



Scotiabank

the
**PASSIONATE
PURSUIT**
OF AN **ACTIVE**
RETIREMENT





A LETTER FROM OUR CEO

Kicking off 2019 with an evaluation of our campus for potential growth set the tone for a year of discovery and anticipation of good things to come; renovations, plans for expansion,

consistent and long-standing success in our health care departments, creation of the long-awaited charitable foundation, and awe-inspiring generosity came together to exceed expectations and inspire excitement for the future.

As we considered plans for future growth and enhancements, Retirement Dynamics, a research and marketing consulting firm, assisted us by conducting consumer focus groups with more than 300 current and future residents. They also collected data from over 350 written surveys, offering valuable insight for future planning. With the help of that insight, our campus development team worked intensively with our architects, Thompson Hancock and Witte, to create concepts for future growth. These concepts include significant refurbishments, enhancements, and additions to our current amenity base. With a staff of over 30 professionals, solely dedicated to planning and developing senior living communities, THW has guided our community through two major campus repositionings and has been instrumental in creating the great community we all enjoy.

In November, we presented the most recent

conceptual plans to our community with resoundingly positive responses overall. Our goal remains constant: Continue as a vibrant community, providing high quality services and state-of-the-art amenities. The plans we are developing should place us in a very favorable market position for future generations of residents and employees, not to mention the benefits our current community will enjoy. Stay tuned for more information regarding our plans for growth.

This spring, our staff was awarded a deficiency-free survey resulting in a Medicare 5 star rating. This is an amazing four-year run, not having been

“The plans we are developing should place us in a very favorable market position for future generations of residents and employees...”

cited with a single deficiency during our annual unannounced surveys. This achievement is virtually unheard of in long term care settings. Our dedicated and compassionate staff is always prepared for the challenge of being evaluated, providing consistently great care and service every day.

Our Board of Directors has been analyzing the benefits of establishing a separate charitable foundation, and voted to move forward with those plans. We've been blessed over the years to receive several large estate gifts and the community has clearly cultivated a culture of generosity. The Deerfield Charitable Foundation will provide

increased transparency and clear communications in the areas of philanthropy and outreach in our community. To date we have completed critical groundwork for the Foundation to thrive in the years ahead. The Foundation has its own dedicated Board of Directors whose sole purpose is to focus on the charitable work of the Deerfield community.

Our staff and leadership team are continuously looking for ways to better serve our residents and support our employees. The Marketing team moved into their new suite of offices earlier this year and has enjoyed hosting future residents in their beautiful new space. We have been working on several long-term projects, including installation of campus wide Wi-Fi and renovations of our common spaces over the next three years. Resident and employee satisfaction surveys provide valuable feedback and help guide us in setting action plans and setting priorities for the leadership team in the new year. In short, all levels of living indicated an overall satisfaction in the top 10% of possible score outcomes.

At a time when employers struggle to find caring and competent employees, our residents demonstrate their gratitude and care for our dedicated staff in such tangible ways. Again this year our residents organized the Employee Appreciation fundraiser, presenting gifts to our staff totaling over \$360,000. As we close out the year I am so thankful to be part of such a special community. While I absolutely love living in Western North Carolina, I count the relationships that we have fostered at Deerfield among my most treasured gifts.

Robert F. Wernet, Jr.
President & CEO

BOARD of DIRECTORS



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Asheville, NC



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Associates
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Jack Ingersoll
Deerfield Resident



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Montreat College
Black Mountain, NC



Roba Whiteley
Health Care Access
Advocate
Asheville, NC



**The Rt. Reverend
José McLoughlin**
Permanent Seat
Bishop, The Episcopal
Diocese of WNC



Bill Clontz
President,
Deerfield Residents
Council



Bob Wernet
President & CEO,
Deerfield Episcopal
Retirement
Community

EX-OFFICIO MEMBERS

A LETTER FROM OUR BOARD CHAIR

In the first quarter of 2019 I moved into the Chairman's role of the Deerfield Board of Directors. For many years, I have always enjoyed visiting family and friends that reside at Deerfield. I feel fortunate to have this opportunity to work with Bob Wernet and his great management team, dedicated board members and our residents as we continually seek to improve upon the success that this community already enjoys today.

I want to recognize the hard work that our volunteer board members provided during 2019. Our board and its committees meet throughout the year with management, our outside auditors, investment advisors, legal counsel and many others to ask questions, listen, learn and provide advice for the betterment of the organization. The members of the board take seriously their oversight role to insure the resident experience remains very positive and our current strong financial position will continue to support our present and future residents.

The resident members that sit on our board provide a vital perspective and link to what is important to our community. I want to thank John Gregg for his year of service as president of the Residents Council and as a voting member of the board of directors. I would also like to recognize the current Residents Council president and voting board member, Bill Clontz. His broad experience within the military and as an outside consultant provides another great resource to our group. His leadership of the Residents Council guiding residents that volunteer their time to this community is vital to our continued success.

We also welcomed Jack Ingersoll and Glenn Mayes to the board in 2019. Jack is a resident that has been active at Deerfield for the past 10 years, while Glenn is retired from his role as CFO of Asheville School (and also a former Deerfield Board member). In addition to their board service, they both sit on the Finance Committee. Each bring diverse skill sets that help us work towards our goals.

“The members of the board take seriously their oversight role to insure the resident experience remains very positive and our current strong financial position will continue...”

I sadly recognize the passing of an outstanding man and former board member, Walter McConnell. His sage advice on investments and a multitude of other topics was invaluable to our board. Beyond his great business acumen he had a humor and common sense that was most important as we debated on various topics.

Finally, I want to recognize Chris Dismukes for her outstanding service as our board chair for the past three years. There is no other way to describe Chris than passionate about Deerfield. She has seen first-hand through her parents' experiences what an outstanding organization we serve. We are so excited to keep her involved as the first Chair of the Deerfield Charitable Foundation. She is the perfect fit to lead this organization to growth in service.

The board is excited with the progress that Chris and Michelle Wooley, Director of Philanthropy, have made to date with the Foundation. There is a significant amount of work that needs to be accomplished to properly form a foundation (i.e., legal, regulatory, accounting, by-laws, board formation, policies, etc.) and I want to specifically thank Michelle and Robert Chandler for their efforts. I look forward to how the Foundation will continue to evolve and develop in the coming year.

Our board recently listened with our residents to the presentation by Bob Wernet, Matt Sharp and THW Design as our organization considers master planning options for our campus. I know that Bob and his team have spent a significant amount of time working on an expansion that would be “comfortable” and the proper fit for our community. The concepts that we consider will ultimately need to be a “win-win” for both our significant waiting list and current residents. Much work needs to be done and the Board appreciates all the voices that are and will be involved.

I look forward to what lies ahead in 2020 and hope it is a great year for all!

Jeff Covington

Chair, Deerfield Board of Directors



RESIDENTS COUNCIL REPORT

To say that residents of Deerfield consider ourselves fortunate would be an understatement. There are obvious reasons for this – the Deerfield leadership, high quality and dedicated staff, great facilities, and grounds. Resident surveys and outside evaluations remind us year after year what a remarkable community this is. Resident surveys, expert analysis, regulatory inspections – all attest to Deerfield’s quality of life and soundness.



Deerfield Residents Council

Back row: Don Brannon, Laurel Radley, Bill Clontz, Jim Graves, Dave Stewart *Front row:* Nancy McCarthy, Lin Brown, Ladene Newton, Alice Youmans, Marilyn Hubbard

An important part of the Deerfield story is the human interaction that makes this home for us all. The Residents Council is one important part of that story. The Council works closely with Deerfield’s senior leadership. We provide for resident engagement through the best possible communication among residents, staff, and leadership. All of us work to accomplish that goal.

Each standing committee of the Council, and many of the subordinate or ad hoc committees, have dedicated staff liaisons, working as a team. All meetings welcome residents to attend and to offer commentary. This is about community, not bureaucracy.

Here are a few of the tasks taken on by the Council and Committees over the past year:

- Building & Maintenance is coordinating resident input for the planned repositioning of Deerfield and has been helping carry out ongoing refurbishment programs.
- The Dining Committee has been supporting a Deerfield dining reinvention. New leadership is in every major dining position, new menus were setup in all dining venues, an environmentally conscious carry-out program was established, and processes were improved both in dining areas and in the kitchens.
- The Employee Appreciation Committee supports our Shining Star program, recognizing outstanding employees. Around 2,000 shiny stars come in annually. The committee also ran the most successful employee appreciation campaign in Deerfield history. \$364,700 was contributed by our generous residents, providing bonuses of up to \$1500 to fulltime employees.
- The Grounds and Landscaping Committee has fielded innumerable resident requests and suggestions about our beautiful grounds. They have begun work on a comprehensive policy to accept donations for the grounds.
- The Health and Wellness Committee is developing a holistic wellness concept that promises to enhance lives. This will be a model program.
- The Programs and Activities Committee provides dozens of live entertainments, educational opportunities, arts and crafts, and off-site events for our residents.

- The Welcome Committee has reinvented its processes, working to ensure new residents feel welcomed without being overwhelmed with the details of moving into a new life.

Residents direct over 30 resident led programs, bringing expertise and enthusiasm to more interests than one could imagine. Many ad hoc committees, such as the communications committee and the WiFi team, trail maintenance teams, garden plot, memorial gardens teams, and many others make good things happen. Many efforts are focused on “paying it forward,” supporting worthy causes off campus, with volunteers and financial contributions.

The Residents Council is a clearing house, sharing information throughout our community and staff. The Council also works in a “cabinet mode,” allowing us to work not just in our committees’ areas but to work together on ideas and solutions. We engage our fellow residents through the suggestions program (about 150-175 suggestions annually), hosting quarterly residents’ meetings, supporting the leadership’s monthly residents’ meetings, and being accessible to any and all residents.

Deerfield has come a long way; the founders would be amazed at Deerfield today. We are all committed to ensuring that Deerfield remains a great place to live, now and for future generations. A standing joke at Deerfield is that this feels like a cruise ship that never leaves the dock. Add to that a powerful sense of community, partnership with leaders, and opportunities for meaning and pleasure. Not a bad place to be, is it?

Bill Clontz

President

Deerfield Residents Council

MARKETING REPORT

2019 seemed to pass by in the blink of an eye yet looking back it was nothing less than an extraordinary year! We began the year deep in conversation about the future growth of this community. With the help of Retirement Dynamics, a research and marketing firm, we engaged with more than 650 residents and future residents through surveys and focus groups to gather vital input that will enable us to plan well for the future.



Deerfield Marketing Team

From left to right: Ryanne McKenzie, Kathy Foster, Debbie Wilbanks, Deborah Robinson, Dianne Mastandrea

The year also introduced a fresh new look - while residents participated on a committee to make decisions on refurbishments to common spaces throughout the campus, the marketing team assisted in the design of a new marketing space. Many minds were focused on what the future of Deerfield should look like. In July the marketing team

moved into a space that looks out on a beautifully designed courtyard complete with a water feature. The light-filled space is open and bright and can't help but inspire those of us who work in it as well as those who visit the meeting and design room.

“We welcomed 185 future residents to the wait list bringing us to a total of 1244 at the end of the year.”

One of our most important additions to the space was an addition to the team! Our new marketing assistant, Ryanne McKenzie, a graduate of UNC Asheville, joined us in October. In addition to her administrative support to the team, her warm and welcoming personality helps us maintain an important personal connection with our future residents and prospects.

In the midst of all the new projects taking place, the day-to-day responsibilities carried on. We welcomed 185 future residents (households) to the wait list bringing us to a total of 1244 (households) at the end of the year. Working together with our maintenance and housekeeping teams we coordinated the renovations and move-in process for 10 cottages and 30 apartment homes for 62 new residents. We extend a warm welcome to our new and future residents.

As the year drew to a close we gathered with friends for the Annual Eggnog party, where approximately 200 guests enjoyed amazing food, drink, and the soft jazz music of Joe Hasty and friends in the background. The mood was joyful and many new connections were made. It is a special occasion for us, one that allows us to set work aside and not only enjoy the company of future residents, but to celebrate our team and toast to the future of Deerfield. Cheers!

Kathy Foster

Director of Marketing



CHAPLAIN'S REPORT

I am extremely proud of our St. Giles Chapel Staff. Over the past year, we have continued to build an extraordinary team to serve the pastoral care needs of the entire Deerfield community, resident and staff together. It is now the largest and most skilled chapel staff in our history, allowing us to keep pace with the growth of Deerfield, even as we continue to offer the full complement of services: regular Sunday and Wednesday worship in both the Health Care Chapel and St. Giles Chapel, the emergency room



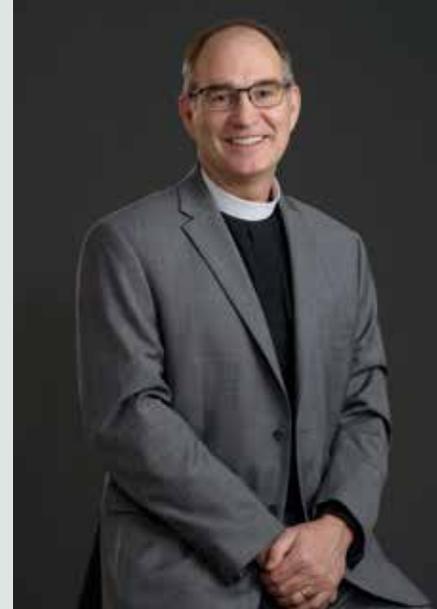
hospital visits and the pastoral counseling sessions, the memorial services and the management of the Memorial Garden, in addition to special musical events and educational presentations.

Just one of the highlights of the past year was the very special Christmas concert we held with the combined choirs of St. Giles Chapel and Givens Estates, the United Methodist Retirement Community just a couple miles down the road. The crowd was overflowing and following the vibrant,

hope-filled, concert we shared a lovely, festive, reception together. Attendance was outstanding throughout the holiday season, beginning with the Advent Lessons and Carols service, the special resident-led events such as the Christmas folk carol performance and the Advent Evensong services, and so much more. Many of these services and concerts had never been offered before, and we are already planning for next year.

We also know that the ministry of St. Giles isn't only about our needs. We are a completely self-supporting department within the larger Deerfield community, and through the generous contributions of hundreds of residents and staff, we were also able to assist these charitable efforts on the community's behalf:

- Eliada Home Christmas gifts for children
- La Capilla de Santa Maria (our sister-chapel in Hendersonville)
 - Christmas gifts for the children
 - College scholarships for three outstanding students
- Summer Camp Henry Scholarships for Deerfield Employee Children
- Special requests from Deerfield employees for



The Rev. Richard "Lin" Walton

- extraordinary medical needs
- Habitat for Humanity
- Meals on Wheels
- Church of the Advocate
- Manna Food Bank
- Asheville Buncombe County Christian Ministry (ABCCM)
- Haywood Christian Ministry
- The Interfaith Thanksgiving Service
- Tree of Life Synagogue

Victims of Terror Fund

- Episcopal Relief and Development in response to Hurricane Dorian
- ...and many more!

It is our privilege to serve the entire Deerfield community, and we are yours in faith, even as we lay the foundation for all those still to come.

The Rev. Richard "Lin" Walton

Director of Pastoral Care Services

Rev. Tonya D. Hill

Chaplain

Stuart Littleton

St. Giles Music Director

Rev. Robert Kintner

Wednesday and Memorial Service Organist

Ruth Butler, Sunday Lead Vocalist and Memorial Service Soloist

Michael Pane, Sunday Lead Vocalist

Ben Pick, Memorial Garden Horticulturalist

Charles Hickman, Sunday and Special Events Driver



Rev. Tonya D. Hill, Chaplain

PHILANTHROPY REPORT

The Philanthropy Department at Deerfield had an incredibly exciting year – with new beginnings and consistent generosity!

The Deerfield Charitable Foundation has launched and is currently working to engage residents and promote projects that will impact Asheville and Buncombe County. Our focus these first two years will be on affordable housing and how we might partner with the city, county, and local charitable

supplies, feminine hygiene products and lots of love to people in need. Residents, independent of my efforts, began spooling “plarn” (plastic yarn cut from plastic shopping bags) for supplying sleeping mats to the homeless, knitted hats and mittens for school children, built wooden cars for the Salvation Army to distribute, labeled thousands of bags for Rotarians Against Hunger, and passionately volunteered with countless charitable organizations.

We learned so much about local needs as we sponsored projects like the Food Pantry at Calvary Episcopal Church, Habitat’s research for a potential senior housing project, more resources for the homeless at Red Door/ Church of the Advocate, childhood literacy with Read to Succeed, advocacy and safe places for children with Mountain Childhood Advocacy, and justice for all with Pisgah Legal Services. The breadth and depth of residents’ interests and concerns are ever expanding and oftentimes I’m just along for the ride – looking for ways to learn and help.

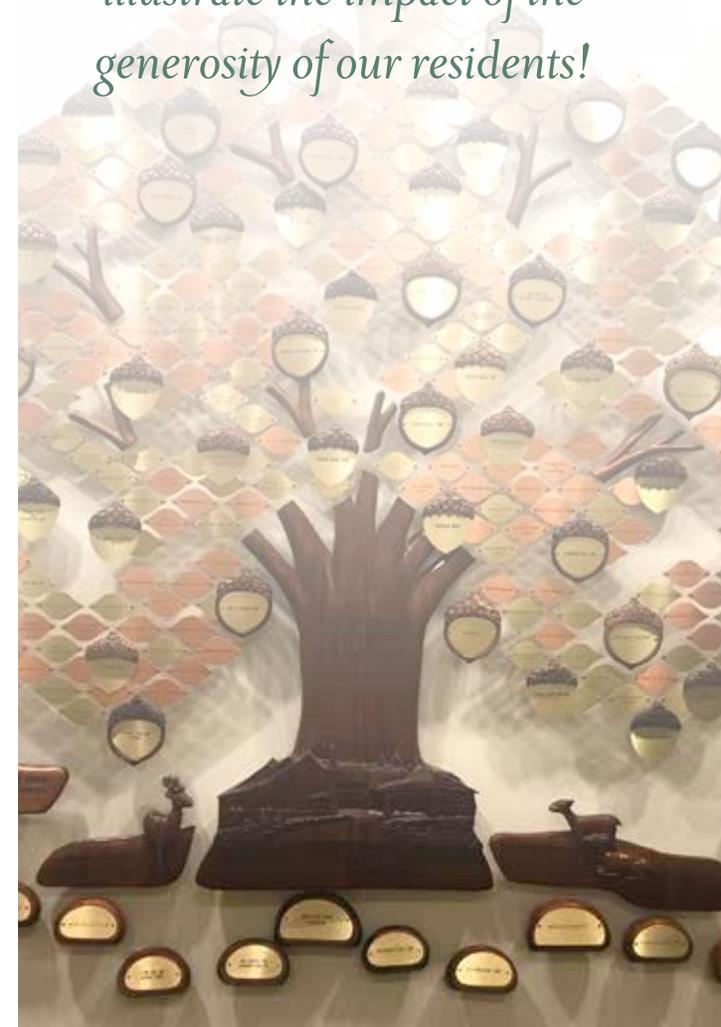
Michelle Wooley
Director of Philanthropy

organizations to make progress in this priority area. In addition, the Foundation will provide financial support for residents in need, educational scholarship grants for our employees, and innovations in health care that benefit both residents and employees in Assisted Living and Skilled Care.

Our traditions of partnering in practical ways with Meals on Wheels, United Way of Asheville and Buncombe County, and Project Dignity of WNC continued in 2019. We provided meals, school



The 2019 Annual Report on Philanthropy and Deerfield’s Charitable Foundation is now available. It’s packed with engaging stories and photos that illustrate the impact of the generosity of our residents!



CAMPUS-WIDE INITIATIVES MADE STRIDES IN 2019

A deficiency free medicare survey & CARF 5-year reaccreditation in 2019 brought many opportunities for staff and residents to work together on various initiatives: sustainability, technology, wellness, and more, all of which will lead us forward to a bright and exciting future.



Debra Campbell joined the senior management team as the Director of Operations. She is responsible for managing several departments which include Dining Services, Housekeeping, Resident Life, as well as managing contract services in exercise instruction, art, and salon and spa services.

Dining

Deerfield provides tools, resources and education to empower and encourage employees to excel in their work, and it is truly a success to see employees promoted within the community.

2019 was a year of big changes and promotions for the dining department. Adam Lamb was welcomed to the position of Director of Dining Services, and Randal Landrenau accepted a promotion to Executive Chef after he joined Deerfield in January to serve as Sous Chef.

Gail Hunter, our long-time Nutrition Services Manager, accepted a promotion to the Health Care Dining & Catering Manager position in October which involves an expanded role within the dining department and overall management responsibilities for both assisted living and skilled nursing dining.

Also in Health Care Dining, Tess Cochran, Lead Cook, was promoted to Sous Chef. The year came to a close with two additional promotions when two Lead Servers were promoted to Sr. Lead Servers: Raquel Blair and Tim Blair on December 31st.

Some of the new initiatives from the dining department with support from the Sustainability Committee include the replacement of Styrofoam and paper to-go containers with Green ToGo containers, which are reusable and help reduce waste.



New nutritional information was added to the menus so residents have the information they need to make healthy decisions.

Resident Life

When residents expressed interest in Pickleball early in 2019, an area on Salisbury Drive was identified as a suitable location for temporary Pickleball courts. Residents enjoy the use of those courts on the weekends when gates at that entrance are closed and there is no car traffic in that area.

In collaboration with the Resident Renovations Committee, the planning and approvals for installation of a campus wide Wi-Fi system were completed so that work could begin in 2020.



Interior Renovations

Resident Renovations Committee members Stevie Book, Anita Fletcher, Laurel Radley, Pat Collette, and Russell Newton, also worked on the Interior Renovations project. They were joined by Matt Sharpe, Executive Director, Dianne Mastandrea, Executive Assistant, and future resident Chris Dismukes as well as a



design team from THW Design of Atlanta to choose the design elements for full campus interior renovations. The scope of work includes paint, carpet, wall coverings, and lighting accessories. The work began in Timson Hall and the Simonds Health Care Center in the fall and will continue in other areas including the Community Center over the next few years.

Wellness Initiatives

The Health & Wellness committee members Dr. David Garver, Laurel Radley OT, and Prue Wilson, along with Director of Health & Wellness Brian King and Director of Operations Debra Campbell, worked diligently in 2019 on wellness

initiatives that included enhancements to the traditional Wellness Wheel to include components that were meaningful to residents of Deerfield. They will be looking beyond the typical fitness center and amenities that provide opportunities for healthy living to an all-encompassing and balanced approach to overall wellness. Dr. Garver presented the Mature Wellness initiative to a small group of residents and staff in November and the committee plans to roll out the program campus wide early in 2020.

“As part of our wellness initiative we joined ICAA – International Council on Active Aging. This is the clearing house for research and ‘think tanks’ on the topic of Active Aging and Wellness in Senior Living,” said Debra Campbell. “My colleagues Michelle Kievit and Julie Cooley and residents Laurel and Perrin Radley joined me at the ICAA conference in October 2019 in Orlando FL, to represent Deerfield. We are so excited to roll out some new wellness initiatives in 2020!”

Housekeeping

Housekeeping staff no longer work alone after a new initiative was implemented to assist with time management and lessen some of the wear and tear on the body. While the housekeepers concentrate on cleaning other areas of the home, iRobots do the vacuuming – even under the beds! This is another way Deerfield provides a supportive environment for employees.

Leading Age Recognizes Deerfield Employees



The Service Excellence

Award honors those in direct service, either as employees or volunteers, who demonstrate extraordinary talent, expertise, and dedication in provision of exceptional service to residents.

Two long-time Deerfield employees received the Service Excellence Award in 2019:

Elsin Mudong, CNA, has been providing exceptional care to residents in Simonds Health Care Center since 2004.

Dianne Mastandrea, Executive Assistant & Move-in Coordinator, has been supporting residents and staff at Deerfield for 20 years.

Congratulations to both of these outstanding, dedicated Deerfield employees!

Health Care

In addition to ongoing RN rotations from South College, BSN rotations from Western Carolina University, and CNA rotations from AB Technical Community College, we have developed relationships with Enka High School and T.C. Roberson High School with their CNA program instructors. These groups rotate in for visits, tours, and to see about applying when they complete their CNA programs.



OnSite is a Podiatry group that visits here quarterly and provides opportunity for podiatry care to residents who have interest in utilizing their services.

An on-site psychiatry program started under MAHEC a year ago and a transition to Advent Hospital is currently in process. We were guaranteed 4 hours/week to address non-billable meetings and trainings in addition to direct treatments.

Hospital outreach has increased which entails communications to build relationships and expand available services to our residents.

The Risk Management Committee hosted their 2nd Annual Life Safety Fair, offering opportunity for residents to interact with employees representing all departments on topics relating to safety and well-being. For many years previous, this annual event was presented in the form of a skit but the themed “fair” provides more opportunity for interaction and learning. The 2019 Life Safety Fair theme was Halloween and provided reminders about items to keep on hand for emergencies, evacuation procedures, the work order system, nursing emergency response, and more.



Beth Allen, owner of Successful Strides Inc. in Morganton, NC, brought two miniature horses to visit residents at Deerfield. Daisy Duke and Finian along with handler Lily helped fill the Butterfly Garden with joy as residents, staff, and families connected with these amazing equines.

Beth Allen shares that “the intuitive nature of the horse combined with their immediate, instinctive response provides an environment where powerful, often times therapeutic results can occur.” That was very apparent in the courtyard during this wonderful visit, which we hope is the first of many!





DEERFIELD EPISCOPAL RETIREMENT COMMUNITY, INC.

Balance Sheets September 30, 2019 and 2018

Assets	2019	2018 (As Adjusted)
Current assets:		
Cash and cash equivalents	\$ 14,682,810	\$ 14,112,335
Investments	56,547,793	49,621,619
Accounts receivable	1,708,197	1,429,419
Prepaid expenses	156,439	211,055
Inventories	89,346	85,755
Current portion of assets limited as to use	56,402	490,433
Total current assets	73,240,987	65,950,616
Non-current assets:		
Assets limited as to use:		
By Board for:		
Statutory operating reserves	6,630,122	6,330,284
Benevolent assistance	1,821,222	1,789,710
Renewal and replacement fund	10,400,000	10,400,000
Mission advancement fund	8,361,740	8,212,223
Under bond indenture agreement	56,402	490,433
Under donor restrictions	3,612,566	4,068,501
Total assets limited as to use	30,882,052	31,291,151
Less current portion	(56,402)	(490,433)
Total assets limited as to use, less current portion	30,825,650	30,800,718
Property and equipment, net	131,419,907	133,012,014
Total non-current assets	162,245,557	163,812,732
Total assets	\$ 235,486,544	\$ 229,763,348
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 2,127,571	\$ 1,622,205
Accrued salaries and wages	367,674	365,075
Accrued interest payable	975,722	1,010,724
Other accrued liabilities	1,286,793	1,022,269
Refundable entrance fees	1,700,000	1,500,000
Current portion of bonds payable	2,835,000	2,875,000
Total current liabilities	9,292,760	8,395,273
Long-term liabilities:		
Deferred parking revenue	544,780	552,341
Refundable parking fees	120,000	120,000
Admission deposits	1,555,753	1,257,757
Refundable entrance fees, less current portion	12,275,615	12,095,483
Deferred revenue from entrance fees	86,550,769	84,583,313
Deferred customization revenue	969,488	1,077,757
Bonds payable, net	55,720,340	58,794,488
Total long-term liabilities	157,736,745	158,481,139
Total liabilities	167,029,505	166,876,412
Net assets:		
Without donor restrictions	61,137,193	55,458,483
With donor restrictions	7,319,846	7,428,453
Total net assets	68,457,039	62,886,936
Total liabilities and net assets	\$ 235,486,544	\$ 229,763,348

Statements of Cash Flows

For the Years Ended September 30, 2019 and 2018

	2019	2018 (As Adjusted)
Operating activities:		
Change in net assets	\$ 5,570,103	\$ 9,373,375
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	5,979,909	5,745,671
Amortization of bond premium	(301,448)	(301,449)
Amortization of bond issuance costs	62,300	62,300
Entrance fees received	12,558,886	10,597,598
Amortization of entrance fees	(9,966,845)	(9,733,161)
Net change in:		
Investments and other assets limited as to use	(6,951,106)	(9,392,018)
Accounts receivable	(278,778)	114,250
Prepaid expenses	54,616	(83,133)
Inventories	(3,591)	16,125
Accounts payable and accrued liabilities	737,487	(86,338)
Deferred parking revenue and refundable parking fees	(7,561)	(34,358)
Admission deposits	346,120	(78,258)
Net cash provided by operating activities	7,800,092	6,200,604
Investing activities:		
Purchases of property and equipment	(4,387,802)	(4,466,406)
Change in assets limited as to use	434,031	224,510
Net cash used by investing activities	(3,953,771)	(4,241,896)
Financing activities:		
Payment on bonds payable	(2,875,000)	(2,730,000)
Refunds of deposits and refundable fees	(1,717,961)	(465,534)
Refundable entrance fees received	1,317,115	463,426
Net cash used by financing activities	(3,275,846)	(2,732,108)
Change in cash and cash equivalents	570,475	(773,400)
Cash and cash equivalents, beginning of year	14,112,335	14,885,735
Cash and cash equivalents, end of year	\$ 14,682,810	\$ 14,112,335
Supplemental cash flow information:		
Interest paid	\$ 2,193,852	\$ 2,272,544
Non-cash activities:		
Entrance fee refund included in accounts payable at year-end	\$ 273,134	\$ 255,481

DEERFIELD EPISCOPAL RETIREMENT COMMUNITY, INC.

Statements of Operations and Changes in Net Assets

For the Years Ended September 30, 2019 and 2018

	Without Donor Restrictions	With Donor Restrictions	2019	2018 (As Adjusted)
Revenues, gains and other support:				
Resident fees	\$ 25,570,580	\$ -	\$ 25,570,580	\$ 25,032,836
Net realized gain on investments	1,303,563	-	1,303,563	2,694,284
Net unrealized loss on investments	(1,120,502)	-	(1,120,502)	(1,417,778)
Contributions and bequests	223,124	-	223,124	278,384
Interest and dividend income	1,875,255	-	1,875,255	1,537,837
Amortization of entrance fees	9,966,845	-	9,966,845	9,733,161
Other income	716,472	-	716,472	711,100
Net assets released from restriction - operating	1,031,186	(1,031,186)	-	-
Total revenues, gains and other support	39,566,523	(1,031,186)	38,535,337	38,569,824
Expenses:				
Program services	29,038,032	-	29,038,032	27,563,297
Supporting services	4,849,781	-	4,849,781	4,811,642
Total expenses	33,887,813	-	33,887,813	32,374,939
Excess of revenues over (under) expenses	5,678,710	(1,031,186)	4,647,524	6,194,885
Other changes in net assets:				
Contributions	-	922,579	922,579	3,178,490
Change in net assets	5,678,710	(108,607)	5,570,103	9,373,375
Net assets, beginning of year as restated	55,458,483	7,428,453	62,886,936	53,513,561
Net assets, end of year	\$ 61,137,193	\$ 7,319,846	\$ 68,457,039	\$ 62,886,936

The financial statements shown do not include notes, which are considered a significant part of financial statements. The 2018 information is shown as adjusted due to required adoption of new accounting standards. The complete audited financials are available upon request.



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