


Presentation to Residents

STATE OF THE ORGANIZATION



front porch

Financial Summary

Year Ended March 31, 2014

Front Porch
Summarized Income Statement
(Audited)

\$'s in Thousands

	Year Ended	
	3/31/2014	3/31/2013
		Restated
Revenues		
Service Revenue	\$ 176,312	\$ 170,430
Net Assets Released for Operations	678	630
Total Revenues	<u>176,990</u>	<u>171,060</u>
Expenses		
Operating Expenses	138,806	133,642
Depreciation & Amortization	23,056	21,783
Interest	11,435	11,972
Total Expenses	<u>173,297</u>	<u>167,397</u>
Operating Gain Before Other Operating Charges	3,693	3,663
Other Operating Charges		
Asset Impairment - Wesley Palms Redevelopment	-	(2,968)
Operating Gain	<u>3,693</u>	<u>695</u>
Non-Operating Items		
Investment Return	15,098	15,098
Loss on Extinguishment of Debt	(1,294)	(425)
Total Nonoperating Revenue, Net	<u>13,804</u>	<u>14,673</u>
Excess of Revenue Over Expense	<u>17,497</u>	<u>15,368</u>
Gain (Loss) from Discontinued Operations	9,240	(2)
Net Assets Released for Capital Expenditures	634	1,708
Increase in Unrestricted Net Assets	<u>\$ 27,371</u>	<u>\$ 17,074</u>

Events affecting 2014 financial results

- Higher revenues in all levels of care
- Continued fill-up of Walnut Village
- Continued effectiveness in managing costs
- Partial refinancing of 1999 COP's with lower-rate HUD-insured debt
- Workers' compensation rate increase
- Realized and unrealized gains on investment portfolio

Front Porch
Summarized Balance Sheet
(Audited)

\$'s in Thousands

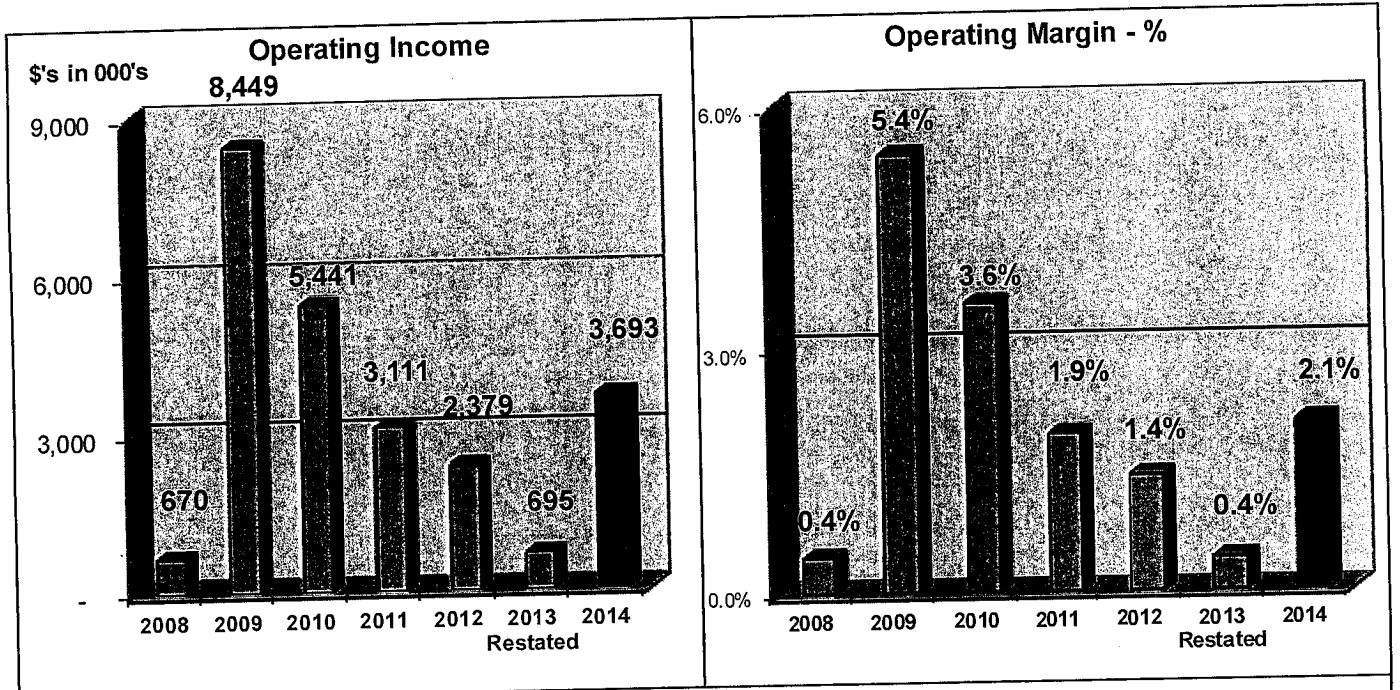
	As Of	
	3/31/2014	3/31/2013
		Restated
Assets		
Cash	\$ 20,645	\$ 20,287
Accounts Receivable (From Residents)	8,313	8,431
Due From Foundations	21,983	20,314
Investments	211,457	169,538
Restricted Investments & Other Assets	51,889	67,001
Communities & Facilities	294,120	286,144
Total Assets	<u>\$ 608,407</u>	<u>\$ 571,715</u>
Liabilities & Fund Balance		
Accounts Payable (Vendors)	\$ 7,504	\$ 6,084
Other Payables (Employees, Interest, etc.)	20,538	22,571
Deferred Revenue from Accommodation Fees	90,759	80,787
Long Term Debt	263,003	264,931
Other Liabilities	35,429	35,110
Fund Balance - Unrestricted	169,866	142,495
- Restricted	21,308	19,737
Total Liabilities & Fund Balance	<u>\$ 608,407</u>	<u>\$ 571,715</u>

Front Porch

Key Strategies for the Future

- 1) Continue to generate an operating surplus (exclusive of redevelopments) without consideration of investment and gift income.**
- 2) Continue to invest in capital improvements at a level that at least covers annual depreciation expense.**
- 3) Continue to find creative ways to grow and to build the financial strength of the company.**
- 4) Manage the replacement of outdated assets.**
- 5) Effectively manage tax-exempt/charitable status of the company in an increasingly “anti-not-for-profit” environment by governments seeking revenue sources.**

Financial Trends



Days Cash on Hand

