

# 2009 Financial Report

**TACOMA LUTHERAN RETIREMENT COMMUNITY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
 December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 3,755,878	\$ 3,816,125
Patient accounts receivable, net of allowance for doubtful accounts of \$35,000 in 2009 and 2008	1,427,565	1,494,384
Other accounts receivable	11,628	11,561
Supplies inventory	39,390	42,643
Prepaid expenses	<u>87,133</u>	<u>387,993</u>
	5,321,594	5,752,706
<b>INVESTMENTS</b>		
Cash and marketable securities - endowment	3,081,894	2,214,875
Cash and marketable securities - annuities	1,062,607	910,448
Real estate held for investment	<u>51,375</u>	<u>501,375</u>
	4,195,876	3,626,698
<b>LAND, BUILDINGS AND EQUIPMENT</b>		
Land	1,033,757	1,033,757
Land improvements	641,048	597,775
Buildings	21,424,337	19,059,241
Equipment	<u>2,599,835</u>	<u>2,888,242</u>
	25,698,977	23,579,015
Less accumulated depreciation	<u>15,134,199</u>	<u>15,620,104</u>
	10,564,778	7,958,911
Construction in progress	<u>2,222,931</u>	<u>583,079</u>
	12,787,709	8,541,990
<b>OTHER ASSETS</b>		
Patient trust funds	17,110	16,934
Bond reimbursement fund	222,791	207,879
Debt issuance costs, net of accumulated amortization of \$209,240 in 2009 and \$186,152 in 2008	158,657	168,195
Other	<u>50,583</u>	<u>34,375</u>
	<u>449,141</u>	<u>427,383</u>
	\$ <u>22,754,320</u>	\$ <u>18,348,777</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Trade accounts payable	\$ 708,601	\$ 347,520
Accrued expenses	594,711	495,001
Current portion of long-term debt	<u>983,768</u>	<u>301,535</u>
	2,287,080	1,144,056
<b>OTHER LIABILITIES</b>		
Deposits from prospective residents	81,000	92,000
Deposits held in custody for others	<u>17,110</u>	<u>16,934</u>
	98,110	108,934
<b>LONG-TERM DEBT</b> , less portion due within one year classified as a current liability	9,950,000	6,732,951
<b>DEFERRED ENTRANCE FEES</b>	3,712,231	4,135,924
<b>ANNUITIES PAYABLE</b>	464,936	504,212
<b>LIABILITY UNDER LIFE ESTATE OBLIGATION</b>		<u>62,891</u>
	<u>16,512,357</u>	<u>12,688,968</u>
<b>NET ASSETS</b>		
Unrestricted	1,884,542	1,980,368
Unrestricted - board designated	3,252,335	2,975,312
Temporarily restricted	165,132	284,608
Permanently restricted	<u>939,954</u>	<u>419,521</u>
	6,241,963	5,659,809
	\$ <u>22,754,320</u>	\$ <u>18,348,777</u>

CONSOLIDATED STATEMENTS OF UNRESTRICTED REVENUES, EXPENSES  
AND OTHER CHANGES IN UNRESTRICTED NET ASSETS  
Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b>UNRESTRICTED REVENUES AND GAINS</b>		
Patient care and resident services income	\$ 16,923,496	\$ 16,042,789
Less contractual allowance and provision for bad debts	<u>2,643,985</u>	<u>2,309,168</u>
	14,279,511	13,733,621
Apartment income, including amortization fees of \$62,893 in 2009 and \$120,084 in 2008	820,897	828,055
Sixplex income, including amortization fees of \$574,502 in 2009 and \$562,261 in 2008	1,179,487	1,133,053
Assisted living units income	1,489,719	1,496,683
Contributions	52,346	79,779
Net investment income	108,480	162,044
Net realized and unrealized gains and losses on investments	160,806	(884,290)
Change in split interest agreement	(11,197)	(19,400)
Net loss on disposal of equipment	(38,159)	(11,885)
Other	224,684	301,901
Net assets released from restrictions	<u>285,633</u>	<u>186,663</u>
	18,552,207	17,006,224
<b>EXPENSES</b>		
Patient care and ancillary services	9,851,514	9,488,120
Admissions	216,060	185,723
Dietary	1,660,646	1,641,029
Activities, volunteer and social services	639,121	596,480
Housekeeping	663,364	651,084
Laundry	238,760	217,594
Chaplaincy	108,473	107,243
Development	255,850	208,490
Building operations and maintenance	1,741,943	1,693,282
Administration	1,413,654	1,361,856
Interest	507,268	475,365
Depreciation and amortization	<u>1,074,357</u>	<u>995,039</u>
	18,371,010	17,621,305
<b>Increase (Decrease) in Unrestricted Net Assets</b>	\$ <u>181,197</u>	\$ <u>(615,081)</u>
<b>UNRESTRICTED NET ASSETS</b>		
Total unrestricted revenue and gains	\$ 18,552,207	\$ 17,006,224
Total unrestricted expenses	<u>(18,371,010)</u>	<u>(17,621,305)</u>
<b>Increase (Decrease) in Unrestricted Net Assets</b>	181,197	(615,081)
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions	166,157	248,885
Net assets released from restrictions	<u>(285,633)</u>	<u>(186,663)</u>
<b>Increase (Decrease) in Temporarily Restricted Net Assets</b>	(119,476)	62,222
<b>PERMANENTLY RESTRICTED NET ASSETS</b>		
Contributions	457,542	395,519
Change in split interest	<u>62,891</u>	<u>        </u>
<b>Increase in Permanently Restricted Net Assets</b>	<u>520,433</u>	<u>395,519</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	582,154	(157,340)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>5,659,809</u>	<u>5,817,149</u>
<b>Net Assets at End of Year</b>	\$ <u>6,241,963</u>	\$ <u>5,659,809</u>

UNAUDITED

Auditor's report provided upon request

NOTE: Although the Tacoma Lutheran Home Foundation's assets are segregated from those of Tacoma Lutheran Retirement Community, they are combined for reporting purposes. Lenders view both entities as one, with assets of the Foundation included in calculations that were developed for monitoring the financial performance of the Tacoma Lutheran Retirement Community.