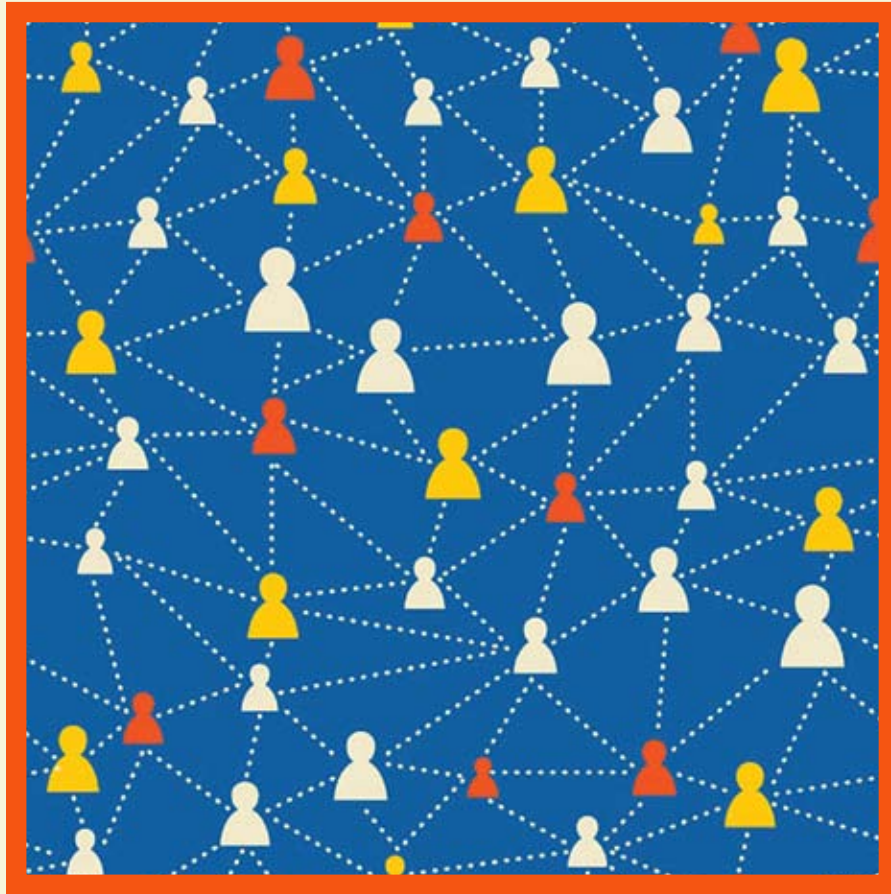


CONNECTING WITH OUR WORLD



ANNUAL REPORT 2010 / 2011

ROCKWOOD RETIREMENT COMMUNITIES

It is my pleasure to extend warm greetings from the Board of Trustees to every one of more than 530 residents living at our three campuses, to our dedicated management leaders and staff, and to our sponsoring organization, the United Methodist Church. We especially welcome new residents who have chosen to live at Rockwood South Hill, Rockwood at Hawthorne, and the 39 first-time residents at our new Appleyway Court affordable housing affiliate in Spokane Valley. We are all joined together at this time and place to experience and enjoy the journey of Rockwood.

Our fifty-first year has not been all smooth sailing. Every person and organization in this great nation has been somehow affected by the recent extraordinary economic challenges. In spite of those challenges, and thanks to the strong leadership and management by our administration and staff, we are serving you without cutbacks, are on-budget, are continuing to maintain and upgrade our properties, are trending positively in occupancy, and are as financially stable as ever.

We patiently await a current that will bring recovery to the economy and signal additional apartment sales for The Summit at South Hill, easing of bank loans that will enable starting on our long-awaited renovation of The Ridge at South Hill, completion of several projects for Rockwood at Hawthorne, and a HUD-backed loan for the next phase of Appleyway Court.

Rockwood would never have launched without the laying of a faith-based straight and even keel upon which we have built for over 50 years. We are forever grateful to the United Methodist Church and especially to its Inland and Seven Rivers Districts for your legacy.

To the Rockwood Residents' Foundation we are increasingly grateful for the act of casting the nets into which residents and friends of Rockwood have placed gifts amounting to over \$3.1 million. These gifts will help Rockwood residents throughout the years. I encourage you to read about the Foundation's successes in this report.

I personally wish to thank Rockwood's residents, staff, Board, and personal friends for my own amazing journey these past two years as Board chair. Rockwood has taught me many things about commitment, compassion, connection and clarity of purpose that continue to make the Rockwood family of communities and services Spokane's premier retirement choice.

Bon voyage.

Ben Nielsen, Board Chair



Board of Trustees 2010-2011

Ben Nielsen, Chair

Joyce Johnson, Vice Chair

The Rev. Dale Cockrum Mina Gokee Jody Hamilton Jean Jalufka

Dennis Kifer Bob McDonald Connie Milton Bill Moore Greg Plummer Gene Raynaud

John Richards Tim Swartout Ann Rymond Tuling

The benefits of living in one of Rockwood's retirement communities are regularly discussed: security and the availability of health care services, being free from most household chores and maintenance - these are often some of the first benefits mentioned. Being able to "lock and leave" and not having to worry about your home while you are gone is also high on the list. The theme of this year's annual report is another very important benefit and that is "connections."

Being connected, staying and feeling connected, are, in my mind, some of the most significant benefits of living in a retirement community. New residents often know several of the current residents and look forward to reconnecting once they move in. For other residents, even if they don't at first know many of the other residents, they typically find it easy to connect through various activities and common interests. Living at Rockwood is truly fertile ground for cultivating and enjoying the gift of friendships.

Another type of connection that I have personally witnessed in action at Rockwood is the one that gradually evolves over the years as we serve residents and their families. On many occasions we have served multiple generations of the same family. Staff at Rockwood finds satisfaction in knowing that we have made a difference, and we thoroughly enjoy the special personal relationships that develop over the years with residents and various family members.

As their trust and confidence in Rockwood grow over the years so does our resolve to continue to live up to the expectations placed upon us.



While our focus on the importance of interpersonal connections has a long history at Rockwood, the tools at our disposal to help sow the seeds of strong, positive relationships have indeed changed over the years. With recent updates the Rockwood website is more fun, engaging and helpful than ever before. And I suspect you have heard of Facebook. I encourage you to visit the Rockwood Facebook page and "like" us for, if you do, you will be assured of receiving a treasure trove of Rockwood Retirement Communities information that will keep you connected like never before!

We recognize that we are all interconnected in so many different ways and that the needs and avenues of sharing information are diverse and ever-changing. Yes, the nuts and bolts services, amenities, features and benefits we provide are of huge importance and result in a great quality of life for our residents. But the connections made along the way, they are not an afterthought. Rather they are an integral, vital aspect of living at Rockwood Retirement Communities.

Alan Curryer
President and CEO

Spokane United Methodist Homes,
doing business as
Rockwood Retirement Communities, is a not-for-profit corporation dedicated to providing housing and services for seniors with a commitment to excellence in promoting independence, wellness and lifelong vitality.

Appleway Court

The first phase of Rockwood's affordable housing community opened with fanfare, pride and gratitude, shared by a variety of its advocates at an open house in March. Representatives of HUD and Rockwood's consultant, Community Frameworks, spoke with obvious emotion about the need for a quality living environment for seniors with lower income. Rockwood Trustees enjoyed a great sense of having accomplished a significant mission goal. Rockwood management realized all their hard work had created a lasting benefit for Spokane. Rockwood staff, designers, architects, builders, and dignitaries, including the Mayor of Spokane Valley, all gathered to acknowledge the community of people that had created the attractive and hospitable Appleway Court, and the community of people that would soon call it home. Now, Rockwood looks forward to moving ahead with the second phase of Appleway Court, a sister building on the same property.



Cross-Town Connection

In January 2011, the position of Administrator for Rockwood at Hawthorne opened and a search for a replacement was contemplated. It became clear that the best person for the job was already here - Jaak Juhkental, Chief Operations Officer. Jaak's familiarity and rapport with the residents and staff at the north side campus, and his desire to focus on their needs, made for a seamless transition. While Rockwood at Hawthorne celebrated, Rockwood South Hill and the corporate offices were assured that Jaak would continue carrying out his duties in all areas for the time being.



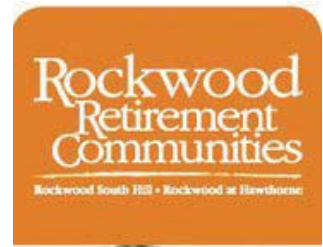
Jaak Juhkental and best friend, Max.

Meeting and Greeting Our World

Here it is, 2011, and every day brings a fresh challenge/opportunity to keep up with new technology and ways of using it to communicate. Not to be left behind, Rockwood embarked on a deeper exploration of cyberspace and beyond.

To improve the way we communicate on the web, first we redesigned our website to make it friendlier to the way people navigate and to give it a consistent “brand” look. Next, a template was designed to allow us to “blast” emails to our contacts on a monthly basis with news of events and opportunities at the Rockwood South Hill campus.

This venture was followed up by establishing a presence with the social media connector, Facebook. Rockwood folks on the north and south sides have now become voices and faces in a far-reaching community that includes residents, staff, families, professional contacts, and others. We’ve connected with businesses, civic and arts organizations, good causes and no doubt, future residents at



www.facebook.com/rockwoodretirement

Estimated number of people Rockwood has “touched” through Facebook since April 2011...over 10,000! We have 150 regular monthly visitors and continue to grow.

A Marketing DVD on the Information Highway

In the early spring, a team of videographers came to Rockwood South Hill for an entire week to shoot a new marketing DVD that is in the process of being posted on YouTube, and embedded in the Rockwood website for viewing. Printed material, like this, and email messages will invite the world to hear and see the story of a proactive, caring community, and we are proud to say, it stars many residents and staff.



Recently a local real estate agent created a project that took her to a number of retirement communities where her goal was to spend enough time to really “get” what it would be like to live there. It was called “Kathy Through the Looking Glass.” There she posted experiences on her blog and we believe she painted a beautiful picture of Rockwood.

Teaming Up for Wellness

Infinity Rehab joined the Rockwood Retirement Communities on September 1, 2010 to provide Physical Therapy, Occupational Therapy and Speech Therapy for both Rockwood South Hill and Rockwood at Hawthorne. The dedicated therapists bring to both campuses a level of skill and compassion which integrates beautifully with existing wellness and restorative nursing programs and expands the entire staff's abilities to provide services at whatever level is most appropriate for the residents.

Infinity's principles of: integrity above all else; quality that is obvious; passion for the quality of people's lives; innovation, not emulation; reaching to learn, grow and embrace change and a culture of respect, dovetail seamlessly with the Rockwood P.R.I.D.E. program and mission. (P.R.I.D.E. is Personal Rewards through Involvement, Dedication and Education)



Infinity has participated in P.R.I.D.E. programs, health & wellness fairs, open houses, Walk'n'Roll, and in several other events over the year. Here, Therapist Laura Markmann works with resident, Dee Alter, who is recovering beautifully with the help of her positive attitude and the physical stamina she gained by participating fully in the Wellness Program with Brenda Jurich for the last ten years.

Networking for The Good

In our efforts to contribute and support fitness for seniors we hosted two Senior Advantage in Life (SAIL) fitness instructor trainings to help get classes going in outerlying small communities like Ritzville and Colville for individuals 60 years old and older. And starting in September, Rockwood will be a site for the Parks and Recreation program fitness classes for older adults.

Time and time again departments make innovative connections that support residents. Recently the Rockwood Residents' Foundation of Rockwood South Hill voted to provide funds for a new

support group for caregivers - residents or family members - who need a community of understanding as well as professional guidance to carry out their responsibilities.

Kim Cederholm, Activities Director, and resident Irene Stephens bond with their favorite technology, The Kindle.



ROCKWOOD

Residents' Foundation



I considered it to be a privilege to be asked to be chairman of the Rockwood Residents' Foundation, and an honor to follow in the footsteps of former chair, Mina Gokee. I firmly believe in the purpose of the Foundation and its mission on both of Rockwood's campuses.

It was especially gratifying to be chair of the Foundation during the year of celebrating our 50th year of operation. One of the goals of the Rockwood South Hill Advisory Committee for the 50th anniversary was to have each of our endowed funds – the Residents' Assistance Fund and the Exercise for Fitness Fund – reach the one million dollar mark. We not only met our goal but exceeded it! We currently have two residents using those funds for a total of about \$50,000 a year. Additionally, the Foundation supports Exercise for Fitness each year by giving in excess of \$60,000 toward expenses, eliminating the need to charge residents monthly for their participation.

With the decision to try less labor-intensive fundraising events, Rockwood South Hill had a "Holiday Lights" campaign in November and it raised \$27,000. We were very encouraged by the response. Matching money was given to the Foundation by a resident to install a WiFi system - wireless internet in the Health Center and the Community Center. The Foundation bought and installed 31 television sets for the Atrium. Five other sets were donated by residents. They are very much appreciated by residents and families alike. The Syverson family bought the "Upstairs Solutions" on-line education program available to employees and resident families. A "pool lift" was purchased for the Commu-

nity Center, and a bladder scanner for the Health Center. Thirty one thousand dollars was given to establish two scholarships in the health field that will be awarded each year. It is the hope of the donors that this amount will grow with new contributions. Four scholarships were awarded in August 2011 as a result of these most generous gifts.

Rockwood at Hawthorne's Advisory Committee worked hard to create several very successful fund raising events. Thanks to the generosity of the residents, Hawthorne also endowed the Residents' Assistance Fund. It is currently at \$100,000 and growing. We have also raised over \$40,000 for the remodeling of the Sunshine Inn, a dining area in the Health Center. The Foundation started an Employee Assistance Fund at Hawthorne this year. This fund is very appreciated by the employees, particularly during these difficult economic times. Thanks to resident Myrtle Kaul, Hawthorne was able to make available "Upstairs Solutions," and dedicate a training center in the name of her late husband, Lasa Kaul. A recumbent bike was purchased for the exercise room and a very successful fund raiser called "Stars We Honor" was done in May. In October 2010, Rockwood at Hawthorne collaborated with Hospice of Spokane to present the play "Vesta" once again, starring Hawthorne resident, Alice Kennedy. Connecting back to the community is part of our mission and we believe we are succeeding.

The Rockwood Residents' Foundation has had a good year. The spirit of giving among residents, friends, staff and families never ceases to amaze me! This year donors have given over \$350,000 to the Foundation. The Foundation Board reviews the investment policy quarterly with our CFO, Jim Maxwell and our UBS financial adviser and we have not only met, but exceeded our goals! Thank you again for all that you do for others. By contributing through the Foundation, you help to provide some of the extra amenities that make living at the Rockwood Retirement Communities the pleasure that it is.

Nancy Aston, Resident and Chairman
Rockwood Residents' Foundation

Richards, John and Mary
Roe, Will and Nan
Ross, Stanley and Kathryn
Rudolph, Dorothy
Schaffer, Lorraine
Scott, Harmon and Betty
Skindlov, Dorothy
Sloan, John
Smith, Judy and Dick
Snyder, Milton and Alma
Stanton, Fred
Stier, Don and LaVonne
Swanson, Doris "Dorie"
Swanson, Elaine
Tai, Mii
Teas, Frank W.
Tower, Ray and Louise
Tuohy, Jim and Nancy
Warn, John and Agnes
Wells, Brusan
Weninger, Pat
White, Jerry and JoAnn
Winkle, Irene
Winkle, Neal
Wolfe, Richard and Monica
Woody, Dale and Beverly
Yentzer, Charles and Anna
Zhang, Monica

Donations of \$1 - \$99

Anderson, Bud and Avery
Angel, Cheryl
Augustin, Evelyn
Bailor, Ron and Ann
Baker, Cyril and Betty
Barker-Tiffany, Betty
Barton, Dorothea
Beeman, Claudia
Benson, Bob
Betts, Ray and Gloria
Bilman, Ray and Jeanne
Boyce, Ruth
Brewer, John and Fran
Brown, Dorothy
Brown, Dorothy M.
Brown, Stella
Browne, Mary Anne
Buckingham, Patty
Buff, Brad
Carter, Jean
Cederholm, Bob and Kim
Cozzetto, Marie
Dawson, Ruth
Dryden, Wyona
Duba, David and Gail
Dunn, Golda
Ellis, Peggysue
Emerson, Elaine

Erickson, Lois "Pat"
Franklin, Ron and Mary
Fry, Holly
Gately, Jerry and Delaine
Godsall, Jeannie, James and
Dorothy
Gokee, Hank and Mina
Goldsworthy, Robert and Jean
Graham, Elsie
Gray, Lois
Hagerott, Cindy
Harding, John and Gloria
Harty, Betty
Hawk, Rosemary
Hedge, George and Ellie
Humphreys, Loise
Huneywell, Mary Alice
Jameson, Pat
Jorgensen, Hal and Joan
Keeler, Art and Elizabeth
Kifer, Dennis and Jana
Laughary, Marjorie
Mackenroth, Tina and Tom
McDowell, Marjorie
McClellan, Darlene
Massie, Roberta
Maxwell, Jim and Amy
Miller, Marion
Milton, Carl and Connie
Moore, Louise M.
Morgan, Joy
Murphy, Virginia
Nelson, Shirley
Newell, Cindy
Niles, Steven and Wendy
PSI Distribution Fund
Packard, John and Diane
Paulson, Marthabelle
Pearson, Marian
Perham, Guy and Sylvia
Pierce, Billie
Plummer, Greg and Sue
Premier Rehab
Ratzman, Dean and Betty
Raynor-Mader, Martha
Redmond, Howard and Lois
Reed, Lola
Rhoda, Betty
Richardson, Fred and Mary
Rickel, Beverly
Rising, Jolene
Robertson, Karen
Rose, Bob and Leslie
Rotchford, Millie
Shannon, Micky
Shaw, G.T. and Barbara
Slavin, Joanne
Smith, Jonathan and Susan

Snyder, Eunice
Stanfield, Tom
Steegstra, Louise
Stegemen, Karl
Stevens, Colleen
Stocker, Gerald and Marilyn
Syverson, June
Tuling, Ann Rymond
Vandervert, Jim and Maggi
The Noland Walker Family
Wendle, Dick and Carole
Williams, Ruth
Wright, Collee and Edward

If we have inadvertently left your name off our list, please contact the Foundation's Director of Development at 536-6677.

Cumulative Lifetime Donors
through May 31, 2011

**Developers: lifetime giving in excess of
\$250,000**

Catherine Bernhard*
Merle Lepouce*
Earl* and Juanita Peterson*

**Sustainers: lifetime giving between
\$100,000 and \$249,999**

Eugene* and Romaine Clouse*
Neal* and Helen Fosseen
George* and Helen Ingraham*
Louis* and Margery Livingston*
Ausey H. and Betty* Robnett
Margaret S. Williams

**Sponsors: lifetime giving between
\$50,000 and \$99,999**

Avis Brown*
Robert W. Downing*
Vern Gates*
Will and Lana "Foxy" Lorenz
Jim* and Susan Morris
Stan and June Olson
Lois Sampson*
Everett * and Bernadette Sandburg*
Roy and Katherine* Snipes

**Guardians: lifetime giving between
\$25,000 and \$49,999**

Frederick Alderson
Grayce Bartlett*
Mignonette Bond*
Clinton* and Elizabeth Corliss*
Clara Davis*
Mary E. Flowers
Miriam Hatch*
Eric* and Elizabeth Tobert*

**Patrons: lifetime giving between
\$10,000 and \$24,999**

Lawrence (Bud and Avery) and Ellen
Anderson
Virginiga L. Brown
Martha S. Cargill
Joseph* and Irene Carter
Margaret Cunningham*
Marna Estep*
Dorothy Haenle
Harry and Inge Hendron
John* and Elizabeth (BJ) Hulteng
Claude* and Kathleen Irwin
Hugh and Mary* Johnston
Millard (Bud) Jones*
Edwin* and Jean Jordan*

The O. W. Young Legacy Society

To become a member of Rockwood's Legacy Society, you need only inform the Development Office that the Rockwood Residents' Foundation is included in your estate planning. By doing so, you allow us to thank you in person, to honor you in our annual report publication, and to invite you to be our guest at the annual Donor Appreciation event.

Residents who have included Rockwood Residents' Foundation in their estate plans through their wills, bequests, charitable trusts, charitable gift annuities, insurance policies, beneficiary designations or other life estate vehicles are:

Nancy Aston	Louis* and Margery Livingston*
Mignonette Bond*	Will and Foxy Lorenz
Virginia L. Brown	Jim* and Sue Morris
Dr. Art and Dr. Joan Craig	Donald and Margery* Norton
Margaret Cunningham*	Alma Pearson
Alan and Missy Curryer	Juanita* and Earl* Peterson
Clara E. Davis*	Lois Sampson*
Mary Flowers	Roy and Katherine* Snipes
Neal* and Helen Fosseen	Caroline Sollid*
Anne and Bernie* Fox	Lorna Stevenson
Mary* and Herschel (Gus) Gustafson	Mary Vermeers
Dorothy Haenle	Rod and Carole Walker
Miriam Hatch*	Dr. Elizabeth Welty
Elizabeth (BJ) Hulteng	Margaret Williams
Anne Jensen	
Dr. Hugh Johnston	*deceased
Myrtle Kaul	
Genny Keeler	
Enid Kiefer	
Alice Kennedy	
Merle Lepouce*	
Peg and Chuck Leslie	

If we have inadvertently left your name off this list, please contact the Foundation's Director of Development.

Patrons (continued)

Hannah Joss	C. Sidney* and Yvonne Piper
Lasa* and Myrtle Kaul	Paul* and Dorothy Schafer*
Arlene Konn*	George* and Jean Shields
Norman Krey*	Donald* and Lillian Sperry*
Thomas and Myrene McFarland	Lorna Stevenson
Jim and Carol Mitchell	Rod and Carole Walker
Ted and Barbara Morse	Alvin* and Jane Wolff*
Vona Neiswender	
Jane Newton	
Alma Pearson	
Ruth Pearson	

Rockwood South Hill Foundation 2011 Income

Contributions	\$ 200,584
Investment Income	\$ 393,628
Sales Income and other	\$ 64,385
Total Income	\$ 658,597

Distributions for Needs

Direct Support to Residents	\$ 49,457
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Expenses

Distributions to Rockwood South Hill	\$ 100,721
Corner Store Purchases	\$ 6,105
Administration and Other	\$ 66,481
Total Distribution for Need & Expenses	\$ 222,764

Increase in Fund Balance \$ 435,833

Fund Balance at 5-31-11 \$2,987,235

Rockwood at Hawthorne Foundation 2011 Income

Contributions	\$ 28,166
Investment Income	\$ 28,075
Sales Income and other	\$ 1,446
Total Income	\$ 57,687

Expenses

Distributions to Rockwood at Hawthorne	\$ 2,396
Administration and other	\$ 16,203
Total Distribution for Need & Expenses	\$ 18,599

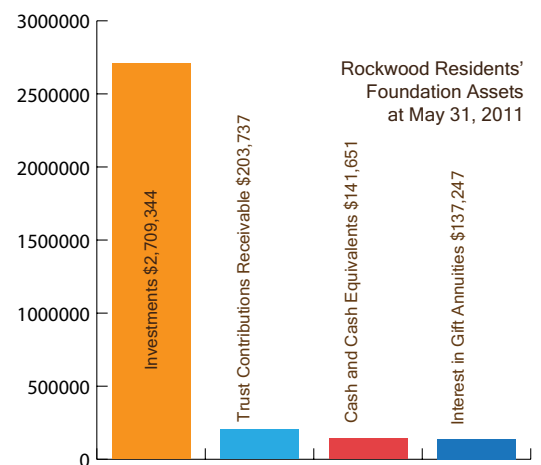
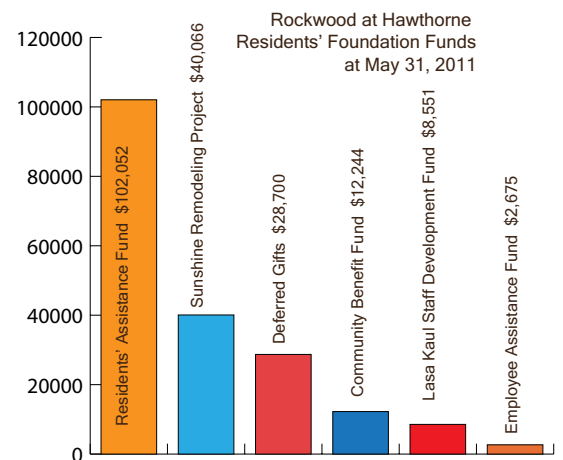
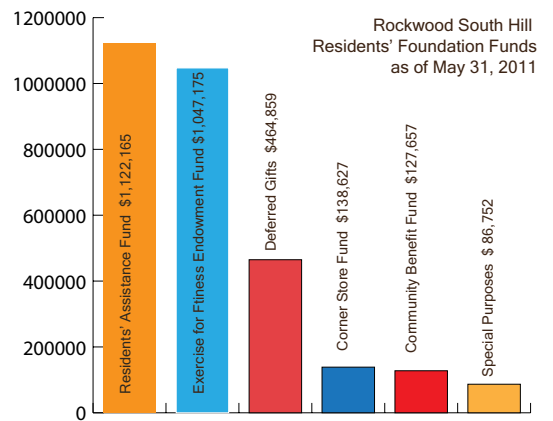
Increase in Fund Balances \$ 39,088

Fund Balance at 5-31-11 \$ 194,288

Rockwood Residents' Foundation's financial statements are audited by Dingus, Zarecor and Associates as part of the consolidated financial statements of Spokane United Methodist Homes. Copies of their audit opinions and the complete audited financial statements are available upon request.

Members: lifetime giving between \$5,000 and \$9,999

Patsy Bacon*	Ed and Betty McWilliams
Tom and Deanna Bishop	Dorothea Marshall
Margaret Clizbe	Margaret Larson Robnett*
George and Barbara Cole	Bob * and Helen Shanewise
James and Wanda Cowles	Caroline Sollid*
Rita Doran	Phil* and Margie Stanton
Ed and Virginia English	Kathryn Stiley*
Stan and Jody Fergin	Douglas and Mary Alice Stoner
Dick and Judy Gammon	Carol Stover
Loren* and Eleanor Gothberg*	Ruth Thompson*
Elsie Graham	Norman* and Margaret Wilson*
Daryl and Jean Hagie	Garrard* and Mary Wylid*
William* and Elsie Hester*	Kathleen Zuehlke*
Stanley Hoffman	
Dr. Jonathan Holloway	
Mary A. Hoesly	*deceased
Anne Jensen	
Ladd Kafflen	
Reubin* and Dorothy Kissler*	
Robert and Claire McDonald	



Highlights of 2011 Foundation Support for Rockwood Retirement Communities RH (Rockwood at Hawthorne) RSH (Rockwood South Hill)

RH Staff Development	\$ 2,396
RSH Resident Financial Support	\$49,457
RSH Exercise for Fitness Support	\$60,000
RSH Equipment	\$34,511
RSH Community Benefit	\$ 1,000
RSH Employee Support	\$ 5,210

Upstairs Solutions

Technology is the connection tool of today, and Rockwood communities are using it in innovative ways. “Upstairs Solutions” connects residents and families to education in senior health and community living. At Hawthorne, the program kicked off in January. Classes available on line are assigned to all staff members who complete them within a given timeframe via computer. Education topics include courses relevant to resident rights, workplace ethics, orientation to the community, all in an efficient and flexible setting, as well as very specific training that pertains to nursing and the aging process. Nurses can even earn continuing education credits. So far 96 employees have logged 682 classes, and they are asking for more.

One participant is Rockwood at Hawthorne Assisted Living Nursing Assistant Registered, Stephannie Brennan, an employee at Hawthorne for 7 years. With her in the Lasa Kaul Training Center, named after the late Mr. Kaul, is Myrtle Kaul. The Kauls’ dedication to education and sharing resources has touched lives all over the world, and connected people to a brighter future right here at home.



The Expansion Reservation Phase



Following a series of marketing presentations over the last year and a half, The Summit began the push to solidify connections made with interested parties. Reservation deposits began coming in and, though the economy has slowed progress, there are future residents eager to see their home go up, such as depositors and Rockwood at Hawthorne residents, Bob and Claire McDonald.



The design, seen here as a 3-d model, is the winner of an award from *DESIGN/Environments for Aging 2011* and was published in the 2011 showcase issue. This project also received Honorable Mention for its “connection between operational philosophy and built environment.”

On Top of Things at The Ridge



Management and staff recognized the growing need to provide additional assisted living residences at The Ridge at Rockwood South Hill, so plans were drawn to convert the third floor apartments and common areas to an appropriate configuration. The process involved making sure the floor's residents could be comfortably, temporarily relocated during construction. The project is slated to be finished in November 2011.

Along with remodeling The Ridge hallways, the new Ridge roof went on, which proved to be a fascinating spectacle as a giant crane parked outside and brought the old roof down. Workers on the very edge of The Ridge safety-belted themselves to the building right outside the top observation deck where residents and staff could safely check on their progress. The new roof is anticipated to last 20 years or more.

Strengthening Family Ties



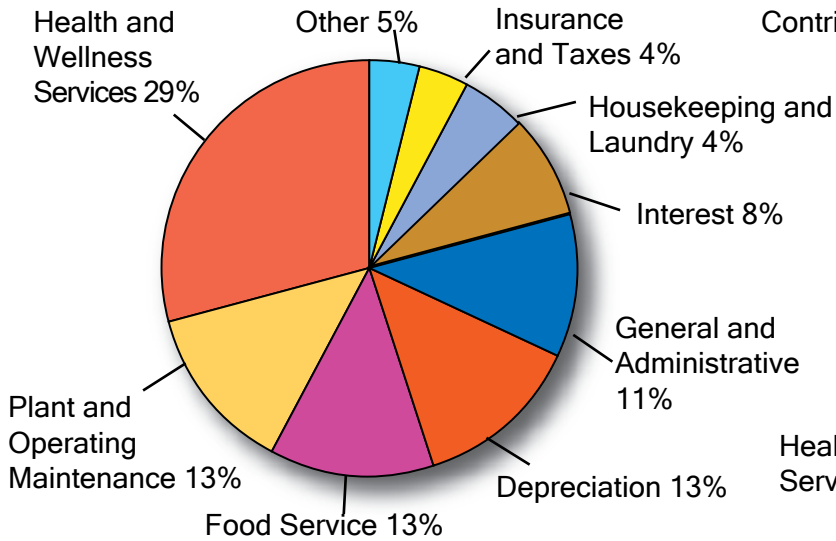
Sometimes we shed the ways we normally connect with each other and step into new relationships. This phenomenon was seen many times over at the Rockwood Leadership Retreat in the fall of 2010. Managers and executives arrived on a chilly morning at a wooded site with leaders from Adventure Dynamics. Most were about to do things they had never done before, like climb (tethered) to the tops of poles 60 feet high. There was problem solving, and cooperation-based challenge. And there was a new kind of supportive network formed that came with realizations of how to make a team more effective. Here, from Rockwood at Hawthorne, Marketing Consultant, Tina Mackenroth, and Jolene Rising from Medical Records, share the anticipation.

Right: Food Service Employee at Rockwood South Hill, Teiko Saggau, shares her free time and her artistic life with the residents of Rockwood Suites.

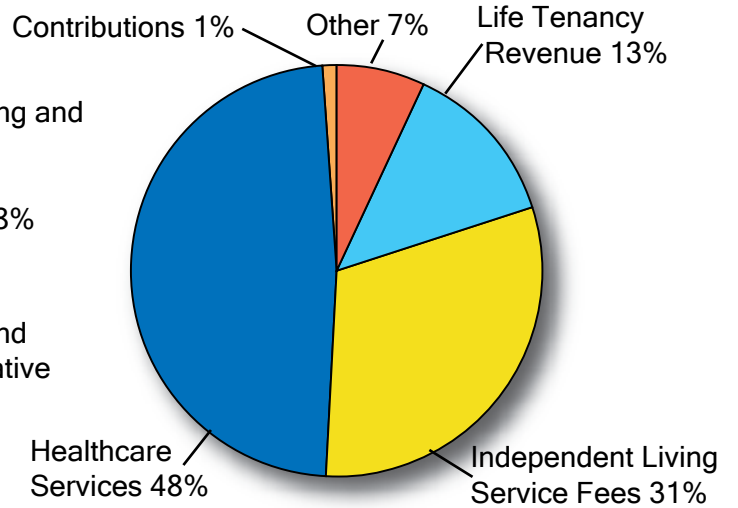


Financial Reporting

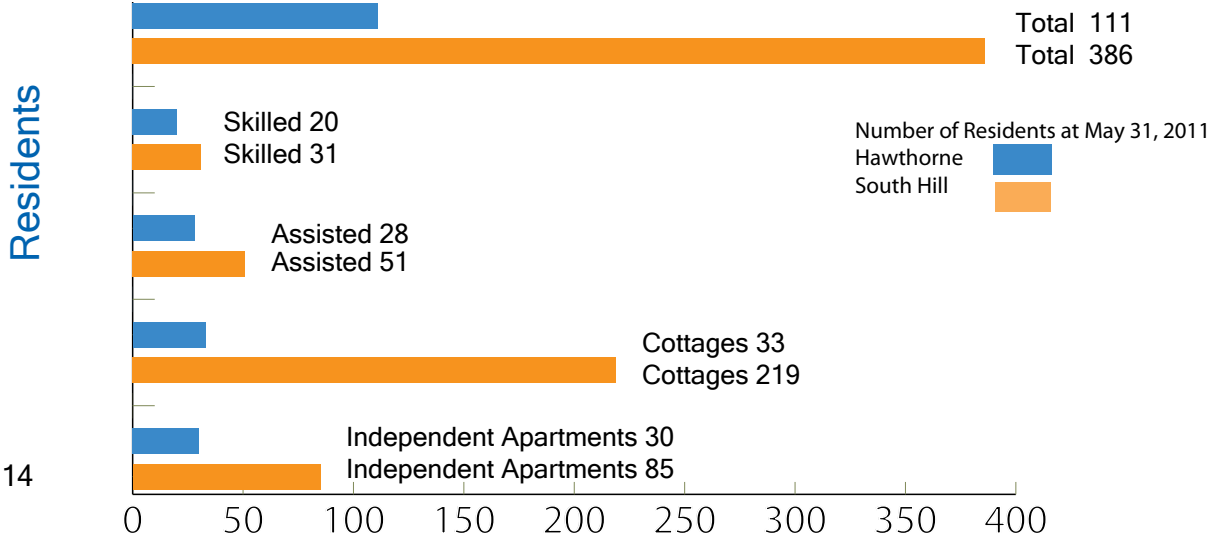
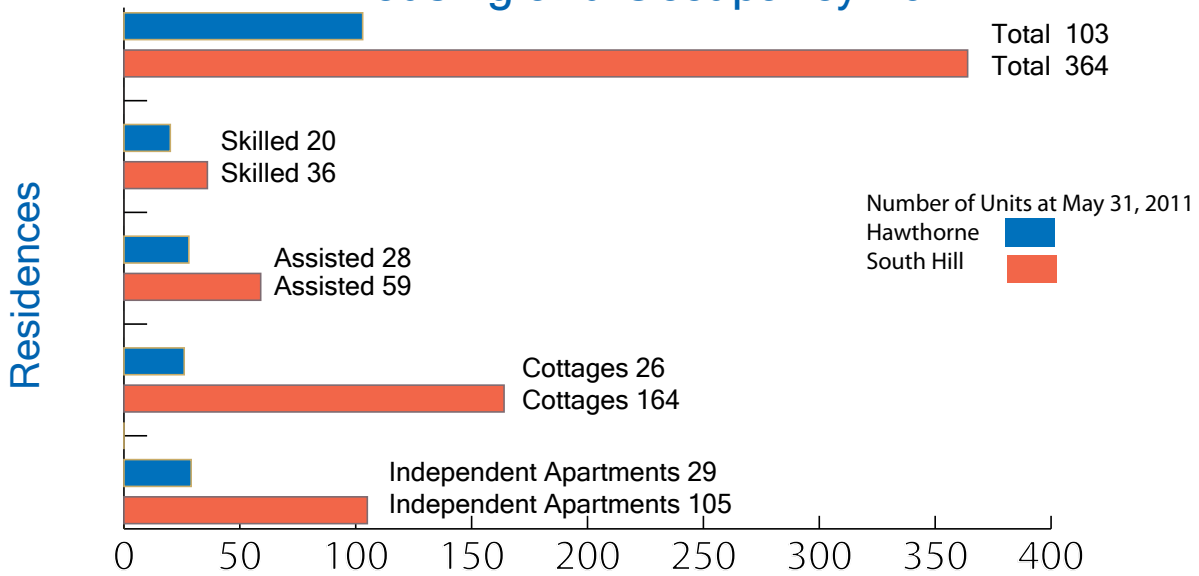
2010-2011 EXPENSES



2010-2011 REVENUES



Housing and Occupancy 2011



Spokane United Methodist Homes

Summarized Consolidated Balance Sheet Information

(\$\$\$ in thousands)	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Cash and investments	\$ 15,140	\$ 14,683	\$ 15,730	\$ 21,933	\$ 20,075
Property, plant and equipment	61,634	57,758	55,975	53,870	53,904
Other assets	8,733	6,620	6,279	8,617	8,279
Total Assets	\$ 85,507	\$ 79,061	\$ 77,984	\$ 84,420	\$ 82,258
Current liabilities	\$ 4,315	\$ 4,339	\$ 3,290	\$ 3,810	\$ 2,574
Long-term debt and other liabilities	32,940	34,228	34,480	32,855	32,552
Deferred revenue	42,854	41,101	42,919	45,477	43,922
Net assets	5,398	(607)	(2,705)	2,278	3,210
Total Liabilities and Net Assets	\$85,507	\$ 79,061	\$ 77,984	\$ 84,420	\$ 82,258

Summarized Consolidated Operating Statement Information

(\$\$\$ in thousands)	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Fees for services	\$ 15,548	\$ 14,439	\$ 14,171	\$ 13,491	\$ 12,452
Amortization of entry fees	2,453	2,893	2,658	2,866	2,609
Investment income	1,064	831	(283)	935	1,033
Other	502	570	502	521	490
Total Revenues	19,567	18,733	17,048	17,813	16,584
Operating expenses	15,695	14,820	14,262	13,714	12,731
Depreciation	2,576	2,389	2,287	2,198	2,127
Interest	1,618	1,657	1,687	1,560	1,770
Total Expenses	19,889	18,866	18,236	17,472	16,628
Unrealized investment gains/losses, change in accounting principle, capital grants, pension-related changes other than net periodic pension cost, and interest rate swap	(322)	(133)	(1,188)	341	(44)
Change in unrestricted net assets	\$5,600	\$1,893	(\$5,081)	(\$1,183)	\$195

Spokane United Methodist Homes' financial statements are audited by Dingus, Zarecor & Associates. Copies of their audit opinion and of the complete audited financial statements are available upon request.



Rockwood
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Communities

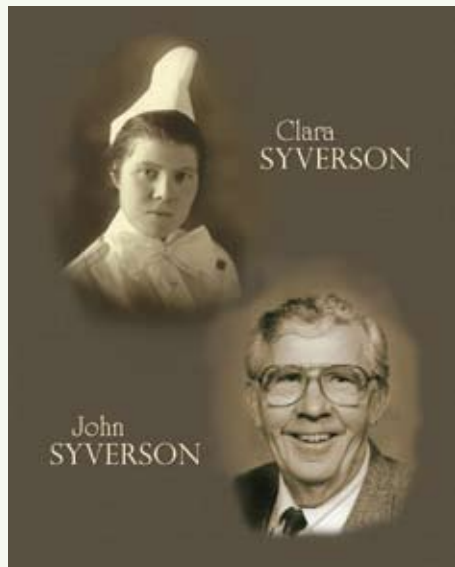
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The Vision of Clara L. Syverson



Shown in her 1915 nursing school graduation photo, Clara was to later establish an educational resource for nurses at Rockwood where she retired in 1990. It was known as the Clara L. Syverson Nursing Education Fund at Rockwood South Hill. Later, when her son, John, and his wife, June, became residents, they watched it grow steadily with contributions. At the time of John's passing in January 2011, the family in their wisdom linked Clara's wish to a contemporary educational resource for staff and families, "Upstairs Solutions," at Rockwood South Hill. Thank you, Clara, John, June and family.