Dear Friends,

Ever since Montefiore opened its doors in 1882, its enduring mission has been to ensure the highest quality of life for our aging Jewish population. Throughout our 130 years, Montefiore has owed much of its success to the devoted efforts of lay leaders, volunteers and staff whose forward thinking, strategic planning and commitment have helped us uphold our Jewish traditions, show compassion and introduce innovations to keep our organization thriving for future generations.

Recently, belt-tightening at state and national levels resulted in dramatic cuts in our Medicare and Medicaid reimbursements that severely affected our budget, but these challenges did not diminish our resolve to honor our tradition of providing exceptional care. That resolve was rewarded in abundance: Montefiore received a perfect annual survey for a second straight year from the Ohio Department of Health, as did The Weils Assisted Living and the Vinney Hospice this past year. The Rehabilitation Pavilion at The Weils was recognized by *U.S. News & World Report* in the 2012 Best Nursing Homes category. And for the fourth year in a row, Montefiore at Home was named to the 2011 Homecare Elite.

To continue earning these distinctions, we are addressing financial challenges head-on by seeking efficiencies through sound management and innovation. We have invested in and are currently implementing a fully integrated financial and electronic health administration record as just one example of our commitment to further enhancing quality of care.

Many other strides sustain us during this difficult financial period. Chief among them will be the fall opening of an assisted living memory care pavilion for individuals who need support for early- to mid-stage dementia. Through an exterior expansion of our building and interior renovation, this progressive project will fill a critical need in the community.

Montefiore has also emerged as the area leader in managing chronic disease and orthopedic rehabilitation. We have added a second orthopedic annex to our Post-Hospital Care Center as well as a heart failure pod designed for patients who, along with family members, receive education and training on how to manage the signs and symptoms of heart failure and other chronic diseases. Our new transitional care suite serves rehab patients who aren’t quite ready to go home and want to assess their abilities to live independently.

These accomplishments make us deeply grateful to generous benefactors who have helped us enhance vital programs and services. The Vinney family provided a $1 million gift to endow our hospice and palliative care programs and services. The Stella Kleinman family made it possible for us to better accommodate patients by tripling the size of the therapy gym on The Lenore and Norman Berke Orthopedic Annex. With a grant from the Mt. Sinai Health Care Foundation, Montefiore will host a community-wide Senior Living Health Expo in October 2012. And we are indebted to our longstanding partner, the Jewish Federation of Cleveland, for its consistent support of residents’ needs through the years.

Tradition, compassion and innovation keep us focused on our mission, our vision and the individuals we serve. We are profoundly thankful to our donors, board members, Auxiliary, volunteers and staff who enable us to reach our aspirations by sharing their heart, soul and love with Montefiore. Your acts of kindness inspire us all!

Lauren B. Rock  
President and CEO

Steven S. Willensky  
Chair, Board of Directors
Consolidated statement of activities and changes in net assets
year ended June 2011

<table>
<thead>
<tr>
<th>REVENUES AND OTHER SUPPORT</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Home</td>
<td>$27,337,834</td>
</tr>
<tr>
<td>Foundation</td>
<td>3,728,014</td>
</tr>
<tr>
<td>Housing Corporation</td>
<td>7,147,145</td>
</tr>
<tr>
<td>Physicians Corporation</td>
<td>28,431</td>
</tr>
<tr>
<td>Total revenues and other support</td>
<td>38,241,424</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Home</td>
<td>28,408,727</td>
</tr>
<tr>
<td>Foundation</td>
<td>309,332</td>
</tr>
<tr>
<td>Housing Corporation</td>
<td>6,881,809</td>
</tr>
<tr>
<td>Physicians Corporation</td>
<td>18,405</td>
</tr>
<tr>
<td>Total expenses</td>
<td>35,618,273</td>
</tr>
</tbody>
</table>

| EXCESS OF REVENUES AND OTHER SUPPORT OVER EXPENSES | 2,623,151 |

| CHANGE IN VALUE OF INTEREST RATE SWAP | (129,122) |
| CHANGE IN UNFUNDED PENSION LIABILITY | 639,055 |
| CHANGE IN NET ASSETS | 3,133,084 |
| NET ASSETS, BEGINNING OF YEAR | 28,159,928 |
| NET ASSETS, END OF YEAR | 31,293,012 |

OUR MISSION
Montefiore provides a comprehensive system of support services related to healthcare needs throughout the aging process. Guided by Jewish values, Montefiore is dedicated to a standard of excellence and personalized care, enabling individuals to live with dignity and security and as independently as they are able.

OUR VISION
To be recognized as a center of excellence for promotion of wellness, innovative treatment and care of illness, and attainment of the highest possible quality of life for the aging community.
## Consolidated Statements of Financial Position

### ASSETS

#### CURRENT ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,731,024</td>
<td>$2,337,855</td>
</tr>
<tr>
<td>Cash collateral account – limited as to use, current</td>
<td>455,000</td>
<td>–</td>
</tr>
<tr>
<td>Investments</td>
<td>10,093,903</td>
<td>8,887,969</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident and third-party payor, net of allowance for uncollectible accounts of $323,100 at June 30, 2011, and $299,000 at June 30, 2010</td>
<td>3,532,752</td>
<td>2,933,613</td>
</tr>
<tr>
<td>Pledges, net of allowance for uncollectible amounts of $110,000 as of June 30, 2011, and $120,100 as of June 30, 2010</td>
<td>161,624</td>
<td>165,691</td>
</tr>
<tr>
<td>Other</td>
<td>13,857</td>
<td>33,150</td>
</tr>
<tr>
<td>Prepaids and Other</td>
<td>250,553</td>
<td>276,756</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>17,238,713</td>
<td>14,635,034</td>
</tr>
</tbody>
</table>

#### ASSETS LIMITED AS TO USE

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments – funded depreciation</td>
<td>5,720,408</td>
<td>5,323,258</td>
</tr>
<tr>
<td>Cash collateral account</td>
<td>787,564</td>
<td>–</td>
</tr>
<tr>
<td>Investments under bond indenture</td>
<td>899</td>
<td>2,560</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS LIMITED AS TO USE</strong></td>
<td>6,508,871</td>
<td>5,325,818</td>
</tr>
</tbody>
</table>

#### PROPERTY AND EQUIPMENT

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and land improvements</td>
<td>5,742,623</td>
<td>5,677,192</td>
</tr>
<tr>
<td>Building and building improvements</td>
<td>45,001,280</td>
<td>44,839,291</td>
</tr>
<tr>
<td>Equipment and furnishings</td>
<td>7,809,814</td>
<td>7,469,399</td>
</tr>
<tr>
<td>Vehicles</td>
<td>72,086</td>
<td>72,086</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(22,193,328)</td>
<td>(20,075,393)</td>
</tr>
<tr>
<td><strong>TOTAL PROPERTY &amp; EQUIPMENT</strong></td>
<td>36,432,475</td>
<td>37,982,575</td>
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</tbody>
</table>

#### OTHER ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pledges receivable, net of current portion</td>
<td>10,026</td>
<td>12,634</td>
</tr>
<tr>
<td>Investments</td>
<td>4,259,394</td>
<td>5,071,444</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>82,030</td>
<td>–</td>
</tr>
<tr>
<td>Loan fees</td>
<td>109,107</td>
<td>–</td>
</tr>
<tr>
<td>Assets held by others</td>
<td>1,088,060</td>
<td>62,593</td>
</tr>
<tr>
<td>Deferred financing fees, net and other</td>
<td>458,849</td>
<td>487,806</td>
</tr>
<tr>
<td><strong>TOTAL OTHER ASSETS</strong></td>
<td>6,007,466</td>
<td>5,634,477</td>
</tr>
</tbody>
</table>

#### TOTAL ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$66,187,525</td>
<td>$63,577,904</td>
</tr>
</tbody>
</table>
## Consolidated Statements of Financial Position

### LIABILITIES AND UNRESTRICTED NET ASSETS

#### CURRENT LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion of long-term notes payable</td>
<td>$370,000</td>
<td>$526,420</td>
</tr>
<tr>
<td>Current portion of bond payable</td>
<td>460,000</td>
<td>–</td>
</tr>
<tr>
<td>Current portion of obligation under capital lease</td>
<td>–</td>
<td>400,000</td>
</tr>
<tr>
<td>Accounts payable – trade</td>
<td>998,599</td>
<td>612,206</td>
</tr>
<tr>
<td>Current portion of charitable gift annuity obligations</td>
<td>100,565</td>
<td>100,759</td>
</tr>
<tr>
<td>Management fee reserve</td>
<td>266,659</td>
<td>266,659</td>
</tr>
<tr>
<td>Accrued:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages and withholdings</td>
<td>332,242</td>
<td>294,820</td>
</tr>
<tr>
<td>Vacation</td>
<td>561,782</td>
<td>533,466</td>
</tr>
<tr>
<td>Workers’ compensation</td>
<td>202,304</td>
<td>177,301</td>
</tr>
<tr>
<td>Other</td>
<td>468,284</td>
<td>412,813</td>
</tr>
<tr>
<td>Estimated third-party payor settlements</td>
<td>486,426</td>
<td>436,492</td>
</tr>
<tr>
<td>Residents’ personal accounts and deposits</td>
<td>334,692</td>
<td>312,665</td>
</tr>
<tr>
<td>TOTAL CURRENT LIABILITIES</td>
<td>4,581,553</td>
<td>4,073,601</td>
</tr>
</tbody>
</table>

#### NON-CURRENT LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term note payable, less current portion</td>
<td>10,490,000</td>
<td>14,102,599</td>
</tr>
<tr>
<td>Bond payable, less current portion</td>
<td>14,720,000</td>
<td>–</td>
</tr>
<tr>
<td>Obligation under capital lease, less current portion</td>
<td>–</td>
<td>11,610,000</td>
</tr>
<tr>
<td>Charitable gift annuity obligations, less current portion</td>
<td>592,825</td>
<td>611,708</td>
</tr>
<tr>
<td>Accrued pension liability</td>
<td>4,381,013</td>
<td>5,020,068</td>
</tr>
<tr>
<td>Interest rate swap</td>
<td>129,122</td>
<td>–</td>
</tr>
<tr>
<td>TOTAL NON-CURRENT LIABILITIES</td>
<td>30,312,960</td>
<td>31,344,375</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>34,894,513</td>
<td>35,417,976</td>
</tr>
</tbody>
</table>

### NET ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>20,322,502</td>
<td>19,165,372</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>4,959,820</td>
<td>3,923,112</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>6,010,690</td>
<td>5,071,444</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td>31,293,012</td>
<td>28,159,928</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND NET ASSETS**

|                                                                | $66,187,525| $63,577,904|

June 30,
Montefiore Board of Directors

2011–2012 OFFICERS
Steven S. Willensky
Board Chair
Bruce E. Cweiber
Vice Chair
Patricia M. Inglis
Vice Chair
June E. Taylor
Vice Chair
Margo Vinney
Secretary
David B. Orlean
Assistant Secretary
Gerald P. Weinstein, Ph.D., CPA
Treasurer
Idelle K. Wolf
Assistant Treasurer
Andrew W. Hoffmann
Immediate Past Chair
Montefiore Foundation Chair
Rhoda Seifert
Auxiliary President
Lauren B. Rock
President & CEO

Mary Ann Hexter**
Robert T. Hexter**
Susan R. Hurwitz*
Nancy S. Hyams**
Alan Jaffa
I. Leonard Kaplan**
Jeffrey L. Korach
Robert B. Leb, M.D.
Andrew R. Lefkowitz
Berinthia R. Levine
Robert M. Lustig**
Lawrence A. Mack**
Carolyn Mahler**
Barry J. Miller
Jeffrey J. Muencz
Hal H. Myers*
Elmer I. Paull*
Elaine H. Rocker**
Laura H. Rocker, M.D.
Lee E. Rosen
Dennis A. Roth**
Susan E. Rubin
Alice R. Sayre**
Donald S. Scherzer*
Ben Sheridan
Housing Corporation
Board Representative
Harvey A. Siegel*
Daniel I. Simon, M.D.
Jeffrey E. Soclof
Cathy W. Stamler
Naomi G. Singer**
Bonnie Stein
Jordan D. Tobin, M.D.
Eric D. Wald
Joyce H. Wald
Michael A. Waxman-Lenz
Marilyn Weinberg, Auxiliary
Lawrence R. Weiss**
Sally H. Wertheim, Ph.D.*
Stanley E. Wertheim**
Judy K. Willensky
Darrell A. Young*
Daniel N. Zelman
Malcolm Zucker**

* Honorary
** Life
◊ Of Blessed Memory
Montefiore Foundation Board of Directors

2011–2012 OFFICERS
Andrew W. Hoffmann Chair
Susan R. Hurwitz Vice Chair
Harriet L. Fader Secretary
Mark A. Mintz Assistant Secretary
Philip S. Sims Treasurer
Jeffrey S. Davis Assistant Treasurer
Kenneth G. Hochman Immediate Past Chair
Lauren B. Rock President and CEO
Beverly Gans Vice President

DIRECTORS

Montefiore Housing Corporation Board of Directors

2011–2012 OFFICERS
Ben Sheridan Chair
Robert M. Lustig Vice Chair
Daniel E. Rocker, D.D.S. Vice Chair
Bradley Sherman Vice Chair
Scott H. Polster Secretary
David R. Hexter Assistant Secretary
Alan B. Blumenthal Treasurer
Harvey A. Siegel Assistant Treasurer
Lawrence A. Mack Immediate Past Chair
Lauren B. Rock President and CEO

DIRECTORS
Irv Berliner Melissa M. Davis Jacqueline W. Goier Harley I. Gross* Andrew W. Hoffmann F. Howard Mandel Ilene B. McMullen David B. Orlean Carol Paul Ellin R. Ticktin Darrell A. Young* Terry Young Steven S. Willensky Montefiore Representative

Montefiore Auxiliary Advisory Board

2011–2013
Rhoda Seifert President
Marilyn Weinberg Executive Vice President
Rhoda Seifert Fundraising Chair
Adele Ack Assistant Finance Chair
Linda Mintz MoMart Chair
Darla Gordon Program Chair
Peggy Behrens Assistant Program Chair
Sara Lee Schumer Resident Services Chair
Claire Nash Recording Secretary
Alice Sayre* Parliamentarian
Claire Nash Plus Fund
Jo-Jo Trusso Posh Nosh Manager

Executive Board 2011–2013
René Aronoff Clair Barkley Shirley Basch* Lenore Berke* Jeanette Bir Betty Blumenthal Linda Chazin Heidi Dolin Joyce Ecker Audrey Frank* Emilie Goldstein* Alice Meckler Rita Miller* Gloria Newman Dorothy Oshuns Joan Ozan* Betty Ozanne Cissy Rubin Joan Schneider* Elaine Setnik* Gloria Sloan Shirley Wachsberger* Joan Weintraub*

Montefiore Administrative Council

2011–2012
Lauren B. Rock President and CEO
Elia Barreñ Administrator, The Weils
Beverly Gans VP Foundation
Susan Lieberman Director of Marketing & Public Relations
Regina Prosser VP Clinical Services
Carol Weiss VP Human Resources & Planning
Mark Weiss VP, Administrator & CFO

Montefiore Leadership Team

Reggie Baugh Director of Dining Services
Robert Brofman Director of Nursing and Clinical Programs – Post-Hospital Care Center
Rabbi Joel Chazin Director of Religious Services
Brenda Danzig Director of Homecare Services
Mary Jane Klarich Nurse Manager, Rehab Pavilion The Weils
Diane Korman Director of Vinney Hospice & Palliative Care
Molly Matejka Director of Human Resources
Barbara Messinger-Rapport, M.D. Medical Director
La'Tesha Myers-Hudson Director of Nursing, Long-Term Care
Joan Sahley Director of Social Services
Jack Schoenbeck Director of Facility Operations
Adrienne Shimel Director of Rehabilitation Services
Molly Spencer Director of Activities

* Honorary
** Life
✠ Of Blessed Memory
♥ Auxiliary Past President
Montefiore Partnerships and Affiliations

Alzheimer’s Association
Association of Jewish Aging Services (AJAS)
Bryant & Stratton College
Case Western Reserve University
Cuyahoga East Vocational Education Consortium (CEVEC)
Cleveland Clinic
Cleveland Foundation
Cleveland State University
CleveMed
Cuyahoga Community College
Euclid Hospital
Health Aid of Ohio
Hillcrest Hospital
Hondros College
Jewish Federation of Cleveland
John Carroll University
LeadingAge
LeadingAge Ohio
Malone College
Morrison Healthcare Food Services
Mt. Sinai Health Care Foundation
National Council of State Nursing Boards
National Hospice & Palliative Care Organization
Ohio Assisted Living Association
Ohio Council for Home Care
Ohio University Academic Outreach
Precision Orthopedics
Talk of the Town
University Hospitals
University Hospitals – Geriatric Resource Nurse Program
University Hospitals Urology Institute
Western Reserve Area on Aging (WRAA)

Programs and Services

**MONTEFIORE**

**Post-Hospital Care**
216.910.2202

**Long-Term Care**
216.910.2202

**Memory Care**
216.910.2202

**Palliative Care Consult Service**
216.910.2642

**Hospice Services**
216.910.2650

**Outpatient Therapy**
216.910.2701

**At-Home Sleep Apnea Testing and Therapy Program**
216.910.2540

**Wheelchair Clinic**
216.910.2701

**THE WEILS**

**Assisted Living and Memory Care**
440.543.4221

**Post-Hospital Care and Outpatient Therapy**
440.996.0511

**COMMUNITY SERVICES**

**Home Health Care and Private Duty**
216.910.2487

**Palliative Care Consult Service**
216.910.2642

**Hospice Services**
216.910.2650

**Montefiore**
One David N. Myers Parkway
Beachwood, Ohio 44122
216.360.9080
Fax: 216.910.2699
montefiorecare.org

**The Weils**
16695 Chillicothe Road
Chagrin Falls, Ohio 44023
440.543.4221
Fax: 440.543.1232
theweils.org