



*S*  
THE FABRIC  
*of* FAITH

Annual  
Stewardship  
Report  
2015



PRESBYTERIAN  
SENIOR LIVING





## OUR MISSION

The mission of Presbyterian Senior Living is to offer Christian understanding, compassion and a sense of belonging to promote wholeness of body, mind and spirit.

# THE FABRIC *of* FAITH

In one of the small conference rooms in the Presbyterian Senior Living (PSL) office, we have a wall hanging that is a handmade quilt that was made on the occasion of PSL's 70th anniversary. It contains a square for every one of PSL's locations at the time and serves as a visual reminder of our history of serving seniors. It also provides a clear picture of how a healthy and dynamic organization grows over time.

If we were to recreate a PSL quilt today in PSL's 88th year, it would look much different than the one that graces our conference room wall. With the passage of time, it would be larger and more colorful - with many more locations, a wider variety of programs and services offered, greater numbers of individuals served, a more diverse and highly trained staff, and a population of seniors that is constantly evolving.

Quilts are remarkable and unique works of art. When viewed up close, the pieces that are stitched together can give the impression of randomness. But from a little greater distance, the artistry of the design becomes evident, and the pattern takes on a beauty that can be striking. In between the individual shapes is the fabric that holds everything together. While it is often unnoticed because it is usually less vivid than the bold colors in the larger design, it is the essential connection that makes sense out of a collection of individual parts. Finally, for the true quilt enthusiast, much of the art is expressed in the thousands of tiny stitches and painstaking detail that is the essence of the quilter's craft.

In this report, we will attempt to look at the PSL quilt in 2015. Some of the view will be up close - to focus on the day to day work of staff and volunteers - the stitches that are added each day through every act of kindness as they faithfully discharge their responsibilities. We will also step back a bit to look at the larger design - the themes of ministry that emerge as each new facet is added - location by location, program by program, year by year. We will also concentrate on the mission - the fabric that continues to hold everything together.

2015 has been another outstanding year for PSL, with a record number of people served, strong financial performance, and expansion to 30 locations. PSL is blessed to have a team of dedicated board members, committed staff, and generous volunteers and donors who work together to create a ministry that is truly a thing of beauty.



Tim Beaver  
Chair



Thomas Paisley  
Vice Chair



Steve Proctor  
CEO

## 25th Year

Persons Served	82
Number of Employees	24
Operating Budget	\$130,000



## 50th Year

Persons Served	750
Number of Employees	530
Operating Budget	\$5,750,000



## 75th Year

Persons Served	4,100
Number of Employees	1,900
Operating Budget	\$126,000,000



## 88th Year

Persons Served	6,000
Number of Employees	2,800
Operating Budget	\$200,000,000



## FAMILY HEIRLOOMS

### The People We Serve

Many quilts are family heirlooms, reflecting the history of the family – either because the person who made the quilt generations ago was a beloved matriarch, or the quilt itself contains elements that tell a story that is important to future generations of family members. PSL's history is a tapestry that illustrates how the wants and needs of older individuals have changed over the years, and how PSL has responded to these changes over time.

# FAMILIES *by* CHOICE

## The People We Serve

Residents who chose to relocate to a PSL campus become part of a new extended family. As they become acquainted with their new surroundings, they discover neighbors with common interests and share the joys and challenges that are part of the family experience.

Each person who joins PSL also adds a new ingredient to the mix – their personality, their kindness and compassion, dreams and aspirations, and playfulness. From this perspective, the PSL quilt is constantly changing and expanding, becoming more vivid and interesting.

The level of engagement can vary with each level of service provided by PSL – skilled nursing, personal care, assisted living, CCRC independent living, independent apartment living, adult day services, and home and community based services. In more recent years, the number of individuals who come to PSL for short stay rehabilitation has increased significantly, and many of these individuals are only with us for a very short time (days or weeks) before going back to their homes in the community. At the other extreme are individuals who live at PSL for longer periods of time, moving through the entire continuum of care as their needs change (which occasionally can extend to more than 35 years).

Masterpiece Living continues to be a focal point for developing a person-centered, balanced approach to a healthy, active lifestyle where seniors can set their own goals and realize their aspirations now and in the future.





## COMMON THREADS

### The Work of Staff

The PSL staff is an increasingly diverse group of individuals, drawn together by a common purpose to serve seniors. Over 2,800 persons strong, they have a wide variety of skills and abilities. From food service to medical care, environmental services, social services, recreational staff, administrative and financial support, every person plays a critical role on the PSL team. While the skill sets may vary, their hard work and unwavering devotion to the mission is the common thread that attends to every detail.

Staff continues to grow and change to meet the challenges of an evolving senior population. A large part of this effort involves a constant education of staff to provide new clinical skills and treatment methodologies so that PSL's skilled nursing facilities are able to handle a wider range of physical rehabilitation and medical complexity combined with achieving lower rates of hospital readmissions.

Customer service is based on a person-centered model that is designed to deliver individualized care to every person, regardless of where they receive care in the PSL continuum. Flexible approaches to dining, care delivery, and accommodating the desired location where support is provided are just a few of the ways staff is making adjustments to improve resident satisfaction.

Every year, a new group of staff members are inducted into President's Club. These outstanding individuals are recognized for their faithful service and their unique contribution to PSL's mission.

# STITCHED TOGETHER

## The Work of Volunteers

From our inception, the work of volunteers has been essential in achieving the mission of PSL. Starting with a volunteer board of trustees and auxiliary, the volunteer impact has continued to grow and expand. Volunteers can be found everywhere - the stitches that are seen in every corner.

They are also a diverse group that comes from a variety of sources within the PSL family. A significant number of volunteers come from the persons we serve - mainly independent living residents who have had a lifelong history of volunteering in their communities. For this group, volunteering comes naturally - neighbors helping neighbors.

Some PSL volunteers see reaching out to serve as an extension of their faith commitment through their church. Often these volunteers lead Bible studies or add to the spiritual programming that is a part of PSL's faith based ministry. The long term faithfulness of these groups is extraordinary, with many groups and individuals coming on a regular basis for years on end.

Other volunteers are family members, who develop friendships with the residents and staff while visiting a loved one in a PSL location. These relationships continue long after their family member has returned home or has passed on, and they become a part of the day to day fabric of PSL.

Another source of volunteers are friends, neighbors, and community members who have embraced Presbyterian Senior Living and its ministry to the community. This includes community groups, like local garden clubs, scouting groups, school students, and a host of other civic-minded individuals who include PSL as a part of their broader community interest.

Finally, some PSL employees choose to volunteer their time, often returning with their family members or pet to provide a personal touch to brighten the day of a special resident.

Taken together these volunteers become a critical part of creating the culture of care and compassion that we know as Presbyterian Senior Living.





## THE FABRIC *and* IMAGES *of* FAITH

Throughout our history, Presbyterian Senior Living has had an expanding view of what it means to be a faith-based ministry to seniors. Originally restricted to Presbyterian women who were poor, widowed or single and within the bounds of five presbyteries in Pennsylvania, the admission criteria was later expanded to include people of all religious faiths and geographic limitations were removed. In more recent years, the PSL family has actively reached out to embrace other religious traditions with the Quincy United Methodist Retirement Community in 2005; and in 2015, with Cathedral Village, a continuing care retirement community in Philadelphia, which was historically connected with the Episcopal Church. Other community based not-for-profit groups like the Easton Home and the Long Home in Lancaster have also joined the PSL family, creating a wide reaching ministry serving the entire community.

Along the way, PSL's reason for being has remained constant – respond to the Biblical commands – to “That you love one another: just as I have loved you” (John 13:34 ESV) and “Pure and genuine religion in the sight of God the Father means caring for orphans and widows in their distress...” (James 1:27 NLT). Serving seniors is not a business-focused enterprise. It is a sacred calling to serve all of God's creation.

At each step along the way, the inclusion of other religious and community-based senior providers has added unique elements to PSL. As the PSL quilt has been enlarged, it has also incorporated these new shapes and rich colors into its design, creating a thing of great beauty.



# FRAMING *the* STORY

## Reaching Out to Those with Limited Resources

Presbyterian Senior Living has always been focused on serving seniors with limited incomes. Publications of all kinds, from mission support material, the community benefit report, and the publication of our 85th anniversary edition of the PSL history book have highlighted the focus on serving persons in need of financial support. We feel that this work is expected of organizations that claim the benefits of not-for-profit status, and it is our privilege to serve seniors across the entire economic spectrum with an integrated continuum of services.

To achieve this objective, funds must be made available to offset the costs of delivering services to people who need support. PSL's Mission Support program has made it possible to ensure that no one has ever had to leave the PSL continuum of care because they could not afford the care they needed. This largely unspoken promise is our quilting frame, continually stretching us to new lengths as we continue to add new locations and serve more people.



### A MESSAGE *from* LAUREL SPAGNOLO PSL's Vice President of Mission Support

From my point of view, a quilt is a work of art that is a constant reminder of the love, care and attention to detail of the person who made it. Like many families, we had quilts that were used every day and were also kept as heirlooms to be passed down to future family members for generations.

When I was a child and home sick, my mother would put me on the couch and cover me with a special quilt made by a relative. It provided me with a sense of warmth and comfort as I recovered. This quilt was old and so soft, made from a fabric marked by ovals with silhouettes of a Victorian looking lady. Even now, when I am in need of comfort due to illness or the pressures of a tough day, I think of that "lady quilt" and wish I could wrap myself in it.

That quilt also makes me think of the residents we serve who deserve to receive quality care and services. Benevolent support is like being wrapped in a soft, warm quilt. It offers comfort and assurance – security that care will continue to be provided even if they outlive their resources.

In 2015, over \$29.7 million was provided to more than 6,000 residents served by PSL in all levels of living. The residents who require subsidized care receive the same quality of service as those who have sufficient resources and are not distinguished in any way from their neighbor. This only happens because of the gifts of hundreds of thoughtful individuals who generously contribute to provide a sense of warmth and security to those in need.



## NEW COLORS *and* PATTERNS

As one of the nation's first multi-site senior care providers in the 1930s, growth has been a part of PSL's DNA for generations. With such a long history, PSL has added locations and services; and with the passage of time, renovated and demolished buildings that have outlived their useful life. 2015 was a particularly active year in this regard, with the affiliation with Cathedral Village and the addition of affordable housing locations at Mt. Nazareth Commons in Pittsburgh and Westminster Place at Queen Street in York.



### CATHEDRAL VILLAGE

Cathedral Village, long considered one of the premier Continuing Care Retirement Communities in Southeastern Pennsylvania, is a 40 acre campus located in the City of Philadelphia, offers 293 senior apartments and 133 newly renovated skilled nursing accommodations. The community was founded in 1979 with the support of the Episcopal Diocese of Pennsylvania and other local charities serving seniors as an independent, non-profit retirement community.

In February of 2015, Presbyterian Senior Living and Cathedral Village Boards of Directors approved an affiliation agreement for Cathedral Village to become one of Presbyterian Senior Living's subsidiary corporations and continue to serve older adults in the Philadelphia area. The affiliation was finalized in June of 2015.

### MT. NAZARETH COMMONS

Formerly the Motherhouse of the Sisters of the Holy Family of Nazareth, this senior community is an intergenerational campus that includes Mt. Nazareth Learning Center (child day care) and Holy Family Manor Personal Care Home. The 89-year-old building was completely overhauled by Presbyterian SeniorCare in partnership with Presbyterian Senior Living to provide 42 affordable apartments funded by tax credits from the Pennsylvania Housing Finance Agency (PHFA).



### WESTMINSTER PLACE AT QUEEN STREET

Conveniently located near shopping at South York Plaza and other amenities near interstate 83, Westminster Place at Queen Street is PSL's seventh affordable housing location in York County. The 50 one- and two-bedroom apartments were constructed with sustainability in mind with a range of energy efficient features. Funded by tax credits from PHFA, residents are provided spacious accommodations at below market rates.

Both projects have active service coordinators who provide support for residents to age in place within their apartment setting.

# A STITCH *in* TIME

In addition to adding new locations, PSL has a program of upgrading buildings and campus additions. PSL's capital commitment to repositioning and expansion of existing locations in 2015 exceeded \$58 million dollars in new investment.

## REPOSITIONING OF SKILLED NURSING

In 2015, PSL engaged in renovation and repositioning of the skilled nursing centers at Green Ridge Village, St. Andrew's Village and Westminster Village in Dover. While each one of these projects is unique in character, there are common threads behind all of these projects – strengthening short-term rehabilitation offerings, complimenting PSL's programmatic focus on person-centered care, and creating a smaller, more intimate, home-like environment for those with longer term medical needs and cognitive support.



*Green Ridge Village*



*St. Andrew's Village*



*Westminster Village at Dover*

## CCRC INDEPENDENT LIVING ADDITIONS

The opening of the second phase of the Vista Ridge apartments at Ware Presbyterian Village and the initiation of construction of Northwood Gardens at Kirkland Village are examples of PSL's focus on a high caliber design that combines the best of luxury, privacy with high end condo-style living, and the security of a full service retirement community. Planning for expansion in Hollidaysburg was completed in 2015, with construction to be initiated in 2016.



*Vista Ridge Phase II*



*Northwood Gardens*

# FINANCIAL STEWARDSHIP

## Impact

It is a blessing to report on the multiplier impact of PSL's mission and financial stewardship.

The Multiplier Effect – in economics, the multiplier effect is well known and studied. Put simply: every dollar spent becomes some other company's or individuals' income. When they in turn spend that same dollar, it benefits someone else. This multiplies the benefit of one dollar spent to many, contributing many times over to the overall good of society in employment, goods and services. Economic studies estimate that the overall multiplied economic impact of one dollar spent in caring for seniors to be three times that of the original dollar spent.

Applying that principle to Presbyterian Senior Living, it is clear that as PSL has grown the financial impact of our ministry has multiplied. Comparing today to where we were in 2001:

(In millions)	<u>2015</u>	<u>2001</u>
<b>Total Presbyterian Senior Living expenses</b>	<b>\$209</b>	<b>\$120</b>
<b>Times the multiplier of 3 – our overall economic impact</b>	<b>\$627</b>	<b>\$360</b>
<b>Direct charity care provided to those without resources</b>	<b>\$5</b>	<b>\$1</b>
<b>Medicaid allowances for those in need</b>	<b>\$25</b>	<b>\$4</b>

Our economic contribution, which is mostly to the communities we serve, has increased by **75%**. Our direct charity care has increased by **500%**, and Medicaid allowances by over **600%**.

The real multiplier for PSL is the lives that we touch every day with “Christian understanding, compassion, and a sense of belonging.” In 2015, nearly **1,200** individuals served by PSL were directly subsidized by Medicaid and PSL subsidized care. In addition, another **1,200+** individuals resided in PSL affordable housing funded through HUD or the tax credit program. In this measure of PSL's effectiveness, the multiplier is the thousands of family members, community members, and staff that are positively impacted by PSL's mission. This multiplier effect is far beyond anything I or our finance team could record financially.

The idea of our mission being multiplied is closely connected to our faith-based roots. In the words of the apostle Paul in II Corinthians 9:10-11 (ESV):

*He who supplies seed to the sower and bread for food will supply and multiply your seed for sowing and increase the harvest of your righteousness. You will be enriched in every way to be generous in every way, which through us will produce thanksgiving to God.*



# FINANCIAL STEWARDSHIP

## Transparency



Central to the character of PSL as an organization is the concept of Transparency – the creation of a climate of openness and authenticity in everything we do. This is especially important in the area of financial management. Financial transparency and integrity are interwoven into the day to day activities of the financial team at PSL.

The Merriam-Webster online dictionary reports three “simple” definitions of Transparent:

- able to be seen through
- easy to notice or understand
- honest and open: not secretive

Making our finances “easy to notice” and “honest and open” is the easiest to achieve. The PSL web site regularly provides an update of the financial and statistical information for each of our non-profit corporations, and quarterly for all of Presbyterian Senior Living in the tab labeled “Presbyterian Senior Living Consolidated.” Few not-for-profit organizations share their financial information in such a clear and concise fashion.

“Able to see through” and “understand” is more difficult. Most of what we report financially is in prescribed formats required by accounting standards. This can be as challenging to understand for the lay person as the instructions on how to prepare a gourmet meal would be to me. If it can’t be grilled, I am lost.

There are 56 pages of information in our Presbyterian Senior Living 2015 consolidated audit report, which is on our website. While many of these pages contain disclosures required by financial reporting standards in an attempt to make the statements more understandable, we are quite certain this goal is not always achieved. To make this information more understandable, the PSL finance team regularly visits with many resident finance committees, sharing both overall financial information and that of the specific community they are visiting. We also often get calls and emails from residents or their advisors asking more questions about our finances. We welcome these inquiries and strive to answer them timely and in a helpful way.

We have a fair amount of evidence to support the idea that this commitment to openness and honesty is very much appreciated by our lenders. Over the years, they have shared with us how much they value transparency and have provided PSL with some of the lowest borrowing interest rates in our industry. This has given PSL the ability to multiply the talents we have been entrusted with to a much greater degree than otherwise would be achievable.

The direct link to the financial information part of our website is:  
[www.presbyterianseniorliving.org/about-us/corporate-information-and-financials](http://www.presbyterianseniorliving.org/about-us/corporate-information-and-financials)

Thank you for being part of our shared ministry.



Jeff Davis, Senior VP/CFO



## MINDING *the* MISSION

### The Fabric that Lasts

There are some things about an organization that can and should last for generations. For Presbyterian Senior Living, the mission represents things that we believe to be timeless: Christian understanding, compassion, and a sense of belonging and wholeness of body, mind and spirit. They are the essence of PSL's handmade quilt, and it is our responsibility to care for this heirloom and pass it on to the next generation.

But the methods used to accomplish the mission are constantly changing and must change to succeed in the future. The bricks and mortar that surround the programs to serve older adults age and become obsolete. We need to replace outdated buildings and redesign programs in order to meet the changing needs of our constituents. It is essential to embrace new technology to provide better service and to become more efficient. Even the language we use to describe the services we provide needs to be updated.

The challenge is how to tell the difference between the disposable and the timeless. Sometimes it is easy, like the need to change computer hardware and software. Other times it is not so clear, when changes seem to challenge our core values.

In summary, 2015 has been another strong year. PSL has continued to move forward, adding new and exciting elements to the ministry of care and compassion, one stitch at a time.

# PRESBYTERIAN SENIOR LIVING LOCATIONS



**ALLENTOWN, PA**  
Westminster Village



**BALTIMORE, MD**  
Heritage Run at Stadium Place



**BETHLEHEM, PA**  
Kirkland Village



**BLOOMSBURG, PA**  
Westminster Place at Bloomsburg



**CRESCO, PA**  
The Shepherds



**DILLSBURG, PA**  
CARROLL VILLAGE  
Westminster Place at Carroll Village  
Moyer House  
Schartner House



**DOVER, DE**  
Westminster Village



**EASTON, PA**  
The Easton Home



**GLEN ARM, MD**  
Glen Meadows  
Retirement Community



**HARRISBURG, PA**  
Presbyterian Apartments



**HOLLIDAYSBURG, PA**  
Presbyterian Village at Hollidaysburg



**HUNTINGDON, PA**  
Westminster Woods at Huntingdon



**INDIANA, PA**  
Grace Manor  
St. Andrew's Village



**LANCASTER, PA**  
The Long Community at Highland  
Westminster Place at Long Community



**MECHANICSBURG, PA**  
Silver Spring Courtyards  
Silver Spring Gardens



**NEWVILLE, PA**  
Green Ridge Village



**OXFORD, PA**  
Ware Presbyterian Village



**PARKESBURG, PA**  
Westminster Place at Parkesburg



**PHILADELPHIA, PA**  
Cathedral Village



**PHILIPSBURG, PA**  
Windy Hill Village  
Westminster Place at Windy Hill Village



**SCRANTON, PA**  
Geneva House



**SHREWSBURY, PA**  
Shrewsbury Courtyards  
Shrewsbury Courtyards II



**ST. CLAIRSVILLE, OH**  
Mark H. Kennedy Park



**STEWARTSTOWN, PA**  
Westminster Place at Stewartstown



**WAYNESBORO, PA**  
Quincy Village  
Wesley House at Quincy Village



**WILLIAMSPORT, PA**  
Presbyterian Home at Williamsport



**YORK, PA**  
Stony Brook Gardens  
Springwood Overlook



Westminster Place at Queen Street



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