



shine * ON

ANNUAL REPORT 2023

“

For God, who said, ‘**Let light shine out of darkness,**’ made his light shine in our hearts to give us the light of the knowledge of God’s glory displayed in the face of Christ.”

2 Corinthians 4:6 (NIV)

Read the *shine on* cover story on page 4.

Dear Friends of Presbyterian Homes & Services,

We are convinced that God has called Presbyterian Homes & Services (PHS) to “shine on” in ministry (2 Corinthians 4:6). This means every decision we make and every action we take is intended to honor God by enriching the lives and touching the hearts of older adults. Fulfilling this mission is not without hurdles, but 2023 was a year in which we made progress in recovering from severe workforce challenges, COVID-19 disruption and financial pressures.

In fiscal 2023, our census strengthened, operating revenue turned positive, and we invested in employees at the highest levels in our history. In addition, we grew our ministry by opening new senior living communities in Saint Paul, Minn., Muskego, Wis., and Cedar Rapids, Iowa, and by adding to existing campuses in several locations. Our Optage Meals program became one of the largest home meal providers in the Twin Cities and in the entire state of Minnesota.

In 2023, God enabled PHS to:

- Serve 27,298 older adults (14,639 under our roofs plus 12,659 in the community). This is up from 24,250 people served in 2022.
- Care for 14,528 older adults — including 2,208 PHS residents — through Genevive, a geriatric medical practice and care management organization co-owned by PHS.
- Increase the number of PHS employees to 7,515 and the number of PHS volunteers to 3,647, up from 7,313 employees and 2,263 volunteers in 2022.
- Provide 1.47 million home-delivered meals to 17,576 people.
- Dispense medications to 4,221 PHS residents through Radius Pharmacy, a company co-owned by PHS that specializes in serving older adults.
- Provide \$5.4 million in benevolence to help residents weather financial hardships.

All of the above are examples of how our ministry makes the love of God tangible to the older adults we serve.

On behalf of the board of directors and the PHS leadership team, thank you for your support and partnership in this ministry. We appreciate you!

Shining with you in Christ,



James Green
Board Chair
Presbyterian Homes & Services



Daniel A. Lindh
President and CEO
Presbyterian Homes & Services

Our Mission

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

Our Vision

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

Our Values

Christian Ministry
Ready & Engaged People
Operational Integrity
Service Excellence
Stewardship



2023 Board of Directors

From left: Laura McKnight; Paula Norbom; David Dickey; Janet Sommers; Brad Hewitt; Jeffrey Rageth; James Green, chair; Theodore Chien; John Clymer; John H. Odom, Jr.; Molly Lagermeier; Daniel Lindh, president and CEO; Mark Meyer, treasurer and CFO; Julie White; Sheryl Ramstad. *Not pictured:* Barbara Stinnett; Jay Coughlan, vice chair. *Others not shown:* Elona Street-Steward, synod representative, ex officio; Peter Gregory, co-secretary and co-legal counsel.

Since our founding, strong volunteer governance has guided our work. Our 2023 board of directors worked tirelessly to ensure that we moved ever forward in our mission. Modeled after the servant leadership shown in Acts 6, Presbyterian Homes & Services (PHS) board members are selected because they “are known to be full of the Spirit and wisdom.” Board members’ deep Christian faith, together with their passion for the ministry of PHS and their diverse expertise in areas such as health care, finance, insurance, human resources, business, economics, manufacturing, law, technology, education and medicine, make them ideal partners to provide guidance and direction to our ministry.



As a 501(c)(3) nonprofit organization, Presbyterian Homes & Services (PHS) depends upon the generosity of donors and volunteers to help fulfill its mission to honor God by enriching the lives and touching the hearts of older adults.

In 2023, thousands of individuals gave their time and finances in support of residents, PHS communities, employees, Optage (home and community-based care), spiritual care and more. We are truly grateful to all who shared their gifts to strengthen our ministry.

2023 Donor, Grant and Volunteer Contributions

\$11,304,000

\$4,960,000
Volunteerism

\$3,145,000
Contributions

\$3,199,000
Grants

2023 Charitable Impact

2,600 donors gave **3,076** financial gifts

3,647 volunteers gave **156,000** hours

Gifts to the Presbyterian Homes Foundation (and where directed)

1,674
Greatest Needs

168
Resident Benevolence

85
Optage Programs

640
Employee Appreciation

110
Employee Hardship

36
Endowment

201
Spiritual Life

108
Education Assistance

54
Other

There are many ways that donors fund ministry goals, honor loved ones and support PHS employees.

PresHomes.org/MakeAGift

Interested in enriching the life of an older adult through volunteering?

PresHomes.org/Volunteer



A second serving of cooking passion

Before retiring, Jim Klein experienced success as a chef ... but after 'unretiring,' he encountered joy.

Like many artists, Jim Klein wants people to enjoy his creations. He knows he's been successful not so much by the verbal compliments people share as by the smiles etched on people's faces after experiencing one of his gourmet meals. It is this unspoken "thank you" that fuels Jim's enthusiasm as nutrition and culinary director at Lexington Landing in Saint Paul, Minn.

Jim found his passion early in life, cooking meals as a child with his mother. That joy in creating good food and making people happy eventually led him to become a top chef in Hot Springs, Ark., Marina del Rey, Calif., and Saint Paul, Minn.

In 2019, after more than 40 years working in restaurants, hotels, clubs and food service management companies, Jim decided to hang up his chef's apron and retire. "I had worked a lot of long hours and holidays in ways that chefs at resorts and clubs do," Jim observed.

In retirement, Jim spent his time working on home improvement projects and traveling. Soon, however, the rhythm and joy of work lured him back. "Cooking is really my passion," Jim reasoned. "Why leave the thing that I love doing?"

Jim applied for the nutrition and culinary director position at Lexington Landing in Saint Paul, Minn., and was hired. This role enables him to share his creative talents through delicious gourmet meals for residents.

Jim credits his entire team for elevating the quality of dining at Lexington Landing to be among the highest rated in Presbyterian Homes & Services communities.

"The food we serve at Lexington Landing is special because of the staff," says Jim.

Jim pours time and training into his team. "Whether it is teaching a new skill or teaching a time-saving technique ... staff training is a big part of what we do," Jim claims.

While he still works hard, Jim now has better work-life balance than he did previously as a chef.

"Food and making people happy are what I'm about," Jim concludes. "I tell my boss, 'I love my job.'"



To learn more about Jim and to view some of the dishes he has prepared at Lexington Landing, visit our website. [PresHomes.org/chef_jim](https://www.PresHomes.org/chef_jim)

'Nothing but love and care ...'

The Bleifuhs sisters say after a long, winding journey, they finally found a place that wrapped their beloved mother and aunt in love.

Caring for an aunt with vascular dementia and a mother with Alzheimer's has been a long, difficult journey for the Bleifuhs sisters: Jane Wolfgram, Julie Maiers, Jo Ellen Begalke and Jill Elfering. It wasn't until the sisters supported their mom, Joan, and aunt, Clare, in moving to Folkestone — a Presbyterian Homes & Services senior living community in Wayzata, Minn. — that they found peace of mind.

"From the moment we walked in, Folkestone staff wrapped their arms around both of them, sat them down and put a warm blanket on them," reflects Jane. "It has been nothing but love, care and treating them as if they were family members."

Aunt Clare passed away in June 2022 following months of hospice care at Folkestone. The last three weeks of Clare's life, Jane stayed with her aunt.

"Every time any employee walked in to take care of her, they said her name," Jane recalls. "She was unconscious at the time, so you might think, 'What's the big deal?' But that was one of the most beautiful things you can ever do for another human being. William, the overnight aide, would regularly check on her and say, 'Hello, Clare.'"

"We always had complete faith and trust in the employees at Folkestone to keep us aware of her needs as she continued to decline," Jane observes.

The sisters say that the challenge of caring for an adult with memory loss is difficult, but they feel blessed to be able to travel this road as a team.

"We communicate well and express our opinions," observes Jo Ellen.

"We all have different strengths, and we're able to contribute in different ways," Julie adds.

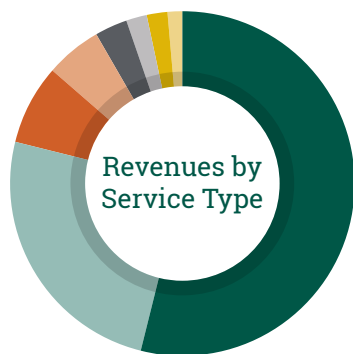
"Folkestone is incredibly beautiful, but that is not the important part," Jane concludes. "Knowing that our aunt and our mom were and are treated like family members, with total respect and love, defines the value of Folkestone."



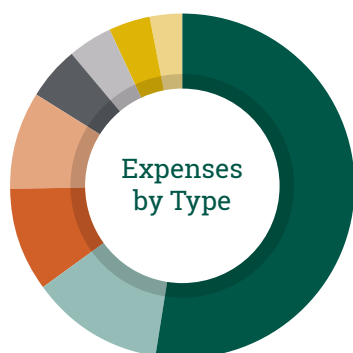
To learn more about the Bleifuhs sisters and their caregiving journey, visit our website. [PresHomes.org/memory-care-journey](https://www.PresHomes.org/memory-care-journey)

Total Revenues (excluding partnered revenue; dollar amount in millions)

2017	2018	2019	2020	2021	2022	2023
\$390.6	\$420.6	\$454.3	\$464.4	\$487.4	\$493.3	\$532.5



- 54.0% Housing with Services
- 25.1% Long Term Care
- 7.4% New Projects/Ancillaries
- 5.3% Optage
- 3.0% Transitional Care
- 2.1% Stand-alone Housing
- 1.9% Senior Housing Partners
- 1.2% Foundation and Grants



- 52.6% Payroll / Benefits
- 12.5% Depreciation
- 9.8% Interest
- 9.0% Supplies
- 5.2% Other
- 4.2% Utilities
- 3.7% Food
- 3.0% Property Tax

Consolidated Statements of Operations

(dollar amount in thousands)

	2022	2023
Total Revenue (Excluding Partnered/Managed)	\$493,336	\$532,494
Operating Revenue	\$476,633	\$526,150
Contribution Revenue	\$5,417	\$3,145
Grant Revenue	\$11,286	\$3,199
Total Operating Expenses	\$499,483	\$524,484
Services to Residents	\$315,740	\$329,861
General and Administrative	\$73,429	\$77,607
Interest	\$47,874	\$51,440
Depreciation and Amortization	\$62,440	\$65,576
Excess of Revenue Over Expense Operations Only	\$(22,850)	\$1,666
Excess of Revenue Over Expense Non-Operating	\$10,177	\$20,942
Excess of Revenue Over Expense	\$(12,673)	\$22,608

Consolidated Statements of Financial Position

(dollar amount in thousands)

	2022	2023
Total Assets	\$1,875,609	\$1,867,152
Current Assets	\$156,727	\$160,240
Endowment	\$81,830	\$89,015
Other Investments and Assets	\$188,994	\$178,224
Property and Equipment	\$1,448,058	\$1,439,673
Total Liabilities and Net Assets	\$1,875,609	\$1,867,152
Current Liabilities	\$119,610	\$121,418
Long-Term Debt and Other Obligations	\$1,393,928	\$1,361,055
Net Assets	\$362,071	\$384,679

2023: A year of great improvement

Our focus continued to be “back to the basics” as we sought to restore operational and financial stability in 2023. The result? We experienced a \$24 million improvement in our operations-related financial results from a year earlier.

This improvement in operating results was a real blessing made possible by:

- Improved census.
- Rigorous expense management (while simultaneously making significant investments in wages and compensation).
- Enhanced rates from the State of Minnesota in recognition of higher costs related to care center expenses.
- Adding more independent living housing and decreasing the number of care center suites.

As shown in the accompanying graph, beginning in 2020, we experienced financial challenges.

While we are thankful for the financial improvements in 2023, we are not yet back to our historical financial margins.

We are still short of where we need to be, but we are confident we are well-positioned for financial success in 2024.

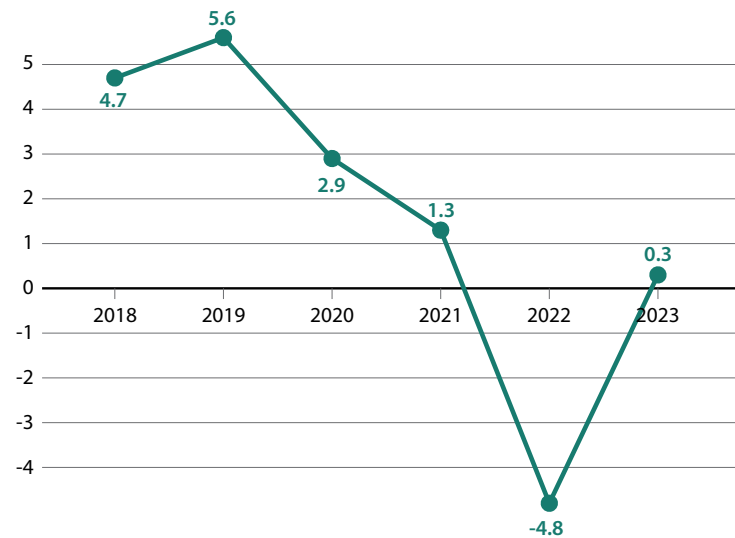
When we look beyond operating income, we experienced a rebound in broader financial markets resulting in an \$11 million improvement in investment income and other non-operating income.

We look to the future with thanksgiving, faith and hope. God has called us to shine on, and with His grace and blessing, that is what we will do.



Mark Meyer
Chief Financial Officer
Presbyterian Homes & Services

Percentage of Excess Revenue Over Expense
Operations Only



Ideally, Presbyterian Homes & Services annually generates excess revenues over expenses of 5% for operations.

Employees are the most important resource in our ministry

Presbyterian Homes & Services’ mission is to honor God by enriching the lives and touching the hearts of older adults. Our employees are essential to this ministry. Whatever their role, they play a critical part in doing this God-honoring work.

This necessitates that we support our employees and meet their needs through compensation, benefits, support, housing, counseling, scholarships, career growth and more. **In 2023, we invested more in workforce support than at any time in our history.**

We recognize that we live in the tension between what older adults can afford to pay and what our employees need to live and grow. We manage this tension as best as we can, ever mindful that employees are the most important resource in our ministry. We seek to not only bless the lives of those we serve ... but to bless the lives of those who faithfully serve them.



Optage is a division of Presbyterian Homes & Services (PHS) that sponsors health care reform initiatives and provides home and community-based services. This separate brand provides services directly for other peer providers as well as for the community.

2023 was a year of notable accomplishments for Optage. These included:

- Significantly expanding our rehabilitation services (physical therapy, speech-language pathology, occupational therapy and other supportive services) to nearly all PHS communities so that residents can receive therapy at their PHS campus, coordinated with fitness, wellness, life enrichment and other services. These expanded on-site services reduced the time and expense for residents and families traveling to receive rehabilitation services off-site.
- Serving more than 17,500 clients 1.47 million meals through Optage Meals. Some 80% of these clients are considered “low income” by the State of Minnesota. These are primarily older adults, living in their homes, not previously receiving stable food. Now, through Optage, PHS is one of the largest low-income meals program providers in the Twin Cities and in Minnesota.
- Attending to 1,806 people through Optage Home Care. More than 80% of those served were PHS assisted living residents, and home care supported 40% of those discharged from PHS transitional care. Of note ... Optage also served 4,100 people through foot clinics.
- Caring for and walking alongside 677 patients through Optage Hospice. This care also included supporting 1,335 separate family members through grief groups and touching 1,600 people per month through a bereavement newsletter.



Genevive

Genevive is a geriatric medical practice and care management organization co-owned by PHS providing comprehensive care for older adults.

Genevive delivered primary medical care to 14,528 patients. It serves more than 50% of our residents in assisted living, memory care or care centers in Minnesota. This means residents received quality medical care on-site, without the burden of external travel to a clinic. As for its effectiveness, Genevive received UCare’s 2023 Excellence in Healthcare Award, with four out of four quality measures. In addition, Genevive entered Medicare’s Accountable Care Organization (ACO) program, designed to improve patient outcomes.

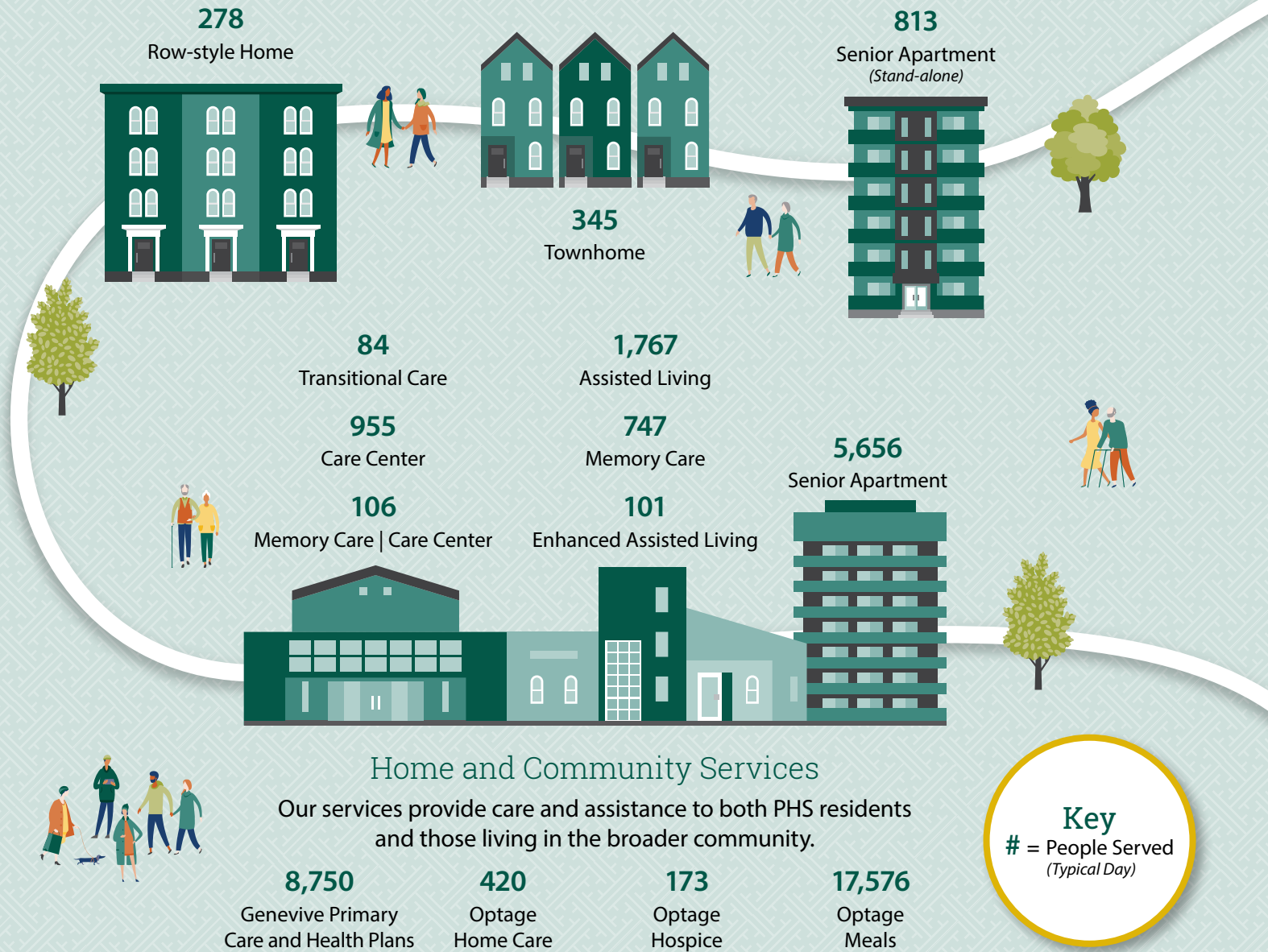
We measure our ministry by lives touched, and 2023 was an exceptional year for Optage and Genevive. Together, may we shine on in bringing glory to Christ through our shared ministry.



Michael Bingham
Senior Vice President
Optage and Health Care Initiatives



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.



Senior Housing Partners

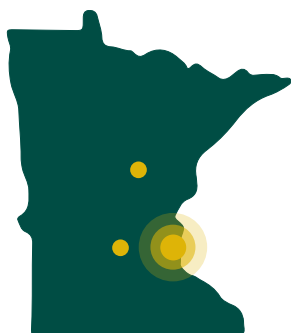
In fiscal 2023, Senior Housing Partners (SHP), the development arm of PHS, continued to expand the ministry of PHS through the development and acquisition of award-winning senior living campuses. In 2023, SHP opened:

- The Deerfield — Phase II (New Richmond, Wis.)
- HallMar Village (Cedar Rapids, Iowa)
- Marvella — Phase I (Saint Paul, Minn.)
- Mount Carmel Bluffs — Phase II (Dubuque, Iowa)
- Stair Crest (Muskego, Wis.)
- The Wellington (Saint Paul, Minn.) [Acquired]

SHP also develops communities for other faith-based nonprofits nationally.

Who We Are

Presbyterian Homes & Services (PHS), based in Saint Paul, Minn., is a nonprofit faith-based organization providing a broad array of housing choices, care and service options to older adults. Established in 1955, PHS has earned a reputation for innovation and integrity as it promotes independence, vitality and well-being among those it serves.



MINNESOTA – 47

Minneapolis-St. Paul Metro (45)
Hutchinson • Crosby



WISCONSIN – 8

Milwaukee Suburbs (6)
Hudson • New Richmond



IOWA – 6

Ankeny • Cedar Rapids • Clive
Council Bluffs • Dubuque • Williamsburg

Shine On at PHS

If you or someone you know would be interested in pursuing a career that positively impacts lives daily, visit our website at preshomes.org/careers or email phsrecruiter@preshomes.org.

From scholarships to tuition reimbursement programs to advancement openings, employment opportunities are bountiful at PHS. Employees are the most important resource in our ministry. Join us!



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