

Phyllis Atkinson  
 Scott Beeken  
 Ron Beshear  
 (Life Enriching Communities  
 Foundation Chair)  
 Jim Bowersox  
 Mike Brandy  
 Larry Brueshaber  
 Doug Burgess  
 Dick Davis  
 Sandra East  
 Robyn Hildal  
 (Twin Lakes Board Chair)  
 Leigh Fopma-Ismael  
 Tom Kahle  
 Mark Kuenning  
 Scott McQuinn  
 Don Miller  
 (Resident Representative for  
 Twin Towers)  
 Don Neyer  
 (Resident Representative for  
 Twin Lakes)  
 Ken Parchman  
 (Twin Towers Board Chair)  
 Rev. Greg Stover  
 (West OH Conference UMC  
 Representative)  
 Jack Wild  
 Jerry Wissel  
 (Life Enriching Communities  
 Board Chair)

## LEC EXECUTIVE TEAM

Scott McQuinn  
 President and CEO  
 Jim Bowersox  
 Vice President Finance and CFO  
 Diana Grover  
 Chief Compliance Officer  
 Vicki Hickman  
 Executive Director, Twin Towers  
 Connie Schmitt Kingsbury  
 Vice President Marketing and  
 Public Relations  
 Jim Mayer  
 Executive Director, Twin Lakes  
 Dan McManus  
 Executive Director, LEC  
 Foundation

# Life Enriching Communities

## 2019 ANNUAL REPORT

Although this is the annual report letter for 2019, it would seem remiss not to recognize the obvious challenging times we are currently living in with the global pandemic and the social unrest in our country. These challenges along with so many others also provide opportunities to make things better. Life Enriching Communities (LEC) embraces all of this as part of our Christian mission to enhance the lifestyles of older adults.

In 2019, LEC moved forward with the further enhancement of the Twin Lakes community by adding 22 villa homes as part of the North Campus. Further, the addition of memory care assisted living got underway. We made good progress towards one of our major objectives, if not the most important — retain the great associates we have at an even higher rate and identify new sources of talent, particularly in health care.

Over the past few years we have been able to leverage our infrastructure to support our ability to grow and serve more people. This was certainly evident in 2019 as we continued to develop our Continuing Care at Home program, Confident Living, through a different strategic marketing and sales approach. This program has grown to nearly 80 members and is an important part of the future. Further, we began the process of growing through affiliating with another community in Westlake, OH.

Once again in 2019, LEC's fiscal strength was recognized as our investment grade credit rating was affirmed by Fitch Ratings at 'BBB-' with a stable outlook. This commitment to strong financial stewardship allows LEC to thrive in both prosperous and difficult times.

Your collective support of LEC through your time, talent and treasure allows our larger community to thrive.

Your generosity means residents are supported at just the right time when they need it!

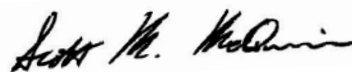
Your thoughtfulness means associates are supported in their ongoing development!

Your compassion means residents and associates are provided spiritual care at a time when they are likely most vulnerable!

Your kindness means the "little" things can be done to make life a little more enjoyable for all!

As we have said many times, we are committed to creating a sense of community for the people we serve. Much of this activity is nearly invisible, because it happens every day and is ingrained so deeply in who we are. As an organization, we strive today to establish resources that are more than equal to the needs in the future.

We are grateful for your support.



Scott M. McQuinn  
 President/CEO  
 Life Enriching Communities



## NEW VILLAS ADDED TO TWIN LAKES NORTH CAMPUS

The first phase of the Twin Lakes expansion was fully completed in late spring 2019 as residents moved into the final villas constructed on the North Campus. These spacious homes, ranging in size from 2,137 sq. ft. to 2,240 sq. ft., offer two bedrooms, a den, three-seasons rooms, two-car garages and full basements.

Accommodating a demand for this style of living, the homes were quickly reserved and fully occupied by the end of 2019. With the addition of these 22 villas, Twin Lakes now offers 283 accommodations for independent living lifestyles.

The expansion, which started in the fall of 2016, also included 45 new apartments, the Copperlight Café casual dining venue, The Shirley M. Davies Community Center and The Exchange at Twin Lakes, a retail center near the community's main entrance.



## ALWAYS STRIVING FOR EXCELLENCE

For the fifth consecutive year, Fitch Ratings has acknowledged the financial strength of Life Enriching Communities (LEC) with a 'BBB-' (stable outlook) investment grade credit rating. The long-term credit rating and underlying

rate (SPUR) applies to LEC's Ohio series 2012, 2016 and 2017A revenue bonds, which were issued by the Hamilton County Hospital Commission and Hamilton County.

LEC's commitment to providing quality services was recognized by the Centers for Medicare and Medicaid Services with an overall 5-star rating for Twin Lakes and a 4-star rating for Twin Towers skilled nursing services. The efforts to identify and implement strategies to maintain and improve resident safety and satisfaction generated these positive outcomes.

Resident satisfaction is a true indicator of the quality of services provided in a community. In 2019, 94% of Twin Towers residents and 97% of Twin Lakes residents indicated that they were likely or very likely to recommend their respective communities to a friend.

## CREATING SUSTAINABLE ACCESS TO HEALTHCARE TALENT

An organizational objective created in 2019 focused on establishing partnerships with local resources that would provide opportunities for student nurses to gain clinical experience on an LEC campus that could possibly lead to a future career.

A committee devoted time and energy to explore possible new relationships with local educational institutions to inform them of the variety of services offered through Life Enriching Communities (LEC) that could provide potential employment for their nursing students.

As a result of these efforts, new partnerships were created with ATA College, Christ College of Nursing, Butler Tech and Hondros College. "The partnership exposes leaders and learners to the impact they can make in the lives of seniors", says Lisa Zimmers, Administrator, Twin Lakes and committee leader. "Those who learn about caring for elders gain insight to careers they may never have known existed and communities beyond their imagination."

## CONFIDENT LIVING CREATES NEW STRATEGY FOR GROWTH

A new, focused approach to Confident Living, our Continuing Care at Home program, was developed in early 2019 to improve product accessibility and maximize cost efficiencies in growing the program. Using the Minimum Viable Product (MVP) concept from Lean Startup, the new strategy included expanding the Confident Living product offering and creating a more targeted marketing approach.

As part of the MVP strategy, the provider network for individuals who choose a Confident Living Premier plan (which includes financial assistance for assisted living and nursing care services) was expanded beyond the Twin Lakes and Twin Towers campuses to include providers affiliated with the Post Acute Care Network.

From a marketing perspective, the strategy included an intense effort to educate financial planners on the Confident Living product and the value it offers for their clients. Additionally, to capitalize on name recognition, the general marketing efforts were directed to areas closest to the Twin Lakes and Twin Towers campuses.

Overall, the MVP strategy was successful in reducing overall expenses while maintaining the new lead and member generation experienced in 2018.



## LIFE ENRICHING COMMUNITIES (LEC) EXPLORES AFFILIATION AS A GROWTH OPPORTUNITY

In August 2019, LEC began discussions with the Lutheran Home at Concord Reserve (Concord Reserve) located in Westlake, Ohio about a possible affiliation. LEC entered into a consulting agreement with Concord Reserve in early November and has provided support to Concord Reserve while continuing to pursue affiliation.

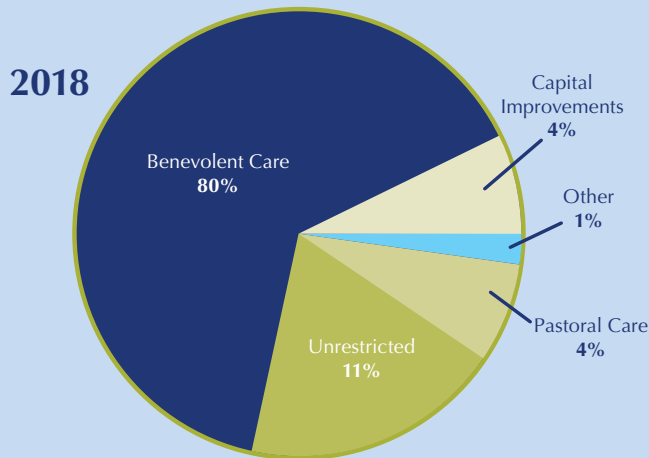
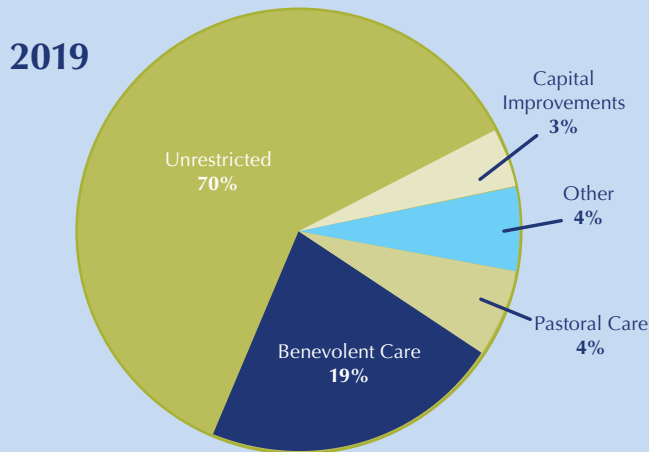
One of LEC's strategic initiatives for several years has been to pursue affiliations within the senior living sector. "The senior living landscape has seen and will continue to see significant consolidation," says Scott McQuinn, President & CEO of Life Enriching Communities. "We've explored many opportunities recently but none has fit quite as well as Concord Reserve."

Concord Reserve has an 88-year history of providing assisted living, memory care, rehabilitation and nursing care services in the city of Westlake. The campus recently added 80 new apartments for independent living lifestyles.

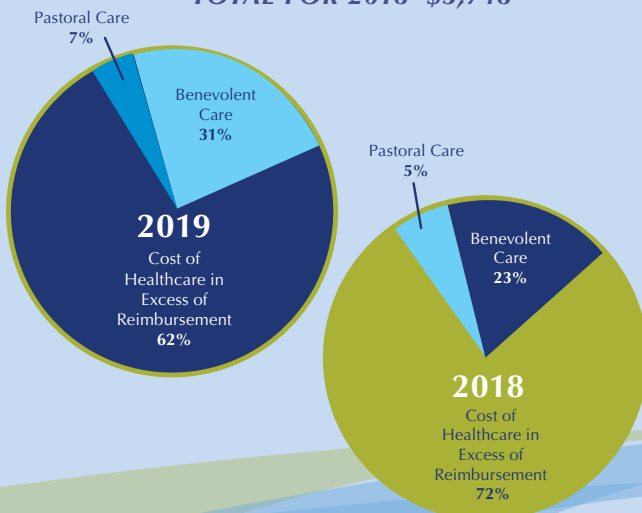
The affiliation is expected to be complete in the 3rd quarter of 2020.

## Financial Highlights for 2019

**DONATIONS BY PURPOSE**  
 TOTAL FOR 2019 \$1,125,000  
 TOTAL FOR 2018 \$2,303,000



**UNCOMPENSATED MINISTRY EXPENSE**  
 TOTAL FOR 2019 \$4,651  
 TOTAL FOR 2018 \$5,748



**2019 & 2018 OPERATING EXPENSE BY CLASSIFICATION (000's)**

2019	2018	
\$51,914	\$50,649	Program Activities
8,449	7,651	Non-Program Support
520	522	Fundraising
\$60,883	\$58,822	Total Expenses
13.9%	13.0%	General & Administrative Expenses as % of Total Expenses

**TOTAL RESIDENTS AND COMMUNITY MEMBERS SERVED AT TWIN TOWERS, TWIN LAKES IN 2019**

2019	Twin Lakes	Twin Towers	Confident Living	Totals
Independent Living	398	293		691
Assisted Living	35	133		168
Nursing Care	168	332		500
Connection	50	317		367
Confident Living Members			74	74
Totals	651	1,075	74	1,800

# Condensed Consolidated Financial Statements

For the Years Ending December 31 (in thousands of dollars)

## BALANCE SHEET

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
Current Assets	\$ 21,838	\$ 21,094
Investments	112,657	87,780
Investments Whose Use is Limited by Bond Indenture	27,365	34,341
Property and Equipment (Net)	199,431	199,501
Other Long Term Assets	3,949	2,839
<b>Total Assets</b>	<b>365,240</b>	<b>345,555</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities	\$26,964	\$25,601
Long Term Refundable Entrance Fees	95,569	85,172
Long Term Debt	190,447	193,579
Other Liabilities	2,242	1,408
<b>Total Liabilities</b>	<b>315,222</b>	<b>305,760</b>
Unrestricted Net Assets	38,373	28,914
Donor Restricted Net Assets	11,645	10,881
<b>Total Net Assets</b>	<b>50,018</b>	<b>39,795</b>
<b>Total Liabilities and Net Assets</b>	<b>\$365,240</b>	<b>\$345,555</b>

## CONDENSED STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN NET ASSETS

For the Twelve Months Ending December 31 (in thousands of dollars)

<b>REVENUE AND SUPPORT</b>	<b>2019</b>	<b>2018</b>
Net Resident Revenue	\$49,137	\$45,799
Amortization of Refundable Entrance Fees	3,759	3,807
Interest and Dividend Income	3,006	2,378
Unrestricted Contributions	784	245
Other Revenue	1,724	1,115
<b>Net Resident Services Revenue and Support</b>	<b>58,410</b>	<b>53,344</b>
<b>EXPENSES</b>		
Salary, Wages, Benefits and Contract Services	29,357	28,890
General and Administrative	3,567	3,451
Food, Supplies and Other Expense	4,531	4,724
Utilities, Insurance and Real Estate Taxes	5,801	5,398
Depreciation and Amortization	9,890	9,240
Interest	7,737	7,118
<b>Total Operating Expenses</b>	<b>60,883</b>	<b>58,821</b>
<b>Excess of Revenue Under Expenses</b>	<b>(2,473)</b>	<b>( 5,477)</b>
Realized and Unrealized Gains (Losses) on Investments	10,861	(5,954)
Interest, Dividends and Gains (Losses) From Endowments	1,363	(716)
Other Non-Operating Gains (Losses)	131	(74)
Donor Restricted Contributions	341	2,057
<b>Total Non-operating Income (Expense)/Income</b>	<b>12,696</b>	<b>(4,687)</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$10,223</b>	<b>(\$10,164)</b>