of 70% times the sum of a comparable term LIBOR swap rate plus 3% or 5%. If the Organization has failed to notify the lender which option they select by June 1, 2012, option (I) above shall the default option.

Substantially all of the Organization’s property, equipment and assets, plus the assignment of rents and income contracts, is pledged as collateral on the above debts.

Many of the notes and bonds include various restrictive covenants requiring adherence to be in compliance with the terms of the note or bond.

Annual maturities on the notes, bonds and mortgages for the five years subsequent to September 30, 2010 based on the terms of letters of credit or credit enhancement agreements, are approximately as follows, the maturities reflect any changes made to the requirements subsequent to September 30, 2010.

Year Ending September 30,	Amount
2011	$ 9,994
2012	93,044
2013	9,492
2014	10,319
2015	16,994
Thereafter	422,948
Total	$ 562,791

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 7 LONG-TERM DEBT (CONTINUED)

Notes, Bonds and Mortgages (Continued)

Following is a summary of management's expectation of annual maturities of the Organization's long-term debt, assuming that the bonds referred to above are successfully remarketed with the original maturity dates.

Year Ending September 30,	Amount
2011	$ 9,994
2012	21,543
2013	11,328
2014	12,256
2015	18,967
Thereafter	488,703
Total	$ 562,791

Interest Cost

The total interest cost incurred during the construction period, net of interest earnings on invested tax-exempt bond proceeds, for the years ended September 30, 2010 and 2009, was approximately $694 and $2,074, respectively. These amounts are capitalized as part of the cost of construction.

Derivatives and Variable Interest Rate Risk Management

The Organization uses derivative instruments to manage variable interest rates on certain of the Organization's long-term debt issues. As part of the Organization's strategy to manage the variability of interest rates, the Organization has entered into interest rate swap agreements to reduce the impact of changes in interest rates. At September 30, 2010, the Organization has the following interest rate swap agreements with commercial banks which effectively limit the Organization's interest rate exposure.

	Notional Amount	Swap Rate	Termination Date
Agreement related to Series 1999 and 2002 Revenue bonds for Presbyterian Homes of Arden Hills, Inc. and Presbyterian Home Care Centers, Inc.	$ 29,561	3.391% Fixed	10/1/2029
Agreement related to Series 2005 Revenue Bonds for Boutwells Landing	37,444	3.566% Fixed	11/1/2015
Agreement related to Series 2007 Revenue bonds for Waverly Gardens	81,680	USD-SIFMA Municipal Swap Index	10/1/2047
Agreement related to Series 2007 Revenue bonds for EagleCrest, agreement transferred to Presbyterian Homes and Services in 2009	23,020	USD-SIFMA Municipal Swap Index	7/1/2042

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 7 LONG-TERM DEBT (CONTINUED)

Derivatives and Variable Interest Rate Risk Management (Continued)

The fair value of the derivative instruments was as follows at September 30, 2010 and 2009:

	Balance Sheet Location	September 30, 2010	September 30, 2009
Derivatives not Designated as Hedging Instruments	Other Long-Term Liabilities	$ 14,419	$ 10,807

The effect of the derivative instruments on the consolidated statements of operations and changes in net assets was as follows for the years ended September 30, 2010 and 2009:

	Location of Loss Recognized in Excess (Deficit) of Revenue Over Expense	Amount of Loss on Derivatives Recognized in Excess of Revenue Over Expense	
		Years Ended September 30,	
		2010	2009
Derivatives not Designated as Hedging Instruments	Interest Rate Swap Market Adjustment	$ 3,910	$ 3,399

The fair value of the derivatives reflects the price that a third-party would be willing to pay or receive in arm's-length transactions and includes mark-to-market adjustments to reflect the effects of changes in the related index. The Organization recognized its derivatives as a net asset or liability at fair value on the consolidated statements of financial position. Changes in the fair value of the fixed-rate swaps are recorded in the consolidated statements of operations as nonoperating gains or losses and are included in excess of revenue over expense, as these transactions do not qualify for hedge accounting.

The Organization also purchases interest rate cap agreements on other variable rate bonds, which have terms of three to five years. The Organization amortizes these costs over the term of the agreement. In addition, the Organization funds an escrow account over the term of the agreement in anticipation of purchasing another interest rate cap upon maturity. At September 30, 2010 the value of these interest rate caps were approximately $856 and are included in prepaids and other assets on the consolidated statement of financial position.

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 8 NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets are contributions that are restricted by the donor for the following, which are mainly related to capital acquisitions at September 30:

	2010	2009
Arden Hills Care Center	$ 1,609	$ 1,946
Lake Minnetonka Housing	110	94
Boutwells Landing	141	108
Cottage Grove	172	168
Gracepointe Crossing	258	291
Bloomington Care Center	224	229
Endowment Earnings	1,509	821
Other	1,648	706
Total	$ 5,671	$ 4,363

Permanently Restricted Net Assets (Endowment Funds)

At September 30, endowment funds consist of the following:

	2010	2009
John S. Holl Endowment	$ 26,384	$ 24,775
Highland Ridge Endowment	2,726	2,661
Croixdale Endowment	1,649	1,650
North Oaks Endowment	1,546	1,245
Presbyterian Homes of Wisconsin Endowment	2,283	2,169
PHS General Endowment	7,227	6,437
	41,815	38,937
Less Portion of Endowment Funds Designated by Board for:		
General Endowment	1,544	1,544
Highland Ridge Endowment	2,726	2,661
Croixdale Endowment	1,650	1,650
North Oaks Endowment	1,546	1,245
Less: Endowment Earnings in Temporarily Restricted	1,509	821
Total	$ 32,840	$ 31,016

Investment income on the John S. Holl and other endowment funds is unrestricted. The John S. Holl endowment is a perpetual trust held by third-party trustee for the Organization. The fair value of this trust at September 30 is reported as permanently restricted net assets.

Debt agreements or bylaws of certain affiliates may limit the ability of the Organization to transfer, advance or use these unrestricted funds for the benefit of the other affiliates.

NOTE 8 CONTRIBUTIONS AND NET ASSETS (CONTINUED)

Permanently Restricted Net Assets (Endowment Funds) (Continued)

The bylaws of Croixdale do not allow for the net assets of Croixdale, $13,456 at September 30, 2010, to be used by or transferred to the Organization or its affiliates. The bylaws of Highland Ridge do not allow for the net assets of Highland Ridge, $16,102 at September 30, 2010, to be used by or transferred to the Organization or its affiliates.

Interpretation of Relevant Law

The Organization complied with the State Prudent Management of Institutional Funds Act (the Act) in 2010 and 2009. The Organization has interpreted the Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (4) the portion of investment return added to the permanent endowment to maintain its purchasing power. For purposes of determining that portion, each year the Organization adjusts permanently restricted net assets by the change in the Consumer Price Index (CPI) for that year. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed in the Act. In accordance with the Act, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

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

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 8 CONTRIBUTIONS AND NET ASSETS (CONTINUED)

The following table shows the changes in endowment net assets for the years ended September 30, 2010 and 2009:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year - 10/1/09	$ 7,100	$ 821	$ 6,241	$ 14,162
Net Asset Reclassification	-	-	-	-
Investment Return:				
Investment Income	161	224	-	385
Net Appreciation/(Depreciation) (Realized and Unrealized)	537	634	-	1,171
Contributions and Purchases	71	-	213	284
Net Assets Appropriated for Expenditure and Sales	(403)	(170)	-	(573)
Endowment Net Assets, End of Year - 9/30/10	$ 7,466	$ 1,509	$ 6,454	$ 15,429

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year - 10/1/08	$ 7,174	$ -	$ 6,406	$ 13,580
Net Asset Reclassification	-	491	(491)	-
Investment Return:				
Investment Income	205	182	-	387
Net Appreciation/(Depreciation) (Realized and Unrealized)	57	432	100	589
Contributions and Purchases	279	-	226	505
Net Assets Appropriated for Expenditure and Sales	(615)	(284)	-	(899)
Endowment Net Assets, End of Year - 9/30/09	$ 7,100	$ 821	$ 6,241	$ 14,162

NOTE 8 CONTRIBUTIONS AND NET ASSETS (CONTINUED)

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to preserve and grow capital, strive for consistent absolute returns, preserve purchasing power by striving for long-term returns which either match or exceed the set payout, fees and inflation without putting the principal value at imprudent risk, and diversify investments consistent with commonly accepted industry standard to minimize the risk of large losses. The Organization expects its endowment funds, over time, to provide an average rate of return in line with or better than their respective benchmarks or peer groups. Actual results in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that meets the Organization's long-term rate-of-return objectives while avoiding undue risk from imprudent concentration in any single asset class or investment vehicle.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution each year a percentage (4.5% in 2010) of the previous 16 quarter trailing average of its endowment fund's fair value on June 30th of the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

NOTE 9 PENSION PLAN

The Organization participates in contributory, defined contribution pension plan 403(b). All employees who have one year or more of service, have reached the age of 21 and work more than 20 hours per week are eligible to participate in the plan. Participants vest in the employer contribution at graduated rates, up to full vesting after five years.

(DOLLAR AMOUNTS IN THOUSANDS)

NOTE 9 PENSION PLAN (CONTINUED)

The Organization contributes 3% of eligible employee salaries for those employee who have 1 to 5 years of service and have elected to contribute 1% of their salaries, 4% of eligible employee salaries for those employees who have 6 to 11 years of service and have elected to contribute 2% of their salaries, and 5% of eligible employee salaries for those employees who have 12 or more years of service and have elected to contribute 3% of their salaries.

Contributions to the plan by the Organization approximated $2,150 and $2,140 for the years ended September 30, 2010 and 2009, respectively.

NOTE 10 FUNCTIONAL EXPENSE

Expense by classifications for the years ended September 30, 2010 and 2009 were:

	2010	2009
Program Services:		
Services to Residents	$ 159,827	$ 154,252
Supporting Services:		
Management and General	85,941	82,453
Fundraising	1,040	1,020
Total Program Expenses	$ 246,808	$ 237,725

NOTE 11 COMMITMENTS AND CONTINGENCIES

Workers' Compensation Self-Insurance

The Organization self-insures its workers' compensation claims. The Organization has purchased reinsurance for specific claims greater than $430 and annual aggregate claims greater than $2,845 up to a maximum of $5,000. Expenses are recorded as claims are incurred. Incurred but not reported claims and expected claim adjustment costs are actuarially estimated and accrued. As required by the state of Minnesota, the Organization has pledged cash and investments of $3,462 to secure the payment of claims. Expenses incurred were approximately $1,723 and $1,752 for the years ended September 30, 2010 and 2009, respectively. At September 30, 2010 and 2009, management has estimated reserves and recorded liabilities for outstanding claims of approximately $2,946 and $2,675, respectively, which is included in other long-term liabilities on the consolidated statements of financial position.

NOTE 11 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Workers' Compensation Self-Insurance (Continued)

The Organization's provision for outstanding losses, although supported by actuarial projections and other data, is ultimately based on management's expectations of future events. It is possible that these estimates could change as more detailed information concerning the losses is received and the effect of such changes could be material to the consolidated financial statements.

Employee Health Self-Insurance

The Organization has self-insured for employee health insurance claims. The Organization has purchased reinsurance for specific claims greater than $150 and annual aggregate claims greater than $9,830. Expenses are recorded as claims are incurred. An estimate of incurred but not reported claims is accrued and amounted to approximately $1,568 and $1,164 at September 30, 2010 and 2009, respectively. This accrual is included in accrued payroll and benefits on the consolidated statements of financial position. Claims and administrative expenses incurred were approximately $6,353 and $5,595 for the years ended September 30, 2010 and 2009, respectively.

Professional Liability Insurance

The Organization is covered by professional liability insurance on a claims made basis. For the year ended September 30, 2010, per claim, per location, and aggregate maximum annual coverage was $5,000, $7,000 and $30,000, respectively. The deductible on professional liability is $1,000. The Organization records its estimate of claim liabilities for deductibles and claims in excess of coverage based on actuarial estimates which amounted to $1,074 and $1,337 at September 30, 2010 and 2009, respectively, which is included in other long-term liabilities on the consolidated statements of financial position. If this policy should lapse and not be replaced with equivalent coverage, claims occurring during, but reported subsequent to, its term will be uninsured.

Cooperative Units Acquisition Commitments

In 2000, the Organization entered into an agreement to acquire the remaining membership unit certificates (11 as of September 30, 2010) in Gideon Pond Cooperative (the Cooperative) as those units become available for sale. The price established by the Cooperative's bylaws as of September 30, 2010, for the remaining units have an average value of $154 each. Because the individual unit owner determines when they will sell their unit, the Organization will not recognize an asset or liability until the title is transferred to the Organization.

NOTE 11 COMMITMENTS AND CONTINGENCIES (CONTINUED)

McKenna Crossing Guarantee

The Organization has provided a guarantee in the amount of $4,000 for tax-exempt revenue bonds issued in the amount of $31,445 used to finance a 154-unit senior housing and assisted living campus in Prior Lake, Minnesota. The project is a joint venture between the Organization and Shepherd of the Lake Evangelical Lutheran Church and opened in July 2007. The project is a nonconsolidated affiliate of the Organization (see Note 5). During the year ended September 30, 2010, the conditions of the guarantee agreement were met and the Organization was released from its guarantee.

Homestead of Rochester Guarantee

The Organization has provided a guarantee in the amount of $2,000 for tax-exempt loan participations issued in the amount of $20,475 used to finance a 137-unit senior housing and assisted living campus in Rochester, Minnesota. The project is a joint venture between the Organization and Volunteers of America and opened in November 2006. The project is a nonconsolidated affiliate of the Organization (see Note 5). In March of 2009, the requirements of the guaranty agreement were met and the Organization was released from its guaranty.

Heartwood Guarantee

The Organization has provided a guarantee in the amount of $600 for tax-exempt revenue bonds issued in the amount of $22,935 used to finance a 98-unit senior housing, assisted living and memory care campus in Crosby, Minnesota. The project is a joint venture between the Organization and the Cuyuna Regional Medical Center and opened in October 2008. The project is a nonconsolidated affiliate of the Organization (see Note 5).

Tax Credit Guarantee

The Organization has guaranteed the limited partner in Central Towers that the requirements to retain approximately $2,100 of low income housing tax credits will be met through 2012.

Litigation

Presbyterian Homes Management and Services, Inc. ("PHMS"), a consolidated affiliate of Presbyterian Homes and Services ("PHS"), has been charged with a gross misdemeanor in the City of Brooklyn Center, MN in connection with the death of a resident at a skilled nursing facility owned by another consolidated affiliate of PHS and managed by PHMS. If PHMS is convicted, the business of PHS conducted through its consolidated subsidiaries would be materially adversely affected. PHMS believes that there is no basis for the charge and is pursuing a vigorous defense.

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NOTE 12 SUBSEQUENT EVENTS

Subsequent Events

The Organization is in the process of refinancing the Series 1999A bonds for Presbyterian Homes of Arden Hills, Inc., the Series 2002 bonds for Roseville, and certain other notes payable through issuance of the $16,485, Series 2010 City of Bloomington, Minnesota Senior Housing Revenue Refunding Bonds and the $5,765, Series 2010 City of Little Canada, Minnesota Senior Housing Revenue Refunding Bonds.

The Organization is in the process of financing approximately $19,000 for the construction and equipping of a 108-unit senior housing development to be located in Bloomington, Minnesota which will include 56 independent living units, 16 assisted living units, 19 memory care units, 16 high acuity assisted living units, 1 respite unit and a town centre. At September 30, 2010, the Organization has incurred approximately $2,140 in predevelopment costs which are included in other assets on the consolidated financial statement.

Subsequent to year-end, the Organization committed to purchase Westfield Hospital's 50% interest in PHM/New Richmond Senior Housing, Inc., a 50-independent senior living facility, a 32-unit facility consisting of 16 apartments registered as an assisted-living and 16 apartments licensed as a community-based residential facility, and a 61 bed licensed nursing care facility for $1,250.

In preparing these consolidated financial statements, the Organization has considered events and transactions that have occurred through December 7, 2010.

INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY INFORMATION

Board of Directors and Stockholders
Presbyterian Homes and Services and Affiliates
Shoreview, Minnesota

Our report on our audits of the consolidated financial statements of Presbyterian Homes and Services and Affiliates for 2010 and 2009 appears on page 2. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the basic consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual organizations or divisions. The consolidating information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

LarsonAllen LLP

LarsonAllen LLP

Minneapolis, Minnesota
December 7, 2010

PRESBYTERIAN HOMES AND SERVICES AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2010
(DOLLAR AMOUNTS IN THOUSANDS)

	Presbyterian Homes & Services			Presbyterian Homes of Andover, Inc.	Presbyterian Homes of Arden Hills, Inc.		
ASSETS	Creative Senior Dining	International Nurse Recruitment	Creative Independence	Farmstead	Arden Hills	Bloomington Commons	Mayfield
CURRENT ASSETS							
Cash and Cash Equivalents:							
Unrestricted	$ 355	$ (994)	$ 2,211	$ 3,028	$ 5,804	$ 1,034	$ 1,788
Restricted for Residents	-	-	-	-	19	-	-
Cash Held or Restricted, Current Portion	-	-	-	282	54	-	11
Accounts Receivable, Less Allowance for Doubtful Accounts	32	43	1,216	53	1,649	47	6
Pledges Receivable, Current Portion	-	-	-	-	-	-	-
Prepaid Expenses and Other Assets	-	-	1	47	70	40	27
Total Current Assets	387	(951)	3,428	3,410	7,596	1,121	1,832
INVESTMENTS AND OTHER ASSETS							
Investments and Cash Held or Restricted:							
By Agreements with Trustees and Others	-	-	-	-	708	1,573	554
Restricted by Donors and Others	-	-	-	-	4,126	-	-
Replacement Reserves	-	-	-	453	3,723	1,166	317
Endowment Funds	-	-	-	-	-	-	-
Pledges Receivable	-	-	-	-	-	-	-
Deferred Financing Costs, Less Accumulated Amortization	-	-	-	315	50	148	91
Investment in Other Entities	-	-	-	-	-	-	-
Other Assets	-	-	-	-	93	-	-
Due from Affiliates	-	-	-	329	-	3,254	2,377
Total Investments and Other Assets	-	-	-	1,097	8,700	6,141	3,339
PROPERTY AND EQUIPMENT							
Land	-	-	-	720	475	360	273
Buildings and Land Improvements	-	-	16	11,509	20,188	5,147	4,270
Equipment and Furnishings	234	-	315	2,002	3,990	678	786
Automotive Equipment	43	-	-	7	91	-	-
Construction in Progress	-	-	-	-	198	-	-
Subtotal	277	-	331	14,238	24,942	6,185	5,329
Less: Accumulated Depreciation	33	-	135	5,661	12,942	3,123	2,497
Net Property and Equipment	244	-	196	8,577	12,000	3,062	2,832
Total Assets	$ 631	$ (951)	$ 3,624	$ 13,084	$ 28,296	$ 10,324	$ 8,003

Presbyterian Homes of Bloomington, Inc. Summerhouse of Bloomington	Presbyterian Homes Bloomington Care Center, Inc. Bloomington Care Center	Broadmoor Apartments, Inc. Broadmoor	Presbyterian Homes Hospice, Inc. Peace Hospice	Presbyterian Homes Care Centers, Inc. Roseville	Castle Ridge Care Center, Inc. Castle Ridge	Central Towers Limited Partnership Central Towers	PHS/ Chanhassen, Inc Summerwood of Chanhassen	PHS/Cottage Grove, Inc. Norris Square
$ 696	$ 398	$ 95	$ (203)	$ 673	$ 1,520	$ 98	$ 1,080	$ 1,137
-	8	111	-	1	6	55	-	-
25	710	100	-	-	78	-	301	646
9	1,643	(1,583)	-	1,425	425	(3)	49	49
-	-	-	-	-	-	-	-	-
49	29	-	-	72	8	9	6	7
779	2,788	(1,277)	(203)	2,171	2,037	159	1,436	1,839
-	1,488	-	-	-	133	-	732	1,859
382	-	-	-	-	-	-	-	150
158	1,058	-	-	1,700	289	341	110	29
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
265	442	57	-	203	87	10	636	846
-	-	-	-	147	-	-	-	1,791
-	-	929	-	1	-	-	-	-
-	-	-	-	802	-	-	-	-
805	2,988	986	-	2,853	509	351	1,478	4,675
545	342	6,000	-	231	718	348	3,565	3,375
9,304	24,656	6,984	-	9,132	4,414	9,548	21,775	19,996
1,374	2,968	1,540	2	1,820	840	1,122	2,522	2,950
-	63	-	-	55	47	-	-	-
-	-	-	-	-	-	-	-	-
11,223	28,029	14,524	2	11,238	6,019	11,018	27,862	26,321
3,873	5,062	2,919	-	5,933	3,024	4,029	5,212	2,312
7,350	22,967	11,605	2	5,305	2,995	6,989	22,650	24,009
$ 8,934	$ 28,743	$ 11,314	$ (201)	$ 10,329	$ 5,541	$ 7,499	$ 25,564	$ 30,523

PRESBYTERIAN HOMES AND SERVICES AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
SEPTEMBER 30, 2010
(DOLLAR AMOUNTS IN THOUSANDS)

	PHS/CG Center LLC		PHS/EagleCrest, Inc.			Maranatha Conservative Baptist Home, Inc. and Center Park Senior Apartments, Inc.	Presbyterian Homes Foundation
	Norris Marketplace	Croixdale Croixdale	EagleCrest	Country Inn & Suites	Hamline Center	Maranatha	Foundation
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents:							
Unrestricted	$ (3,120)	$ 4,844	$ 7,825	$ 863	$ (1,700)	$ 1,706	$ 472
Restricted for Residents	-	-	-	-	-	9	-
Cash Held or Restricted, Current Portion	-	-	368	-	-	-	-
Accounts Receivable, Less Allowance for Doubtful Accounts	-	53	150	23	-	1,478	(19)
Pledges Receivable	-	100	-	-	-	-	118
Prepaid Expenses and Other Assets	-	4	259	11	-	10	-
Total Current Assets	(3,120)	5,001	8,602	897	(1,700)	3,203	571
INVESTMENTS AND OTHER ASSETS							
Investments and Cash Held or Restricted:							
By Agreements with Trustees and Others	-	-	-	-	-	-	-
Restricted by Donors and Others	320	-	-	-	-	-	500
Replacement Reserves	-	76	2,783	167	-	128	-
Endowment Funds	-	1,650	-	-	-	-	33,610
Pledges Receivable	-	363	-	-	-	-	1,402
Deferred Financing Costs, Less Accumulated Amortization	178	122	829	85	-	155	-
Investment in Other Entities	-	-	-	-	-	-	-
Other Assets	-	-	-	-	11	-	6,055
Due from Affiliates	-	595	4,595	-	-	-	-
Total Investments and Other Assets	498	2,806	8,207	252	11	283	41,567
PROPERTY AND EQUIPMENT							
Land	5,314	533	3,950	810	2,061	1,110	-
Buildings and Land Improvements	-	15,608	21,592	4,785	235	8,601	-
Equipment and Furnishings	-	1,551	2,253	856	-	1,009	-
Automotive Equipment	-	-	119	15	-	65	-
Construction in Progress	867	-	-	-	-	75	-
	6,181	17,692	27,914	6,466	2,296	10,860	-
Less: Accumulated Depreciation	-	3,483	8,674	2,160	8	1,663	-
Net Property and Equipment	6,181	14,209	19,240	4,306	2,288	9,197	-
Total Assets	$ 3,559	$ 22,016	$ 36,049	$ 5,455	$ 599	$ 12,683	$ 42,138

Presbyterian Homes of Wisconsin, Inc.		Gideon Pond West, Inc.	Gideon Pond Housing Corporation	PHS/Inver Grove, Inc.	Presbyterian Homes Management & Services, Inc.	Presbyterian Homes Mill Pond Apartments, Inc.	Presbyterian Homes Mill Pond Care Center, Inc.	PHS Monticello, Inc.	Noah's Ark Affordable Housing, Inc.
PHW/ Helpmates	Avalon Square	Ridgeview Terrace	Newton Manor	Inver, Grove Heights	Management & Services	Mill Pond Apartments	Mill Pond	Mississippi Shores	Oakcrest
$ 1,090	$ 343	$ 18	$ 73	$ 2,758	$ 4,053	$ 436	$ 506	$ 28	$ 1,210
-	80	18	18	148	-	-	-	-	89
-	81	33	30	392	-	-	45	37	213
27	160	1	7	47	78	2	271	3	3
-	-	-	-	-	-	-	-	-	-
-	75	9	6	237	165	2	29	16	26
1,117	739	79	134	3,582	4,296	440	851	84	1,541
-	-	-	-	266	3,462	-	-	-	248
80	-	-	-	-	-	-	-	-	-
-	792	34	65	413	863	103	772	217	308
2,283	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	795	44	33	510	189	94	76	84	198
1,916	-	-	-	-	153	-	-	-	-
-	-	-	-	-	-	-	-	-	-
974	-	-	-	-	2,008	-	-	-	-
5,253	1,587	78	98	1,189	6,675	197	848	301	754
-	1,580	230	100	4,414	400	1,165	1,064	190	794
-	20,038	1,862	2,485	31,237	7,980	3,604	9,124	3,490	9,241
6	1,753	276	330	2,274	2,957	265	979	787	857
-	45	-	-	22	85	-	31	-	20
-	-	-	-	-	-	-	38	-	-
6	23,416	2,368	2,915	37,947	11,422	5,034	11,236	4,467	10,912
4	5,676	1,090	1,282	9,243	2,587	1,472	3,871	1,646	3,881
2	17,740	1,278	1,633	28,704	8,835	3,562	7,365	2,821	7,031
$ 6,372	$ 20,066	$ 1,435	$ 1,865	$ 33,475	$ 19,806	$ 4,199	$ 9,064	$ 3,206	$ 9,326

PRESBYTERIAN HOMES AND SERVICES AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
SEPTEMBER 30, 2010
(DOLLAR AMOUNTS IN THOUSANDS)

	Presbyterian Homes Housing and Assisted Living, Inc.									
	PHS Lake Minnetonka, LLC									
	Lake Minnetonka Care Center	Lake Minnetonka Housing	Lake Minnetonka Employee Housing	Bloomington Housing	Summerwood of Plymouth	Senior Housing Partners	Senior Lifestyle Design	1221 Nicollet	GracePointe Gables East	Mission Development
ASSETS										
CURRENT ASSETS										
Cash and Cash Equivalents:										
Unrestricted	$ (417)	$ 2,484	$ (3,268)	$ (13,637)	$ 1,007	$ 3,145	$ 245	$ (1,680)	$ 725	$ (976)
Restricted for Residents	7	-	-	-	-	-	-	-	23	2,609
Cash Held or Restricted, Current Portion	-	-	-	-	215	-	-	-	197	-
Accounts Receivable, Less Allowance for Doubtful Accounts	1,317	64	4	2,780	89	782	461	21	578	1,638
Pledges Receivable	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses and Other Assets	23	10	4	-	4	-	-	3	8	-
Total Current Assets	930	2,558	(3,260)	(10,857)	1,315	3,927	706	(1,656)	1,531	3,271
INVESTMENTS AND OTHER ASSETS										
Investments and Cash Held or Restricted:										
By Agreements with Trustees and Others	-	-	-	-	-	-	-	-	560	-
Restricted by Donors and Others	-	-	-	-	-	-	-	-	-	7,361
Replacement Reserves	721	814	188	-	809	-	-	-	106	-
Endowment Funds	-	-	-	-	-	-	-	-	-	-
Pledges Receivable	-	-	-	-	-	-	-	-	-	-
Deferred Financing Costs, Less Accumulated Amortization	-	794	-	98	983	-	-	107	338	-
Investment in Other Entities	-	-	-	19,053	-	-	-	-	-	357
Other Assets	-	-	-	4,467	-	-	-	-	-	-
Due from Affiliates	-	118	-	8,390	-	106	-	-	-	12,900
Total Investments and Other Assets	721	1,726	188	32,008	1,792	106	-	107	1,004	20,618
PROPERTY AND EQUIPMENT										
Land	435	1,016	2,258	2,738	1,770	-	-	6,403	113	-
Buildings and Land Improvements	4,738	1,373	4,101	512	14,768	-	-	5,910	8,631	-
Equipment and Furnishings	1,974	1,306	331	5	1,418	95	11	181	564	-
Automotive Equipment	-	7	-	-	1	-	-	-	36	-
Construction in Progress	-	3,537	-	-	-	-	-	25	-	-
	7,147	7,239	6,690	3,255	17,957	95	11	12,519	9,344	-
Less: Accumulated Depreciation	4,456	1,108	457	224	3,424	58	9	1,273	779	-
Net Property and Equipment	2,691	6,131	6,233	3,031	14,533	37	2	11,246	8,565	-
Total Assets	$ 4,342	$ 10,415	$ 3,161	$ 24,182	$ 17,640	$ 4,070	$ 708	$ 9,697	$ 11,100	$ 23,889

PRESBYTERIAN HOMES AND SERVICES AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
SEPTEMBER 30, 2010
(DOLLAR AMOUNTS IN THOUSANDS)

	PHS/ Oakdale, Inc. Echo Ridge	Presbyterian Homes of North Oaks, Inc. Waverly Gardens	Kirkland Crossings, Inc. Kirkland Crossings	Wayzata Bay Senior Housing, Inc. Wayzata Bay	PHS/ Shoreview, Inc. Summerhouse of Shoreview	Valley Senior Service Alliance Boutwells Landing	PHS/Beacon Hill, Inc. Beacon Hill	Williamsburg Retirement Community, Inc. Highland Ridge	PHS/ Woodbury, Inc. Stonecrest	Grandview Christian Homes GracePointe Gables West	Mill Ridge Commons GracePointe Terrace	Grandview West, Inc. GracePointe Commons	Eliminations	Consolidated
	$ 1,179	$ 5,321	$ 1,488	$ (9,499)	$ 1,048	$ 4,893	$ 3,495	$ 335	$ 2,145	$ 440	$ 245	$ 622	$ -	$ 39,465
	-	-	1,204	-	-	377	-	67	-	22	-	529	-	5,400
	112	2,525	322	-	72	862	256	-	525	-	-	507	-	8,999
	-	465	14	-	4	1,910	55	126	80	1,244	4	113	(793)	18,300
	-	-	-	-	-	-	-	-	-	-	-	-	-	218
	43	31	5	-	35	125	123	6	4	22	1	5	-	1,666
	1,334	8,342	3,033	(9,499)	1,159	8,167	3,929	534	2,754	1,728	250	1,776	(793)	74,048
	-	5,717	1,196	-	-	2,500	-	-	1,135	-	-	416	-	22,547
	-	3,911	-	-	382	-	-	-	-	-	-	-	-	17,212
	160	130	228	-	140	602	595	77	193	165	-	24	-	21,017
	-	1,546	-	-	-	-	-	2,726	-	-	-	-	-	41,815
	-	-	-	-	-	170	-	-	-	-	-	-	-	1,935
	230	1,210	343	98	186	1,345	252	58	620	55	50	243	-	13,552
	-	-	-	3,650	-	-	-	-	-	-	-	-	(6,035)	21,032
	-	-	-	10,172	-	-	-	-	-	121	-	-	(2,324)	19,525
	-	-	21	-	-	374	1	-	269	-	-	351	(37,464)	-
	390	12,514	1,788	13,920	708	4,991	848	2,861	2,217	341	50	1,034	(45,823)	158,635
	470	13,205	1,235	4,215	579	6,516	1,281	1,176	1,776	134	6	94	-	86,087
	6,940	65,443	14,276	-	7,028	106,307	9,757	28,471	17,355	3,988	3,139	11,564	(3,680)	597,442
	974	6,337	1,464	-	574	10,373	2,096	3,429	2,093	2,032	445	793	-	75,791
	22	66	14	-	2	54	-	88	22	118	6	11	-	1,155
	-	-	-	1,088	-	38	-	370	-	-	-	-	-	6,236
	8,406	85,051	16,989	5,303	8,183	123,288	13,134	33,534	21,246	6,272	3,596	12,462	(3,680)	766,711
	2,801	9,181	4,814	-	2,488	26,994	5,237	5,944	3,179	1,012	411	1,248	(491)	178,101
	5,605	75,870	12,175	5,303	5,695	96,294	7,897	27,590	18,067	5,260	3,185	11,214	(3,189)	588,610
	$ 7,329	$ 96,726	$ 16,996	$ 9,724	$ 7,562	$ 109,452	$ 12,674	$ 30,985	$ 23,038	$ 7,329	$ 3,485	$ 14,024	$ (49,805)	$ 821,293

PRESBYTERIAN HOMES AND SERVICES AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
SEPTEMBER 30, 2010
(DOLLAR AMOUNTS IN THOUSANDS)

	Presbyterian Homes & Services			Presbyterian Homes of Andover, Inc.	Presbyterian Homes of Arden Hills, Inc.		
LIABILITIES AND NET ASSETS	Creative Senior Dining	International Nurse Recruitment	Creative Independence	Farmstead	Arden Hills	Bloomington Commons	Mayfield
CURRENT LIABILITIES							
Current Maturities of Long-Term Debt	$ -	$ -	$ -	$ 422	$ -	$ 293	$ 158
Accounts Payable	144	1	24	102	545	113	21
Construction Payable	-	-	-	-	-	-	-
Security Deposits and Other Resident Fund Payables	-	-	-	-	22	-	-
Accrued Payroll and Benefits	80	3	575	153	1,167	258	13
Accrued Interest and Other	-	-	-	90	445	220	142
Total Current Liabilities	224	4	599	767	2,179	884	334
LONG-TERM DEBT AND OTHER OBLIGATIONS							
Long-Term Debt, Less Current Maturities	-	77	-	11,223	-	10,072	5,409
Resident Notes Payable and Entrance Loan Deposits	-	-	-	-	-	-	-
Other	-	-	-	-	4,710	-	-
Due to Affiliates	-	805	404	-	7,111	-	-
Total Long-Term Debt and Other Obligations	-	882	404	11,223	11,821	10,072	5,409
MINORITY INTEREST IN AFFILIATES	-	-	-	-	-	-	-
NET ASSETS (DEFICIT)							
Unrestricted, Undesignated	407	(1,837)	2,621	1,094	14,296	(632)	2,260
Unrestricted, Designated by Board for Endowment Fund	-	-	-	-	-	-	-
Total Unrestricted	407	(1,837)	2,621	1,094	14,296	(632)	2,260
Temporarily Restricted	-	-	-	-	-	-	-
Permanently Restricted	-	-	-	-	-	-	-
Total Net Assets (Deficit)	407	(1,837)	2,621	1,094	14,296	(632)	2,260
Total Liabilities and Net Assets	$ 631	$ (951)	$ 3,624	$ 13,084	$ 28,296	$ 10,324	$ 8,003

Presbyterian Homes of Bloomington, Inc. Summerhouse of Bloomington	Presbyterian Homes Bloomington Care Center, Inc. Bloomington Care Center	Broadmoor Apartments, Inc. Broadmoor	Peace Hospice	Presbyterian Homes Care Centers, Inc. Roseville	Castle Ridge Care Center, Inc. Castle Ridge	Central Towers Limited Partnership Central Towers	PHS/ Chanhassen, Inc Summerwood of Chanhassen	PHS/Cottage Grove, Inc. Norris Square
$ 16	$ 265	$ 378	$ -	$ 245	$ 95	$ 21	$ 355	$ -
215	217	110	5	254	138	277	91	95
-	-	-	-	-	-	-	-	-
12	8	99	-	1	-	53	-	-
4	560	-	7	792	278	61	148	155
245	674	319	-	185	134	161	303	320
492	1,724	906	12	1,477	645	573	897	570
7,974	21,499	10,962	-	7,250	2,802	4,931	22,222	29,344
1,885	-	-	-	-	-	-	2,875	924
-	-	3	-	23	3	258	-	-
253	4,026	3,165	-	-	871	789	1,602	-
10,112	25,525	14,130	-	7,273	3,676	5,978	26,699	30,268
-	-	-	-	-	-	(70)	-	-
(1,670)	1,494	(3,722)	(213)	1,579	1,220	1,018	(2,032)	(315)
-	-	-	-	-	-	-	-	-
(1,670)	1,494	(3,722)	(213)	1,579	1,220	1,018	(2,032)	(315)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(1,670)	1,494	(3,722)	(213)	1,579	1,220	1,018	(2,032)	(315)
$ 8,934	$ 28,743	$ 11,314	$ (201)	$ 10,329	$ 5,541	$ 7,499	$ 25,564	$ 30,523

PRESBYTERIAN HOMES AND SERVICES AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
SEPTEMBER 30, 2010
(DOLLAR AMOUNTS IN THOUSANDS)

	PHS/CG Center LLC		PHS/EagleCrest, Inc.			Maranatha Conservative Baptist Home, Inc. and Center Park Senior Apartments, Inc.	Presbyterian Homes Foundation
	Norris Marketplace	Croixdale Croixdale	EagleCrest	Country Inn & Suites	Hamline Center	Maranatha	Foundation
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Current Maturities of Long-Term Debt	$ 68	$ 242	$ 356	$ 243	$ -	$ 154	$ -
Accounts Payable	34	75	186	56	109	254	529
Construction Payable	-	-	-	-	-	-	-
Security Deposits and Other Resident Fund Payables	-	-	17	-	-	-	-
Accrued Payroll and Benefits	-	141	332	53	2	462	-
Accrued Interest and Other	225	104	205	332	111	206	75
Total Current Liabilities	327	562	1,096	684	222	1,076	604
LONG-TERM DEBT AND OTHER OBLIGATIONS,							
Long-Term Debt, Less Current Maturities	2,589	7,992	22,674	3,064	-	5,099	-
Resident Notes Payable and Entrance Loan Deposits	-	-	-	-	-	-	-
Other	-	-	1,406	-	-	208	118
Due to Affiliates	398	-	-	-	876	287	5,472
Total Long-Term Debt and Other Obligations	2,987	7,992	24,080	3,064	876	5,594	5,590
MINORITY INTEREST IN AFFILIATES	281	-	-	-	-	-	-
NET ASSETS (DEFICIT)							
Unrestricted, Undesignated	(36)	11,812	10,873	1,707	(499)	6,013	(1,813)
Unrestricted, Designated by Board for Endowment Fund	-	1,650	-	-	-	-	1,544
Total Unrestricted	(36)	13,462	10,873	1,707	(499)	6,013	(269)
Temporarily Restricted	-	-	-	-	-	-	5,656
Permanently Restricted	-	-	-	-	-	-	30,557
Total Net Assets (Deficit)	(36)	13,462	10,873	1,707	(499)	6,013	35,944
Total Liabilities and Net Assets	$ 3,559	$ 22,016	$ 36,049	$ 5,455	$ 599	$ 12,683	$ 42,138

Presbyterian Homes of Wisconsin, Inc.		Gideon Pond West, Inc.	Gideon Pond Housing Corporation	PHS/Inver Grove, Inc.	Presbyterian Homes Management & Services, Inc.	Presbyterian Homes Mill Pond Apartments, Inc.	Presbyterian Homes Mill Pond Care Center, Inc.	PHS Monticello, Inc.	Noah's Ark Affordable Housing, Inc.
PHW/ Helpmates	Avalon Square	Ridgeview Terrace	Newton Manor	Inver, Grove Heights	Management & Services	Mill Pond Apartments	Mill Pond	Mississippi Shores	Oakcrest
$ -	$ 276	$ 50	$ 56	$ 636	$ 202	$ 141	$ 111	$ 5	$ 330
7	66	17	8	203	162	13	145	291	24
-	-	-	-	-	-	-	-	-	-
-	80	17	14	140	-	-	-	-	75
20	172	-	-	167	3,476	-	280	14	19
-	108	53	36	479	202	86	20	21	186
27	702	137	114	1,625	4,042	240	556	331	634
-	19,475	1,779	1,175	27,399	5,201	3,435	5,068	2,805	6,630
-	-	-	-	7,549	-	-	-	-	-
-	-	-	-	-	2,164	-	-	-	-
-	1,215	25	74	1	-	140	2,092	192	1
-	20,690	1,804	1,249	34,949	7,365	3,575	7,160	2,997	6,631
-	-	-	-	-	-	-	-	-	-
4,047	(1,326)	(506)	502	(3,099)	8,399	384	1,348	(122)	2,061
-	-	-	-	-	-	-	-	-	-
4,047	(1,326)	(506)	502	(3,099)	8,399	384	1,348	(122)	2,061
15	-	-	-	-	-	-	-	-	-
2,283	-	-	-	-	-	-	-	-	-
6,345	(1,326)	(506)	502	(3,099)	8,399	384	1,348	(122)	2,061
$ 6,372	$ 20,066	$ 1,435	$ 1,865	$ 33,475	$ 19,806	$ 4,199	$ 9,064	$ 3,206	$ 9,326

PRESBYTERIAN HOMES AND SERVICES AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
SEPTEMBER 30, 2010
(DOLLAR AMOUNTS IN THOUSANDS)

	Presbyterian Homes Housing and Assisted Living, Inc.									
	PHS Lake Minnetonka, LLC									
LIABILITIES AND NET ASSETS	Lake Minnetonka Care Center	Lake Minnetonka Housing	Lake Minnetonka Employee Housing	Bloomington Housing	Summerwood of Plymouth	Senior Housing Partners	Senior Lifestyle Design	1221 Nicollet	GracePointe Gables East	Mission Development
CURRENT LIABILITIES										
Current Maturities of Long-Term Debt	$ -	$ -	$ -	$ 340	$ 190	$ -	$ -	$ 212	$ 279	$ -
Accounts Payable	371	179	31	(3,020)	130	22	5	7	1,124	9
Construction Payable	-	-	-	-	-	-	-	-	-	-
Security Deposits and Other Resident Fund Payables	7	-	-	3	-	-	-	41	31	2,610
Accrued Payroll and Benefits	647	197	1	(1,003)	137	197	51	-	488	-
Accrued Interest and Other	197	140	88	184	259	46	-	155	210	300
Total Current Liabilities	1,222	516	120	(3,496)	716	265	56	415	2,132	2,919
LONG-TERM DEBT AND OTHER OBLIGATIONS,										
Long-Term Debt, Less Current Maturities	5,139	3,273	6,163	4,474	16,971	-	-	9,090	8,090	-
Resident Notes Payable and Entrance Loan Deposits	-	-	-	-	-	-	-	-	-	1,552
Other	10	644	10	-	-	-	-	-	20	774
Due to Affiliates	2	-	-	-	653	-	-	580	1,034	-
Total Long-Term Debt and Other Obligations	5,151	3,917	6,173	4,474	17,624	-	-	9,670	9,144	2,326
MINORITY INTEREST IN AFFILIATES	-	-	-	-	-	-	-	-	-	-
NET ASSETS (DEFICIT)										
Unrestricted, Undesignated	(2,031)	5,982	(3,132)	23,204	(700)	3,805	652	(388)	(176)	18,644
Unrestricted, Designated by Board for Endowment Fund	-	-	-	-	-	-	-	-	-	-
Total Unrestricted	(2,031)	5,982	(3,132)	23,204	(700)	3,805	652	(388)	(176)	18,644
Temporarily Restricted	-	-	-	-	-	-	-	-	-	-
Permanently Restricted	-	-	-	-	-	-	-	-	-	-
Total Net Assets (Deficit)	(2,031)	5,982	(3,132)	23,204	(700)	3,805	652	(388)	(176)	18,644
Total Liabilities and Net Assets	$ 4,342	$ 10,415	$ 3,161	$ 24,182	$ 17,640	$ 4,070	$ 708	$ 9,697	$ 11,100	$ 23,889

PHS/ Oakdale, Inc. Echo Ridge	Presbyterian Homes of North Oaks, Inc. Waverly Gardens	Kirkland Crossings, Inc. Kirkland Crossings	Wayzata Bay Senior Housing, Inc. Wayzata Bay	PHS/ Shoreview, Inc. Summerhouse of Shoreview	Valley Senior Service Alliance Boutwells Landing	PHS/Beacon Hill, Inc. Beacon Hill	Williamsburg Retirement Community, Inc. Highland Ridge	PHS/ Woodbury, Inc. Stonecrest	Grandview Christian Homes GracePointe Gables West	Mill Ridge Commons GracePointe Terrace	Grandview West, Inc. GracePointe Commons	Eliminations	Consolidated
$ 14	$ -	$ 225	$ 165	$ 11	$ 1,810	$ 286	$ 586	$ 305	$ 131	$ 117	$ 205	$ -	$ 9,994
48	272	98	8	94	676	118	299	87	1,679	16	61	(796)	6,049
-	7	-	-	-	-	-	-	-	-	-	-	-	7
-	-	130	-	-	350	-	-	-	15	-	-	-	3,725
21	444	138	-	13	729	124	218	121	992	6	103	-	13,016
35	3,225	302	54	117	1,125	68	32	628	125	67	391	-	13,435
118	3,948	893	227	235	4,690	596	1,135	1,141	2,942	206	760	(796)	46,226
7,226	79,958	17,453	9,069	5,674	77,358	9,624	9,801	21,325	2,156	1,925	9,955	(77)	552,797
-	18,754	598	-	2,943	27,454	-	2,756	-	-	152	374	-	67,816
-	4,614	-	-	-	4,461	-	23	-	8	-	-	-	19,457
164	1,100	-	470	-	-	-	1,168	-	2,486	8	-	(37,464)	-
7,390	104,426	18,051	9,539	8,617	109,273	9,624	13,748	21,325	4,650	2,085	10,329	(37,541)	640,070
-	-	-	-	-	-	-	-	-	-	-	-	-	211
(179)	(13,194)	(1,948)	(42)	(1,290)	(4,511)	2,454	13,376	572	(263)	1,194	2,935	(11,468)	88,809
-	1,546	-	-	-	-	-	2,726	-	-	-	-	-	7,466
(179)	(11,648)	(1,948)	(42)	(1,290)	(4,511)	2,454	16,102	572	(263)	1,194	2,935	(11,468)	96,275
-	-	-	-	-	-	-	-	-	-	-	-	-	5,671
-	-	-	-	-	-	-	-	-	-	-	-	-	32,840
(179)	(11,648)	(1,948)	(42)	(1,290)	(4,511)	2,454	16,102	572	(263)	1,194	2,935	(11,468)	134,786
$ 7,329	$ 96,726	$ 16,996	$ 9,724	$ 7,562	$ 109,452	$ 12,674	$ 30,985	$ 23,038	$ 7,329	$ 3,485	$ 14,024	$ (49,805)	$ 821,293

PRESBYTERIAN HOMES AND SERVICES AND AFFILIATES
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
SEPTEMBER 30, 2010
(DOLLAR AMOUNTS IN THOUSANDS)

	Presbyterian Homes & Services			Presbyterian Homes of Andover, Inc.	Presbyterian Homes of Arden Hills, Inc.		
	Creative Senior Dining	International Nurse Recruitment	Creative Independence	Farmstead	Arden Hills	Bloomington Commons	Mayfield
OPERATING REVENUE	$ 2,637	$ 50	$ 7,394	$ 4,664	$ 22,538	$ 4,546	$ 1,146
OPERATING EXPENSE							
Services to Residents	1,986	387	6,831	2,444	17,528	2,877	343
General and Administrative	227	35	863	660	2,172	660	184
Interest	-	-	-	623	529	553	292
Depreciation and Amortization	17	-	58	494	1,025	199	233
Total Operating Expense	2,230	422	7,752	4,221	21,254	4,289	1,052
OPERATING INCOME (LOSS)	407	(372)	(358)	443	1,284	257	94
NONOPERATING GAINS (LOSSES) AND OTHER SUPPORT							
Unrestricted Contributions	-	-	57	-	-	-	-
Income From Endowment Investments	-	-	-	-	-	-	-
Net Change in Fair Value of Investments	-	-	-	-	-	-	-
Interest Rate Swap Market Adjustment	-	-	-	-	(1,601)	-	-
(Gain) Loss on Refinancing	-	-	-	-	-	-	-
Fundraising Expenses	-	-	-	-	-	-	-
Other Nonoperating Expenses	-	-	(29)	-	(3)	-	-
Total Nonoperating Gains (Losses) and Other Support	-	-	28	-	(1,604)	-	-
EXCESS (DEFICIT) OF REVENUE OVER EXPENSE	407	(372)	(330)	443	(320)	257	94
OTHER CHANGES IN UNRESTRICTED NET ASSETS							
Transfers (to) from Affiliates	-	-	-	-	1,508	-	1
Unrestricted Capital Contributions	-	-	-	-	-	-	-
Minority Interest in Expenses Over Revenues	-	-	-	-	-	-	-
Net Assets Released From Restriction	-	-	-	-	-	-	-
CHANGE IN UNRESTRICTED NET ASSETS	407	(372)	(330)	443	1,188	257	95
TEMPORARILY RESTRICTED NET ASSETS							
Temporarily Restricted Contributions	-	-	-	-	-	-	-
Released from Restriction	-	-	-	-	-	-	-
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	-	-	-	-	-	-	-
PERMANENTLY RESTRICTED NET ASSETS							
Permanently Restricted Contributions	-	-	-	-	-	-	-
Gain From Endowment Investments	-	-	-	-	-	-	-
CHANGE IN PERMANENTLY RESTRICTED NET ASSETS	-	-	-	-	-	-	-
TOTAL CHANGE IN NET ASSETS	$ 407	$ (372)	$ (330)	$ 443	$ 1,188	$ 257	$ 95

Presbyterian Homes of Bloomington, Inc. Summerhouse of Bloomington	Presbyterian Homes Bloomington Care Center, Inc. Bloomington Care Center	Broadmoor Apartments, Inc. Broadmoor	Peace Hospice	Presbyterian Homes Care Centers, Inc. Roseville	Castle Ridge Care Center, Inc. Castle Ridge	Central Towers Limited Partnership Central Towers	PHS/ Chanhassen, Inc Summerwood of Chanhassen	PHS/Cottage Grove, Inc. Norris Square
$ 1,471	$ 12,643	$ 1,853	$ -	$ 14,395	$ 5,555	$ 1,458	$ 5,525	$ 5,254
532	9,717	1,160	16	11,635	4,187	793	2,425	2,469
213	868	85	98	1,422	490	494	699	640
523	1,188	781	-	394	172	167	1,380	1,570
354	1,110	593	-	451	236	341	999	941
1,622	12,883	2,619	114	13,902	5,085	1,795	5,503	5,620
(151)	(240)	(766)	(114)	493	470	(337)	22	(366)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	(16)	-	-	-	-	(1)	(2)	(4)
-	(16)	-	-	-	-	(1)	(2)	(4)
(151)	(256)	(766)	(114)	493	470	(338)	20	(370)
-	24	-	-	6	-	1	2	4
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	337	-	-
-	-	-	-	-	-	-	-	-
(151)	(232)	(766)	(114)	499	470	-	22	(366)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
$ (151)	$ (232)	$ (766)	$ (114)	$ 499	$ 470	$ -	$ 22	$ (366)

PRESBYTERIAN HOMES AND SERVICES AND AFFILIATES
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2010
(DOLLAR AMOUNTS IN THOUSANDS)

	PHS/CG Center LLC		PHS/EagleCrest, Inc.			Maranatha Conservative Baptist Home, Inc. and Center Park Senior Apartments, Inc.	Presbyterian Homes Foundation
	Norris Marketplace	Croixdale Croixdale	EagleCrest	Country Inn & Suites	Hamline Center	Maranatha	Foundation
OPERATING REVENUE	$ 2	$ 3,706	$ 9,560	$ 1,945	$ 258	$ 9,778	$ -
OPERATING EXPENSE							
Services to Residents	132	1,945	4,524	683	254	7,385	1,062
General and Administrative	6	495	1,156	755	15	862	3
Interest	213	195	1,265	259	-	269	-
Depreciation and Amortization	44	639	995	264	8	405	-
Total Operating Expense	395	3,274	7,940	1,961	277	8,921	1,065
OPERATING INCOME (LOSS)	(393)	432	1,620	(16)	(19)	857	(1,065)
NONOPERATING GAINS (LOSSES) AND OTHER SUPPORT							
Unrestricted Contributions	-	18	-	-	-	-	2,872
Income From Endowment Investments	-	134	-	-	-	-	30
Net Change in Fair Value of Investments	-	-	-	-	-	-	1,033
Interest Rate Swap Market Adjustment	-	-	(238)	-	-	-	-
(Gain) Loss on Refinancing	-	-	-	-	-	-	-
Fundraising Expenses	-	-	-	-	-	-	-
Other Nonoperating Expenses	-	(7)	(2)	-	-	-	-
Total Nonoperating Gains (Losses) and Other Support	-	145	(240)	-	-	-	3,935
EXCESS (DEFICIT) OF REVENUE OVER EXPENSE	(393)	577	1,380	(16)	(19)	857	2,870
OTHER CHANGES IN UNRESTRICTED NET ASSETS							
Transfers (to) from Affiliates	-	7	2	-	-	-	(5,819)
Unrestricted Capital Contributions	-	-	-	-	-	-	-
Minority Interest in Expenses Over Revenues	-	-	-	-	-	-	-
Net Assets Released From Restriction	-	-	-	-	-	-	915
CHANGE IN UNRESTRICTED NET ASSETS	(393)	584	1,382	(16)	(19)	857	(2,035)
TEMPORARILY RESTRICTED NET ASSETS							
Temporarily Restricted Contributions	-	-	-	-	-	-	2,217
Released from Restriction	-	-	-	-	-	-	(909)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	-	-	-	-	-	-	1,308
PERMANENTLY RESTRICTED NET ASSETS							
Permanently Restricted Contributions	-	-	-	-	-	-	350
Gain From Endowment Investments	-	-	-	-	-	-	1,360
CHANGE IN PERMANENTLY RESTRICTED NET ASSETS	-	-	-	-	-	-	1,710
TOTAL CHANGE IN NET ASSETS	$ (393)	$ 584	$ 1,382	$ (16)	$ (19)	$ 857	$ 983

Presbyterian Homes of Wisconsin, Inc. PHW/ Helpmates	Presbyterian Homes of Wisconsin, Inc. Avalon Square	Gideon Pond West, Inc. Ridgeview Terrace	Gideon Pond Housing Corporation Newton Manor	PHS/Inver Grove, Inc. Inver, Grove Heights	Presbyterian Homes Management & Services, Inc. Management & Services	Presbyterian Homes Mill Pond Apartments, Inc. Mill Pond Apartments	Presbyterian Homes Mill Pond Care Center, Inc. Mill Pond	PHS Monticello, Inc. Mississippi Shores	Noah's Ark Affordable Housing, Inc. Oakcrest
$ 272	$ 5,049	$ 464	$ 439	$ 7,443	$ 10,958	$ 768	$ 5,635	$ 543	$ 1,108
300	2,531	148	110	3,371	-	237	3,898	121	434
29	757	141	157	940	9,108	114	638	123	191
-	1,102	90	61	1,574	167	145	248	116	148
1	875	87	109	1,247	728	138	351	194	468
330	5,265	466	437	7,132	10,003	634	5,135	554	1,241
(58)	(216)	(2)	2	311	955	134	500	(11)	(133)
-	-	-	-	-	-	-	-	-	-
185	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	(1,040)	-	-	-	-
(73)	(15)	-	-	(8)	-	-	(3)	-	-
112	(15)	-	-	(8)	(1,040)	-	(3)	-	-
54	(231)	(2)	2	303	(85)	134	497	(11)	(133)
-	113	-	-	8	1,032	-	3	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
54	(118)	(2)	2	311	947	134	500	(11)	(133)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
114	-	-	-	-	-	-	-	-	-
114	-	-	-	-	-	-	-	-	-
$ 168	$ (118)	$ (2)	$ 2	$ 311	$ 947	$ 134	$ 500	$ (11)	$ (133)

PRESBYTERIAN HOMES AND SERVICES AND AFFILIATES
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2010
(DOLLAR AMOUNTS IN THOUSANDS)

	Presbyterian Homes Housing & Assisted Living, Inc.									
	PHS Lake Minnetonka, LLC									
	Lake Minnetonka Care Center	Lake Minnetonka Housing	Lake Minnetonka Employee Housing	Blmgtn Housing	Summerwood of Plymouth	Senior Housing Partners	Senior Lifestyle Design	1221 Nicollet	GracePointe Gables East	Mission Development
OPERATING REVENUE	$ 12,885	$ 4,566	$ 701	$ 1,849	$ 4,899	$ 2,606	$ 2,718	$ 1,829	$ 6,757	$ 4,127
OPERATING EXPENSE										
Services to Residents	10,207	2,959	409	692	2,378	-	-	710	5,408	-
General and Administrative	1,112	810	169	201	502	1,906	2,566	258	724	-
Interest	270	94	211	174	945	-	-	670	517	19
Depreciation and Amortization	423	511	1,066	82	654	14	1	334	343	-
Total Operating Expense	12,012	4,374	1,855	1,149	4,479	1,920	2,567	1,972	6,992	19
OPERATING INCOME (LOSS)	873	192	(1,154)	700	420	686	151	(143)	(235)	4,108
NONOPERATING GAINS (LOSSES) AND OTHER SUPPORT										
Unrestricted Contributions	-	-	-	-	-	-	-	-	-	-
Income From Endowment Investments	-	-	-	-	-	-	-	-	-	-
Net Change in Fair Value of Investments	-	-	-	-	-	-	-	-	-	-
Interest Rate Swap Market Adjustment	-	-	(7)	-	-	-	-	-	-	-
(Gain) Loss on Refinancing	(114)	(11)	(99)	-	-	-	-	-	-	-
Fundraising Expenses	-	-	-	-	-	-	-	-	-	-
Other Nonoperating Expenses	-	-	-	-	(9)	-	-	-	-	-
Total Nonoperating Gains (Losses) and Other Support	(114)	(11)	(106)	-	(9)	-	-	-	-	-
EXCESS (DEFICIT) OF REVENUE OVER EXPENSE	759	181	(1,260)	700	411	686	151	(143)	(235)	4,108
OTHER CHANGES IN UNRESTRICTED NET ASSETS										
Transfers (to) from Affiliates	-	23	-	1,947	9	-	-	-	-	-
Unrestricted Capital Contributions	-	-	-	-	-	-	-	-	-	-
Minority Interest in Expenses Over Revenues	-	-	-	-	-	-	-	-	-	-
Net Assets Released From Restriction	-	-	-	-	-	-	-	-	-	-
CHANGE IN UNRESTRICTED NET ASSETS	759	204	(1,260)	2,647	420	686	151	(143)	(235)	4,108
TEMPORARILY RESTRICTED NET ASSETS										
Temporarily Restricted Contributions	-	-	-	-	-	-	-	-	-	-
Released from Restriction	-	-	-	-	-	-	-	-	-	-
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	-	-	-	-	-	-	-	-	-	-
PERMANENTLY RESTRICTED NET ASSETS										
Permanently Restricted Contributions	-	-	-	-	-	-	-	-	-	-
Gain From Endowment Investments	-	-	-	-	-	-	-	-	-	-
CHANGE IN PERMANENTLY RESTRICTED NET ASSETS	-	-	-	-	-	-	-	-	-	-
TOTAL CHANGE IN NET ASSETS	$ 759	$ 204	$ (1,260)	$ 2,647	$ 420	$ 686	$ 151	$ (143)	$ (235)	$ 4,108

PHS/ Oakdale, Inc. Echo Ridge	Presbyterian Homes of North Oaks, Inc. Waverly Gardens	Kirkland Crossings, Inc. Kirkland Crossings	Wayzata Bay Senior Housing, Inc. Wayzata Bay	PHS/ Shoreview, Inc. Summerhouse of Shoreview	Valley Senior Service Alliance Boutwells Landing	PHS/Beacon Hill, Inc. Beacon Hill	Williamsburg Retirement Community, Inc. Highland Ridge	PHS/ Woodbury, Inc. Stonecrest	Grandview Christian Homes GracePointe Gables West	Mill Ridge Commons GracePointe Terrace	Grandview West, Inc. GracePointe Commons	Eliminations	Consolidated
$ 1,266	$ 16,363	$ 4,921	$ -	$ 1,064	$ 23,680	$ 4,008	$ 5,291	$ 5,399	$ 11,122	$ 725	$ 3,257	$ (16,153)	$ 252,937
265	8,685	2,320	-	307	14,242	1,862	3,776	2,514	9,424	269	1,586	(651)	159,827
222	1,635	597	3	181	2,812	568	701	630	1,147	99	377	(11,758)	30,762
413	5,065	980	-	362	3,191	526	452	1,272	107	95	606	(3,922)	26,071
328	2,662	622	-	274	4,576	545	1,209	910	378	146	435	(9)	29,108
1,228	18,047	4,519	3	1,124	24,821	3,501	6,138	5,326	11,056	609	3,004	(16,340)	245,768
38	(1,684)	402	(3)	(60)	(1,141)	507	(847)	73	66	116	253	187	7,169
-	-	-	-	-	21	-	24	-	-	-	-	(287)	2,705
-	-	-	-	-	-	-	69	-	-	-	-	-	418
-	-	-	-	-	-	-	128	-	-	-	27	-	1,188
-	(1,047)	-	-	-	(1,017)	-	-	-	-	-	-	-	(3,910)
-	-	-	-	-	-	-	-	-	-	-	-	-	(224)
-	-	-	-	-	-	-	-	-	-	-	-	-	(1,040)
(1)	(23)	(16)	-	(1)	(18)	(4)	-	-	-	-	-	-	(235)
(1)	(1,070)	(16)	-	(1)	(1,014)	(4)	221	-	-	-	27	(287)	(1,098)
37	(2,754)	386	(3)	(61)	(2,155)	503	(626)	73	66	116	280	(100)	6,071
1	823	16	-	1	108	4	153	-	23	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	337
-	-	-	-	-	-	-	-	-	-	-	-	-	915
38	(1,931)	402	(3)	(60)	(2,047)	507	(473)	73	89	116	280	(100)	7,322
-	-	-	-	-	-	-	-	-	-	-	-	-	2,217
-	-	-	-	-	-	-	-	-	-	-	-	-	(909)
-	-	-	-	-	-	-	-	-	-	-	-	-	1,308
-	-	-	-	-	-	-	-	-	-	-	-	-	350
-	-	-	-	-	-	-	-	-	-	-	-	-	1,474
-	-	-	-	-	-	-	-	-	-	-	-	-	1,824
$ 38	$ (1,931)	$ 402	$ (3)	$ (60)	$ (2,047)	$ 507	$ (473)	$ 73	$ 89	$ 116	$ 280	$ (100)	$ 10,454