

Dear Friends,

Malcolm Gladwell, contemporary leadership author, defines a tipping point as that magic moment when an idea or trend crosses a threshold. As we reflect on our accomplishments in 2013, we believe we have reached a tipping point in the life of our organization and the impact we are having in the lives of the elders we serve.

Six years ago, our Board of Directors and Senior leadership recognized that our country was experiencing a severe shortage of low-income housing with supportive services for older adults and as a result of our due diligence identified this as a top strategic priority. As we have developed our knowledge and credibility in this new sector of elder services, we have grown in a gradual and thoughtful manner. By 2013, ERH managed eight affordable living communities in Southern Ohio. Three additional tax credit funding awards were approved including our first development in Indiana to add senior affordable living apartments in the top floors of the downtown YMCA. And, as we look forward to 2014, we are projecting even greater growth in serving lower income elders.

We believe this new direction strengthens our organization both financially and in diversifying our reach to a broader senior constituency.

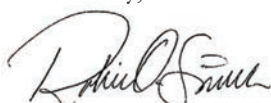
As the economy stabilized, we experienced stronger demand for our services, which is reflected in our improving financial performance.

Other notable accomplishments for 2013 include:

- Recognized as a Top Place to Work for fourth year by the *Cincinnati Enquirer*
- Developed plan to pilot nurse practitioner services
- Continued our work in developing our Next Generation Leaders
- Developing our clinical competencies and chosen for a congestive heart failure pilot by The Christ Hospital
- Annual fund donations increased 40 percent

Our commitment to enriching the lives of elders is unwavering. It is our reason for being—our call to servant ministry for those who have given so much to our country and our communities and now benefit from our support in their later years. As always, we are grateful for the support of our many donors and volunteers who commit their time, talent and treasure, which permits us to provide compassionate, person-centered services for older adults.

Sincerely,



Robin O. Smith
Chair, ERH Board of Directors



R. Douglas Spitler
President and CEO

2013 Overview and Financial Report

Balance Sheet

for the Years Ending December 31, 2013 and 2012

Assets	2013	2012
Current Assets	15,433,292	9,405,134
Marketable Investments	28,869,848	32,401,005
Fixed Assets	100,967,848	87,588,688
MPL Endowment	21,582,150	19,824,569
Intangible Assets	10,800,000	10,800,000
Other Assets	9,639,590	7,231,694
Total Assets	176,492,728	167,251,090

Liabilities	2013	2012
Current Liabilities	5,478,793	13,840,631
Unamortized Entrance Fees	17,586,391	15,259,991
Long-Term Debt	26,937,334	45,038,953
Other Liabilities	26,273,313	3,584,117
Total Liabilities	76,275,831	77,723,692

Net Assets	2013	2012
Permanently Restricted	23,452,534	21,661,433
Temporarily Restricted	129,351	355,881
Unrestricted	76,635,012	67,510,084
Total Net Assets	100,216,897	89,527,398

Total Liabilities & Net Assets	176,492,728	167,251,090
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Total Individuals Served / Contacts Made

31,936

*Parish Health Ministry**

704

Affordable Living

362

In-Home Services

293

Independent Living

48

Assisted Living

304

Nursing Care

33,647

Total

*Contacts made through
health screenings, referrals
and other activities

2013 Contributions and
Legacy Commitments

Good Samaritan Mission annual gifts..... \$455,218
Major gifts & commitments \$582,846

Condensed Statement of Revenue and Expenses

for the Years Ending December 31, 2013 & 2012

	2013	2012
Operating Revenue	33,743,006	28,900,462
Operating Expense	(34,980,495)	(30,520,276)
Net from Operations	(1,237,488)	(1,619,814)

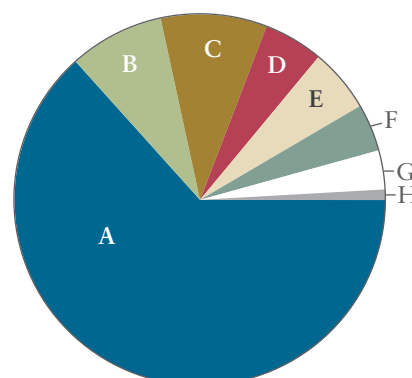
	2013	2012
Non-Operating Revenue	8,335,499	2,134,676
Limited Partner Equity	789,429	(1,207,868)
Total Change in Net Assets	9,124,928	926,808

2013 Ministry Costs

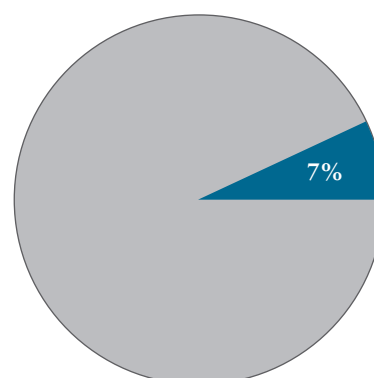
for the Years Ending December 31, 2013 & 2012

Ministry Item	2013	2012	Difference
A - Resident Financial Aid	1,562,000	1,635,000	(73,000)
B - PHM	203,651	205,000	(1,349)
C - Wellness	227,526	219,000	8,526
D - Affordable Living	128,000	63,000	65,000
E - Spiritual Care	136,500	103,000	(1,000)
F - Volunteers, including MOW	102,000	103,000	35,000
G - Staff Assistance & Partners in Care	84,000	108,000	(24,000)
H - Community Outreach	22,140	14,085	8,055
Total Ministry Costs	2,465,817	2,512,085	(46,268)

2013 Ministry Costs



Total Ministry Costs as a percentage of Total Operating Costs



Total Operating Costs	34,980,495	30,520,276
A-G - Total Ministry Costs as a percentage of Total Operating Costs	7.0%	8.2%

This condensed financial information was extracted from the 2013 Episcopal Retirement Homes, Inc. financial statement, a copy of which is available in the president's office.

2013 Ministry Report

Not-for-profit organizations have a rich tradition of providing services and programs that directly benefit the communities and constituents they serve. Since its inception in 1951, Episcopal Retirement Homes (ERH) has been reaching out through its mission to improve the lives of older adults.



FINANCIAL ASSISTANCE

A resident just recently moved into Canterbury Court. Her mouth was badly infected, and she was in need of some dental work. Since she was unable to afford a dentist, Episcopal Retirement Homes' Partners in Care fund was able to assist her. Immediately, she was able to get to a dentist who started her on antibiotics, performed a root canal and placed a bridge. She now feels rejuvenated and much healthier thanks to the wonderful assistance of Partners in Care. What a wonderful start to her new life at Canterbury Court!

2013 Financial Assistance

<i>Resident financial aid</i>	<i>\$1,561,949</i>
<i>Partners in Care fund (41 residents)</i>	<i>\$13,817</i>
<i>Staff emergency fund (14 employees).....</i>	<i>\$14,492</i>
<i>Staff tuition assistance</i>	<i>\$55,974</i>
<i>Affordable living ministry funding</i>	<i>\$127,831</i>
<i>Services provided by volunteers</i>	<i>\$373,393</i>
<i>TOTAL</i>	<i>\$2,147,456</i>

Volunteer yoga instructors from Project Yoga (along with special guest, Liliias Folan) celebrated their one year anniversary of providing weekly yoga classes to the residents at St. Paul Village and the surrounding community.

AFFORDABLE LIVING

Episcopal Retirement Homes is proud to offer rent subsidized affordable senior living communities that provide a variety of options and services not often found in communities for low-income seniors. Our philosophy is that older adults deserve to live with dignity and enjoy life in a safe and enriching community regardless of their financial situation.

ERH dedicates itself to providing extensive services and activities to enrich the lives of residents in affordable living communities. “We have a lot of things to choose from. They help stimulate my mind and keep me aware of things that are going on,” says Florence Beaver, a 100-year-old resident at St. Paul Village.

Between morning coffee gatherings, spiritual services, bus trips, exercise programs and so much more, there really is something for everyone to participate in and stay engaged.

“We’ve seen the need for good-quality housing for seniors,” says Jay Kittenbrink, Executive Director of Affordable Living Development at ERH. “About 80 percent of seniors fall in the low-income category, so it doesn’t make sense to serve only 5 percent.”

In late 2012, ERH doubled the number of affordable living communities from four to eight. That growth is going to continue as they expand their mission and grow throughout the Tri-State.

2013 Affordable Living

Affordable Living residents served 704
Cost of services not funded by HUD... \$128,000



COMMUNITY OUTREACH

While ERH serves the needs of our residents, we also know we are part of the communities in which we work and live. In 2013, ERH was able to donate \$22,140 to other nonprofits in the community including the Alzheimer’s Association, Working in Neighborhoods, LeadingAge Ohio, Freestore Foodbank and many others. Part of our work to be good community stewards is outreach through a variety of programs.

The Council for Lifelong Engagement (CLLE), a program encouraging and enabling elders to share their knowledge and talents with schoolchildren to reverse negative aspects of ageism, is one program that ERH is passionate about. In 2013, ERH, along with VP of Housing and Healthcare Laura Lamb, was presented with the Hobart Jackson Cultural Diversity Award by LeadingAge. The national award recognizes individuals or organizations that demonstrate significant achievement in cultural diversity and inclusion with respect to residents, staff and development of future leaders in the aging-services field.

The Deupree House Outreach Committee, started in 2011, is another way ERH works to provide services and meet the needs of those outside of the Deupree House community. The Committee has worked diligently to assist numerous organizations throughout the community including Matthew 25 Ministries, Home Comforts Project and Blanketed with Love.

2013 Community Outreach

CLLE residents involved..... 31
CLLE students involved..... 365
CLLE volunteer hours 116
Martin’s Ferry
toys donated..... 300
Martin’s Ferry
monetary donations \$1,000

St. Paul Village residents enjoy spending time working in their own personal gardens.



Deupree resident and auxiliary member Nancy Holterhoff, selling delicious baked goods at the Fall Bazaar

VOLUNTEERS

Each year, ERH volunteers donate thousands of hours of their time and talents toward ensuring that ERH meets its mission. If we were to calculate the cost, we would have paid \$373,393 for the 17,136 hours volunteered this year. These volunteers help staff with tasks ranging from addressing envelopes to delivering meals or teaching a class, to visiting with residents. Most of our volunteers come from Good Samaritans in the local community, residents' family members and often our very own residents! The Board of Directors for ERH is also incredibly involved and dedicated, volunteering a combined 1,715 hours throughout 2013.

2013 Volunteers

<i>Total Hours</i>	<i>17,136</i>
<i>Costs saved by volunteers</i>	<i>\$373,393</i>
<i>Auxiliary donations</i>	<i>\$11,445</i>

PARISH HEALTH MINISTRY

Parish Health Ministry (PHM) extends the ERH mission and ministry outside the walls of our retirement communities and encourages congregations to renew their role in healthcare through advocacy, education and wellness programs. Working with 75 churches in the region, 31,676 contacts were made in 2013 with the help of PHM staff as well as 721 volunteers.

An attendee at the Community United Methodist church in Circleville, Ohio, was going through an interview for assistance at Haven House (a local women's shelter). When asked how she learned of Haven House, she replied that she read about it on the door of the church's restroom stall. PHM's Back Door Reading insert for January was on domestic violence and provided information on how to get help. She was so thankful for the information that came just at the right time!

2013 Parish Health Ministry

<i>Congregations</i>	<i>75</i>
<i>Contacts made</i>	<i>31,676</i>
<i>Volunteers</i>	<i>721</i>
<i>Cost</i>	<i>\$203,651</i>

COMMUNITY EDUCATION

ERH staff often share their expertise on a variety of senior living topics with community organizations and groups across Greater Cincinnati and throughout Southern Ohio.

In 2013, ERH reached 1,113 people through community education. Marjorie P. Lee and Deupree House welcomed 427 guests for educational events. Parish Health Ministry reached 667 individuals through their community education events. Deupree House helped serve 28 graduate level therapy students from Xavier University and Deupree Cottages served three nursing students from Beckfield College. Marjorie P. Lee served 128 Cincinnati State students through a Nurse Aide training class.

Parish Health Ministry held its annual Refresh Your Soul conference in March with 209 attendees. This year's conference, entitled "Riding the Dragon: Strengthening Your Life in Challenging Times," featured keynote speaker Dr. Robert Wicks. Other speakers included Wanda Sanchez, Shelly Beach and Dr. G. Scott Morris, M.D.

Attendees found the conference to be very meaningful as they were offered insights into how they can remain resilient and, in turn, extend warmth to others without losing their own inner fire in the process.

2013 Community Education

<i>Refresh Your Soul conference attendees</i>	209
<i>Total number of attendees at Parish Health Ministry educational events</i>	667
<i>Total number of attendees at ERH educational events</i>	427



(Left to right) Dr. Robert Wicks, Doug Spitler (ERH) and G. Scott Morris, M.D.



ERH chaplain, the Rev. Angelo Puopolo Jr.

CHAPLAINCY

ERH provides each of its communities with chaplains who serve the spiritual needs of the residents and those around them. ERH's chaplains walk through life's journey with residents—listening, comforting and giving guidance during a time when it is most needed. The ministry of the chaplain is not only for the benefit of residents, but also staff, volunteers, resident families and the wider community. Wherever ERH can enrich lives, satisfy spiritual needs and nurture souls, it is our mission to offer our service.

"I really think ERH is doing God's work. For those who live here and can't always make it out to their other churches, and even those who can and just want to join us, we are blessed to be able to have them come to us in our own home. I truly don't think any of us would find this kind of compassion and faithfulness in any other community."

—St. Paul Village resident, Eileen Stacy

2013 Chaplaincy

<i>Bible study attendees</i>	1,587
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(From left) Steve Peelman, MOW weekly volunteer, with Sue Susskind, Deupree Meals on Wheels Coordinator; Bill Natterman, MOW weekly volunteer

MEALS ON WHEELS

Through Deupree Meals on Wheels, ERH provides older adults throughout Cincinnati with warm, nutritious meals delivered to their homes. More than 400 meals are delivered per day by compassionate and caring members of our team along with dedicated volunteers. Several of our volunteers have been with us for nearly 10 years, demonstrating extraordinary dedication to the program and the people they serve. It's an important social contact for the elders who lack family support and could otherwise easily become isolated.

Recently a volunteer was delivering to one of her usual routes. While chatting with a client, she realized that a light was out in the client's kitchen. She asked the woman if she had any extra light bulbs.

The woman explained that she had some on a shelf very high up, but her balance wasn't very stable so she was unable to reach them. The volunteer graciously changed the bulb for her. The client said gratefully, "You are all such angels, I don't know what I would do without you!"

Meals on Wheels is a wonderful way to bring warm meals to members of our communities and provide that extra comfort and contact for people who may not otherwise have it.

2013 Meals on Wheels

Meals delivered	74,538
Clients.....	502
Neighborhoods	25

If you would like to support our mission in 2014, your gift—financial or otherwise—is always appreciated. For more information on how you can help shape ERH's ministry, contact Diane Decker, Director of Fund Development, at (513) 272-5555 ext. 4283 or visit our website at corporate.episcopalretirement.com/charitable-giving.

Living Legacy Society

Individuals giving through their estate

Anonymous (2)	Lana and K. Jay Kittenbrink
Lori and David Asmus	Robert H. La Shelle
Estate of Mrs. Marjorie Austin	Mr. and Mrs. Jeffrey S. Lamb
Mrs. Carol Benton	Miss Pat Landen
Mrs. Ellen A. Berghamer	Keith and Sue Lawrence
Estate of Miss Virginia H. Bohn	Mr. and Mrs. Robert G. Linkins
Jon B. and Jeannie M. Boss	Mary Beth and David Lowry
Mrs. Lela Brown	Phil and Joan Maechling
Jill and Ken Burkman	Mrs. George H. McClure
Anna K. and George G. Carey IV	Mr. Dan Meyer
Mr. and Mrs. Donald Y. Carpenter	CeCe and Tom Mooney
Chet Cavaliere	Mr. Hans Neubroch
Mrs. Olga S. Clark	Philip G. Osborn
Mr. and Mrs. A. Burton Closson Jr.	Ken and Pam Paley
Katherine Duval	Joan Trittipo Perkins
Miss Irene E. Ehrmann	Mrs. Betty W. Pippert
Jack and Helen Fix	Mr. Jack Plattner
Mrs. Mary Beth Foxworthy	Estate of Dr. Olga Platz
Estate of Mrs. Eugenia W. Freeman	Sue and Tom Pontius
Robert and Marion Funk	The Rev. and Mrs. William E. Rathman
James M. Garvey, M.D.	Sylvia Wicker Reid
Dr. Elizabeth Goessel-Rule	Mrs. Mamie E. Rooks
Maureen Gregory & Adam Duke	Mr. and Mrs. Paul J. Scheper
Mrs. Elizabeth T. Hatcher	Elizabeth C.B. and Paul G. Sittenfeld
Bob and Judy Heaton	The Reverends Bruce Smith and Susan Warrenner Smith
Mr. Charles B. Hedrick	Doug and Kathy Spitler
Theodore and Barbara High	Barbara Sporck-Stegmaier
Mrs. Harry K. Hines	Mr. John F. Stevenson
Mrs. Phyllis S. Hoppie	Mrs. Delle Ernst Taylor
Kathy Ison	Dr. and Mrs. Thomas U. Todd
Kathy and Tom Kahle	Pat and Bill Victor
Harry Kangis and Julia Hawgood	Mrs. Mary E. West
Susan Kellogg	Anne and Sam Wilson
Mr. James Kingery	
Mr. Jack Kirby	

Although great care is taken in the gathering of this information, we know that errors or omissions inadvertently may occur. For this, we apologize and ask that you inform the Episcopal Retirement Homes Fund Development office if corrections are needed to our data by calling (513) 272-5555 ext. 4224.

2013 Community Partnerships

As part of its mission to improve lives, ERH actively develops and supports ministries that benefit thousands of individuals each year. To request a copy of the donor list in print, please contact the Fund Development office at 513.272.555 ext. 4283.

Foundation Partners

Anonymous
The Cincinnati Foundation For The Aged
H.B., E.W. & F.R. Luther
Charitable Foundation
Key Bank Impact Fund (Ohio Capital
Corporation for Housing/Key Bank)
Rindsfoos Foundation
Walter A. Pfeifer Foundation

Organizational Partners

Gifts \$5,000 and above

The Diocese of Southern Ohio
Henkle Schueler & Associates
Model Construction/The Model Group
Ohio Capital Corporation for Housing
Medpace
PNC Bank

Gifts of \$2,500

Gallagher SKS
GBBN Architects, Inc.
Model Group
Multi-Craft Printing
Premiere Vending, Inc.
Ridge Stone General Contractors
Skilled Care Pharmacy, Inc.

Gifts of \$1,000

Applied Mechanical Systems, Inc
Bahl & Gaynor Investment Council
BakerHostetler
Berkshire Realty Group, LLC
CCM Services
Church of the Redeemer
Cincinnati Magazine
Cleriti
Cors & Bassett
DeBra-Kuempel Inc.
Frost Brown Todd, LLC
Graydon Head
Home Care by Blackstone
Johnson Investment Counsel
Kathman Electric Company
Locey, Cecil & Associates, Ltd.
Millennium Business Systems
Pinnacle Group
Planes Moving & Storage
Plante & Moran, PLLC
Red Mortgage Capital, LLC
StrataMark Dynamic Solutions
The Wine Merchant
Ziegler and Company