



RIVERVIEW
RETIREMENT COMMUNITY

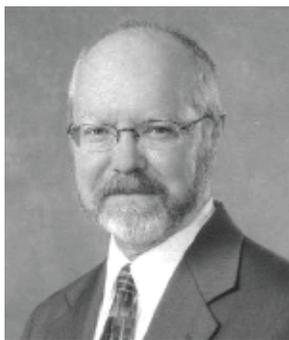
2013 Annual Report

Riverview Terrace
Riverview Care Center
Riverview Village

Mission Statement

Riverview Retirement Community is a Christian organization affiliated with the Lutheran Church providing health care, housing and services in a Christ centered environment. Our caring staff, boards and volunteers, are dedicated to meet the spiritual, physical and social needs of our residents and members of our community at large, thus enhancing their quality of life.

President's Message



Charles Tirrell
*President/
Chief Executive Officer*

On January 18, 2014, Riverview's CEO Liaison Committee (comprised of the Chair and Vice-Chair of the Board of Trustees of Riverview Terrace, Riverview Care Center and Riverview Village), was pleased to announce the appointment of Charles "Charley" Tirrell as the new President and CEO of Riverview. This selection followed a rigorous nation-wide search that took place over a four-month period. Mr. Tirrell's executive leadership at Riverview will begin on March 3, 2014.

Mr. Tirrell has 30 years of executive level experience in the geriatric healthcare field with over 10 years of specialization in the senior care industry. Most recently Mr. Tirrell served as the Chief Executive Officer for The Glenridge on Palmer Ranch, a Continuing Care Retirement Community in Sarasota, Florida. Prior to that position, he served as the Chief Operating Officer at Trezevant Episcopal Home in Memphis, Tennessee; as an Associate Administrator of Baptist Medical Center in Memphis, Tennessee; as Vice President of Saint Joseph Hospital in Memphis, Tennessee; and as the Administrator of Rehabilitation Services at Mount Sinai Medical Center in Miami Beach, Florida.

Mr. Tirrell holds a Bachelor of Social Work from California State University in Long Beach, a Master of Social Work from the University of Arkansas at Little Rock and a Master of Business Administration from Barry University in Miami Shores, Florida. He is a Fellow in the American College of Healthcare Executives and is a past president of the Mid-South Healthcare Executive Association. He holds Nursing Home Administrator and Clinical Social Worker licenses in Tennessee and Florida and he has been a surveyor for the Continuing Care Retirement Community Accreditation Commission.

Mr. Tirrell is married to Dorothy Norris-Tirrell, PhD. Dorothy and Charley have been married for 33 years. They have two children, a daughter and a son, and a dog named Scout.

Riverview Retirement Community History

The gradual progression from the Parkview Girls Club to Riverview Retirement Community began in 1919 when a group of Lutheran laymen first organized the Evangelical Lutheran Deaconess and Hospital Association of Spokane. In the year 1956, the original property on Sprague was sold to Emmanuel Lutheran Church. Shortly thereafter, the property on East Upriver Drive was donated by Mr. John R. Nolen to be used as a retirement community and in 1957 our name became Riverview Lutheran Home of Spokane, Washington.

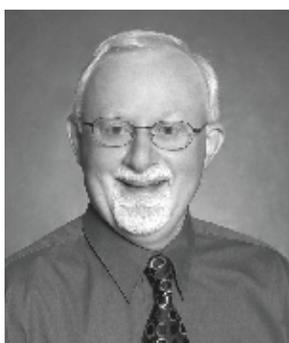
Three Corporations

Riverview Terrace opened its doors in 1959 as the first home in the United States built under the FHA's Homes for the Aged program. Affiliated with both the Evangelical Lutheran Church in America and the Lutheran Church Missouri Synod, the home consists of 135 studio, one and two bedroom apartments. 1997 saw the remodel of the first floor to accommodate an assisted living program.

In 1967, the 75-bed **Riverview Care Center** was completed only to see 20+ years later a 1989 remodel to provide for an ever increasing need for Medicare and Medicaid certified skilled nursing care in Spokane. The 1998 dementia wing was added to offer continuing and long-term care when needed to all residents of Riverview as well as the Spokane community at large.

Construction began for the popular and much in demand **Riverview Village** in 1985. Four phases of construction were eventually completed with the initial 60 units of Village South, 36 new homes with Village North in 1993, and an additional 20 new homes in the gated community of Village East in 1996. Construction began on Village West in the fall of 2005. 19 new homes in Phase 1 were completed and occupied by January 2007, with an additional 6 triplex homes finished and occupied by fall of 2007. An additional 12 homes were completed and occupied by the fall of 2009. Eight fourplex homes were completed in December, 2010. The final two duplexes in Village West were completed in spring, 2012. One stand-alone home will be completed in Spring, 2014. In 2012 -2013 a state-of-the-art Aquatics and Fitness Center was built, adding to the full range of amenities offered to Riverview residents.

Chaplain's Report



Rev. Gary Moore
Chaplain

The unnerving songs of drills and saws and jackhammers and other instruments of building reconstruction are pretty much silenced around here, and we are all glad! We also rejoice over the fresh new look inside and outside here at Riverview, especially in the Terrace and Care Center.

It seems the work of construction and reconstruction, of tearing down and building up is never done, whether working with brick and wood and metal OR with the lives and loves and cares of one another. The work that God has placed in our hands to be doing on a daily basis is never done; and, yet, we all know it is a privilege to be doing these very things. We continue to be grateful to God who loves us...grateful to God to serve one another...grateful to God for His love-the love we share with one another!

I praise God for the wonderful opportunity I have each day to share the love of God, proclaim the Good News of the Gospel, and laugh and sing and pray and work with some of the best residents and staff and families around. I am grateful to be able to work with a gifted team of dedicated staff whose love for the residents and their families is second to none.

As always, I am thankful for those who share their musical gifts with the community, our accompanists Marilyn Kraftenberg, Pat Moylan, Mary Tate and Priscilla Reems. Also a big thanks to Bob and Lois Iller and Pat Moylan for their work with the Riverview Bellringers and with Riversong.

Riverview continues to strive to assist our area churches in seeing this community as a vital social ministry extension of those same congregations, for in these efforts we learn to be better stewards OF and TO all God's people.

VP - Administrative Services Report



Peggy Soden
*Vice President
Administrative Services*

2013 turned out to be a very busy year at Riverview. We were excited by the opening of the Aquatics and Fitness Center in May. It gives both the residents and the employees the opportunity to exercise in a state-of-the-art setting. In addition to the three swimming pools, the exercise equipment and the walking track, the meeting room has become a very popular place for groups to gather.

We planned and executed significant make overs in the common areas of the Terrace and Care Center as well as the resident rooms in the Care Center. The staff worked hard to get residents moved as needed and to keep everything running smoothly during construction. The end result is a beautiful face lift in both buildings.

Riverview is proud to provide employment for over 250 full and part-time employees. We understand that they are on the front line of providing the excellent care for which Riverview is known. We continue to work hard to provide them with competitive pay and benefits so that we will continue to be an employer of choice in long-term care in Spokane. Many employees have worked for us for over ten or fifteen years. Experienced employees bring an added value to the job with knowledge and continuity that many employers are not fortunate enough to have.

2013 brought new responsibilities when the Search Committee began looking for a new President and C.E.O. The countless number of hours that the Search Committee volunteered demonstrates what dedicated board members we have who truly want to see the mission of Riverview fulfilled. During that time the C.E.O. Liaison Committee asked Mike Drew, VP – Finance and me to step in together to assume the leadership role. Again, we have such capable and hardworking department heads who made our duties very easy to carry out.

On behalf of the employees I would like to welcome Charles Tirrell as the new President and C.E.O. of Riverview. We are all looking forward to his leadership at Riverview.

2013 Employees of the Year



Nadia Aleksandrov
*Ward Secretary
Riverview Care Center*



Tom Drudy
*Grounds Lead and
Phone Coordinator
Riverview Terrace*

VP-Finance Report



Mike Drew
Vice President
Finance

We are pleased to report that Riverview's financial position strengthened throughout 2013. Our goal is to advance our mission with financial sustainability by means of (1) developing reasonable pricing, (2) encouraging targeted spending, (3) making critical campus improvements and (4) building strong financial reserves.

2013 was a pivotal year for Riverview Retirement Community from a financial perspective. On December 3, 2012 we closed a tax-exempt municipal bond offering which locked in a fixed interest rate of 5% for 35 years. The \$15.8 million bond proceeds provided the funding needed to (1) make significant campus improvements and (2) retire all prior indebtedness. Our major projects included:

- Completed Nov 2012 – Installed a state-of-the art kitchen hood system in the Terrace
- Completed Feb 2013 – Rebuilt five campus elevators (2 in Village, 2 in Terrace, 1 in Care Center)
- Completed May 2013 – Built a New Aquatic and Fitness Center
- Completed Aug 2013 – Remodeled and refurbished all Care Center rooms
- Completed Sep 2013 – Refurnished and updated all Terrace and Care Center common areas
- Completed Oct 2013 – Replaced all Terrace windows and upgraded building infrastructure
- Completed Nov 2013 – Updated the Care Center and Terrace entrances
- Completed Dec 2013 – Installed a new electronic medical records system

Please be aware of the following financial highlights of 2013:

- **Financial Reserves** – Maintaining strong financial reserves is vital to Riverview's success and sustainability. In 2013 our undesignated reserves grew 11.6% from \$9,927,000 to \$11,081,000.
- **Charitable Care** – We are committed to our residents. When a resident runs out of funds, we rely on lower Medicaid reimbursement. Charitable care write-offs totaled \$2,590,000 in 2013.
- **Strong Balance Sheet** – Riverview ended 2013 with a strong balance sheet. As of December 31, 2013, current assets totaled \$13,774,000 while current liabilities totaled only \$3,270,000.

In 2014 we are already completing plans to make the following campus improvements:

- **Village** - Upgrade and improve the exteriors and entrances of the Moyie and Selway buildings.
- **Terrace** – Replace draperies with new fire-retardant draperies in every room.
- **Care Center** – Replace an aging back-up generator with a new and larger back-up generator.

Though there will be many new opportunities and challenges in the future, we remain committed to advancing Riverview's mission. This is made possible with the help of our valued residents, effective Boards and strong staff.

Note: The financial statements on the following pages are unaudited. Riverview's financial statements are audited annually by Schoedel & Schoedel, Certified Public Accountants. However, at the time printing their audits were in progress.

VP-Finance Report

(Continued)

RIVERVIEW RETIREMENT COMMUNITY COMBINED STATEMENTS OF FINANCIAL POSITION

At December 31, 2013 and 2012 (Unaudited)

	2013	2012
ASSETS		
Cash and cash Equivalents	\$1,864,738	\$1,340,394
Short-term Investments	11,080,832	8,464,526
Accounts Receivable	739,863	661,619
Other Current Assets	88,718	85,116
Total Current Assets	13,774,151	10,551,655
Assets Limited or Restricted as to Use	2,745,795	11,849,801
Property, Buildings and Equipment, Net	31,906,362	25,666,915
Other Assets	574,815	589,107
Total Assets	49,001,123	48,657,478
LIABILITIES		
Accrued Payroll and Payroll Related Liabilities	\$837,104	\$859,342
Accounts Payable	328,289	1,193,700
Refundable Accommodation Fees Payable	1,217,925	440,750
Applicant Deposits	322,500	76,000
Other Current Liabilities	564,579	81,470
Total Current Liabilities	3,270,397	2,651,262
Long-term Debt, Less Current Maturities	15,530,000	15,710,129
Retirement Obligation Payable	299,171	474,756
Deferred Revenue from Life-Tenancy Contracts	16,931,448	18,058,528
Other Non-current Liabilities	111,900	125,197
Total Liabilities	36,142,916	37,019,872
NET ASSETS	12,858,207	11,637,606
Total Liabilities and Net Assets	\$49,001,123	\$48,657,478

VP-Finance Report

(Continued)

RIVERVIEW RETIREMENT COMMUNITY COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN UNRESTRICTED NET ASSETS

For the Years Ended December 31, 2013 and 2012 (Unaudited)

	2013	2012
REVENUE		
Monthly Service Fees	\$15,063,332	\$15,280,995
Amortization of Life Tenancy Contracts	1,648,801	1,388,558
Investment Income, Net	1,402,579	1,150,242
Other Revenue	1,038,143	808,068
Total Revenue	\$19,152,855	\$18,627,863
EXPENSES		
Health Services	\$6,792,540	\$6,794,862
Dietary	2,232,345	2,331,799
Fiscal and Administrative	2,288,659	2,394,635
Plant Operating and Security	2,342,631	2,342,495
Depreciation	1,696,636	1,398,173
Village Turnover Renovation Costs	1,056,095	778,031
Housekeeping and Laundry	769,467	777,189
Other Expenses	753,881	736,317
Total Expenses	\$17,932,254	\$17,553,501
TOTAL CHANGE IN UNRESTRICTED NET ASSETS	\$1,220,601	\$1,074,362

Riverview by the Numbers

2013

	<i>Terrace</i>	<i>Care Center</i>	<i>Village</i>
Facility Type	<i>Assisted Living and Independent Living (boarding home)</i>	<i>Skilled Nursing Facility</i>	<i>Independent Living</i>
Fed Tax Status	<i>Tax Exempt under IRS Section 501(c)(3)</i>	<i>Tax Exempt under IRS Section 501(c)(3)</i>	<i>Tax Exempt under IRS Section 501(c)(3)</i>
Year Operations Began	1959	1967	1985
Units	135	75 beds	164
Fiscal Year	<i>Jan 1 thru Dec 31</i>	<i>Jan 1 thru Dec 31</i>	<i>Jan 1 thru Dec 31</i>
Total Operating and Non-operating Income	\$7,284,646	\$8,462,519	\$3,405,690
Net Fixed Assets	\$8,228,698	\$4,860,842	\$18,816,822
Employees (Full and Part Time)	141	142	<i>None. (Labor is purchased from Terrace)</i>
Employee Pay, Payroll Taxes and Benefits	\$3,954,241	\$4,950,535	\$0
Residents at Year End	138	64	239
Percent Occupancy	96.3%	85.3%	96.3%
Charitable Care	\$324,413	\$2,265,419	\$0

Riverview Terrace

2013 Board of Trustees

Donn Gehret (Chair)	Pam Indahl (Treasurer)	Dennis Fiess
Brian Albrecht (Vice Chair)	Gary Dahlke	Dave Larsen
Shanna Cejka (Secretary)	Jim Hayes	

Resident Council President, Bob Burchell	Legal Counsel, Alan Rubens
President/CEO, Charles Tirrell	Medical Director, Dr. Tiffany Hanf



Donn Gehret
Chair
Riverview Terrace

Report from the Chair

Riverview Terrace continues to do exceptionally well. 2013 proved to be very busy and somewhat challenging. Our senior administrative team of Mike Drew (Vice President Finance) and Peggy Soden (Vice President Administrative Services) have been outstanding in handling the additional administrative roles required after the departure of the former CEO last August. Special thanks also needs to go to Erin Jones, Executive Assistant who has taken over the staff responsibility for coordinating the board meetings.

The Aquatic and Fitness Center was completed in May. On May 16, 2013 residents started using the three pools, the fitness room, the meeting room and the walking track. May was also the start of construction within the Terrace. The construction included new high efficient windows, HVAC, and upgraded wiring and plumbing. All phases were completed as of November 30, 2013. Melissa Goetz, Terrace Administrator, was instrumental in managing staff responsibilities and temporary resident relocations during construction. With construction completed, we are now enjoying occupancy and mix levels that exceed the 2014 budget.

We would like to thank Bob Burchell for his many years of volunteer service as President of the Resident Council. He provided the board with resident input and insight.

I also want to thank the members of the Terrace Board for their service and dedication this past year in dealing with many construction and management issues.

We welcome our new CEO, Charles Tirrell and his wife Dorothy to our Riverview family. We look forward to getting to know him and to working with him. Together we will continue the long tradition of Riverview being the number one retirement community in the Inland Northwest.

RIVERVIEW LUTHERAN HOME OF SPOKANE, WASHINGTON
dba RIVERVIEW TERRACE

MINUTES FROM ANNUAL MEETING - MARCH 15, 2013

Gary Clark, Chair of the Riverview Terrace Board of Trustees, called the meeting to order. He introduced the 2012 Terrace Board members and thanked them for their service.

Mr. Clark referred the attendees to his written report in the annual report.

Mr. Clark called for a **MOTION** from the floor to accept the minutes of the 2011 Annual Meeting. **MOTION** made, seconded and carried.

There was no old business.

Mr. Clark introduced the Articles of Amendment:

Mr. Clark called for a **MOTION** from the floor to accept the Articles of Amendment. **MOTION** made, seconded and carried.

Mr. Clark introduced the nominee for a second three-year term on the Terrace Board of Trustees: Brian Albrecht. He called for other nominations. There were none. Mr. Clark called for a **MOTION** from the floor to accept the nomination. **MOTION** made, seconded and carried. The nominee was installed by Pastor Gary Moore.

There being no further business, Mr. Clark called for a **MOTION** to adjourn the Terrace Annual Meeting. **MOTION** made, seconded and carried. Meeting adjourned.

Riverview Care Center

2013 Board of Trustees

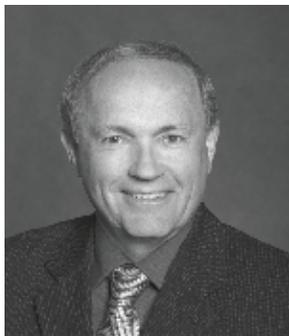
Larry Mundahl (Chair)
Steve Walker (Vice Chair)
Betsy Newman (Secretary)

Diane McHenry (Treasurer)
Frank Gebhardt
Dave Troyke

Amy Sooy
Charlene Clark

President/CEO, Charles Tirrell

Legal Counsel, Alan Rubens
Medical Director, Dr. Tiffany Hanf



Larry Mundahl
Chair
Riverview Care Center

Report from the Chair

2013 and early 2014 were a busy and exciting time for Riverview. We have an outstanding senior administrative team and are grateful for the excellent work performed by Mike Drew (Vice President Finance) and Peggy Soden (Vice President Administrative Services), who were required to handle additional administrative roles during the transition period between the former CEO's departure last summer and selection of a new CEO to lead Riverview beginning in March of 2014.

We appreciate the dedication and service of all of the members of the Care Center Board who dealt with numerous management and construction issues as significant improvements to Riverview as a whole, and the Care Center in particular, were completed. The results leave Riverview in an excellent position to continue to provide its residents with a high level of care for years to come. As current residents are aware, the Aquatics and Fitness Center project was completed in 2013, the phased renovation of RCC has now been completed, and the resident census was returned to pre-construction levels. These two projects significantly enhance the quality and ability of RCC to serve its residents. In addition to completion of these projects, RCC has been investigating development of one or two adult family homes for Alzheimer's/dementia residents.

Jon Dresback continues to serve the RCC as Director of Nursing Services, and has been actively implementing new technology tools and programs to sustain RCC's highly-rated quality of care in an efficient and responsive manner.

We welcome our new CEO, Charles Tirrell, and look forward to working with him to meet the challenges and opportunities presented to us as we continue to serve the Spokane area and beyond.

RIVERVIEW LUTHERAN CARE CENTER MINUTES FROM ANNUAL MEETING - MARCH 15, 2013

Diane McHenry, Chair of the Riverview Lutheran Care Center Board of Trustees, called the meeting to order. She introduced the 2012 Care Center Board of Trustees and expressed appreciation for their service.

Ms. McHenry encouraged the delegates to read her comments in the annual report.

Ms. McHenry called for a **MOTION** from the floor to accept the minutes of the 2011 Annual Meeting. **MOTION** made, seconded and carried.

There was no old business.

Ms. McHenry acknowledged Mark Nelson who is going off the Board after serving for six years. She also acknowledged Rich Stevens who is going off the Board after serving for three years.

There being no further business, Ms. McHenry called for a **MOTION** to adjourn the Care Center Annual Meeting. **MOTION** made, seconded and carried. Meeting adjourned.

Riverview Village

2013 Board of Trustees

Sylvia Hedrick (Chair)
David Cook (Vice Chair)
Nathan Dikes (Secretary)

Craig Hult (Treasurer)
Steve Carlson
Carol Lawton

Kristine Walker

President/CEO, Charles Tirrell

Legal Counsel, Alan Rubens



Sylvia Hedrick
Chair
Riverview Village

Report from the Chair

The financial picture for Riverview Village at the end of 2013 remains strong. Total revenue was up at 15% above budget; however total expenses were 20% over budget due to turnover remodel costs being double the budgeted amount. The management team has a plan in place to reduce these costs going forward by reducing unnecessary finish levels, reducing turnaround time, reducing use of external contractors, requiring competitive bids, and increasing use of lower cost internal labor. There continues to be a steady flow of tours and occupancy remains good. Occupancy numbers at the end of December 2013:

Units currently occupied:	158	Units on campus total	164
Units sold and being remodeled:	2	Percentage occupancy	97.6%
Units available for sale:	4		

There continues to be a great deal of activity around the Village. Some of the major items include:

- The Aquatics and Fitness Center was completed in the spring and was celebrated at the Ribbon Cutting Ceremony.
- Construction of the new Village move-in projected for March 31, 2014.

Special thanks to Dennis Hill, a resident of the Village and President of the Resident Council, for providing resident input at each of the board meetings this year.

We are pleased to welcome our new President and CEO, Charles Tirrell, and would like to extend a heartfelt thank you to Mike Drew, VP Finance; Peggy Soden, VP Administrative Services; Christie Hoffman, Director of Community Relations; and Erin Jones, Executive Assistant for their dedicated efforts in managing the many additional administrative duties during this time of transition. I would also like to thank the members of the Riverview Village Board for your devoted service and for sharing your many talents and expertise for the benefit of Riverview Retirement Community.

RIVERVIEW VILLAGE

MINUTES FROM ANNUAL MEETING - MARCH 15, 2013

Sylvia Hedrick, Chair of the Riverview Village Board of Trustees, called the meeting to order. She introduced the 2012 Village Board of Trustees and thanked them for their service.

Ms. Hedrick asked those in attendance to read her report in the annual report.

Ms. Hedrick called for a **MOTION** from the floor to accept the minutes of the 2011 Annual Meeting. **MOTION** made, seconded and carried.

There was no old business.

Ms. Hedrick acknowledged Dave Larsen who is going off the Board after serving for six years.

Ms. Hedrick introduced the nominee for a first three-year term on the Village Board of Trustees: Steve Carlson. Ms. Hedrick introduced the nominee for a second three-year term on the Village Board of Trustees: David Cook. She called for other nominations. There were none. Ms. Hedrick called for a **MOTION** from the floor to accept the nominations. **MOTION** made, seconded and carried. The nominees were installed by Pastor Gary Moore.

There being no further business, Ms. Hedrick called for a **MOTION** to adjourn the Village Annual Meeting. **MOTION** made, seconded and carried. Meeting adjourned.

Our Sponsoring Congregations

Advent Lutheran Church	Pilgrim Lutheran Church
All Saints Lutheran Church	Prince of Peace Lutheran Church
Beautiful Savior Lutheran Church	Redeemer Lutheran Church
Bethlehem Lutheran Church	St. John's Lutheran Church
Central Lutheran Church	St. Luke Lutheran Church
Holy Cross Lutheran Church	St. Mark's Lutheran Church
Holy Trinity Lutheran Church	St. Peter Lutheran Church
Hope Lutheran Church	Salem Lutheran Church
Messiah Lutheran Church	Zion Lutheran Church (Spokane)
New Vision Lutheran Church	Zion Lutheran Church (Fairfield)
Peace Lutheran Church	



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Affiliated with:

Riverview Terrace (Assisted Living Apartments & Independent Apartments)

Riverview Lutheran Care Center (Skilled Nursing Facility)

Riverview Village (Independent Living Homes)