Hebrew SeniorLife ended fiscal year 2018 with approximately $2.6 million in operating cash flow, as consolidated operating revenues exceeded operating expenditures. Hebrew SeniorLife’s consolidated financial results reflect improved operating performance and significantly stronger investment pools and reserves.

Operating revenues increased by 5% to $238.7 million, and earnings before interest, taxes, depreciation, and amortization (EBITDA) increased by 28% to $26.4 million. This performance was driven by a range of rate increases in our health care services, strong census at all communities, and a continuation of our government-paid markup to market adjustments in our affordable senior supportive living communities. Prudent expense management, combined with higher revenues at NewBridge on the Charles independent living and assisted living communities, Orchard Cove, Center Communities of Brookline, and Simon C. Fireman Community also contributed to the positive operating cash flow.

Operating expenses increased by 3.7% in fiscal 2018 due to increased costs associated with salaries and benefits. Regular capital expenditures also increased due to higher investments at NewBridge on the Charles, Orchard Cove, Center Communities of Brookline, and Hebrew Rehabilitation Center. In addition, special projects that are excluded from operating cash flow include renovations on the sixth floor of the Berenson Allen building at Hebrew Rehabilitation Center and at Center Communities of Brookline’s Julian and Carol Feinberg Cohen Residences.

With respect to the investment pools at Hebrew SeniorLife, NewBridge on the Charles, and Orchard Cove, the aggregate balance improved from $158.4 to $182.7 million, a 15% increase. This improvement, which will support our future growth initiatives, was achieved by higher distributions from the Center Communities of Brookline refinancing and 5% portfolio returns—items that are excluded from operating cash flow.

### 2018 FINANCIAL SUMMARY

**Operating Revenues** (Cash Based) ($000)

- HSL Parent and HRC-Roslindale: $89,143
- HRC-Dedham: 49,696
- NewBridge IL/AL: 35,829
- Orchard Cove: 25,873
- Center Communities of Brookline: 13,097
- Home & Community-based Services: 10,644
- Jack Satter House: 7,241
- Simon C. Fireman Community: 3,048
- Fundraising Receipts: 4,133

Total Operating Revenue: 238,704

**Operating Expenditures** ($000)

- Salaries and Benefits: $108,310
- Supplies: 30,694
- General and Administrative: 33,017
- Facility and Other Costs: 26,186
- Debt Service: 23,529
- Capital Expenditures: 14,302

Total Operating Expenditures: 236,038

Operating Cash Flow: 2,666