

CBA Annual Report 2016

Unprecedented outcomes...unparalleled service...unending love!

Be devoted to one another in love. Honor one another above yourselves.

Romans 12:10



The Caring Retirement Community For All Lifestages

Directors

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(DBA: The Christian Village Communities)

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**Cover page photo: Mandy Stone, CVMH LPN with Carol Fairchild, CVMH Resident*

R. Mick McLaughlin, CBA Chair



Dear Friends,

2016 was a very special year for Christian Village Communities. As you will see from our financial reports, God again blessed us with strong operating results. We strive to be good stewards of what we have been entrusted with. Those resources enabled us to deliver quality services to our residents and patients and to continue to reinvest back into the facilities on both of our campuses.

For 2016, The Christian Village at Mason and The Christian Village at Mt. Healthy continued to be 5-Star rated by the Centers for Medicare & Medicaid Services, and are an integral part of the communities where they are located. We were able to expand our ministry at both campuses in 2016 with our new post-acute rehab healthcare centers (Grace Center at Mason and Faith Center at Mt. Healthy). These healthcare centers have enabled us to serve a new population and to expose them to the outstanding, nurturing care provided at our communities.

In this report you will read about and see some examples of the exceptional service and care that is provided by our dedicated staff. Service From the Heart is more than a slogan on our campuses, and it can be seen in the service and attitude of our staff in their care of residents and patients. We are truly blessed with a terrific team of talented employees. CVC is an industry leader in several areas of quality measurement and is committed to achieving consistent positive results.

We continue to execute the priorities of our Strategic Plan and are committed to continuing to deliver a superior experience for our residents and patients. Navigating in an evolving marketplace, where environmental trends are reshaping the industry, continues to be a challenge.

While there is no shortage to the challenges Senior Living providers are facing, we are encouraged about the future, and the opportunities for growing and expanding services in 2017. We are committed to continuing to strengthen our financial and operating base, while at the same time, exploring our options for new or expanded services. God continues to bless and use this ministry to bring honor and glory to His name.

A special thank you to all who partner with us as donors, prayer warriors, volunteers and encouragers. You are very important to this special ministry. On behalf of our Board, I thank you for your continued support.

Yours in Him,

A handwritten signature in black ink that reads "R. Mick McLaughlin". The signature is written in a cursive, flowing style.

Chair of the Board





“Service to our residents, patients and their families, and service to one another as members of the CVC internal team is the primary focus of our ministry, and doing it in ways that reflect the love of Christ is our commitment and mission. Many tell us that they ‘feel’ this the minute they walk into our communities for the first time. It’s often described as ‘something different’ and almost always translates into a feeling of reassurance that being cared for in one of our communities is the very best place someone could possibly be.”

- Larry Monroe, CEO

Larry Monroe, President, CEO



Dear Friends,

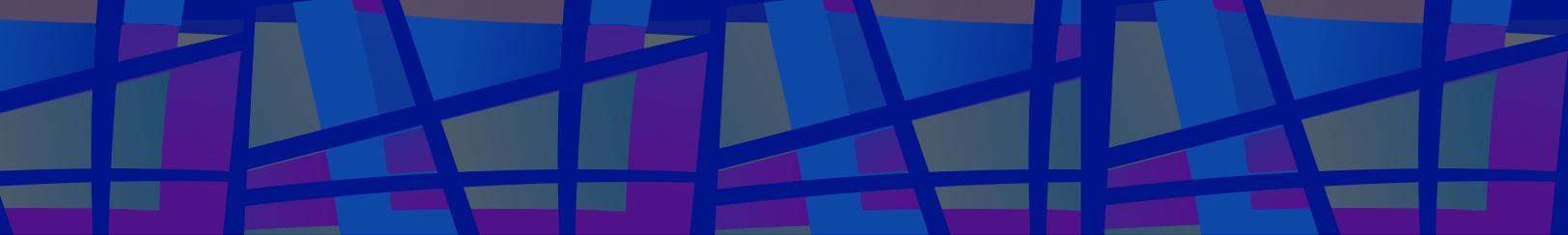
Christian Village Communities continue to excel operationally, as well as in the area of ministry expansion. We are producing outcomes that are achieving the budgeted positive net assets needed for fiscal strength and stability, thus providing the capital so important for investments back into our communities.

In 2016 CVC continued to maintain our position as an industry leader in numerous areas of quality measurement, at a time when so many other organizations in our industry are finding it increasingly difficult to achieve consistent positive results.

Both The Christian Village at Mason and The Christian Village at Mt. Healthy remained 5-Star rated by the Centers for Medicare & Medicaid Services. Both made the list of U.S. News & World Report's Best Nursing Homes for 2016-2017, a distinction earned by fewer than 13% of nursing homes in the United States! Christian Village Communities was voted best nursing facility in north Cincinnati for the fourth consecutive year, and for the first time, we were honored with the designation, "Top 100 Workplace," something I believe is particularly significant because this honor is determined solely through employee job satisfaction surveys.

As proud as I am of these accomplishments, I am particularly gratified by the fact that we experienced ministry expansion in 2016. Both of our new post-acute rehab healthcare centers (Grace Center at Mason and Faith Center at Mt. Healthy) served a population previously underserved by CVC, and we were pleased to see a number of the short-term patients cared for in both of these Centers transition at discharge to become full-time residents in our communities. This is a direct result of the exceptional care they received during their short-term rehab stays with us, and the positive impressions our staff and beautiful facilities made on them and their families.

Providing excellent, Christian care and retirement living has been at the heart and soul of everything we do for over 50 years, and in 2016 we put a name on that longstanding tradition: Service From the Heart. Service From the Heart is a system-wide, multidimensional customer service program that brings enhanced focus on what I believe is a key competitive differentiator for our communities. It's best described in this compelling testimony from the daughter of one of our past residents:



“My mother was showered with love every day she lived in your community. Your nurses and nurse’s assistants hugged and kissed on her, and seemed to know just when I needed that extra hug too. Even your housekeeping and maintenance staff serve with sincerity and compassion. I felt informed at all times, which was so important to me. As it became very apparent that mom’s time on this earth was coming to an end and our bedside vigilance increased, your dining services staff met our every need, bringing food, snacks and beverages to the room so that we could be refreshed, strengthened and remain focused on mother and her needs. I’m so grateful that there is a Christian place like yours where the staff truly cares about the residents and their families, and where the love of God shines through. Thank you!”

Service to our residents, patients and their families, and service to one another as members of the CVC internal team is the primary focus of our ministry, and doing it in ways that reflect the love of Christ is our commitment and mission. Many tell us that they “feel” this the minute they walk into our communities for the first time. It’s often described as “something different” and almost always translates into a feeling of reassurance that being cared for in one of our communities is the very best place someone could possibly be.

The photos you see in this Annual Report are of our own staff and residents, which are the heartbeat of our ministry. I want to recognize and thank our amazing team. Every position in our organization, from the nurses to the housekeepers, and from the maintenance workers to the Executive Directors work together to deliver on our promise of excellence in Christian senior living and healthcare. I’m exceedingly proud of them, and it’s my privilege to serve along side them.

To our friends who share in this ministry through their prayerful and financial support, I hope that you are encouraged and inspired by what you see and read in this report. Because so much of what is contained in Annual Reports has to do with financial data, I pray that as you look at our bottom line you will see a ministry that is well managed and demonstrating sustainability and longevity, for without both there can be no ministry at all.

“As proud as I am of these accomplishments, I am particularly gratified by the fact that we experienced ministry expansion in 2016.”

- Larry Monroe

Vickie Brashear, CFO



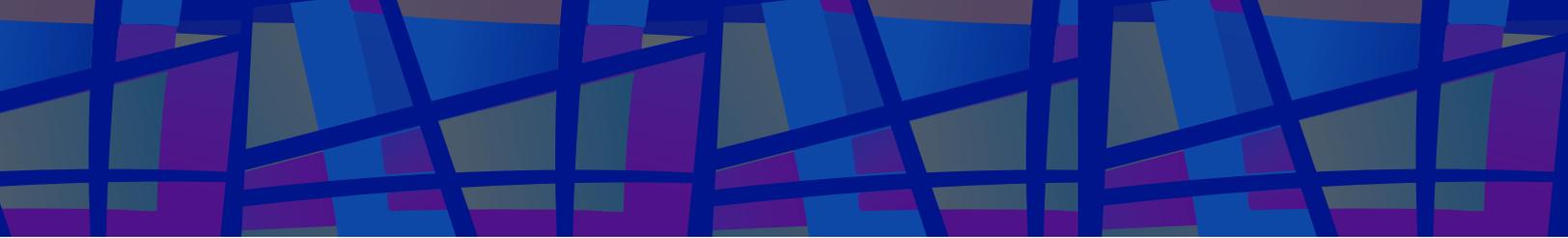
Momentum, which was the theme of our 2014 annual report, continues to be building through 2016 at Christian Village Communities. During 2016 Christian Village Communities saw census grow to full capacity in both the new Grace Center at The Christian Village at Mason and the new Faith Center at The Christian Village at Mt. Healthy. Total consolidated revenue grew over 3 million in 2016. We achieved an increase in net assets of over 2.5 million and an increase in cash on hand of over 2.5 million. Yes, indeed momentum has continued at full force at the Christian Village Communities.

The financial momentum has been phenomenal and we have worked very hard as an organization to exceed our budgeted goals. However, the primary purpose of our financial goals is so that we can carry out our mission to guide older adults to joyful and purposeful life experiences in a faith-filled community. Care is at the heart and soul of everything we do. We are devoted to maintaining the highest standards of expertise and service in health and wellness. We are committed to serving each person as though they were our own family with love, compassion and excellence.

In 2016 The Christian Village at Mt. Healthy celebrated 50 years of service while The Christian Village at Mason has enjoyed over 30 years of service. After so many years of service, the excitement to move forward and expand for the benefit of the beloved residents is still a fire burning brightly in our hearts. We are grateful to so many wonderful people who have caught the vision with us and become passionate advocates for both the cherished residents and the amazing team members who transform their lives.

A new Opening Minds through Art program was introduced at both communities in 2016. This program enables high school students and residents to connect in a way that one can only imagine. I had the opportunity to hear a local high school counselor discuss how this program has affected many of her students in very positive and powerful ways. I also heard one of our team members share about residents, who prior to participating in the program were not able to connect in any meaningful way, are now showing signs of enhanced cognition and awareness. There are many other programs that we provide that enhance the lives of our residents. That is the mission that God has given to all of us.

Going into 2017 the momentum continues for Christian Village Communities, both financially and in the service that we provide. We are striving for excellence in everything that we do, to accomplish the goals and ministry objectives outlined in our strategic plan. As long as we continue to do God's Will, I am confident that He will continue to bless us.





CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>12/31/2016</u>	<u>12/31/2015</u>
Assets		
Cash and cash equivalents	9,506,780	7,153,025
Investments	825,475	761,541
Resident accounts receivable	1,710,700	1,226,327
Life endowment receivable	1,462,613	1,805,541
Prepaid and other assets	650,934	644,588
Deposits	3,314,035	4,057,373
Property and equipment - Net	31,541,850	31,032,086
Operating rights	<u>330,000</u>	<u>330,000</u>
Total assets	<u>49,342,387</u>	<u>47,010,481</u>
<u>Liabilities and Net Assets (Deficiency In Net Assets)</u>		
Liabilities		
Accounts payable	1,642,822	2,426,060
Accrued expenses	1,202,938	1,019,313
Refundable deposits	628,715	619,162
Gift annuities	25,484	29,294
Refundable life endowment deposits	13,121,346	11,577,423
Deferred revenue from life endowment deposits	11,255,238	11,741,905
Notes and bonds payable	<u>25,200,193</u>	<u>26,030,814</u>
Total liabilities	53,076,736	53,443,971
<u>Net Assets (Deficiency in Net Assets)</u>		
Unrestricted	(3,929,136)	(6,627,460)
Temporarily restricted	<u>194,787</u>	<u>193,970</u>
Total deficiency in net assets	<u>(3,734,349)</u>	<u>(6,433,490)</u>
Total liabilities and deficiency in net assets	<u>49,342,387</u>	<u>47,010,481</u>

CONSOLIDATED STATEMENT OF ACTIVITIES

	<u>12/31/2016</u>	<u>12/31/2015</u>
<u>Unrestricted Revenue and Gains</u>		
Independent living	4,202,597	4,133,821
Health center	16,292,686	13,213,153
Assisted living	4,901,129	4,941,807
Maintenance fees	2,509,649	2,387,881
Amortization of life endowment deposits	1,220,755	1,328,806
Contributions	364,427	115,529
Investment income	92,123	31,004
Other fees and income	562,635	439,090
Net assets released from restrictions used in operations	<u>188,743</u>	<u>141,072</u>
Total unrestricted revenue and gains	30,334,744	26,732,163
<u>Expenses</u>		
Resident services	704,547	603,982
Health center & assisted living	12,577,821	10,495,627
Food and beverage services	2,846,582	2,820,817
Environmental services	830,401	810,704
Plant	3,215,300	3,077,735
General and administrative	3,831,405	3,711,241
Depreciation and amortization	2,453,683	2,109,779
Interest	<u>1,176,681</u>	<u>1,060,586</u>
Total expenses	<u>27,636,420</u>	<u>24,690,471</u>
Operating Income	2,698,324	2,041,692
Excess of Revenue Over Expenses	\$2,698,324	\$2,041,692
Net Assets Released from Restriction for Capital Purchases	_____	<u>\$291,823</u>
Increase in Unrestricted Net Assets	\$2,698,324	\$2,333,515
Net Change in Temporarily Restricted Activities	817	<u>(120,878)</u>
Total Activities	<u>\$2,699,141</u>	<u>\$2,212,637</u>

The preceding financial information was summarized from the consolidated financial statements of The Christian Benevolent Association of Greater Cincinnati, Inc. and Related Entities for the years ended December 31, 2016 and 2015.



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Christian Village Communities Corporate Office

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Chief Financial Officer, Vickie Brashear

Vice President, Business Development, Lizz Stephens

Vice President, Health Services, Lisa Cecil

Vice President, Human Resources, Donna Clifford

Executive Assistant, Terri Burkhardt

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