



Where Loving-Kindness Lives

Acts



2019

ANNUAL REPORT



Our Vision

Acts is an organization where Loving-Kindness and Christian ideals are practiced to meet the needs of those we serve.

Our Mission

Acts is committed to providing security and peace of mind to seniors by being a pre-eminent provider of retirement-life services, responsive to individual, social, personal, health and spiritual needs in a Christian atmosphere graced with Loving-Kindness, dignity, sensitivity, honesty, and respect without prejudice or preference.



The Leader in Life Care

Acts has been setting the standard for excellence in senior living since opening its first community in 1972. With a vision founded in faith and guided by a commitment to integrity and Loving-Kindness, Acts has established an unsurpassed reputation for strength and stability in the senior living industry.

Dear Friends of Acts,

We are pleased to present to you our 2019 Annual Report, which highlights a year of significant achievements and exciting accomplishments. As we look back on the year, we are extremely proud of all that was accomplished throughout the Acts organization and our family of communities. We certainly have a lot to celebrate: a dynamic group of more than 10,000 residents at 26 thriving communities; an outstanding team of more than 8,000 employees committed to our mission; and a strong financial foundation that positions us well for the future.

In this annual report, you'll get a glimpse of some of the exceptional achievements that occurred over the past year. Most notably, our continued operating and financial success. The Acts organization remains healthy and our future looks even brighter. We have enjoyed several years of continued growth and 2019 was no exception. In April, the Acts family proudly grew to a total of 26 continuing care retirement communities with the addition of the **Integrace** communities in Maryland. We are proud to have these premier communities join the Acts family and enable us to expand our presence in Maryland and foster the creation of our fifth operating region, the Acts Chesapeake Region.

Among other accomplishments that helped to shape our success were achieving high community occupancy levels, continuing excellence in resident and employee satisfaction, and maintaining the highest standards in healthcare quality as evidenced through the annual state and federal surveys of our health care centers. Meanwhile, we made significant progress on various campus enhancements, with many more in development or planned on the horizon.

We hope you find this report informative, inspiring and reflective of our dedication to fulfill our mission. As our programs and services expand in response to resident aspirations and growing our ministry, we continue our path towards the future, always mindful of our founding principles to serve each other in a spirit of Loving-Kindness.

Thank you for being a part of the Acts family. Whether you are a resident, staff member, family member, volunteer, donor, or community friend, we strive each and every day to earn and keep your trust and confidence.

May God continue to bless you and the Acts organization.



A handwritten signature in black ink that reads "Gerald T. Grant".

Gerald T. Grant
Chief Executive Officer



A handwritten signature in black ink that reads "John L. Esterhai, Jr.".

Dr. John L. Esterhai, Jr.
Acts Board Chairman

As we prepare this letter our nation is experiencing unprecedented challenges from the global Coronavirus pandemic. While the impact of this crisis is being felt throughout the senior living industry and beyond, we are comforted that during these extraordinary times, Acts stands ready to respond, focused and well-prepared to continue fulfilling our mission to provide comfort, security and peace of mind to our more than 10,000 residents.



Highlights of the Year

The following significant accomplishments achieved during Fiscal Year 2019 contributed to Acts' very positive operating performance.

Strong Financial Foundation for a Bright Future

At Acts, maintaining a solid financial foundation is part of our core values and imperative to carry out our mission. Our positive financial standing is underscored by our A- rating from Fitch Ratings, which has repeatedly cited our positive financial performance and effective management practices as key factors in its rating assessment of the Acts obligated group. Our high levels of occupancy also contribute to our strong financial standing, with slightly over 96.1% of our units occupied, sold or committed companywide.



THE STANDARD FOR QUALITY



All 26 Acts communities are accredited by CARF for meeting the industry's highest standards in financial and operational performance. Accreditation is a significant achievement that signifies an organization and community have demonstrated efficiency, continuous quality improvement and consumer satisfaction.

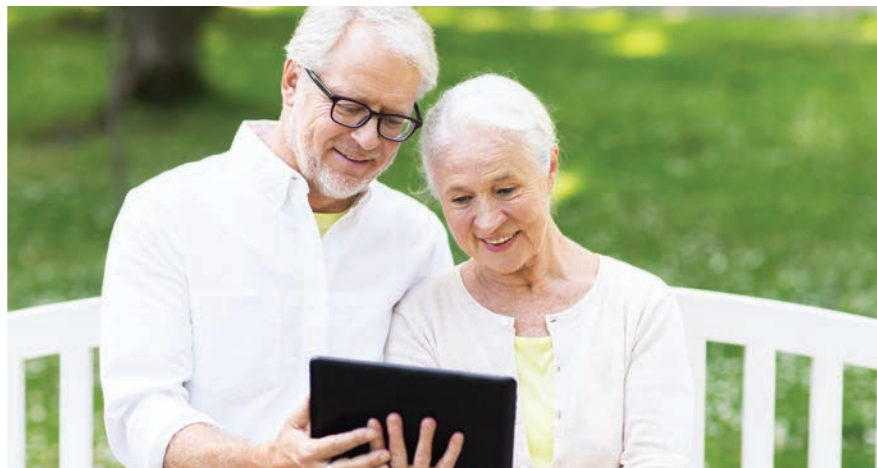
A- FITCH RATING TOP 5% IN SENIOR LIVING



EXPANDING OUR MISSION

Acts welcomed three new communities into its family with the addition of the Integrate communities in Maryland: **Bayleigh Chase**, **Buckingham's Choice** and **Fairhaven/Copper Ridge**. These communities have well-established reputations and their affiliations with Acts further strengthens our ability to expand and enhance our mission.





New Technology Amenities Drive Resident Engagement

Acts continues to leverage emerging technologies and solutions to enhance operational innovations and effectiveness in hospitality, care and operations. This includes initiating a multi-year rollout of smart apartment technology, upgraded WiFi, In-House TV experiences, and enhancements to the MyActsLife resident portal to support service requests, resident communication and add an online dimension to community life.

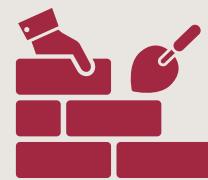
Delivering Outstanding Resident Care

Acts continues to experience excellent results system-wide from the annual health center surveys, placing our care centers among the best in the country. All Acts health centers met state and federal survey standards, often scoring significantly better than state and national averages with 24 out of 26 Acts **WillowBrooke Court Skilled Care Centers** earning a 4-or 5-star rating from the Centers for Medicare and Medicaid Services. In addition, we continued to expand and improve the Acts Signature Experience by enhancing our continuum of care with comprehensive and specialty care environments, services and amenities that support and promote healthy aging.



*All 26 Acts
WillowBrooke Courts
were named among
America's best by U.S.
News & World Report.*

\$100 Million



ANNUALLY IN CAMPUS
ENHANCEMENT PROJECTS

INVESTING IN OUR FUTURE

As part of our strategic plan for purposeful growth, several Acts communities completed or are currently undergoing major repositioning and community enhancement projects supporting Acts Signature Experience. In total, Acts manages approximately \$100 million in capital projects annually. The result is stronger communities that honor the investments of our residents and position us to grow our mission in the future.



Cokesbury Village completed an exterior makeover and made significant common area upgrades.



Plantation Estates is adding a new 90-bed WillowBrooke Court.



Highlights of the Year - continued

Supporting the Mission

Through **Acts Legacy Foundation**, including affiliate entities, successful fundraising programs are in place that encourage and facilitate contributions for worthy community projects, and build special purpose funds that benefit residents and employees in the spirit of the Acts mission. In 2019, approximately 4,200 donors provided more than \$7 million in charitable gifts to the Foundation. Through the Acts and community Samaritan Funds, the Foundation directed more than \$2 million of its charitable assets for assistance in fulfilling its resident benevolence commitments. Residents benefited through community enhancements, WillowBrooke Court and OakBridge Terrace equipment and furnishings, and new spiritual life and wellness initiatives with more than \$2 million in donor supported funding. Other charitable funds totaling more than \$100,000 benefited employees through emergency assistance, educational scholarships and Acts Corporate University initiatives.



\$7.1 Million

IN CHARITABLE
DONATIONS



THE STANDARD FOR QUALITY



In 2019, a total of 726 employees celebrated milestone anniversaries of five years or more with Acts. A large percentage of our employees have been with the organization for many years, resulting in low turnover rates compared with the rest of the industry.

A Dedicated and Engaged Workforce

Acts places great importance on providing a positive, growth-oriented work environment for our employees with employees indicating high levels of satisfaction. Acts' workplace culture, staff development, career growth opportunities and a life/work balance fosters strong physical, mental and spiritual health. The commitment by our staff is further evidenced in our retention rates, where the low employee turnover at Acts continues to be among the best in the entire industry.

BUILDING OUR BRAND

Overall awareness of Acts continued to grow aided by strong in-house video production, digital marketing, public relations, and social media initiatives. Nearly 60% of new leads now come through the Acts website, where overall visits increased more than 65% from the previous year. The website also had more than 740,000 visits and represents the number one source of prospects who eventually become residents, with 30% of move-ins having first inquired through the website. Acts also appeared in 280 media stories, while our social media channels continued to grow with the launch of Facebook pages for each Acts campus.

DIGITAL COMMUNICATIONS HIGHLIGHTS

MULTIMEDIA SERVICES

281

IN-HOUSE VIDEOS
PRODUCED

368% Increase



8,715 PAGE
LIKES

37% Increase from 2018

292K ENGAGEMENTS

47% Increase from 2018

287K VIDEO
VIEWS

82% Increase from 2018

4.4M IMPRESSIONS

42% Increase from 2018

#1 EXTERNAL WEBSITE TRAFFIC DRIVER TO ACTS WEBSITE

2.51% Conversion Rate (Standard business average is 1%)



1,033
FOLLOWERS
7% Increase



4,229 FOLLOWERS
56% Increase
234K IMPRESSIONS
137% Increase
17K ENGAGEMENTS
464% Increase



226 SUBSCRIBERS
300% Increase

137K PAGEVIEWS
164% Increase

280 TOTAL MEDIA HITS

reaching 2.5 MILLION

56%
Increase



MAKING AN IMPACT:

Community Benefit & Social Accountability

Through our community benefit and social accountability efforts, our actions and activities within our local communities serve to affirm our values, demonstrate our commitment to our various stakeholders, and fulfill the requirements and expectations as a tax-exempt organization.



Acts is a socially responsible not-for-profit organization, committed to serving our local communities through strong leadership, volunteerism and financial support. Each year, members of the Acts family provide thousands of hours in volunteer service, serve in leadership positions on community boards and clubs, participate in local and national fundraisers, and contribute broadly to the greater community.



Acts welcomes the opportunity to open our doors and share our resources with the greater community. An array of diverse groups, agencies and non-profit organizations visited our communities to hold events, meetings, programs and activities throughout the year. Opening our doors brings Acts and the greater community together, which makes for stronger, healthier communities.



Charity care through our benevolence programs assures the continuance of service without burdening government support programs, while discounted care provides opportunities that may otherwise not be available.

A SNAPSHOT OF BENEFITS TO THE GREATER COMMUNITIES BY ACTS AND ITS AFFILIATES



\$26.1 Million

TOTAL COMMUNITY BENEFIT

432,726

RESIDENT & STAFF
VOLUNTEER HOURS



\$2.6 Million

BENEVOLENCE CARE
TO RESIDENTS

\$12.4 Million

MUNICIPAL SUPPORT,
PAYMENTS & CONTRIBUTIONS



\$2.8 Million

ECONOMIC VALUE OF
RESOURCES, SPACE & SUPPLIES



Acts Retirement Services, Inc.

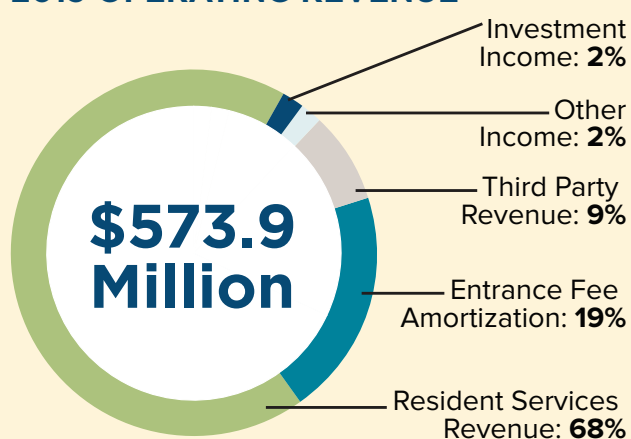
(Includes Acts Retirement-Life Communities, Inc. and Affiliates)

Consolidated Statement of Financial Position and Summary of Operating Activities For the Years Ended December 31, 2019 and 2018

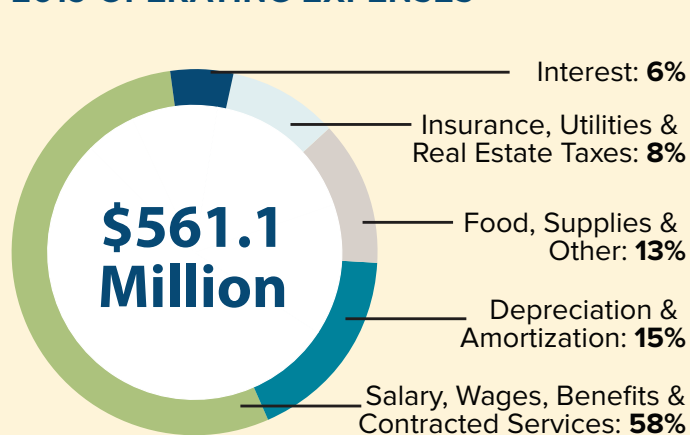
(In thousands)

| | 2019 | 2018 |
|---|--------------------|--------------------|
| ASSETS: | | |
| Cash and investments | \$476,798 | \$436,381 |
| Property and equipment, net | 1,531,082 | 1,281,471 |
| Other assets | 177,222 | 61,853 |
| TOTAL ASSETS | \$2,185,102 | \$1,779,705 |
| LIABILITIES, DEFERRED REVENUE AND NET ASSETS: | | |
| Long-term indebtedness | \$852,758 | \$742,344 |
| Deferred revenue from entrance fees | 932,966 | 740,734 |
| Other liabilities | 223,356 | 168,758 |
| TOTAL LIABILITIES AND DEFERRED REVENUE | 2,009,080 | 1,651,836 |
| NET ASSETS: | | |
| Net assets without donor restrictions beginning of year | 97,757 | 80,817 |
| OPERATING ACTIVITY: | | |
| Total operating revenue | 573,855 | 495,882 |
| Total operating expenses | (561,121) | (481,318) |
| Operating Income | 12,734 | 14,564 |
| Total non-operating activity | 15,197 | 2,376 |
| Increase in net assets without donor restrictions | 27,931 | 16,940 |
| Net assets without donor restrictions | 125,688 | 97,757 |
| Net assets with donor restrictions | 50,334 | 30,112 |
| TOTAL NET ASSETS | \$176,022 | \$127,869 |
| TOTAL LIABILITIES, DEFERRED REVENUE AND NET ASSETS | \$2,185,102 | \$1,779,705 |

2019 OPERATING REVENUE



2019 OPERATING EXPENSES



Board of Directors

Acts Retirement-Life Communities, Inc.

Members of the Board of Directors of Acts are dedicated individuals who embrace the company's mission, purpose, and values by sharing their expertise in many aspects of senior living. With the exception of the CEO, each member serves as a volunteer without compensation.

Susan B. Allmond

Thomas D. Clemens

H. Bruce Detweiler, CPA
Treasurer

Annlouise Devenney, RN
Resident

Thomas A. Dunn, III

John L. Esterhai, Jr., M.D.
Board Chairman

Robert B. Evans
Resident

Elric C. Gerner
Secretary

Gerald T. Grant, CEO

Rev. George R. Gunn, Jr.
Resident

Michael D. Kelly

Dilip Kulathum
Vice Chairman

Daniel W. Lawson, II

Larry D. Marr

Marvin Mashner, CPA

William W. Reynolds, Jr., Ed.D
Resident

James H. Worth

Special thanks to Donald Davis, John Marcheschi and Dr. Donna Jacobi who retired from the board after many years of dedicated service to Acts. We are grateful for their contributions to the Acts organization, our residents and communities.



Acts Management Council

Susan Ahern

Vice President, Controller

George R. Bryan

*Vice President,
Community Operations Southeast Region*

Karen I. Christiansen

President

Charles W. Coxson, III

Executive Vice President, Chief Operating Officer

Iain W. Crichton

Vice President, Mission Support & Spiritual Life

Stephen V. Eggles

*Vice President,
Community Operations Mid-South Region*

Sean T. Fletcher

Vice President, Construction Services

Glenn D. Fox

Executive Vice President, General Counsel

Gary J.N. Ginter

*Vice President,
Procurement and Contract Management*

Gerald T. Grant

Chief Executive Officer

Jonathan D. Grant

Senior Vice President, Community Operations

Deirdre E. Groenen

*Senior Vice President,
Chief Human Resources Officer*

Claire E. Halton

Vice President, Human Resources

Christopher J. Hartman

Vice President, Technology Services

Jefferson D. Kaighn

*Executive Vice President,
Chief Administrative Officer*

Kenneth J. Karmeris

*Senior Vice President,
Real Estate Services*

Peter J. Kress

Senior Vice President, Chief Information Officer

Stephen R. La Pierre

*Vice President,
Community Operations Chesapeake Region*

Megan M. Longley

Vice President, Sales

Teresa C. Moore

Vice President, Resident Health Services

Jeremy O. Neely

*Vice President,
Community Operations Northeast Region*

James H. Petty

*Senior Vice President,
Strategy & Business Development*

Patrick M. Plumadore

Vice President, Dining & Nutrition Services

Paul M. Reinbold, MD., CMD

Vice President, Chief Medical Director

Holly S. Schade

Senior Vice President, Health & Home Services

Robert A. Westervelt

*Vice President,
Operational Audit & Compliance*

Terri A. White

*Vice President,
Community Operations Mid-Atlantic Region*

Richard A. Winter

Senior Vice President, Chief Financial Officer

Lori M. Woodward

Senior Vice President, Sales & Marketing

Corporate Directors

Patricia A. Alderson
Rehabilitation Services

James W. Bollinger
Risk Management

Raymond J. Boyle
Acts Legacy Foundation

Beth Carey
Brand and Promotions

Kelly O. Carney
Memory Care

Pamela D. DeVito
Primary Care Services

Jo Anne R. Hartman
Acts Corporate University

Michael F. Janssens
Maintenance Operations

Theresa I. Perry
Wellness Services

Kimberly A. Power
Information Technology

Erica L. Richardson
Human Resources

Marian J. Schurz
Home and Community Services

Katherine E. Spegal
Quality and Control

Michael J. Smith
Corporate Communications

William Tamulonis
*Acts Center for
Applied Research*

Peggy C. Valdivia
Accounting

David Vega
Strategy & Business Development

Richard M. Watson
Procurement

David W. West
Marketing

Robert S. Yancey
Business Systems



ACTS LOCATIONS

NORTHEAST REGION



Brittany Pointe Estates
Eric J. Tatlonghari
Executive Director



Fort Washington Estates
Paul A. Nimey
Executive Director



Gwynedd Estates
Donna G. Thompson
Executive Director



Normandy Farms Estates
Harry A. McConnell
Executive Director

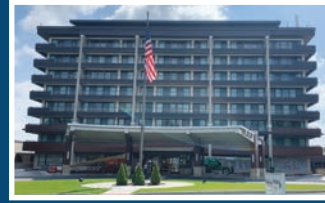


Southampton Estates
Jeanne M. Oski
Executive Director



Spring House Estates
Elmer E. Heiland
Executive Director

MID-ATLANTIC REGION



Cokesbury Village
Robyn M. Crandall
Executive Director



Country House
Michael F. Salitsky
Executive Director



The Evergreens
Thomas J. Burke
Executive Director

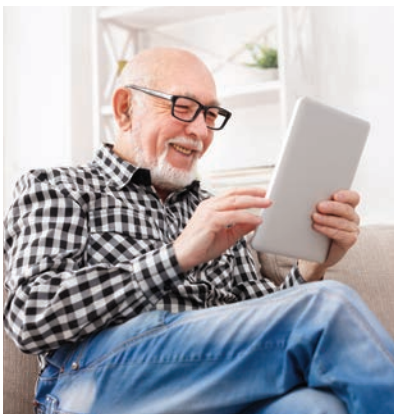


Granite Farms Estates
Brian R. Levesque
Executive Director



Lima Estates
Meghan E. McGeoy
Executive Director

Acts is the largest not-for-profit owner, operator and developer of continuing care retirement communities in the United States, currently serving more than 10,000 residents.



ACTS LOCATIONS

CHESAPEAKE REGION



Buckingham's Choice

Richard A. Curtis
Executive Director



Bayleigh Chase

George H. Clemes
Executive Director



Fairhaven

Philip L. Burkholder
Executive Director



Heron Point of Chestertown

Garret A. Falcone
Executive Director



Manor House

MID-SOUTH REGION



Lanier Village Estates

Pamela B. Kauffman
Executive Director



Magnolia Trace

Katherine D. Gipson
Executive Director



Park Pointe Village

Steven E. Robison
Executive Director



Plantation Estates

Stephen W. Messer
Campus Director

Patrick D. Picciocchi
Executive Director



Tryon Estates

Dionne M. James
Executive Director

SOUTHEAST REGION



Azalea Trace

Brenda J. Basford
Executive Director



Edgewater at Boca Pointe

Robin J. Gliboff
Executive Director



Indian River Estates

Richard B. Berlin
Campus Director

Scott D. Cairns
Executive Director



St. Andrews Estates

Joya Marotta
Campus Director

Susan B. George
Executive Director



Westminster Village

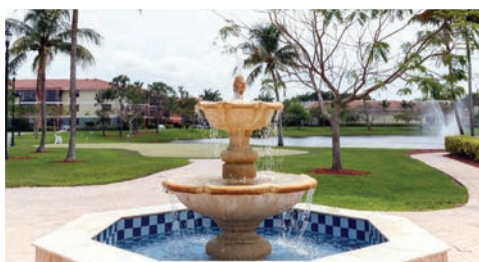
Jeanine M. Ward
Executive Director



Corporate Services Center
420 Delaware Drive
Fort Washington, PA 19034

215-661-8330
Actsretirement.org

Where Loving-Kindness Lives



Acts is a not-for-profit organization pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. We encourage and support programs in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status or national origin.

