



s e a s o n s o f c h a n g e

FOUNDATION FOR SENIOR LIVING

ANNUAL REPORT 2005 | 2006

t a b l e o f c o n t e n t s

Our Vision	2
Our Mission	2
Our Values	3
Strategic Directions & Accomplishments	4
Services	8
Financials	10
Capital Projects Underway	12
Acknowledgements	14
Board of Directors	16
In Memoriam	17



*“ l o v e i s a f r u i t i n s e a s o n a t a l l t i m e s ,
a n d w i t h i n r e a c h o f e v e r y h a n d ”*

Mother Teresa

d e a r f r i e n d s ,

Since 1974, when the Foundation for Senior Living opened the first adult day health care center in Arizona, we have provided assistance to seniors, adults with disabilities and their caregivers with devotion, understanding and creativity. Serving literally hundreds of thousand of persons facing hunger, ill health, isolation, and homelessness, we have always focused on the dignity of the individual person and their connection to community. Our commitment has never wavered.

Currently our service offerings include senior housing, group homes for persons with behavioral health needs, adult day health care, senior nutrition centers, in-home personal and health care assistance as well as home repairs and safety services. Our programs and strategies have matured, multiplying in size, complexity and impact. We celebrate these achievements.

Our social and economic environment, however, is changing rapidly. Traditional funding sources are decreasing while at the same time, demand for services is rapidly increasing. As the Baby Boomer generation ages, these service needs will grow even more. Because we are mission driven and steeped in the rich heritage of Catholic social teaching, we have no choice but to prepare for the future. We hold our duty to serve those yet to come as compelling as our desire to help the most vulnerable among us today.

We have, accordingly, reaffirmed our vision, confirmed our strategic direction, revised our business model, and are building the capacity needed for the future. We invite you to learn more about us in the pages that follow and encourage your participation in the FSL family — as client, employee, partner, donor, grantor, volunteer, and above all, friend.

We sincerely thank you for your continuing support in making real our vision of a caring community for seniors, adults with disabilities and their caregivers. With your help, the Foundation for Senior Living will deliver services and set standards of excellence for years to come.

Stuart Rodie



Chair, Board of Directors

Guy Mikkelsen



President and CEO

o u r v i s i o n
*A caring community that
promotes the well-being of
seniors and adults with disabilities,
protects their dignity,
celebrates their achievements
and encourages
their caregivers.*

o u r m i s s i o n
*The Foundation for
Senior Living strives to
provide exceptional services,
education and advocacy in
order to preserve independence
and enhance the quality
of life for all seniors,
adults with disabilities
and their caregivers.*



Our vision, mission and values collectively define FSL's identity and purpose. We share them proudly with our employees and the outside world to communicate who we are, what we strive for and how we conduct our activities.

As we look ahead to the years to come, our vision, mission and values will continue to shape our decisions and serve as guides to current operations and future planning.

o u r v a l u e s



r e s p e c t
for human potential



s e r v a n t
leadership



c h o i c e
and independence



d i g n i t y
of the person



i n t e r d e p e n d e n c e
of individual, family & community



p r i o r i t y
for the vulnerable



s p e c i a l
status for caregivers

s t r a t e g i c d i r e c t i o n s



- 1 -

c o l l a b o r a t i o n

To achieve its aggressive strategic goals, FSL will continually increase its current partner relationships. FSL will seek win-win agreements that allow us to extend our reach, expand our offerings, increase our quality and build capability.

New partners will be selected based on compatibility of interests and the opportunity to leverage FSL's limited resources to meet objectives and better satisfy client needs.

FSL has committed itself to pursuing four strategic directions to advance its mission and prepare for rapidly increasing demand for its services. Each year we report on key accomplishments in support of each strategic direction.

Key Accomplishments

- Cultivated relationships with 2006 Arizona Long Term Care System bidders and awarded contracts from all winners
- Obtained \$8M Low Income Housing Tax Credits to renovate and expand Beckett House senior apartments in Lake Havasu
- Piloted the Governor's caregiver workforce curriculum with Phoenix College
- Implemented Home Care services for Yavapai and La Paz counties
- Opened a new Adult Day Health Services center in Tolleson
- Partnered with Johnson Bank and Santa Cruz County to plan development of 124 low income family homes in Nogales.
- Co-sponsored caregivers workshops with St. Joseph's Hospital and City of Phoenix Library



- 2 -

d i v e r s i f i c a t i o n

Faced with declining revenues from traditional government contracts and a ballooning client population, FSL will enlarge its efforts to find alternative revenue streams including fee-for-service programs, leveraging of partner resources, mission-driven real estate investments and increased fundraising activities.

All new revenue opportunities will be assessed against their compatibility with and potential contribution to the FSL vision and mission.

Key Accomplishments

- Implemented a Wellness Program for dual eligible seniors enrolled in Mercy Care Advantage Health Plan
- Opened Care By Design offices in Prescott and Sun City
- Expanded training offerings for professional foster care and assisted living managers and caregivers
- Launched a training program for energy professionals with sponsorship from the Building Performance Institute
- Entered negotiations for an innovative Integrated Services Program for vulnerable seniors



strategic directions



- 3 -

education

To advance its vision of building a caring community appreciative of the needs and capabilities of our clients, FSL will intensify its historical efforts to educate community leaders and decision-makers on the current and emerging needs of our elderly and disabled clients.

We will train and coach informal caregivers as well as the professional caregiver workforce, two groups critical to maintaining dignity and basic services for the aging "Boomer" generation.



Key Accomplishments

- Designed the FSL Caregiver Center for individual and community learning
- Helped formalize Protecting Arizona's Family Coalition as a 501(c)(3) and collaborated on "An Unfinished Agenda for Health and Human Services"
- Planned Food Stamp signup program in concert with AzSECURE
- Established an Employee Services Center
- Co-hosted the Catholic Charities USA 2005 national conference and provided Senior Issues testimony to the Social Policy Committee
- Sent FSL social workers to Beaumont, Texas to support Katrina rescue efforts



- 4 -

i n f r a s t r u c t u r e

To achieve its mission of service, FSL will grow and transform its business and program operations. From the management process on down we will create a more robust organization fully adaptable to changing environments and increased demands.

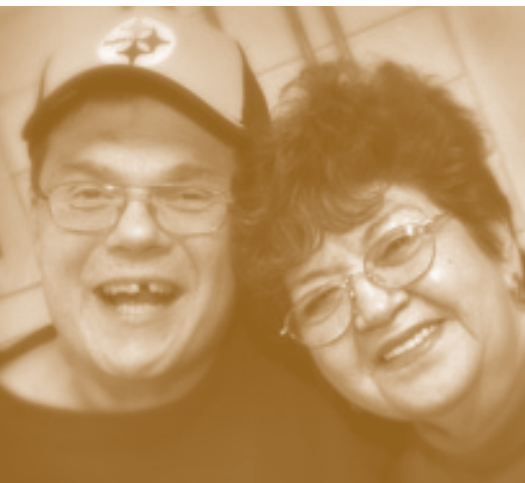
Clarity of purpose, customer focus, cycle speed, decision-making, teamwork, asset utilization, facilities and equipment will all be improved and effectively coordinated across all departments and programs.

Key Accomplishments

- Developed a new FSL Business Model and FSL Strategic Plan for 2006 to 2010
- Established a new campus for Home Improvement and Weatherization services
- Earned a three year Medicare license renewal for FSL's Home Care and Home Health programs
- Secured \$10M of bond funds for FSL construction projects
- Purchased 15K square foot building on 4th Avenue and Osborn for adult day health and other community based services
- Opened two new group homes for behavioral health clients
- Implemented an enhanced FSL website
- Launched an Employee Wellness Program



s e r v i c e s



a d u l t d a y h e a l t h s e r v i c e s

Centers throughout Maricopa County providing medical, recreational and social services in a safe, caring environment for elders and young adults with disabilities.

a s s i s t e d g r o u p l i v i n g

Home-like settings that provide supervision, supportive personal care and therapeutic services to adults with behavioral health problems.

c a r e b y d e s i g n

Providing customized in-home services such as companionship, housekeeping, personal and health care, care management, and caregiver support and respite on a fee-for-service basis.

c o m m u n i t y a c t i o n p r o g r a m s

Emergency services – food, utilities, rent, referral services and short-term case management.

c o m m u n i t y l i v i n g r e s o u r c e s

Monitoring and investigative services for Assisted Living and Adult Foster Care facilities; education and training for managers and staff of Assisted Living facilities as well as for family caregivers.

h o m e c a r e

Enabling individuals to remain independent in their homes, with the help of housekeeping, chore, personal care and respite services. In rural counties provides visiting nurse and case management services.

h o m e h e a l t h

A licensed, certified Medicare Home Health Agency providing skilled nursing and home health aide services throughout Maricopa County.

home improvements

Minor, major and emergency home repairs and weatherization services for low-income individuals, seniors, and adults with disabilities. Home energy training for weatherization contractors throughout the Southwest.

housing

Affordable housing throughout Arizona providing individual apartments for low-income seniors and adults with disabilities.

mercy care wellness

Nutrition, gentle exercise and health education classes for seniors and their caregivers provided in association with the Mercy Care Advantage Health Plan.

oasis

A senior wellness program that offers education, fun, travel, arts, and volunteer opportunities for active seniors.

pathways

Social workers helping seniors and their families access community resources and care options.

senior centers

Providing social activities, congregate lunch program, home-delivered meals, health education and referral services for seniors in Peoria and Wickenburg.

the caring place

Providing information and referral, counseling, care management, personal and health care services and spiritual support in the Northeast Valley area.

the catholic outreach center

Providing counseling and family support, care management, spiritual support and educational programs in the Sun Cities area.

*More than
27,000
people served
in fiscal year
2005-2006.*

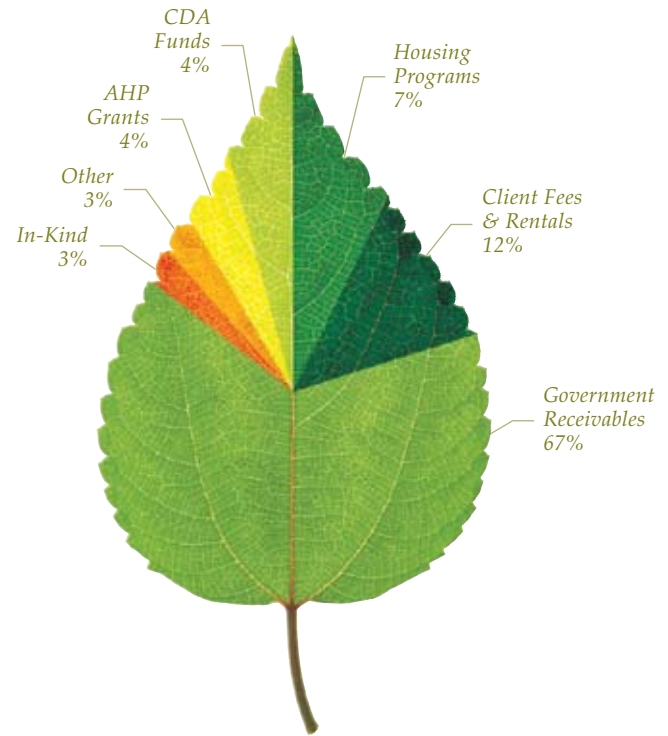


s u p p o r t & r e v e n u e

In-Kind	\$	652	2.55%
Other		669	2.62%
AHP Grants		992	3.89%
CDA Funds		1,053	4.13%
Housing Programs		1,898	7.44%
Client Fees & Rentals		3,083	12.08%
Government Receivables		17,175	67.29%

Total Support & Revenue:	\$	25,522	100%
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(dollars in thousands)

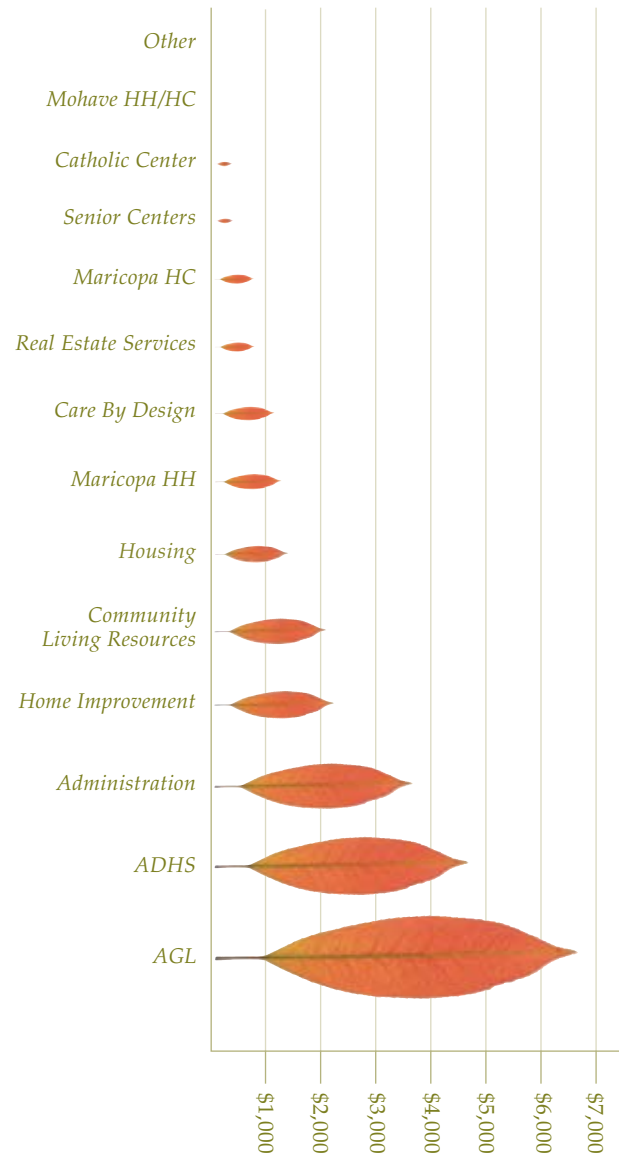


program spending

Other	\$	14	0.1%
Mohave HH/HC		389	1.5%
Catholic Center		418	1.6%
Senior Centers		425	1.7%
Maricopa HC		680	2.7%
Real Estate Services		697	2.7%
Care By Design		1,014	4.0%
Maricopa HH		1,224	4.8%
Housing		1,353	5.3%
Community Living Resources		2,012	7.9%
Home Improvement		2,184	8.6%
Administration		3,604	14.2%
ADHS		4,689	18.5%
AGL		6,683	26.3%

Total Program Spending:	\$25,386	100%
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(dollars in thousands)





*Providing
help,
creating
hope.*

fsl caregiver center

The FSL Caregiver Center will be a 3,800 square foot one-story residence renovated to support the education of professional and family caregivers and promote standards of care for their clients and loved ones. The center will be a hands-on training facility, a resource center and demonstration site for universal design standards and adaptive living.

*the monsignor edward j. ryle
life center*

Named in honor of Monsignor Edward Ryle, FSL Board member and social justice advocate, the Ryle Life Center at 4th Avenue and Osborn will be renovated to house an innovative new program of integrated community care services. An adult day health care center will offer custom curricula for seniors and disabled adults featuring a nutrition center, health club, medical clinic and practical coaching for family caregivers.

*south mountain adult day
health care center*

The new 15,000 square foot adult day health care center at South Mountain will extend existing services to 150 elderly and disabled adults, including individuals with a traumatic brain injury. The center will provide much needed specialized programs to this largely Hispanic working class community.

the northeast valley seniors center

Partnering with The Caring Place and its member faith communities, FSL will construct a senior services center on the grounds of the Community of the Blessed Sacrament in Scottsdale. It will include a model adult day care center, training and recreation rooms, and offices for The Caring Place and FSL's Care By Design custom senior services.

lake havasu city

FSL will apply Low Income Housing Tax Credits to renovate 50 existing senior apartments. Improvements will include roofing, electrical, plumbing, safety and accessibility devices, new cabinets, interior and exterior paint and covered parking. FSL will also construct 50 additional apartments and expand the existing community center.

*fsl home improvement,
weatherization and energy campus*

Last year FSL Home Improvements moved into its new campus and training facility for hands-on professional education in weatherization and energy efficiency principles. This year will see the construction of a 2,000 square foot model home designed to teach energy efficiency applications and green building concepts.

other planned projects

FSL currently owns properties in Nogales, Show Low and Yuma and is currently developing site plans and financing to develop affordable senior and family housing at those locations.



a c k n o w l e d g e m e n t s



The work of the Foundation for Senior Living proceeds through the support of untold individuals, small groups and large organizations.

f s l e m p l o y e e s a n d v o l u n t e e r s

The daily commitment of FSL's people to caring service is continually inspiring. Our employees and volunteers are the heart and hands of the Foundation. They choose to serve others because of who they are and wish to be. Humble as they are, their talents and efforts always make us proud.

f s l m a j o r g r a n t o r s

- The Virginia Piper Charitable Trust Foundation
- The Pulliam Foundation
- San Francisco Federal Home Loan Bank
Sponsors: Johnson Bank and Bank of the West
- Arizona Department of Housing

*“ a l o n e w e c a n d o s o l i t t l e ; t o g e t h e r
w e c a n d o s o m u c h ”*

Helen Keller

f s l p a r t n e r s

faith-based

- Catholic Diocese of Phoenix
- Catholic Community Services of Phoenix and Tucson
- Arizona Ecumenical Council
- Arizona Interfaith Movement
- Catholic Healthcare West
- St. Joseph's Hospital and Medical Center
- Valley Interfaith Project
- Crosier Brothers
- The Bridge

business

- Region One Area Agency on Aging
- Mercy Care Health Services
- SCAN Health
- Centene Bridgeway Health Solutions
- APS
- SRP
- Southwest Gas
- Johnson Bank
- JPMorgan Chase
- Bank of the West
- Sun State Bank

federal and state government

- US Department of Veteran's Affairs
- US Department of Housing and Urban Development
- US Department of Energy
- Arizona Departments of Economic Security, Health Services and Housing
- Arizona State Energy Office
- Governor's Council on Aging
- Arizona Long Term Care System
- Arizona Health Care Cost Containment System

community

- Protecting Arizona's Family Coalition
- Maricopa County Human Services Department
- Cities of Glendale, Lake Havasu, Nogales, Peoria, Phoenix, Scottsdale, Show Low, Surprise, Tempe, Tolleson, Wickenburg, and Yuma and other CDBG local communities
- Energy Outwest Leadership Association

b o a r d o f d i r e c t o r s

c h a i r

Stuart Rodie
*Vice President,
Bank One Arizona*

p r e s i d e n t

Guy G. Mikkelsen
*President and CEO,
Foundation for Senior Living*

v i c e c h a i r m a n

Commissioner Jeff Hatch-Miller
*Chairman, Arizona
Corporation Commission*

s e c r e t a r y

Sr. Joan Marie Hoffman, R.S.M.
*Director, Continuing Medical
Education, St. Joseph's Hospital
& Medical Center*

t r e a s u r e r

James E. Brophy III
Ryley, Carlock and Appelwhite

Earl J. Baker, M.D.
*Chief, Medical Services,
St. Vincent De Paul*

Daniel Collins
*Collins, May, Potenza,
Baran & Gillespie, P.C.*

Erika Feinberg
Active Forever

Murray T. Gibson
*Clinical Manager,
Society of St. Vincent de Paul*

Andrea Weeks Hardin
Consultant

Shonna James
*President, Shonna James
Communications, LLC*

Saundra E. Johnson
*Associate Director,
Flinn Foundation*

Yolanda P. Konopken
Private Consultant

Tony Richard Lara
Project Engineer, Honeywell

Dennis Laraway
*St. Joseph's Hospital
& Medical Center*

Most Rev. Thomas J. Olmsted
*Bishop of Roman Catholic
Diocese of Phoenix*

Msgr. Edward Ryle*
*Retired Executive Director,
Arizona Catholic Conference*

** Deceased, December 2006*

*The Foundation for Senior Living is a member of Catholic Charities USA
and a program of the Catholic Diocese of Phoenix.*

r e m e m b e r i n g a l e a d e r , a r o l e m o d e l a n d a f r i e n d

With the recent passing of Monsignor Ed Ryle, the Foundation for Senior Living has lost an exemplary Board Member, counselor and advocate. All Arizonans, regardless of race, faith or political affiliation, have lost an educator and tireless promoter of social justice.

Ed was a priest for 49 years, a holder of advanced degrees, a college professor and dean, an author and a lobbyist for the poor and vulnerable. But most of all, he was a continuing presence in the life of this community. Ed's voice was steadfastly raised in support of those most in need and most without influence—the poor, the disabled and the disenfranchised. He fought for economic justice and he successfully lobbied to abolish the death penalty for the mentally retarded.

Whether speaking on policy issues with the Governor's staff, challenging legislators on social services spending, advising Boards on matters

of social responsibility or ministering to friends, Ed's voice was always gentle yet strong. He understood the role of speaking truth to power. He spoke with an irrefragable authority that arises naturally from deep spiritual values and resonating social convictions.

*Ed was extraordinarily bright,
endlessly optimistic and tireless
in his work for others.*



*His most special gifts, though,
were his personal integrity, his love
of people and his fearlessness.*

Ed never spoke ill of any person. Sometimes he did wonder how people came to some of the conclusions and decisions they made. "What are they thinking?" he would say with that crackling voice and knowing innocent smile. Those who disagreed with him were not his enemies, only good people who had not yet learned to understand life more fully. Ed was a kind and resilient educator.

Ed's love has touched our hearts, his voice is in our heads,

and whenever the daily challenges seem too great, we have only to remember his frequent encouragement, "Pray harder!"



Foundation for
Senior Living

Thirty Years of Care by Design

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