

# RISE UP

2018 Annual Report

 **presbyterian  
homes & services**  
*freedom to live well®*

# Rise Up

“Rise in the presence of the aged,  
show respect for the elderly and  
revere your God. I am the Lord.”

- *Leviticus 19:32*



Photo by Tom deBruyn

---

The art featured on the cover was created for Presbyterian Homes & Services (PHS) by Pastor Paul Oman during the 2018 Management Retreat. The artwork is now proudly displayed at Central Towers, a PHS community in downtown St. Paul, Minnesota.

For more information about Paul, visit [www.PaulOmanFineArt.org](http://www.PaulOmanFineArt.org).

For more information about Central Towers, visit [www.CentralTowersPHS.org](http://www.CentralTowersPHS.org).

Dear Friends of Presbyterian Homes & Services,

With this report, we reaffirm our commitment to rise in the presence of the aged—to foster community and the unity of the Spirit. We are grateful for our many partners in ministry and our calling to honor God by enriching the lives and touching the hearts of older adults.

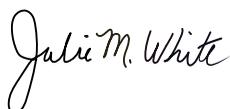
**This was truly a meaningful year of ministry. We were blessed in 2018 to:**

- make a difference in the lives of 27,114 older adults
- partner with 6,500 employees and over 3,000 volunteers
- receive \$14.3 million in charitable support from over 3,000 donors to fund our commitments to spiritual care, meet the needs of low-income older adults, and to establish the Hugh K. and Margaret S. Schilling Leadership Institute (read more on page five)
- provide Benevolence support of \$2.96 million to help residents weather financial hardships
- welcome 5,256 new residents including the first residents of Fairway Knoll in Germantown, Wisconsin and Orchard Path in Apple Valley, Minnesota
- break ground on new communities in Oconomowoc, Wisconsin and Council Bluffs, Iowa
- expand our mission with redevelopments at GracePointe Crossing in Cambridge, Minnesota; Norris Square in Cottage Grove, Minnesota; Walnut Ridge in Clive, Iowa; Langton Place in Roseville, Minnesota; and through affiliation with Harmony River in Hutchinson, Minnesota
- become co-owner of Genevive, a progressive model of primary care, care navigation and value-based services for over 5,300 older adults in Minnesota
- advance the missions of 14 other faith-based, non-profit providers around the country through our project development and consulting work

This year, the Board of Directors focused strategic work on healthcare reform and advanced our strategic priorities of expanding to 80 communities and tripling the reach of our Optage® home and community services by 2035.

On behalf of the Board of Directors, thank you for your faithful and generous support and partnership in ministry.

Together in Christ,



**Julie M. White**  
Board Chair  
Presbyterian Homes & Services



**Daniel A. Lindh**  
President & CEO  
Presbyterian Homes & Services

---

“As a prisoner for the Lord,  
then, I urge you to live a  
life worthy of the calling  
you have received.  
Be completely humble and  
gentle; be patient, bearing  
with one another in love.  
Make every effort to keep  
the unity of the Spirit  
through the bond of peace.”

*Ephesians 4:1-3*

---



Julie M. White



Daniel A. Lindh

## 2019 Board Members

John A. Clymer  
*Chair*

Norman C. Wenck  
*Vice Chair*

Julie M. White  
*Immediate Past Chair*

Kenneth S. Larson  
*Past Chair*

Donald C. Berglund

Theodore Chien

James B. Green

Elizabeth B. Kautz

Jeffrey K. Rageth

Sheryl A. Ramstad

Daniel E. Stoltz

David K. Wessner

### Ex-officio

Elona Street-Stewart  
*Synod Representative*

### Officers

Daniel A. Lindh  
*President and CEO*

Mark T. Meyer  
*Treasurer and CFO*

Janna R. Severance  
*Secretary and Legal Counsel*

Since 1953 when Presbyterian Homes & Services (PHS) was incorporated, strong volunteer leadership and governance have been hallmarks of our ministry. The purpose of the PHS Board of Directors is to be a steward in ensuring that the mission of PHS is achieved. The Board is responsible for the actions and performance of PHS. Governance is about creating the future, building what can be out of what is, and creating a dynamic community by linking the organization to an even wider and more involved community of stakeholders. Modeled after Acts 6, board members are selected because they “are known to be full of the Spirit and wisdom.”

## Outgoing Board Chair



**Julie White** joined the PHS Board of Directors in 2013 and has served as Chair since 2017. Julie also co-chaired the Long-Term Availability of Employees Committee. Julie is the President and Founder of the consulting company Tapestry Solutions, LLC, which focuses in the areas of strategy, leadership, organizational culture, and people practices. Julie worked at Wells Fargo for 24 years in a number of leadership roles and served as the Executive Vice President and Chief Human Resources Officer from 2007 until her retirement in 2010. Julie sits on the Board of Trustees of Bethel University where she serves as Board Chair, and also serves on the Board of the Iowa Healthcare Collaborative.

## Incoming Board Chair

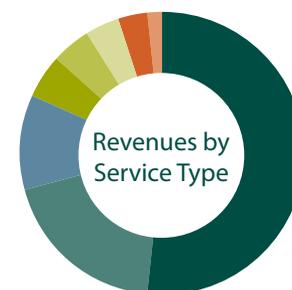


**John Clymer** joined the PHS Board of Directors in 2012. He has chaired the Finance and Geographic Expansion Committees and has served on the Executive Committee since 2014. He began his career in investments at Minnesota Life Insurance Company and was appointed President in 1991. He went on to be President of Resource Capital Investors and later served as Regional Chief Investment Officer for U.S. Trust. In 2008 he joined Marvin Windows and Doors in the Office of Strategy Management and retired in 2017. He currently serves on the Board of Directors of The Marvin Companies, the William H. Phipps Foundation, and Warroad Senior Living Center. John has also previously served on the Board of Directors of the St. Paul YMCA, YMCA Retirement Fund, the St. Paul Foundation, The Phipps Center for the Arts and other organizations.

## Total Revenues

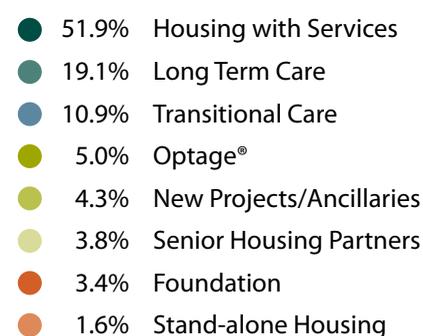
Excluding Partnered Revenue (dollar amount in millions)

2013	2014	2015	2016	2017	2018
\$295.9	\$325.2	\$340.5	\$369.1	\$390.6	\$420.6



## Consolidated Statements of Operations

(dollar amount in thousands)	2017	2018
<b>Total Revenue</b>	<b>\$390,558</b>	<b>\$420,596</b>
Operating Revenue	\$383,860	\$406,310
Contribution Revenue	\$6,698	\$14,286
<b>Total Operating Expenses</b>	<b>\$365,167</b>	<b>\$387,146</b>
Services to Residents	\$234,412	\$249,298
General and Administrative	\$51,941	\$53,746
Interest	\$34,054	\$36,310
Depreciation and Amortization	\$44,760	\$47,792
<b>Non-Operating Gains (Losses)</b>	<b>\$(3,497)</b>	<b>\$(2,959)</b>
<b>Excess of Revenue Over Expense</b>	<b>\$21,894</b>	<b>\$30,491</b>



## Consolidated Statements of Financial Position

(dollar amount in thousands)	2017	2018
<b>Total Assets</b>	<b>\$1,358,982</b>	<b>\$1,527,269</b>
Current Assets	\$128,200	\$130,113
Endowment	\$66,038	\$70,070
Other Investments and Assets	\$153,603	\$229,394
Property and Equipment	\$1,011,141	\$1,097,692
<b>Total Liabilities and Net Assets</b>	<b>\$1,358,982</b>	<b>\$1,527,269</b>
Current Liabilities	\$97,659	\$94,769
Long-Term Debt and Other Obligations	\$1,004,073	\$1,144,759
Net Assets	\$257,250	\$287,741



## 2018 Community Benefit - \$20,984,869

One of the ways that PHS lives out its mission is through a dedication to social accountability—the community benefit that is provided as a not-for-profit, faith-based organization. Added together, the services in this report have returned nearly five percent of PHS’ net revenues back to the community. We know that much more is offered but not recorded.



### **Improving the quality of life of older adults - \$8,652,274**

PHS respects and supports the importance of meeting physical, social, mental, emotional and spiritual needs. Music, art, education and intergenerational programs cultivate hearts and minds. Our campus pastors and chaplains offer spiritual care. Volunteers find meaningful engagement and vocation.

### **Improving the health of older adults in the community - \$261,152**

Wellness education promotes physical activity and self-management of chronic diseases. Preventive health services help improve health outcomes and grief groups support caregivers. PHS is also active with ACT on Alzheimer’s® and other partners to help create dementia-friendly communities.

### **Improving access to needed services - \$1,827,857**

About 20% of PHS residents are low-income and some residents are supported by HUD-subsidized rent, where PHS provides amenities and services, like transportation, at low or no added cost. PHS covered shortfalls from Medical Assistance reimbursements to maintain uninterrupted care and provided on-site space for medical and dental clinics, banking services, and tax preparation.

### **Helping contain costs of care and services - \$2,956,021**

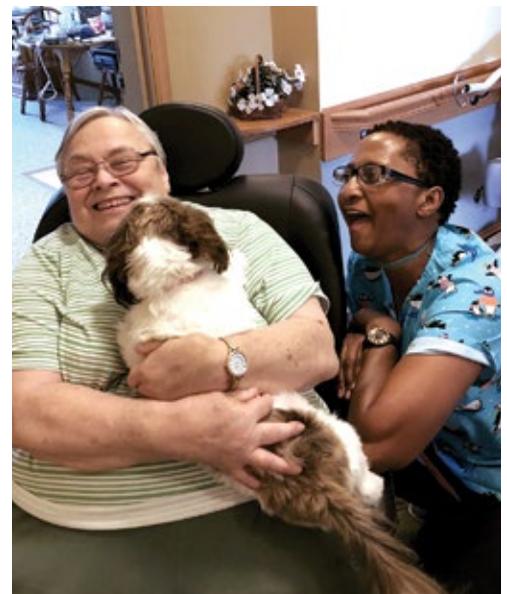
PHS turns to its Benevolence Fund to help individuals bridge the gap between income and expenses. The Elderly Waiver program also assists eligible older adults who, with adequate care and support, are able to remain in assisted living.

### **Reaching out to underserved persons - \$6,860,065**

Optage® Senior Dining Choices served 1.7 million meals in 2018 to support healthy eating, with 70% going to low-income seniors, often without obligation to pay. Residents and staff also reach out to help people in need through food, clothing and toy drives, special outreach initiatives and veterans’ recognitions.

### **Demonstrating leadership - \$427,500**

PHS staff offer their time and talents to the local community and non-profit senior housing and services organizations as speakers, trainers, board members, advocates, professional event hosts and more.



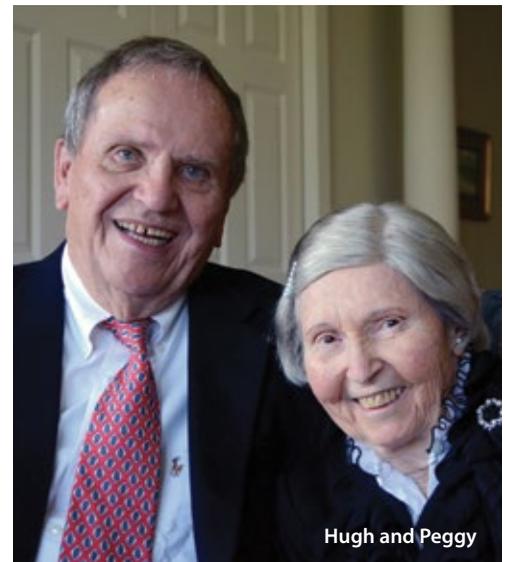


In 2018, \$18.9 million was contributed to our ministry through financial gifts and equivalent gifts of time by volunteers. **THANK YOU!**

“Each of you should use whatever gift you have received to serve others, faithfully administering God’s grace in its various forms.”  
 - 1 Peter 4:10

In 2018, PHS was blessed with a \$12 million gift to establish and endow the Hugh K. and Margaret S. Schilling Leadership Institute.

Hugh and Margaret (Peggy) have had a long-term association with PHS—from being children of residents to becoming residents themselves. Hugh has also left a legacy of leadership as a PHS Board Member. In 1977, The Rev. Dr. Irving Adams West, the first president of PHS, invited Hugh to serve on the board of directors. Hugh’s service spanned 27 years, including serving as Board Chair from 1991 to 1993. Hugh also chaired the Executive Committee, Finance Committee and focused PHS on strategic growth. The vision then, as it is now, was “to create more opportunities for more older adults to live well” by keeping quality and innovation front and center for the residents and families PHS served. Following Peggy’s passing, and with this gift, Hugh noted, “This is the way we would like to be remembered—as people who care not only about themselves and their family, but our fellow human beings.”

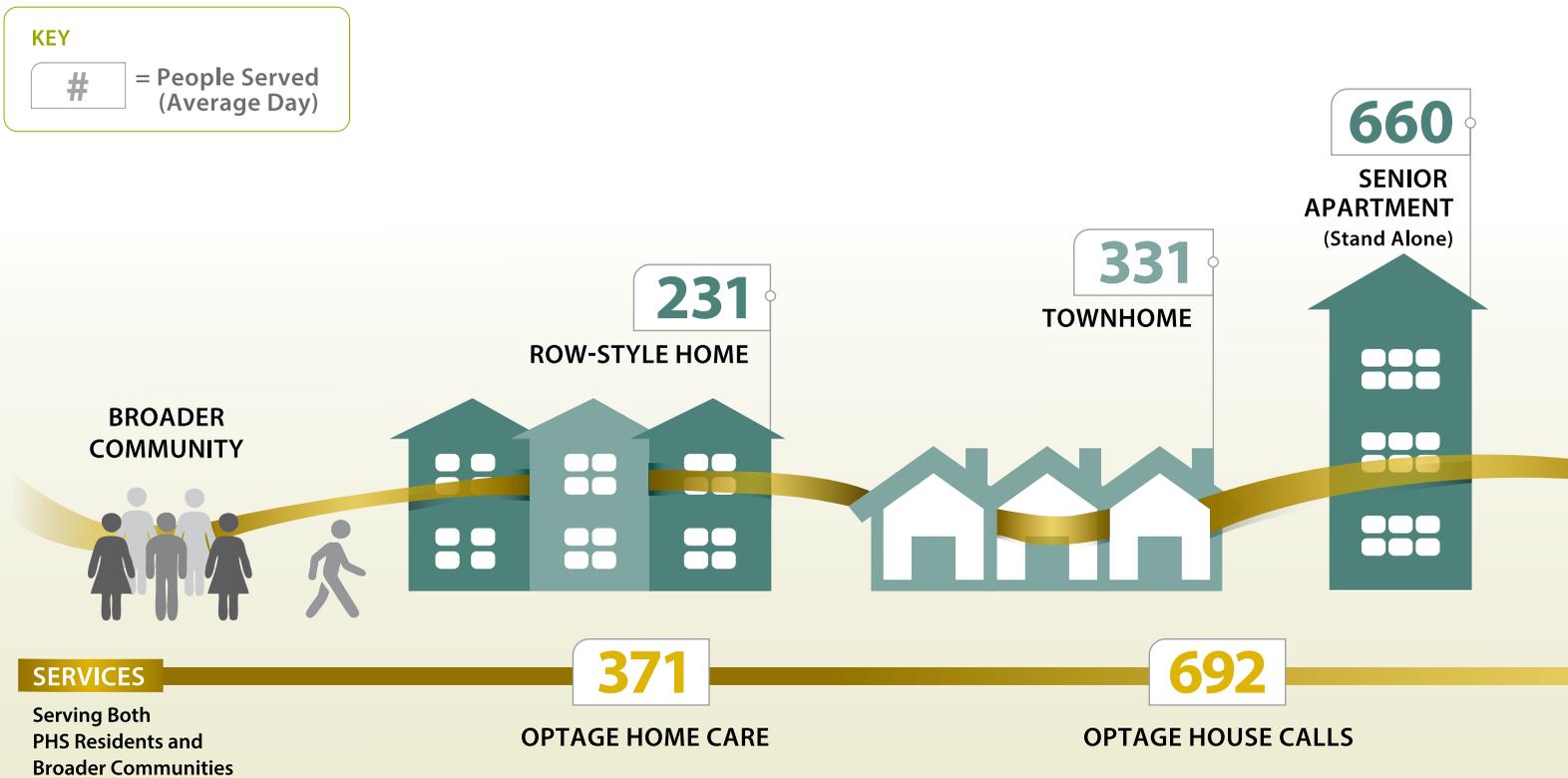


The objectives of the Hugh K. and Margaret S. Schilling Leadership Institute are to:

- Develop high capacity and Biblically-grounded leaders within PHS and beyond
- Develop the potential of every PHS employee through strong leadership and an innovative combination of hands on learning and advancement opportunities
- Strengthen the eldercare workforce and help the state, region and nation think more deeply about aging issues

At the center of the institute is a cohort-based leadership program. Over the course of a year, participants complete classroom instruction, receive one-on-one leadership coaching and engage in hands-on, real-time business projects.

# PHS LIVING OPTIONS AND SERVICES



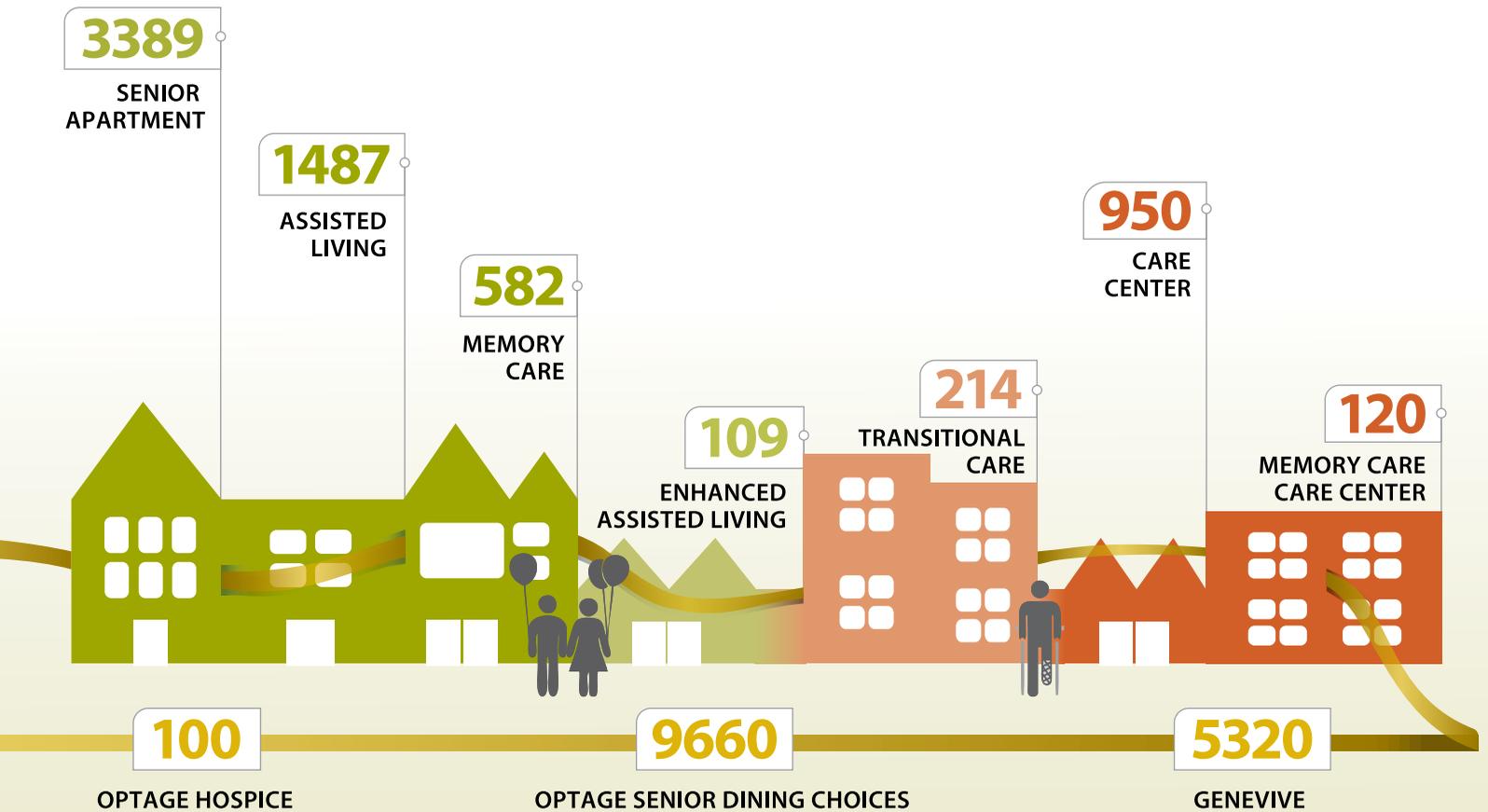
## Freedom to Live Well®

Our Vision is “to provide more choices and opportunities for more older adults to live well.” By offering 15 distinct living options and service divisions, we continue to enhance our overall model to expand choices and ease transitions for each individual. We also continue to make investments to grow to 80 communities by 2035 and to triple the reach of our services that extend into the broader community. Our strategic priorities also include robust life enrichment, personalized wellness and expanded volunteerism, because people don’t just want to live, they want to live well.

We believe we can make primary care more accessible as well. Through Optage® and Genevive we have expanded our geriatric physician services and care navigation supports that come directly into an individual’s home. With Medicare Advantage plans and value-based contracting, we can extend these services to many older adults who cannot otherwise afford the integrated care and supports that lead to better living.

Additionally, we are working on a model to preserve affordable housing and expand access for a growing number of older adults who find themselves with few options between subsidized and market rate housing. After all, we know that one of the greatest determinants of health and happiness is the place we call home.

Finally, we believe that employees are the most important resource in our ministry. We have been incredibly blessed in our ability to attract people who are purpose-driven. Through expanded employee development initiatives, like the Hugh K. and Margaret S. Schilling Leadership Institute, we are committed to an environment where employees are valued and empowered to make a difference. This is our employee promise.



## Who We Are

Presbyterian Homes & Services (PHS), based in St. Paul, Minnesota, is a non-profit, faith-based organization providing a broad array of high quality housing choices, care and service options for older adults. 6,500 employees serve 27,000 older adults through 46 PHS-affiliated senior living communities in Minnesota, Wisconsin and Iowa, and through Optage® home and community services. In 2019 PHS also became co-owner of Genevive, a progressive model of primary care, care navigation and value-based services for over 5,300 older adults in Minnesota. Established in 1955, PHS has earned the reputation as an innovative leader concerned with promoting independence, vitality and well-being for those they serve.

### MISSION

To honor God by enriching the lives and touching the hearts of older adults.

### VISION

To provide more choices and opportunities for more older adults to live well.

### VALUES

- Christian Ministry
- Ready & Engaged People
- Operational Integrity
- Service Excellence
- Stewardship

## NEW PHS COMMUNITIES



### **Prairie Gate** | *Council Bluffs, Iowa*

[www.PrairieGatePHS.org](http://www.PrairieGatePHS.org)

We continue to expand services to seniors in Iowa with Prairie Gate. The new community, with updated prairie-style architecture, broke ground in August 2018 for 36 senior living apartments, 24 assisted living apartments, 18 memory care apartments, and 72 care center suites. The town center will include a fellowship hall and chapel, wellness center, library and media center.



### **Towner Crest** | *Oconomowoc, Wisconsin*

[www.TownerCrest.org](http://www.TownerCrest.org)

Towner Crest broke ground in September 2018 and is our fifth community in collaboration with Presbyterian Homes of Wisconsin, the eastern Wisconsin affiliate of PHS. Named for Margaret Towner, the first woman ordained a pastor in the Presbyterian Church (USA), the community offers a sophisticated lodge-style architectural design including 120 senior living apartments, 20 assisted living apartments, 18 memory care apartments and a town center.



### **Orchard Path** | *Apple Valley, Minnesota*

[www.OrchardPath.org](http://www.OrchardPath.org)

Orchard Path, a new senior living community on the western shoreline of Cobblestone Lake, opened in February 2018. This community includes 115 senior apartments, 58 assisted living apartments and 20 memory care suites. Residents enjoy walking the lake trail and many town center amenities including a chapel, fellowship hall, market, bistro, wellness center, salon, club room, woodworking shop and theater.

Photo by Jeffrey Smith



### **Fairway Knoll** | *Germantown, Wisconsin*

[www.FairwayKnoll.org](http://www.FairwayKnoll.org)

Fairway Knoll opened its doors to senior apartment residents in June 2018. Located adjacent to the lush fairways of Blackstone Creek Golf Course, this new community includes 92 senior apartments, 42 assisted living apartments and 18 memory care suites. The campus is opening in stages, with assisted living and memory care to follow in 2019. A town center offers residents a market, bistro, chapel, theater, salon, wellness center and other amenities to enhance community life.

Senior Housing Partners, the development arm of PHS, also provides consulting and project development services to other non-profit senior housing organizations across the nation. Demand for their services is growing.

### GracePointe Crossing | Cambridge, Minnesota [www.GracePointeCrossing.org](http://www.GracePointeCrossing.org)



This comprehensive redevelopment project was completed to combine the two existing care centers into one location and add a new town center to connect several living options, consolidate services and amenities, and enrich community life. The first residents moved into the senior apartments in January 2018 and the new care center opened in May.

### EagleCrest | Roseville, Minnesota [www.EagleCrestPHS.org](http://www.EagleCrestPHS.org)

A renovation was completed on all senior apartments. Residents were especially pleased to have a washer and dryer installed in every apartment. A total of 127 apartments were refurbished in phases, over a 12 month period, to minimize the disruption to residents.

### Walnut Ridge | Clive, Iowa [www.WalnutRidgeAtClive.org](http://www.WalnutRidgeAtClive.org)

Groundbreaking took place in September 2018 on a new care center that will add 60 private and semi-private nursing care suites, to complete the continuum of care on the Walnut Ridge campus. Construction will also feature expanded common spaces including a fellowship hall and chapel, restorative therapy suite, spa, salon and administrative offices.

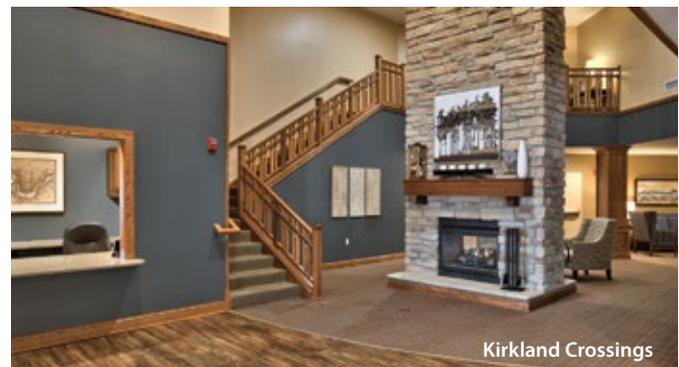
### Central Towers | Saint Paul, Minnesota [www.CentralTowersPHS.org](http://www.CentralTowersPHS.org)

A two-year renovation project at Central Towers drew to a close at the end of 2018. The comprehensive renovation remodeled 192 senior apartments, including the addition of air conditioning in every apartment. Updates to corridors and common areas created spaces that are welcoming for all.

### Norris Square | Cottage Grove, Minnesota [www.PHSNorrisSquare.org](http://www.PHSNorrisSquare.org)

The first two phases of a major campus expansion project were completed in December 2018. A care center that serves up to 72 long term care residents was added (including memory care), along with 64 new senior apartments that opened in September 2018. The final phase of the project will include the renovation and expansion of the town center and a new main entrance.

### Kirkland Crossings | Pewaukee, Wisconsin [www.KirklandCrossingsPHS.org](http://www.KirklandCrossingsPHS.org)



Residents began enjoying their refreshed common areas after five months of renovation work in early 2018. The corridors and common area living spaces received fresh paint, new flooring, updated fixtures, furniture and artwork. The serene, warm blue and brown hues were inspired by the campus' natural prairie setting and nearby Pewaukee Lake.

**Senior Lifestyle Design** is the interior design team of PHS. Their work includes renovating our existing campuses to provide an improved lifestyle. They maintain an aggressive renovation schedule, and each year oversee around \$10 million in apartment and common space renovations.

# LOCATIONS

## Twin Cities-North

EagleCrest  
*Roseville*

The Farmstead  
*Andover*

GracePointe Crossing  
*Cambridge*

Interlude™ Restorative Suites\*  
*Fridley*

Johanna Shores  
*Arden Hills*

Langton Place  
*Roseville*

Maranatha  
*Brooklyn Center*

The Mayfield  
*Little Canada*

Mississippi Shores  
*Monticello*

Oak Crest  
*Spring Lake Park*

SummerHouse of Shoreview  
*Shoreview*

Waverly Gardens  
*North Oaks*

## Twin Cities-West

Beacon Hill  
*Mnetonka*

Castle Ridge  
*Eden Prairie*

Folkestone  
*Wayzata*

Interlude™ Restorative Suites\*  
*Plymouth*

Lake Minnetonka Shores  
*Spring Park*

SummerWood of Chanhassen  
*Chanhassen*

SummerWood of Plymouth  
*Plymouth*

## Twin Cities-South

Founders Ridge  
*Bloomington*

McKenna Crossing  
*Prior Lake*

Orchard Path  
*Apple Valley*

Presbyterian Homes of Bloomington  
*Bloomington*

Ridgeview Terrace  
*Bloomington*

SummerHouse of Bloomington  
*Bloomington*

Timber Hills  
*Inver Grove Heights*

Valley Ridge\*  
*Burnsville*

## Twin Cities-East

Boutwells Landing\*  
*Oak Park Heights*

Carondelet Village\*  
*St. Paul*

Central Towers  
*St. Paul*

Croixdale  
*Bayport*

Echo Ridge  
*Oakdale*

Norris Square  
*Cottage Grove*

St. Andrew's Village\*  
*Mahtomedi*

Stonecrest  
*Woodbury*

## Outstate Minnesota

Harmony River  
*Hutchinson*

Heartwood\*  
*Crosby*

## Iowa

Highland Ridge  
*Williamsburg*

Mill Pond  
*Ankeny*

Walnut Ridge  
*Clive*

## Wisconsin

Avalon Square  
*Waukesha*

The Deerfield  
*New Richmond*

Dickson Hollow  
*Menomonee Falls*

Fairway Knoll  
*Germantown*

Kirkland Crossings  
*Pewaukee*

Woodland Hill  
*Hudson*

\*Shared-venture communities and/or managed by PHS Management, LLC

## Coming Soon

Prairie Gate  
*Council Bluffs, IA*

Lexington Landing\*  
*St. Paul, MN*

Towner Crest  
*Oconomowoc, WI*

See pages 8-9 for more updates



2845 Hamline Avenue North  
Roseville, Minnesota 55113

651.631.6100

PresHomes.org

