



Live a life  
**WORTHY**  
of your calling

**2019** Annual Report

# WORTHY

“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.”

*Ephesians 4:1-2, New International Version*



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Yolanda Demars, Resident Assistant at Johanna Shores in Arden Hills, (pictured on the cover and above with Dan Lindh, President and CEO) was one of five Presbyterian Homes & Services employees who received a CROSS Award at the 2019 PHS Management Retreat. Read more about this year's recipients on page five.

*Cover photography by Tom deBruyn.*

### Dear Friends of Presbyterian Homes & Services,

With this report, we give thanks for you and our shared calling to honor God by enriching the lives and touching the hearts of older adults. We have been blessed to witness the power of community, the fruit of the Spirit and the incredible impact of people empowered to live a life worthy of their calling, at all ages.

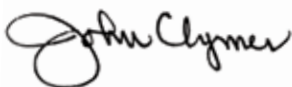
#### **This was truly a meaningful year of ministry. We were blessed in 2019 to:**

- make a difference in the lives of 27,642 older adults
- partner with 6,620 employees and over 3,000 volunteers
- receive \$7.6 million in charitable support from 3,000 donors to fund our commitments to spiritual care, meet the needs of low-income older adults, and support employee development
- provide Benevolence support of \$3.5 million to help residents weather financial hardships
- expand mission with 11 community projects underway between campus repositionings and new developments
- acquire a 50% interest in Avinity and take next steps towards a shared vision to preserve and expand affordable senior housing
- lead the launch of one of the largest Medicare Advantage special needs plans in the nation along with Genevive, Medica and nine other Minnesota senior providers with value-based plans exclusively designed for residents living in long-term care, memory care or assisted living
- advance the missions of 14 other faith-based, non-profit providers around the country through our project development and consulting work

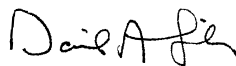
This year, the Board of Directors focused strategic work around healthcare reform and advanced efforts to further our strategic priorities of expanding to 80 communities and tripling the reach of our home and community services by 2035.

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

Together in Christ,



**John A. Clymer**  
Board Chair  
Presbyterian Homes & Services



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

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“For this reason, ever since I heard about your faith in the Lord Jesus and your love for all God’s people, I have not stopped giving thanks for you, remembering you in my prayers.”

Ephesians 1:15-16, *NIV*

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John A. Clymer



Daniel A. Lindh

## 2020 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

Paula J. Norbom

Jeffrey K. Rageth

Sheryl A. Ramstad

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.”

### Incoming Member



**Paula Norbom** is the CEO and Founder of Talencio, an executive recruiting and staffing company serving the U.S. Health Technology community. Paula has a strong financial background, having served as CFO, VP of Finance, and in operations roles within the health technology industry. She has been recognized as a Woman to Watch by the *Minneapolis/St. Paul Business Journal* and is frequently featured in the *Star Tribune*, *Minneapolis/St. Paul Business Journal*, and *Med City News*. Paula shares her gifts and time with a variety of organizations. She has served on and led the board of the Twin Cities chapter of Financial Executives International, launched and led the Christian Business Women’s Connection (CBWC) in the Twin Cities, and is participating on the board of directors for FaithSearch International. Paula has been an active member of the Philanthropic Educational Organization (P.E.O.), which supports education for women, and is a member of City Church in Minneapolis where she serves in a variety of capacities.

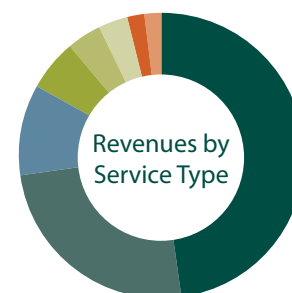
“In those days when the number of disciples was increasing, the Grecian Jews among them complained against the Hebraic Jews because their widows were being overlooked in the daily distribution of food. So the Twelve gathered all the disciples together and said, ‘It would not be right for us to neglect the ministry of the word of God in order to wait on tables. Brothers and sisters, choose seven men from among you who are known to be full of the Spirit and wisdom. We will turn this responsibility over to them and will give our attention to prayer and the ministry of the word.’ This proposal pleased the whole group. They chose Stephen, a man full of faith and of the Holy Spirit; also Philip, Procorus, Nicanor, Timon, Parmenas, and Nicolas from Antioch, a convert to Judaism. They presented them to the apostles, who prayed and laid their hands on them. So the word of God spread. The number of disciples in Jerusalem increased rapidly, and a large number of priests became obedient to the faith.”

Acts 6:1-7, NIV

### Total Revenues

Excluding Partnered Revenue (dollar amount in millions)

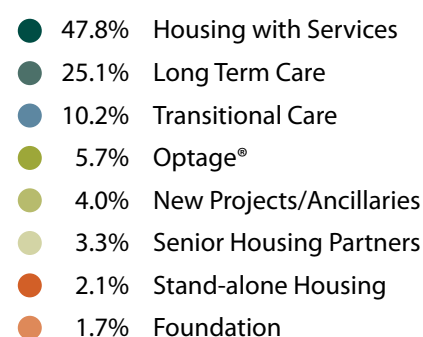
2014	2015	2016	2017	2018	2019
\$325.2	\$340.5	\$369.1	\$390.6	\$420.6	\$454.3



### Consolidated Statements of Operations

(dollar amount in thousands)

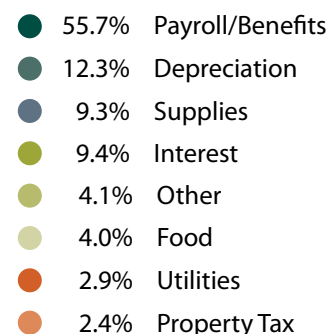
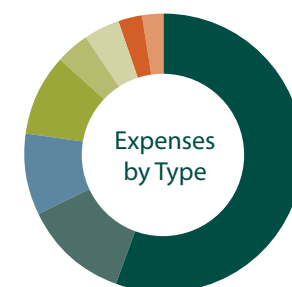
	2018	2019
<b>Total Revenue</b>	<b>\$420,596</b>	<b>\$454,339</b>
Operating Revenue	\$406,310	\$446,714
Contribution Revenue	\$14,286	\$7,625
<b>Total Operating Expenses</b>	<b>\$387,146</b>	<b>\$421,485</b>
Services to Residents	\$249,298	\$272,399
General and Administrative	\$53,746	\$57,820
Interest	\$36,341	\$39,610
Depreciation and Amortization	\$47,761	\$51,656
Other Non-Operating Losses	\$2,959	\$14,696
<b>Excess of Revenue Over Expense</b>	<b>\$30,491</b>	<b>\$18,158</b>



### Consolidated Statements of Financial Position

(dollar amount in thousands)

	2018	2019
<b>Total Assets</b>	<b>\$1,527,269</b>	<b>\$1,577,612</b>
Current Assets	\$130,113	\$156,257
Endowment	\$70,070	\$70,473
Other Investments and Assets	\$229,394	\$197,611
Property and Equipment	\$1,097,692	\$1,153,271
<b>Total Liabilities and Net Assets</b>	<b>\$1,527,269</b>	<b>\$1,577,612</b>
Current Liabilities	\$94,769	\$112,330
Long-Term Debt and Other Obligations	\$1,144,759	\$1,159,383
Net Assets	\$287,741	\$305,899



# SOCIAL ACCOUNTABILITY, DONORS AND VOLUNTEERS

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.

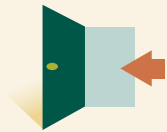
## 2019 Community Benefit: **\$22,060,468**



**\$3.5M** **Containing Cost of Care**  
The Benevolence Fund and Elderly Waiver help individuals bridge financial challenges.



**\$9.1M** **Quality of Life**  
Music, art, education, spiritual care and volunteering enhance quality of life.



**\$2.2M** **Access Improvement**  
Financial support helps ensure care and services for lower income individuals. Transportation and on-site medical, dental and financial services increase ease of access.



**\$426K** **Leadership**  
PHS staff offer time and talents to local community and non-profit organizations serving older adults.



**\$228K** **Health & Wellness**  
Wellness education, preventive health services and caregiver support result in improved physical and mental health.



**\$6.6M** **Serving the Underserved**  
Optage® Senior Dining Choices served 1.7 million meals to seniors in 2019, the majority of whom are lower income, often with no obligation to pay. Residents and staff organize food, clothing and toy drives, outreach initiatives, veterans’ recognitions and more.

## 2019 Volunteer and Donor Contributions: **\$12,200,000**



**3.1K** **Volunteers**



**3K** **Financial Donors**

In 2019 **\$12.2M** was contributed to our ministry through gifts of time by volunteers and financial gifts by donors.

**THANK YOU!**

People routinely tell us that “there is something unique about PHS,” and we know why—the people. We all appreciate being part of a ministry where values aren’t just words on a wall. This past year we solicited nominations for employees who exemplify our values and received hundreds of submissions from employees, residents, family members and volunteers. We celebrate the following employees as recipients of our 2019 PHS CROSS Awards:



**Christian Ministry** | *Reflect the Love of God*

**Verna Mitchell**, Resident Assistant at Harmony River in Hutchinson, Minnesota

One teammate said of Verna, “She rarely accepts individual praise, but instead credits her team. Verna is beloved by residents.” Another noted, “Verna is a role model for our Christian Ministry. You will see her pray with and for residents. She demonstrates how to treat residents with dignity and respect.”



**Ready and Engaged People** | *Create Ownership and Utilize Strengths*

**Sarah Olsen**, Social Work Supervisor with Optage Hospice in Roseville, Minnesota

A colleague nominated Sarah, writing, “Sarah is simply one of the best mentors I have ever encountered. She continues to invest in our staff week after week with joy and wisdom. She has told me that she sees ‘equipping the saints’ to be her specific ministry, and it shows.”



**Operational Integrity** | *Do What We Said We Would Do*

**Yolanda Demars**, Resident Assistant at Johanna Shores in Arden Hills, Minnesota

A teammate recognized Yolanda, writing, “Yolanda treats her residents like family. She holds herself (and teammates) to the highest standards of care. When she tells a resident, family, or team member that she will do something, she does it. Yolanda advocates for the needs of residents every day, relentlessly.”



**Service Excellence** | *Create an Exceptional Customer Experience*

**Jayne Letourneau**, Registered Nurse at The Deerfield in New Richmond, Wisconsin

Someone close to Jayne shared that she “creates a level of service that is difficult to match. Jayne put herself through nursing school later in life in order to have a career to which she felt called. She has used her own situation as a widow to connect and counsel widowed residents and even started a women’s support group.”

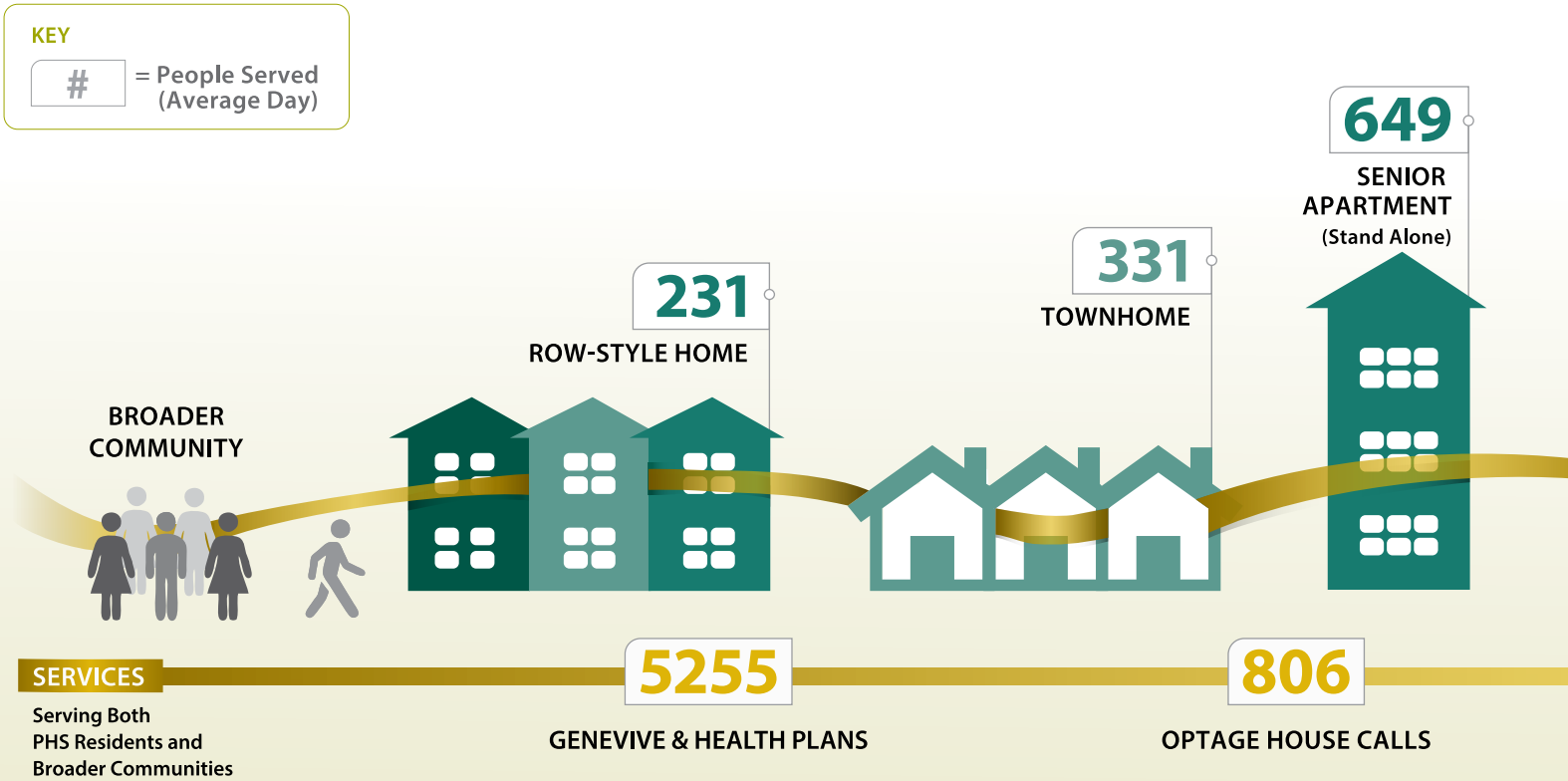


**Stewardship** | *Optimize Resources and Expand Ministry*

**Leticia Rosalez**, Receptionist at Central Towers in St. Paul, Minnesota

A teammate shared that “Leticia is a true gift.” Her supervisor explained how Leticia heard from residents about struggles getting to doctor appointments and podiatry, in particular. Leticia took initiative to open a podiatry clinic on-site and essentially runs the entire program in conjunction with visiting doctors!

# PHS LIVING OPTIONS AND SERVICES



## Freedom to Live Well®

Presbyterian Homes & Services (PHS) offers more than 15 distinct living options and service divisions and we continue to enhance our overall model to expand choices and ease transitions for each individual.

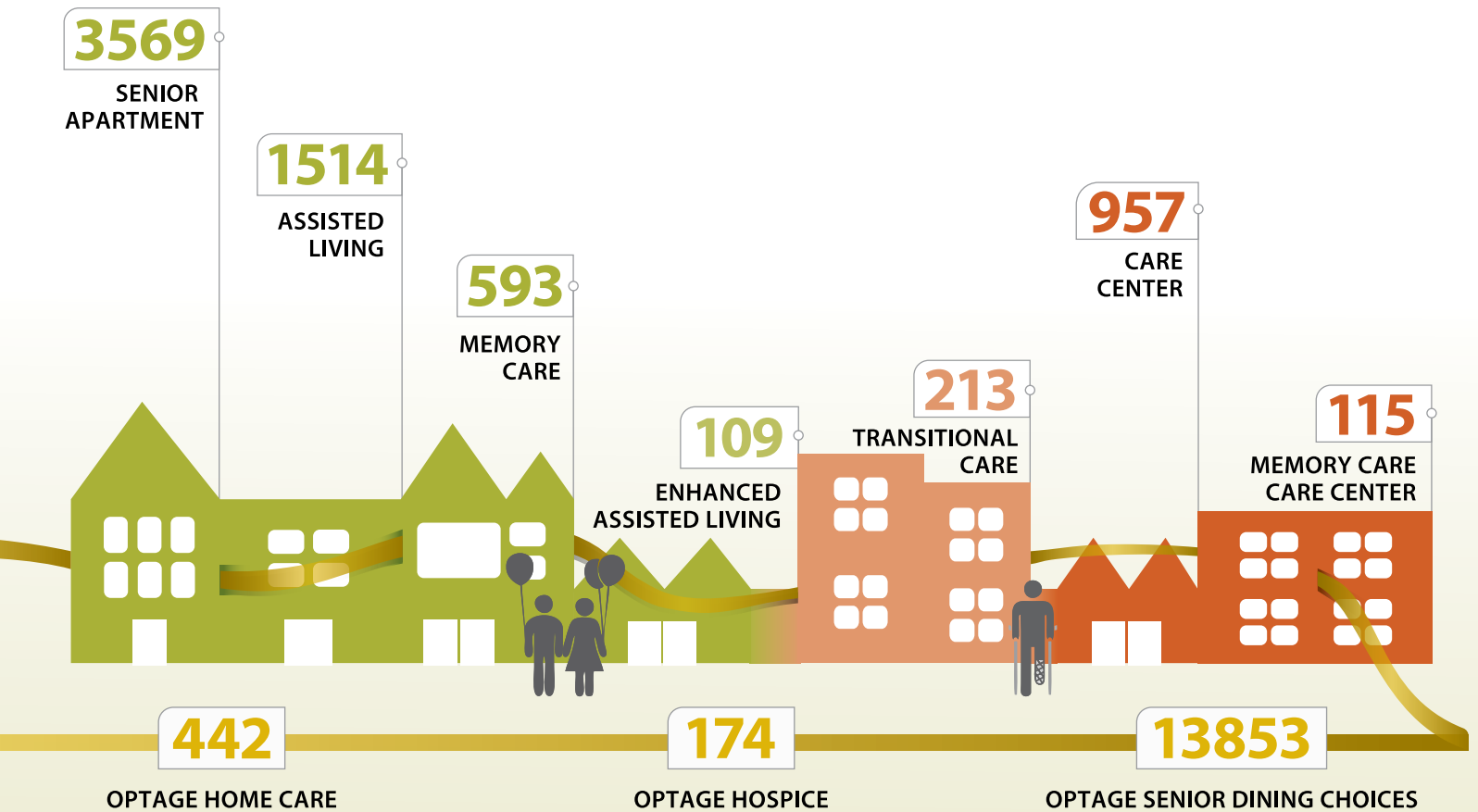
## Designing Healthcare that Fits

We believe we can make primary care more accessible and tailored to the older adults we serve. Through our acquisition of 50% of Genevive in 2019, we have greatly expanded our geriatric physician services that come right into an individual's home. In 2019 we also launched one of the largest Medicare Advantage special needs plans in the nation in collaboration with Genevive, Medica, and nine other senior providers. These value-based plans are designed for residents living in long-term care, memory care, and assisted living and enable us to expand wellness options and integrated services that lead to better living.

## Preserving and Expanding Affordable Housing with Avinity

In 2019 PHS acquired a 50% interest in Avinity Senior Living. Avinity has been in ministry for 50 years and has eight senior living communities. The new shared ministry will build on the mission and brand of Avinity while leveraging the broader management systems of PHS. Our aim is to add 10,000 affordable senior apartments over the next 15 years through development and/or the purchase of existing properties to preserve their affordability. We know this is an ambitious goal, but we also know this will likely meet only 10% of the emerging need. Together we see an opportunity, a stewardship call, and a commitment to take the next step.





## 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. 6,620 employees serve 27,000 older adults through 48 PHS-affiliated senior living communities in Minnesota, Wisconsin, 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 5,000 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 COMMUNITIES



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

#### **TownerCrest.org**

Our fifth community in collaboration with Presbyterian Homes of Wisconsin, Towner Crest opened in January 2020. Named for Margaret Towner, the first woman ordained as 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.



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

#### **PrairieGatePHS.org**

We continue to expand services to seniors in Iowa with Prairie Gate. The new community, with an updated prairie architectural style, opens in March 2020 with 36 senior living apartments, 24 assisted living apartments, 18 memory care apartments, and 72 care center suites. The town center will include an auditorium and chapel, wellness center, library, and bistro or club lounge.



### **Lexington Landing** | *St. Paul, Minnesota*

#### **LexingtonLanding.org**

Situated in the prime St. Paul location of Highland Park, Lexington Landing offers a sophisticated urban architectural design and stylish interior spaces. Owned by J.A. Wedum Foundation and managed by PHS, Lexington Landing will offer 97 senior apartments, 36 assisted living apartments, 21 memory care apartments, and standard PHS social programs and amenities. The community is scheduled to open in fall 2020.



### **Flagstone** | *Eden Prairie, Minnesota*

#### **FlagstonePHS.org**

Featuring senior housing, market rate apartments, and retail/commercial businesses, Flagstone will transform the property adjacent to our Castle Ridge community. Near retail shops, while still being close to nature and views of Purgatory Creek, the new community planned for fall 2021 will include 148 senior apartments, 40 assisted living apartments, 18 memory care apartments, and 72 care center suites. Current Castle Ridge residents will move to the new location. A town center will offer residents a variety of amenities, including a pool, pickleball court, firepit, outdoor yoga studio, and putting green.

**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.



### Mount Carmel Bluffs | *Dubuque, Iowa*

**MountCarmelBluffs.org**

A shared ministry of the Sisters of Charity of the Blessed Virgin Mary and PHS, this community will be located on the Sister’s Mount Carmel campus atop the serene Mississippi River bluffs. The first phase will open in fall 2020 and will provide 40 assisted living apartments, 21 memory care apartments, and 60 long-term care center suites that will primarily be occupied by the Sisters currently residing on campus. Phase two will provide 115 senior living apartments and repurpose the existing Motherhouse to offer town center amenities.



### Wesley at Tehaleh | *Bonney Lake, Washington*

**WesleyChoice.org**

The first community as a shared ministry of Wesley Homes and PHS, Wesley at Tehaleh broke ground in September 2019 and is part of the master-planned Tehaleh community. Situated in the foothills of Mt. Rainier, the community will feature a Pacific Northwest modern style emphasizing natural features, walking trails, and a host of town center amenities. Scheduled to open in phases beginning at the end of 2020, the community will provide senior apartments, assisted living-like Catered Living services, and 24-hour memory care suites.

## REDEVELOPMENTS & RENOVATIONS

**Founders Ridge**  
*Bloomington, Minnesota*  
**FoundersRidgePHS.org**

**Highland Ridge**  
*Williamsburg, Iowa*  
**HighlandRidge.org**

**Langton Shores**  
*Roseville, Minnesota*  
**LangtonShores.org**

**Walnut Ridge Care Center and Arbor**  
*Clive, Iowa*  
**WalnutRidgeAtClive.org**

**Johanna Shores Care Center**  
*Arden Hills, Minnesota*  
**JohannaShores.org**

**EagleCrest Commons and Arbor**  
*Roseville, Minnesota*  
**EagleCrestPHS.org**

**Lake Minnetonka Shores**  
*Spring Park, Minnesota*  
**LakeMinnetonkaShores.org**

**The Mayfield**  
*Little Canada, Minnesota*  
**TheMayfield.org**

**Presbyterian Homes of Bloomington–Gideon Pond Terrace**  
*Bloomington, Minnesota*  
**PHSBloomington.org**

**SummerWood of Chanhassen**  
*Chanhassen, Minnesota*  
**SummerWoodChanhassen.org**

**SummerWood of Plymouth**  
*Plymouth, Minnesota*  
**SummerWoodPlymouth.org**

**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 Shores  
*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  
*Minnnetonka*

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*

Prairie Gate  
*Council Bluffs*

Walnut Ridge  
*Clive*

## Wisconsin

Avalon Square  
*Waukesha*

The Deerfield  
*New Richmond*

Dickson Hollow  
*Menomonee Falls*

Fairway Knoll  
*Germantown*

Kirkland Crossings  
*Pewaukee*

Towner Crest  
*Oconomowoc*

Woodland Hill  
*Hudson*

## Coming Soon

Lexington Landing\*  
*St. Paul, Minnesota*

Mount Carmel Bluffs\*  
*Dubuque, Iowa*

Flagstone  
*Eden Prairie, Minnesota*

Wesley at Tehaleh\*  
*Bonney Lake, Washington*

Stair Crest  
*Muskego, Wisconsin*

See page 8-9 for more updates

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