

LIFESPACE
COMMUNITIES®

2015 ANNUAL
REPORT

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From cave walls to photography and moving pictures, from old photo albums to today's social media, sharing images and stories is how people invite others into their experiences. In much the same way, this Annual Report is an invitation to celebrate the experiences of Lifespace communities — and the residents and team members who've shared life, laughter and love in 2015.



Pictured on the cover are Deerfield residents Kathryn and Donald Brush with team member Abby Bucheit.



Village on the Green residents Jean Waters and

Esther Vassar have become fast friends.



Deerfield residents Kathryn and Donald Brush

share a sweet recollection of a storied life together.

LETTER FROM THE BOARD

When I look around the Lifespace board room and see the deep experience in senior living, hospitality, banking and organizational leadership, I wonder what compels us to share our talents here.

A few answers come to mind. We're a collegial board. We enjoy sharing time together and keeping up on each other's lives. We're a skilled board. It's a pleasure to see how our many years of professional work connect with the needs of Lifespace. Finally, we're an entrepreneurial board. For each of us, governance is an opportunity to help shape one of the nation's leading senior living organizations – and that excites us.

What really compels us to serve, however, is the organization's mission. All of us share a desire to create communities that celebrate the lives of seniors. Our mission stands in sharp contrast to society's negative stereotypes about aging and retirement. Lifespace residents embody a new reality about the prospects of aging in America. So our mission inspires us to declare a positive vision for purpose-driven seniors, and our work inspires us to be worthy of those we serve.

That's why in 2015 the board fully embraced its principal role: to be stewards of the mission. We determined that it is incumbent upon us to plan and invest for the future. We adopted a 2015-2018 strategic plan that lays out a bold vision to reposition our communities, and we approved funding to redevelop six of the 12 campuses.

At the close of 2015, the board experienced satisfaction in knowing that our strong organization is becoming even stronger. Yet more than that, we found inspiration again to share our lives in the service of a vital mission.

E. LaVerne Epp
Chairman of the Lifespace Board of Directors



LETTER FROM THE CEO

Stop by any one of our 12 communities and you'll immediately notice people sharing. Neighbors share meals. Couples share walks. Residents and team members share stories and laughter. But even a newcomer like me sees something more: Everyone shares the belief that life is better in this space.

After my first full year as CEO, I'm convinced that our mission is deeply held by residents, team members, families, board members and partners. That mission, which makes Lifespace so special, is to create communities that celebrate the lives of seniors.

In 2015, I observed across our company that we share a common understanding about this mission: first, that creativity is a continuing activity for individuals and organizations; and second, that celebration is reward for all the work.

If you met me in 2015 – and I'm grateful I got to share time with many residents and team members – you may have picked up that I like to work. That's true – and has always been so. Yet even more, I like to celebrate. And what I like to celebrate is growth: the personal, professional and corporate stretching that makes us stronger, wiser, and more fully who we are at our best.

This is why Lifespace was intentional about growth in 2015. Guided by our enterprise-wide strategic plan, we moved forward with significant redevelopment initiatives. The result will be stronger campuses that honor the investments of current residents and position us to compete in the future. In 2016, we'll open the doors on the breathtaking reinvention of Beacon Hill near Chicago and Harbour's Edge in Delray Beach, Florida. Indeed, life will be better in these new spaces.

Growth took other forms in 2015. To support our 4,300 residents and 2,800 team members, we invested in our infrastructure. We expanded broadband access at the communities and home office to speed data delivery, improve productivity and enhance the online experience. We linked the campuses with video conferencing capabilities, which makes meetings and training more accessible and less costly.

We committed to providing an even higher quality of clinical service, and set in motion new policies and training that will support team members toward this end. That work was grounded in a larger initiative to define and deliver a kind of experience we think residents and their families deserve and rightly expect of us. This initiative, Living Lifespace, will engage all of us in 2016.

None of this growth would have been possible without the extraordinary efforts of our team members, who make Lifespace a great place to live and work every day. Nor would we have stretched so far without the leadership of our board of directors, which is committed to a vision that requires boldness as well as good stewardship of our resources.

I'm proud of our growth and excited about the work ahead. I look around Lifespace and it's plain to see what we hold in common as individuals and as a company: We share a bright future.

Sloan Bentley
President and CEO



ABBEY DELRAY

This is the sunny side.
Apartment homes and villas in Delray Beach, Florida.



ABBEY DELRAY SOUTH

The most distinctive benefit is friendship.
Apartment homes and garden homes in Delray Beach, Florida.



BEACON HILL

We love adventure.
Apartment homes in Lombard, Illinois, a Chicagoland suburb.



CLARIDGE COURT

A venerable neighborhood's classic lifestyle.
Apartment homes in Prairie Village, a Kansas suburb in the Kansas City area.



DEERFIELD

Do more.
Apartment homes and townhomes in Urbandale, a suburb of Des Moines, Iowa.



FRIENDSHIP VILLAGE OF BLOOMINGTON

Thrive.
Apartment homes and townhomes in Bloomington, Minnesota.



SHARE: LIFE

LIBERATING LIFESTYLE SETTINGS FOR PURPOSE-DRIVEN PEOPLE



FRIENDSHIP VILLAGE OF SOUTH HILLS

You can grow here.
Apartment homes and carriage homes in Upper St. Clair, a suburb of Pittsburgh, Pennsylvania.



GRAND LODGE AT THE PRESERVE

Livin' easy and rarin' to go.
Apartment homes in Lincoln, Nebraska.



HARBOUR'S EDGE

The exceptional is the norm.
Apartment homes in Delray Beach, Florida.



OAK TRACE

Life's a hoot.
Apartment homes, garden homes and townhomes in Downers Grove, Illinois, a Chicagoland suburb.



THE WATERFORD

Have a little more fun.
Apartment homes and villas in Juno Beach, Florida.



VILLAGE ON THE GREEN

It's your turn.
Apartment homes and villas in Longwood, Florida.



Old photos shared in a modern way. At Deerfield, Kathryn and Donald Brush show team member Abby Bucheit pictures of their grandchildren.

SHARING CAME NATURALLY — AND MORE EASILY WITH SOCIAL MEDIA

Share a memory, a photograph, a note of thanks or a little news — that's naturally how we relate, and today's social media makes what comes naturally even easier.

Across the country, two out of every three adults today use social media sites regularly. And while it's predominant among those in their teens and 20s, seniors are now the fastest-growing adopters. In fact, 35 percent of adults age 65-plus reported using social media last year — more than triple the number of 2010.

At Lifespace, we've kept up. Our system-wide rollout of social media sites in 2015 marked another step forward for communications. The home office and every community had a Facebook page by year's end, with strategies in place to support the Lifespace mission. Those Facebook pages saw dynamic growth too. Especially noteworthy was a growth rate of 250 percent in the number of Likes. The total number of those who saw content from Lifespace Facebook pages rose to more than 100,000 per month.

Visit Facebook.com and search for Lifespace Communities, Inc. — or any of our 12 communities. You'll find news about the organization, healthy living, the lighter side of life, and all the moments in between that celebrate the lives of seniors.

And you can also follow us on Instagram, LinkedIn and Twitter.



LIFESPACE AFFILIATED WITH MASTERPIECE LIVING AND SHARED A NEW VISION OF AGING



Lifespace piloted the Masterpiece Living® successful aging initiative in 2015, and will adopt it system-wide throughout 2016.

The Masterpiece Living initiative is based on the MacArthur Foundation's successful aging studies, which concluded that 70 percent of the way a person ages is the result of lifestyle choices, with only 30 percent based on heredity.

Masterpiece Living founder Dr. Roger Landry made this research the foundation of his work. In his book, *Live Long, Die Short*, Dr. Landry wrote that aging successfully means an extended period of high physical and mental function — and a relatively short process of dying.

Social, intellectual, spiritual and physical components form the Masterpiece Living framework for evaluating a person's state of wellness. Lifestyle changes are often recommended to help the individual live his or her best and healthiest life.

"At the communities piloting the Masterpiece Living initiative, we saw enthusiasm among residents and team members as they began to make suggestions for living more meaningfully," said Justin Spooner, a regional operations director for Lifespace and the organization's Masterpiece Living project champion. "We can't wait to see how it enhances lives when we roll it out to all our communities in 2016."

Jeanne Altman, Wellness Director at Deerfield in the Des Moines, Iowa area, one of the three Masterpiece Living pilot sites, said the initiative proved life-changing for her community.

"We formed teams and encouraged teamwork," she said, "and a sense of belonging."

Resident Glenis Nunn said, "It was simple. If one person had a hard time with any part of it, others would pitch in to help that person reach their goal."

Blaire Goldstein, Executive Director of Beacon Hill in suburban Chicago, another pilot site, noted the Masterpiece Living initiative had transformed the way Lifespace residents thought about growing older.

"It's been such a positive differentiator for us as an organization," Blaire said. "It's going to be fun to see other Lifespace communities embrace it."



Pictured above is Dr. Roger Landry, founder of the Masterpiece Living initiative.



Drake University music major Haley Jenkins, a short-term artist-in-residence, shares a tune with Glenis Nunn.

DEERFIELD WELCOMED ARTIST-IN-RESIDENCE

She's roughly the age of other residents' grandchildren.

At 21, Haley Jenkins became artist-in-residence at Deerfield late last year.

"Just like that, she got a couple of hundred new grandparents," Glenis Nunn said with a laugh. The Deerfield resident added, "I'm not sure she was counting on that."

Bringing the Drake University student to Deerfield was a natural fit for the Urbandale, Iowa community. "Studies show that older adults who routinely spend time with younger people can actually live longer, more enriched lives," said Deerfield executive director James Robinson. Lifespace partners with the Masterpiece Living® initiative, which enhances the social, intellectual, physical and spiritual dimensions of daily life to help individuals age successfully.

"Our vibrant, active residents will enrich Haley too," James said.

SINGING FOR HER SUPPER

In return for room and board, Haley sang for the residents at least twice a month — and she often brought her musician friends with her.

"I bought books of music that the residents like — some of the standards," she said. "I wanted to sing songs that appeal to them, and maybe introduce them to newer material too."

Under the terms of Deerfield's arrangement with Drake, Haley was bound by the same handbook that governed residents. She could come and go as she pleased, but was also expected to immerse herself in community life.

A CAREFUL SELECTION

"We believe in intergenerational living. We were very clear with Drake that we needed a student who wanted to live among our senior population," James said. "We didn't expect Haley to hang out with our residents all the time, but we also didn't want someone who would hide in their room. We couldn't have been more thrilled to find Haley."

"We had her bring her boyfriend in," Glenis said, "so we could make sure he's a good fit for her."

"She's lucky!" she added. "We approved!"

RENOVATIONS & EXPANSIONS

HARBOUR'S EDGE

Two-year project, begun in February 2015

- Lifelong Learning Center construction
- Main restaurant renovation
- Second dining venue construction
- Fitness center and spa rooms renovation
- Common area interior design upgrade

TOTAL PROJECT EXPENDITURES: \$9,302,666
EXPENDITURES TO DATE: \$7,724,933

BEACON HILL

Two-year project, begun in October 2014

- Theater, bar and lounge construction
- Additional dining venues and kitchen
- Additional activity and entertainment spaces
- Outpatient clinic construction

TOTAL PROJECT EXPENDITURES: \$12,030,228
EXPENDITURES TO DATE: \$10,747,847

DEERFIELD

Two-year project, begun in October 2015

- Multipurpose center construction
- Social model assisted living addition
- Social model residential memory support addition
- Restaurant renovation
- Common area renovation

TOTAL PROJECT EXPENDITURES: \$1,431,398
EXPENDITURES TO DATE: \$1,219,486



Shown above are artists' renderings of capital improvements at Harbour's Edge, Beacon Hill and Deerfield.

GEARING UP FOR GROWTH

Two new hires strengthened operations and development in the home office. Jodi Bleier was named vice president of financial operations and strategic growth, and Brian Devlin joined Lifespace as director of design, construction and development.

Jodi brought 17 years of health care and senior living experience to her new role, which includes oversight of all lead generation strategies, programs for acquisitions and mergers, as well as business development and financial analysis. Before joining Lifespace, she was director of the health care consulting group and senior living practice at Dixon Hughes Goodman in Atlanta, Georgia.

"Lifespace has ambitious financial and strategic growth goals. I'm excited to take on the challenge," Jodi said.

Brian came to Lifespace with more than 13 years of senior living project development experience. He's led over \$700 million in development and building efforts for industry leaders such as Greystone Communities and Greenbrier Development.

"I'm excited to join a team that's willing to push boundaries," Brian said. "Lifespace is dedicated to the finest design and lifestyle options."

Lifespace president and CEO Sloan Bentley affirmed high expectations for the new team members. "These additions to the team help ensure that Lifespace continues to be a leader in the field of senior living for years to come," she said.



THE SHARED COMMITMENT TO CULTURE HELPED EVERYBODY WIN

Trish Kellow, Director of Talent Acquisition for Lifespace Communities, Inc., explained the premium the organization places on cultural fit.

"Let's say I have two resumes in front of me," she began. "One candidate has a little more experience than the other, but I know the more experienced person's not going to be a good fit for our culture. So I'll recommend we select the other candidate."

"After all, you can teach skill. But you can't teach culture."

"Culture" was the 2015 Lifespace buzzword. The organization worked with leaders at The Ritz-Carlton® hotel chain, renowned for its hospitality, to create the Living Lifespace™ program, a multi-phase initiative that immersed employees in the organization's values.

"Simply put, culture is a set of shared attitudes, values, goals and practices that characterizes an organization," said Gina Moody, Director of Culture and Hospitality for Lifespace. "Culture is what we do and say, the way we behave, and the way we treat each other, our residents and ourselves. It's the 'personality' of Lifespace, and it's critical to the way we do business."

There are 12 Living Lifespace tenets, or commitments, each team member is charged to meet. Among them: "I anticipate needs and respond with consistent quality and exceptional service," and "I look for the good in others and assume positive intentions."

"We take these commitments seriously, and we watch team members actually change their attitudes toward their jobs and their relationships with each other as they begin to participate in and 'live' the program," Gina said. "We see new relationships form as existing relationships grow stronger. And stronger relationships help us all work

together more effectively to fulfill our mission."

Gina spent much of her time on the road, visiting all 12 Lifespace communities to train new team members in the Living Lifespace culture. She said culture training is so critical to the organization that team members were allowed to begin work only after they took part in the program's first two day-long sessions.

"We want to set the tone from the very beginning and let team members know how important culture is to Lifespace as a whole," Gina said. "I can't think of many other organizations that invest to this degree in training and development from the very first day."

Trish said the emphasis on culture helped Lifespace select candidates who also placed a high value on the environment in which they'll be working.

"They're able to 'mesh' better and to contribute to the environment from the beginning, because they're not here to simply put their heads down and do a job," Trish said.

"They're excited to be part of the Lifespace family, and they know their commitment to culture was also an important part of why they were selected. The commitment to culture has been a win-win for new and current team members alike."



Joni Lajza and Sunnie Lichtenstein ponder an art project at Village on the Green.



Al Morfee and Beverly Agardy are residents of Harbour's Edge in Delray Beach.

“HEAD OVER HEELS”

Al Morfee met Beverly Agardy before she moved into Harbour's Edge. She was there for a visit, and he was on her welcoming committee in the Delray Beach, Florida community.

“I saw this beautiful woman and I thought, ‘We have to get her to live here,’” he said with a laugh. “When I found that she was moving in, I didn't waste any time.”

Beverly remembers meeting Al, but never could have imagined she'd fall for him months later. “I was widowed 30 years ago and I never even dated,” she says. “I certainly wasn't looking.”

But he persevered. “Can you blame me?” he says. “She's everything you could want in a partner.”

Beverly, 87, and Al, 90, began dating last year. They live in separate apartments, with Beverly's tastefully appointed and elegantly furnished. Just down the hall, Al, a former McDonald's franchise owner, has decorated his home with Golden Arches kitsch.

Their disparate styles carry over to their personalities as well. Al, ebullient and gregarious, doesn't know a stranger. Beverly is more reserved.

“We're different, but we work well together,” Al said.

“If anyone said I'd fall head over heels in love at 90, I would have told them they're crazy. I feel like the luckiest man in the world to live here, and doubly lucky that we found each other. It's a shame to have to be lonely.”



THE SECRET? “PUT ONE FOOT IN FRONT OF THE OTHER”

They can't remember if it was 1936 or '37, but it happened at a basketball game. She silently willed the “short and speedy” star player to ask her to dance.

He did. She accepted. And 75 years later, “She's the only girl in the world,” Felix “Rick” Riccardo said. “She dots my I's and crosses my T's. I can't even begin to imagine my life without her.”

Dorothy admires her husband's kind and gentle nature.

“Everyone who meets him loves him,” she said. “He's been such a good provider, and I've hardly ever heard him say a sharp word to anyone.”

Felix turns 100 in 2016; Dorothy, 97. The New York natives, now residents of Abbey Delray in Delray Beach, Florida, said there's no secret to their relationship's longevity. It's luck and perseverance.

“There are difficult times when you're not feeling all that pleased with something the other person has said or done, but you continue to respect the person and it all comes back around,” Dorothy said. “You can choose to put one foot in front of the other, or not. It's about commitment. We were raised to not give up.”

Felix says it's even easier to explain. “It just comes naturally to love her.”

Felix “Rick” and Dorothy Riccardo live at Abbey Delray in Delray Beach.

FROM D.C. TO LONGWOOD — SHE GETS THINGS DONE



Esther Vassar often wonders how, in her words, “a little girl from Tennessee and a product of segregated schools came to work at the White House at the invitation of the president of the United States of America.”

But that's what happened, and in 2015, Esther, a 71-year-old resident of Village on the Green in Longwood, Florida, is parlaying the skills that got her noticed by President Barack Obama into making life a little busier and more entertaining for her community.

Esther was appointed during President Obama's first term to the position of national ombudsman for small business in America. She had been working in the government arena for the Commonwealth of Virginia, and was nominated by Commonwealth leaders as “someone who can get things done,” she said.

“I had run my own event-planning company, and I was known as someone who worked hard to exceed expectations,” Esther says. “Once I had been approved to work in the White House, I was asked to choose the area I'd like to work in. I chose small business because, having owned a business, I knew I could help provide guidance and support.”

During her term in the White House, Esther enjoyed face time with the president, bonding with him during discussions about people they both knew and admired. “He had a wall up initially, but depending on what you talked about with him, he was willing to let that down,” Esther said. “I enjoyed talking with him, and I felt valued and appreciated for my work.”

Esther moved into Village on the Green in 2015. A tour of her apartment reveals not only an enviable collection of African art, but also photos of Esther with a variety of movers and shakers — from heads of state to Hollywood heavyweights.

She said she's grateful for the life she's led, but chose to focus on the life still in front of her. She's always busy, serving as the community's go-to resident for event planning.

“I put people to work to get things done,” Esther said with a laugh. “I may not be as young as I used to be, but I believe strongly in contributing whenever and wherever I can.”



Esther Vassar shows off memorabilia from her White House years in her Village on the Green home.





The fountain at Claridge Court is a vision of serenity.

CLARIDGE COURT PARTNERED WITH SCHOOL DISTRICT

Monroe Taliaferro had long been an enthusiast for partnering with the school district to address unmet needs.

“When Mr. Taliaferro brought us this idea, we couldn’t think of a better way to demonstrate our commitment to the community and its young people,” said Susan Gilmore, Finance Director at Claridge Court in Prairie Village, Kansas.

In December 2015, Claridge Court presented a \$42,500 check to the Shawnee Mission Education Foundation for the Project Lead the Way® initiative, the nation’s leading STEM (science, technology, engineering and math) program. The funding brought the initiative into five Prairie Village elementary schools.

Susan said the idea to fund the program came with the encouragement of Lifespace Communities, Inc. The sponsor urges its 12 senior living communities to share more meaningfully as neighbors within their cities. But she was quick to point out that current resident and former Prairie Village mayor Monroe Taliaferro was the special person behind the effort.

“Our assistance will fund educational outreach for years to come,” Susan said. After the initial donation, the community will offer \$5,000 to \$8,000 annually from the community’s operations budget, which includes money earmarked for social accountability.



At Claridge Court, left to right: Dr. Christy Ziegler, STEM Director, Shawnee Mission School District; Monroe Taliaferro, resident; Linda Roser, Executive Director, Shawnee Mission Education Foundation; Susan Gilmore, Claridge Court Finance Director; Sara Goodburn, President, Board of Education, Shawnee Mission School District; Jack Mahurin, resident.



Ann Mahurin is one of the many friendly Claridge Court residents.

LIFESPACE SPONSORED IOWA PREMIERE OF GLEN CAMPBELL ALZHEIMER’S FILM

To raise Alzheimer’s disease awareness, Lifespace hosted the Iowa premiere of *Glen Campbell ... I’ll Be Me*.

The award-winning documentary follows country music legend Glen Campbell, who was diagnosed with the disease in 2011. As one of the five million older Americans who live with Alzheimer’s, his diagnosis and subsequent battle is a stark reminder that the illness attacks without regard for background, gender or social standing.

On a chilly February night, more than 1,400 people attended the screening at Des Moines’ Lutheran Church of Hope. It was the second-largest attendance out of dozens of states that premiered the film. The film has now reached millions of people across the country, and success at the 2015 Grammys and an Academy Award nomination have only increased its exposure.

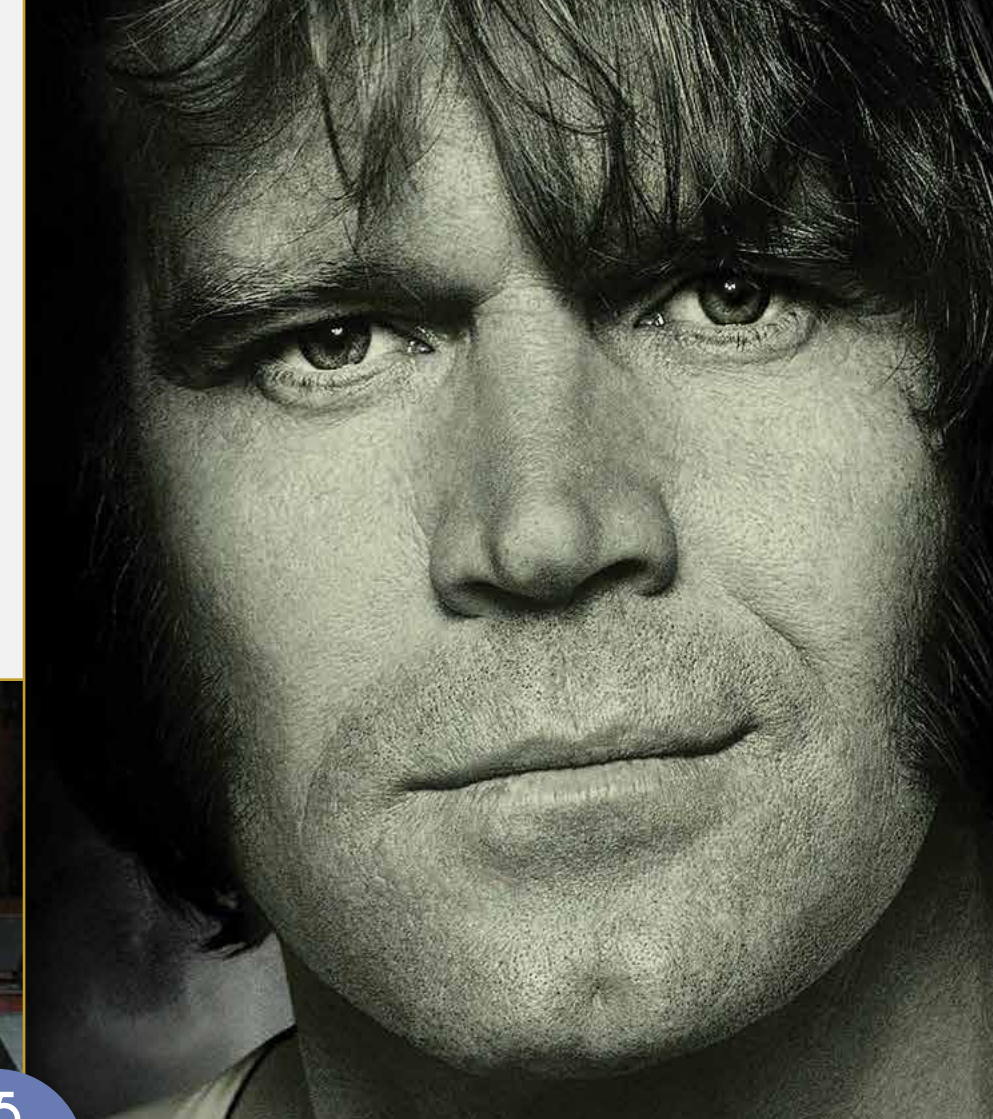
The audience was joined by special guests James Keach, the film’s director, Campbell’s wife, Kim, and two of his children, Ashley and Shannon. Following the screening, James led a panel discussion, and Ashley and Shannon wrapped up the evening with a half-hour concert featuring their father’s hits.

Lifespace teamed with LeadingAge Iowa and WesleyLife, another not-for-profit senior living organization, to sponsor the event. Local and regional TV, radio and print publications covered the story for the Iowa audience.



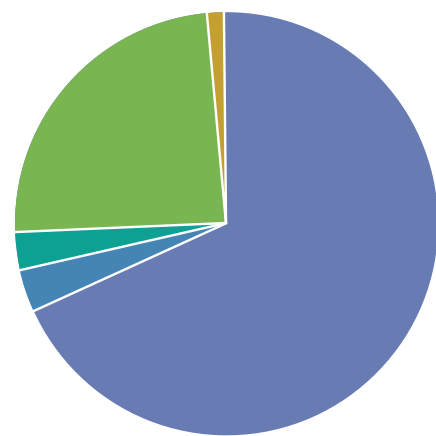
GLEN CAMPBELL... I’LL BE ME

HIS MUSIC IS LEGENDARY. HIS STORY IS HUMAN.



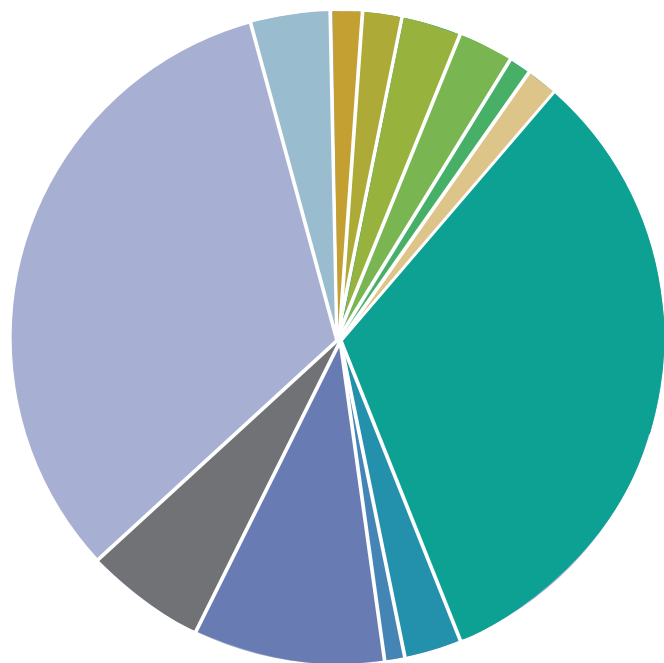
TOTAL CHARITABLE CONTRIBUTIONS IN 2015

CHARITABLE CONTRIBUTIONS TO LIFESPACE COMMUNITIES, INC. RESIDENTS AND TEAM MEMBERS



Resident Discounts from Fully Established Contractual Rates	\$30,820,126
Direct Benevolence to Lifespace Communities, Inc. Residents	\$1,262,106
Medicaid	\$1,233,167
Medicare	\$12,683,291
Foundation	\$489,165
SUBTOTAL	\$46,487,855

CHARITABLE CONTRIBUTIONS BENEFITING THE BROADER COMMUNITY



Abbey Delray	\$7,853
Abbey Delray South	\$10,372
Beacon Hill	\$22,666
Claridge Court	\$21,861
Deerfield	\$9,430
Friendship Village of Bloomington	\$13,735
Friendship Village of South Hills	\$132,271
Grand Lodge at the Preserve	\$18,442
Harbour's Edge	\$7,415
Oak Trace	\$43,906
The Waterford	\$45,413
Village on the Green	\$156,159
Home Office	\$26,345
SUBTOTAL	\$515,868

TOTAL OF ALL 2015 CHARITABLE CONTRIBUTIONS \$47,003,723

COMMUNITY PROFILES

	ABBAY DELRAY	ABBAY DELRAY SOUTH	BEACON HILL	CLARIDGE COURT	DEERFIELD	FRIENDSHIP VILLAGE OF BLOOMINGTON	FRIENDSHIP VILLAGE OF SOUTH HILLS	GRAND LODGE AT THE PRESERVE	HARBOUR'S EDGE	OAK TRACE	THE WATERFORD	VILLAGE ON THE GREEN	HOME OFFICE	TOTAL
TOTAL Residential Living	349	331	418	158	143	370	344	133	315	281	318	294	N/A	3,454
TOTAL Assisted Living (Licensure varies by state)	10	N/A	N/A	N/A	23	50	N/A	7	N/A	49	N/A	N/A	N/A	139
TOTAL Health Center	92	82	102	38	28	59	87	N/A	49	101	54	49	N/A	741
TOTAL Number of Residents	451	413	520	196	194	479	431	140	364	431	372	343	N/A	4,334
TOTAL Number of Team Members	266	253	254	137	159	284	234	60	363	266	183	256	65	2,780

*** TOTAL Portfolio Occupancy 4,334**



5-STAR RATED LIFESPACE COMMUNITIES

The CMS (Centers for Medicare and Medicaid Services) 5-star rating recognizes community Health Centers offering a "much above average" quality of care. As an organization, Lifespace Communities, Inc. has a 5-star rating.

18.1%

FULL-TIME TEAM MEMBER TURNOVER

INDUSTRY-AVERAGE TURNOVER: 24%

Source: LeadingAge

* All numbers represent average occupancy for December 2015



Gilda Katz and Sam Silverman

are Harbour's Edge residents.

CONSOLIDATED BALANCE SHEET

Balance Sheet (in thousands)

ASSETS	FY 2015	FY 2014
Cash & cash equivalents, investments in trading portfolio, excluding those whose use is limited	\$156,691	\$156,135
Assets whose use is limited	\$64,132	\$57,581
Accounts & other receivables	\$15,269	\$11,303
Inventories, prepaid insurance & other	\$4,738	\$6,937
Property & equipment, net	\$472,836	\$454,035
Goodwill	\$52,823	\$52,823
Deferred expenses	\$7,305	\$8,243
TOTAL ASSETS	\$773,794	\$747,057

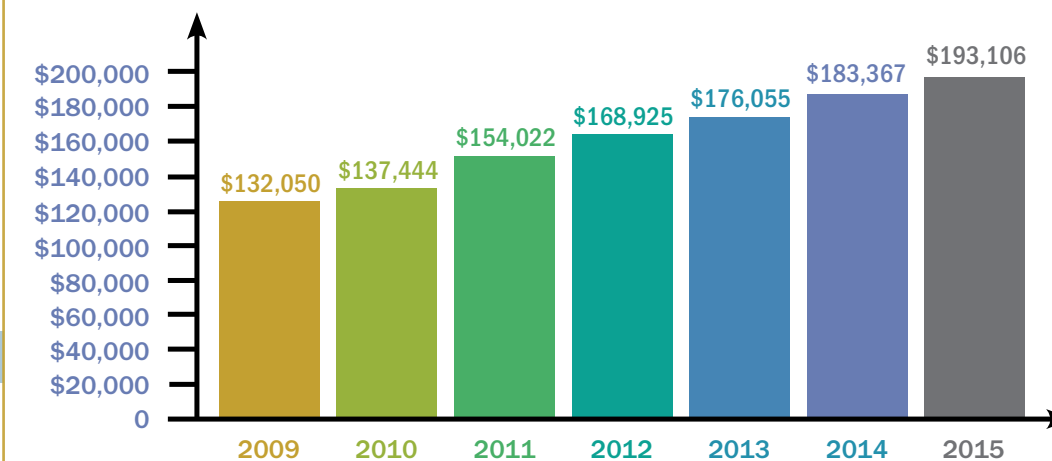
LIABILITIES & NET ASSETS

Accounts payable, deposits & accrued liabilities	\$35,175	\$30,869
Entrance fee & Health Center refunds	\$38,016	\$31,543
Notes & bonds payable	\$214,309	\$193,734
Resident upgrades	\$1,532	\$904
Deferred entrance fees	\$169,620	\$160,347
Refundable entrance fees	\$410,519	\$411,616
Estimated obligation to provide future services in excess of amounts received or to be received	\$6,365	\$11,584
Net assets	-\$101,742	-\$93,540
TOTAL LIABILITIES & NET ASSETS	\$773,794	\$747,057

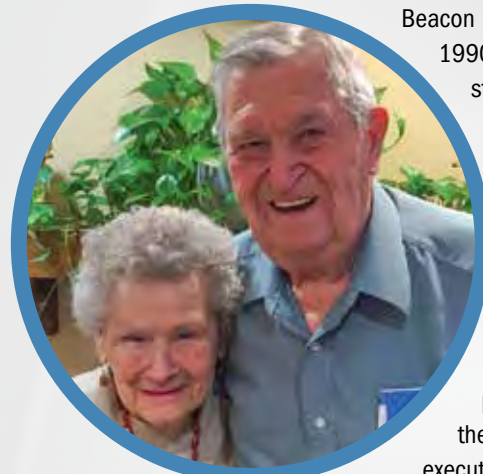
BOTTOM LINE

OPERATING REVENUE	FY 2015	FY 2014
Monthly fees	\$120,251	\$116,937
Ancillary & other services	\$72,855	\$66,430
TOTAL OPERATING REVENUE	\$193,106	\$183,367
OPERATING EXPENSES		
Team member costs	\$112,746	\$106,056
Ancillary & other services	\$11,275	\$10,003
Other	\$61,245	\$60,599
TOTAL OPERATING EXPENSES	\$185,266	\$176,658
MARGIN	\$7,840	\$6,709

REVENUE, EXCLUDING INVESTMENT INCOME AND ENTRANCE FEE AMORTIZATION



BENEVOLENT CARE GIFT KEEPS GEORGE AND ANNE SAFELY IN THEIR HOME



Beacon Hill residents since the late 1990s, George and Anne Shilakis were startled to realize their money was running out.

The 93-year-old George began to worry. "I couldn't sleep."

"I remember how hard it was for George to tell me what was happening, because he's such a proud man," said Blaire Goldstein, the Lombard, Illinois, community's executive director. "He had worked hard for every dollar, and he saved that money well. He hadn't done anything wrong, and yet he felt he had failed."

He hadn't done anything wrong, and yet he felt he had failed."

Blaire turned to the Lifespace Foundation, which offers benevolent care funds for people like George and Anne. She knew money was available to supplement George and Anne's monthly fees.

"We're a not-for-profit, and things like this serve as a reminder that this is our mission," Blaire said. "As people live longer — and we're thrilled that they're living longer — it becomes more common that residents, through no fault of their own, run low on money. But we're not going to make them leave when we have the resources to help them stay."

"She told us we wouldn't have to leave," George recalled, and added that his conversation with Blaire made him especially thankful he and Anne had chosen to live at Beacon Hill.

"We were so grateful," he said. "That night, I slept the best I had in months."



At Beacon Hill, Anne and George Shilakis benefited from benevolent care funds from the Lifespace Foundation.

FOUNDATION FINANCIAL STATEMENTS

Balance Sheet (in thousands)

ASSETS	FY 2015	FY 2014
Cash & investments	\$6,237	\$6,408
Other assets	\$731	\$830
TOTAL ASSETS	\$6,968	\$7,238

LIABILITIES & NET ASSETS

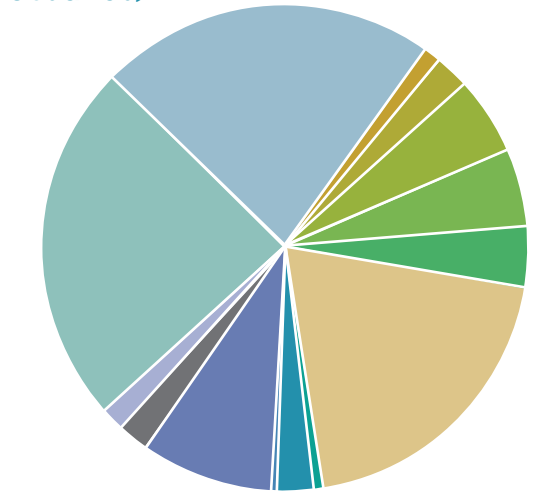
Accounts payable	\$113	\$335
Gift annuity obligations	\$356	\$374
TOTAL LIABILITIES	\$469	\$709
Net assets	\$6,499	\$6,529
TOTAL LIABILITIES & NET ASSETS	\$6,968	\$7,238

STATEMENT OF OPERATIONS & CHANGES IN NET ASSETS (in thousands)

Contributions	\$804	\$1,037
Investment income	-\$23	\$341
TOTAL	\$781	\$1,378
Administrative expenses	\$250	\$184
Change in actuarial obligation gift annuities	\$72	-\$98
TOTAL	\$322	\$86
Assets released from restrictions for Foundation projects	-\$489	-\$1,056
CHANGE IN NET ASSETS	-\$30	\$236
NET ASSETS AT BEGINNING OF YEAR	\$6,529	\$6,293
NET ASSETS AT END OF YEAR	\$6,499	\$6,529

2015 TOTAL DONATIONS

(in thousands)



Abbey Delray	\$7
Abbey Delray South	\$19
Beacon Hill	\$39
Claridge Court	\$39
Deerfield	\$32
Friendship Village of Bloomington	\$160
Friendship Village of South Hills	\$3
Grand Lodge at the Preserve	\$19
Harbour's Edge	\$1
Oak Trace	\$68
The Waterford	\$16
Village on the Green	\$8
Brede-Wilkins	\$196
Home Office	\$197

TOTAL

\$804

BRINGING TOGETHER
THOUGHT LEADERS,
STRATEGIC THINKERS
AND PARTNERS WHO
MAKE THINGS HAPPEN,
THE BOARD SHARED
A BRIGHT VISION OF
GROWTH – AND THE
DETERMINATION TO
BRING IT TO LIFE.



DON BOURNE

Retired operations manager for Swinerton Builders, a San Francisco-based general contractor

- Elected April 1992
- Resides in Paso Robles, California



RITA DRAGONETTE

President of Dragonette Career Strategies, a firm offering career consulting to C-level executives and entrepreneurs

- Elected October 2007
- Resides in Chicago, Illinois



E. LAVERNE EPP

Currently serves as executive chair of the Bioscience and Technology Business Center at the University of Kansas

- Elected October 2009
- Resides in Lawrence, Kansas



SLOAN BENTLEY
President and Chief Executive Officer



ANN WALSH
Senior Vice President of Operations



LARRY SMITH
Senior Vice President and Chief Financial Officer



JODI HIRSCH
Senior Vice President and General Counsel

A VISION OF GROWTH, PURSUED



JOHN KADUCE

Former CEO and director of LeadingAge Iowa, an organization that represents the interests of retirement communities and related health care providers within the state

- Lifespace President and CEO, 1987 - 2007
- Resides in Hobe Sound, Florida



BOB KEHM

Retired partner of the accounting firm KPMG, LLP

- Elected October 2009
- Resides in Overland Park, Kansas



PAULA SHIVES

Attorney and retired senior vice president, secretary and general counsel for Darden Restaurants, Inc.

- Elected October 2005
- Resides in Winter Park, Florida



ANN WAGNER-HAUSER

Director for Northwest Financial Corporation and Northwest Bank

- Elected August 2002
- Resides in Minnetrista, Minnesota



JOEY LEONHARDT
Vice President of Human Resources



SARA HAMM
Vice President of Successful Aging and Health Services



JOHN COUTURE
Director of Information Technology



JODI BLEIER
Vice President of Financial Operations and Strategic Growth



JOE CHAMBERS
Vice President of Sales and Marketing



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Deerfield residents Kathryn and Donald Brush.

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