

STAYING POWER

The Strength Behind the Promise



PRESBYTERIAN
SENIOR LIVING

2010 ANNUAL REPORT

OUR MISSION

The mission of Presbyterian Senior Living is to offer Christian understanding, compassion and a sense of belonging to those whose needs may be physical, psychological, social, financial or spiritual in nature, by providing a full range of high-quality health care, housing and other related community services directed primarily to seniors and which contribute to the wholeness of body, mind and spirit.



It is our policy to admit residents without regard to race, color, national origin, age, ancestry, sex, religious creed, handicap or disability.

STAYING POWER – THE STRENGTH BEHIND THE PROMISE

Achieving success when times are good is not that unusual. Sustaining superior performance in a time of stress and uncertainty is much more difficult, and is the mark of an extraordinary organization. Presbyterian Senior Living has an 83 year legacy of success which demonstrates what is often referred to as "Staying Power" – the ability to survive and thrive in spite of a rapidly changing environment. Staying power is important, because it is the foundation for fulfilling the promises we have made to the seniors we have been called to serve – to be there for as long as they need us, and to support those who cannot pay for the care they need. Staying power is the strength behind the promise.

As we strive to live up to the promises articulated in our mission statement, the concept of staying power is expressed in a number of very concrete ways:

- Financial strength – to be good stewards of the financial resources available to us. Presbyterian Senior Living's financial management and transparency must inspire a high level of confidence and trust in our constituents, employees, the financial community and the people we serve.
- Human resources – assembling a skilled and stable work force that can be counted on to provide greater expertise and a wider range of services to meet the changing needs of seniors.
- The pursuit of excellence – a constant focus on service from the customer's point of view, mastering the basics, consistency in execution, and embracing innovation.
- Mission support – To secure financial resources to serve persons with limited incomes and encourage gifts of time and talent to provide a superior quality of life for seniors.
- Community benefit – the variety of ways that Presbyterian Senior Living enriches the fabric of the communities we serve.



- Growth – to expand the reach of the ministry of Presbyterian Senior Living to serve more people with a wider range of services.

In this annual report you will see the various facets of staying power that have sustained Presbyterian Senior Living through its history and established a strong foundation for a bright future.

Robert Hormell, Chair
Philip Miller, Vice Chair
Stephen Proctor, CEO



COMMUNITY BENEFIT

Presbyterian Senior Living is an integral part of the 24 communities we serve, providing employment to over 2700 individuals. With a payroll of over 73 million dollars, Presbyterian Senior Living is a responsible employer, offering competitive wages and a generous benefit package to employees and their families. In some of our more rural locations, Presbyterian Senior Living is the largest employer in the community. Presbyterian Senior Living employees are a significant source of tax revenue for the communities in which they reside. Presbyterian Senior Living also pays over 1.6 million dollars in property taxes annually in locations where we do not regularly provide subsidized care to persons without resources.

Presbyterian Senior Living fosters an attitude of giving among our work force, encouraging employees to be responsible citizens to create a better community and world. Presbyterian Senior Living employee contributions fund over \$64,000 in charity within the organization. Presbyterian Senior Living employees reaching out in community volunteer work serving a variety of community organizations and mission projects.

Volunteer service - Within Presbyterian Senior Living over 147,000 hours of volunteer hours were provided to benefit those we serve. We encourage residents to embrace a meaningful and complete life as one that contributes to the well being of others. Presbyterian Senior Living residents serve others – from elementary school reading programs to organized mission trips to serve hurricane Katrina victims.

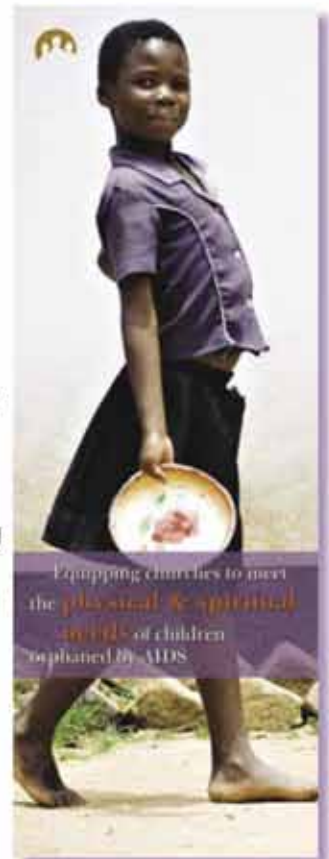
Presbyterian Senior Living seeks to invest a significant amount of its capital annually to serve the underserved and the economically disadvantaged. Presbyterian Senior Living routinely invests its own funds in moderate income facilities like tax credit housing to support a higher standard of service that normal program requirements would not permit.

COMMUNITY BENEFIT - LOCAL, REGIONAL, GLOBAL

The organizational culture that supports these core activities has been the breeding ground for countless activities that benefit the communities we serve. Each of the 24 Presbyterian Senior Living locations is a unique story of how the organization provides tangible benefits to the communities in which reside. Activities at Presbyterian Senior Living locations have an impact on the local community, the surrounding region, and even reaching out to serve people in distant lands:

The following is a small sample of community benefit activities provided by Presbyterian Senior Living in 2010:

- Accounting support for the Community Check Up Center of Harrisburg – a not-for-profit, community based health provider serving low income families in Harrisburg, PA.
- Forgotten Voices International – an international organization providing support to orphans in Zimbabwe and Zambia. Free services include providing office space, accounting services, regular meeting space and technical support.
- Nativity School of Harrisburg – a non denominational middle school for minority boys in Harrisburg. Free accounting and information technology support through Prelude Services, financial support for Christmas gifts and books, volunteer time for field trips, baked goods, tutoring of students and other direct volunteer time.



Equipping churches to meet
the physical & spiritual
needs of children
orphaned by AIDS

- Stadium Place of Baltimore – Financial assistance plus technical and professional time to support the mission of serving low income elders in inner city Baltimore.
- Penn State Mt. Alto – financial support of the nursing program for scholarships to benefit low income students in Franklin County.
- A program of financial assistance to encourage facility staff to participate in local, national and international mission work.
- The Newville Community Wellness Program sponsored by Green Ridge Village and involves donated meeting space in the Green Hill Conference Room for regular meetings, staff volunteer time and support ongoing activities.
- The annual Alzheimers' Memory Walk is a volunteer effort that is supported by staff at The Easton Home. In 2010, the administrator of The Easton Home was the head of the Lehigh Valley team.
- Meeting space for Apprise, a free health insurance counseling program designed to help Pennsylvanians age 60 and over with health insurance concerns. Apprise counselors meet on a weekly basis at Everyday LIFE for three hours to advise their clients. Additionally, Apprise counselors meet monthly for special team meetings in the conference room.
- Kirkland Village, the Nitschmann Middle School and First Presbyterian Church in Bethlehem, PA have joined forces to provide mentoring to seventh grade students. Mentors are volunteer parishioners from the church. The mentors meet with the students weekly at the school to review subject matter, offer suggestions to improve study habits and help to prepare students for end-of-the-year tests.
- The Community Health Fair is an annual event held at the Presbyterian Home at Williamsport. Over 20 vendors or agencies participate to provide education and information to promote health awareness.

- Every autumn, St. Andrew's Village offers a free Flu Vaccine Clinic for seniors, averaging 110 seniors from the community who receive the free vaccine.
- Sycamore Manor hosts the monthly special teacher professional development sessions for the West Branch Elementary school.
- Quincy Village hosts the Low Vision Support Group, which provides educational materials, and information on visual equipment to assist seniors with low vision.
- A free yoga class for the Dover community is taught by a Westminster Village resident in the West Room for participants from the local Dover community.
- A group of independent living residents at Westminster Woods at Huntingdon raised money to support the refurbishment and improvement of the Amtrak Train Station in Huntingdon, raising money for a power washing of the station, siding repairs, installing a new sign for the station, raise flower beds and construction of benches.
- The Presbyterian Senior Living Wellness Coach – A community outreach initiative in the Lehigh Valley to provide education and related resources in the areas of health, nutrition, physical well-being, and social and spiritual fulfillment.



HUMAN RESOURCES

Presbyterian Senior Living is essentially a human enterprise. With over 2700 employees in 24 locations, it is clear that achieving the mission of the organization is dependent on assembling a skilled and stable workforce that will be able to handle the tasks that must be flawlessly executed every day. The real challenge of staying power in human resources is found in two important characteristics – consistency and adaptability. Consistency is the ability to deliver superior performance day after day. Adaptability is the capacity to add new skill sets and expertise to meet the changing needs of seniors. The keys to a strong human resource program include:

- Engaging staff in the mission of Presbyterian Senior Living and pride in what is done every day
- Fostering open and ongoing communication with and between all employees through regular meetings, surveys and informal interaction
- Creating a positive workplace, starting with competitive wages and benefits
- Selecting the right employees
- Retaining the right employees
- Investing in ongoing education.
- Providing opportunity for advancement
- Recognizing superior performance

Ultimately the key to superior performance rests in the realization that work involves a higher calling. Understanding that another person's life is better because of the work that you do is the inspiration to consistently strive for excellence. At Presbyterian Senior Living, we believe that employee selection, orientation, ongoing education and leadership must have roots that extend deep into the mission. The mission of the organization is anchor to stay focused on what matters most, and the inspiration to move confidently into an uncertain future.

There are examples of staying power at every Presbyterian Senior Living facility – people who have grown and serve as an example of our mission of caring.

Celeste Coleman, the Director of Nursing at St. Andrew's Village began as a staff nurse 15 years ago. She served as Director of Staff Development before her current position as Director of Nursing.



Melanie Counterman is a 38 year employee who started as a diet aide as a teenager, progressing over the years to various positions in the food service department at Westminster Village, ultimately serving as Department Director. She moved to Kirkland Village as Director of Dining Services when Kirkland Village opened in 1993.

Hope Manning – Thirty Four years ago, Hope started as a housekeeper at Green Ridge Village, eventually working her way up to Director of Environmental Services. After securing her Nursing Home Administrator's License, she has served as a Health Care Administrator within the Presbyterian Senior Living system. She currently is Assistant Executive Director at Quincy Village.



Diane Twist – Diane started as a Personal Care Aide almost 38 years ago, working with residents at Moshannon Heights. She currently serves as Human Resource Assistant at Windy Hill Village in Phillipsburg.



Donna Kreitzer – Director of Payroll will celebrate 30 years with Presbyterian Senior Living in June of 2011. When Donna began with Presbyterian Senior Living there were 600 employees on the payroll. Now she makes sure that over 2700 employees get their paychecks every pay period.



Bessie Raisner—There are three generations of Bessie's family working at The Easton Home – Bessie, her daughter, Gracelynn Schaffer and teenage grandson, Nicholas Schaffer. Caring for the residents of The Easton Home is a family affair!



MISSION SUPPORT

Success over time in fund raising is a combination of fulfilling obligations to those needing financial support, recognizing and keeping your promises to donors who consistently support the organization, and adjusting fund raising methods to attract new supporters to the ministry. Presbyterian Senior Living has a continued emphasis on all three areas.

As a not-for-profit organization, Presbyterian Senior Living, has from its inception, maintained a sharp focus on serving those with limited resources. At the present time over 50% of the persons served by Presbyterian Senior living in nursing centers receive some sort of financial subsidy. System wide, over one third of people served can be defined as moderate or low income and are in need of financial support. The care and services to these individuals is provided in a manner that is indistinguishable from those persons served by Presbyterian Senior Living who have means to pay for the care they need. The role of Mission Support is to secure financial resources to serve persons with limited incomes and encourage gifts of time and talent to provide a superior quality of life for seniors.

Mission support is one of the prime examples of the staying power of Presbyterian Senior Living – In the over 80 year history of Presbyterian Senior Living, no one has ever had to leave the Presbyterian Senior Living system of care because they could not pay for the care they needed. This legacy has been maintained through the faithful support of generations of individuals, churches, charitable foundations and community groups who have provided the resources to carry out the mission of Presbyterian Senior Living.

Each year we recognize the efforts and generosity of our donors and volunteers. Their stories of compassionate service are inspiring. In 2010, a group of 12 individuals were inducted into the Chairman's Circle. Possessing a wide variety of talents and abilities, this group shares a common commitment to Presbyterian Senior Living and its mission. Several members of the class of 2010

initially became involved in supporting our mission by becoming a resident or by visiting a family member at one of our communities.

George Kelchner has been involved with the Presbyterian Homes in the Presbytery of Huntingdon for over 60 years!



Miriam Taylor, at 105 years old, is the oldest resident at Kirkland Village and a generous supporter as well.

Andy Voytus and his dog, Onyx, faithfully visit his wife in the health center at St. Andrew's Village each day. He saw a need for significant renovations in the Memory Support Unit and through his generosity the improvements were made.



Due to the uncertain economic climate, new approaches were needed to reach out to engage individuals and identify funding sources to support our mission. Several Fund raising events were added that attracted new supporters to the ministry.

Presbyterian Senior Living also expanded our efforts in the area of grant writing, and were fortunate enough to receive several grants for the purpose of purchasing equipment or completing renovations.

An example of the impact of growth and renewal can be seen in the transition from The Long Home to The Long Community at Highland in Lancaster, Pennsylvania.

This new development will fulfill the original intent of Judge Long in meeting the needs of low income seniors and expand his legacy to engage a larger number of individuals with a broader the range of services. By expanding the size, scope and effectiveness of this historic ministry, we are better positioned to attract the support of new donors that will provide regular contributions to help fund current needs and to grow the endowment to meet charitable care needs in the future.



GROWTH

Carefully managed growth has been a key to Presbyterian Senior Living's long term success. This is not simply for the sake of getting larger or serving more people, but is a reflection of the organization's commitment to providing a continuum of services that can adapt to the changing needs and desires of seniors.

The focus of growth in 2010 has been on four main areas:

- Extending home and community based services on our existing campuses to enable our residents to age in place. In addition to all current At-Home Services programs in PA being recently licensed, we are extending this program to the greater community by offering select services to individuals on our waiting list.



- Expansion of existing campuses whenever possible. An example of this approach is the development of new villas at Westminster Woods at Huntingdon, where 10 villas have been constructed and occupied, with others underway as marketing continues.



- Expanding tax credit housing to serve those with less. Projects completed in 2010 included Stewartstown and Windy Hill, with a combined 132 units. Construction continued in Dillsburg and Bloomsburg, with another 78 units. These expansion efforts help Presbyterian Senior Living to embrace a broader economic range of seniors, often on the same campus location. Other tax credit projects are in various stages of development for construction over the next several years.



- Creating a continuum of services for those with limited resources. The start of construction at The Long Community at Highland is designed to replace a single level of care with a multi level campus with a continuum of services for seniors. The cooperative relationship with the Albright LIFE program in Lancaster will extend the continuum to those with limited means. The everyday LIFE program in the Lehigh Valley continues to move forward. When combined with the Presbyterian Senior Living campus locations in Allentown, Bethlehem and Easton, Presbyterian Senior Living provides the most comprehensive range of programs and services in the Lehigh Valley.



FINANCIAL STAYING POWER

Long-term financial staying power is a fundamental value of Presbyterian Senior Living. The commitments we make to our current residents and our future ability to serve others are crucially dependent on our ability to not just survive financially, but to thrive.

But what does financial staying power mean? How do we achieve it? And, perhaps most importantly how do others judge our financial position? As financial staying power applies to Presbyterian Senior Living, I have taken the liberty of sharing few of quotes which I believe provide wisdom about some of the best principles in the business of finance:

"A ship is safe in harbor, but that's not what ships are for." G.T. Shedd

Financial staying power is not about burying resources in the ground. That is not what Presbyterian Living's is for. We best serve our long-term mission by investing wisely in areas that will produce results. This is one of the lessons of the parable of the talents in Matthew chapter 25

"It is difficult to travel forward while looking in the rearview mirror" Anonymous

We will never make the most of the future by looking at the past. While we recognize that learning from the past is important, we also recognize that the future will probably be much different than our business environment today. We have to plan and invest for it wisely.

"Managers thinking about accounting issues should never forget one of Abraham Lincoln's favorite riddles: How many legs does a dog have if you call his tail a leg? The answer: Four, because calling a tail a leg does not make it a leg." W. Buffet

For the past 10 years the CEO and CFO of Presbyterian Senior living have signed the audited financial reports, taking responsibility for the financial condition of the organization. Presbyterian

Senior Living also has a history of sharing financial information on our web site, which is accessible to our residents, constituents, the financial community and the general public. Both of these practices are rare for not-for-profit organizations

"Greatness is achieved when people plant trees whose shade they know they shall never sit in."
Greek Proverb

&

"One generation plants the Trees; another gets the shade. Keep a green Tree in your heart, and perhaps a singing bird will come." Chinese Proverb

Our financial stability today is the result of over eighty years of stewardship. We are blessed by this and have the awesome responsibility to plant more trees.

Presbyterian Senior Living ended 2010 with more in investment reserves than any other time in our history. We also achieved the highest net assets in our history. In a not-for-profit net assets are our total assets minus total liabilities. Our credit rating is among the top 5% of senior living providers. The past years have been challenging. Through it all we have been busy planting trees, creating more shade for this wonderful ministry's future.

Jeff Davis, CFO
Presbyterian Senior Living



**Assets
as of December 31 (000's)**

	2010	2009
Cash and unrestricted investments	\$ 82,620	\$ 71,227
Restricted investments and funds	32,863	33,852
Accounts receivable	15,596	15,492
Property and equipment	271,334	253,360
Other assets	9,541	10,121
Total	<u>\$ 411,954</u>	<u>\$ 384,052</u>

**Liabilities and Net Assets
as of December 31 (000's)**

	2010	2009
Accounts payable and accrued expenses	\$ 32,332	\$ 24,813
Resident deposits	1,581	1,387
Annuities payable	1,521	1,238
Other liabilities	2,515	3,852
Loans and mortgages	<u>202,129</u>	<u>195,410</u>
Amounts due to external parties	<u>240,078</u>	<u>226,700</u>
Deferred entrance fee revenues	87,492	76,247
Net assets	84,384	81,105
Total	<u>\$ 411,954</u>	<u>\$ 384,052</u>

Presbyterian Senior Living financial statements and audit reports are available on our web-site at www.presbyterianseniorliving.org under the "About Us" tab.

OUR LOCATIONS



ALLENTOWN, PA
Westminster Village
803 North Wahneta Street
Allentown, PA 18109-2491
(610) 782-8300
www.wmvallentown.org



BETHLEHEM, PA
everyday LIFE
Bethlehem Center
2045 Westgate Drive • Suite 100
Bethlehem, PA 18017-7487
(610) 954-5433
www.everydaylifecenters.org



Kirkland Village
One Kirkland Village Circle
Bethlehem, PA 18017-3846
(610) 691-4500
www.kirklandvillage.org



DILLSBURG, PA
Presbyterian Senior Living
* Corporate Administrative Office
One Trinity Drive East • Suite 201
Dillsburg, PA 17019-8522
(717) 502-8840
www.presbyterianseniorliving.org



Moyer House
11 Tristan Drive
Dillsburg, PA 17019-1634
(717) 432-1680
www.moyerhouse.org



Schartner House
1271 Gettysburg Pike
Dillsburg, PA 17019-9404
(717) 432-1670
www.schartnerhouse.org



DOVER, DE
Westminster Village
1175 McKee Road
Dover, DE 19904-2268
(302) 744-3600
www.wmvdover.org



EASTON, PA
The Easton Home
1022 Northampton Street
Easton, PA 18042-4292
(610) 250-5000
www.eastonhome.org



GLEN ARM, MD
Glen Meadows
Retirement Community
11630 Glen Arm Road
Glen Arm, MD 21057-9403
(410) 319-5000
www.glenmeadows.org



HARRISBURG, PA
Presbyterian Apartments
322 North Second Street
Harrisburg, PA 17101-1359
(717) 233-5114
www.presbyterianapartments.org



HOLLIDAYSBURG, PA
Presbyterian Village at Hollidaysburg
220 Newry Street
Hollidaysburg, PA 16648-1626
(814) 693-4000
www.hollidaysburgretirement.org



HUNTINGDON, PA
Westminster Woods at Huntingdon
360 Westminster Drive
Huntingdon, PA 16652-2737
(814) 644-2000
www.westminsterretirement.org



INDIANA, PA
Grace Manor
580 North Ninth Street
Indiana, PA 15701-1228
(724) 464-1600
www.standrewsvillage.org



St. Andrew's Village
1155 Indian Springs Road
Indiana, PA 15701-3494
(724) 464-1600
www.standrewsvillage.org



LANCASTER, PA
The Long Community
 200 N. West End Avenue
 Lancaster, PA 17603-3216
 (717) 381-4900
www.longcommunity.org



MONTOURSVILLE, PA
Sycamore Manor Health Center
 1445 Sycamore Road
 Montoursville, PA 17754-9520
 (570) 601-8100
www.sycamoremanor.org



NEWVILLE, PA
Green Ridge Village
 210 Big Spring Road
 Newville, PA 17241-9486
 (717) 776-8200
www.greenridgevillage.org



ORBISONIA, PA
Woodland Retirement Community
 18889 Croghan Pike
 Orbisonia, PA 17243-9685
 (814) 447-0300
www.woodlandretirement.org



OXFORD, PA
Ware Presbyterian Village
 7 East Locust Street
 Oxford, PA 19363-1399
 (610) 998-2400
www.warepresbyterian.org



Parkesburg, PA
Westminster Place at Parkesburg
 320 W. First Avenue
 Parkesburg, PA 19365-1279
 (717) 509-8028
www.westminsterplaceparkesburg.org



PHILIPSBURG, PA
Windy Hill Village
 100 Dogwood Drive
 P.O. Box 551
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 (814) 342-8400
www.windyhillvillage.org



Westminster Place at Windy Hill Village
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QUINCY, PA
Quincy Village
 6596 Orphanage Road
 Waynesboro, PA 17268-7801
 (717) 749-2300
www.quincyvillage.org



SCRANTON, PA
Geneva House
 323 Adams Avenue
 Scranton, PA 18503-1609
 (570) 347-4885
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ST. CLAIRSVILLE, OH
Mark H. Kennedy Park
 108 Pine Avenue
 St. Clairsville, OH 43950-9739
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www.markkennedypark.org



STEWARTSTOWN, PA
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 16 South Hill Street • Suite 1
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