



2008-09 Annual Report



*20 Years of Service
Programs and Purpose*



MISSION

*Enrich the lives of senior adults
through sponsorship
of a high-quality, not-for-profit,
continuing care retirement community.*

VISION

*Our community sets the standard
of excellence in retirement living
by providing exceptional quality
of life, security and value.*

CORE VALUES

- *Community Spirit*
- *Quality Commitment*
- *Innovation*
- *Financial Responsibility*
- *Team Spirit*

The Highlands at Wyomissing
2000 Cambridge Ave.
Wyomissing, PA 19610
610-775-2300 • 800-446-0119
www.thehighlands.org

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20 Years of Service Programs and Purpose



What an exciting year we have had celebrating 20 years of service on behalf of senior adults! Throughout 2008-2009 The Highlands at Wyomissing has continued to fulfill our promise of quality service, with the singular purpose of enriching the lives of those we serve.

Our focus remains on providing a retirement lifestyle that sets the standard of excellence in this region. The Highlands is distinguished by an unwavering commitment to provide an exceptional quality of life for more than 450 senior adults. We remain attentive to assure the sense of security our residents and their families feel as part of our community. While the past year has seen many economic challenges both nationally and globally, our residents continue to receive significant value from The Highlands' retirement lifestyle.

Moving forward, we remain committed to service, programs, and purpose in pursuit of our mission. Our organization, for 20 years, has been built upon a strong foundation of service on behalf of senior adults. The Highlands continually seeks new opportunities to progress, whether in the development of new housing options or in the numerous programs and services provided by nearly 390 staff members. Finally, our purpose remains as clear and true today as it was when we opened our doors in 1989: to enrich the lives of those we serve to the best of our collective ability.

On behalf of The Highlands at Wyomissing community we thank you for your commitment over the past 20 years and we look to the future with enthusiasm.

Sincerely,

A handwritten signature in black ink that reads "James E. Adamowicz". The signature is written in a cursive, flowing style.

James E. Adamowicz
President

THE HIGHLANDS BOARD OF DIRECTORS



Steve A. Bobick
Chair



Margaret S. McShane
Vice-Chair



John W. Roland, Esq.
Secretary



Steven I. Finkel
Treasurer



James E. Adamowicz
Highlands President



Anita Lewis Chaney



The Honorable
Elizabeth Ehrlich



David L. Thun



The Rev. Fred S. Opalinski



David P. Reinsel, CPA



Paul R. Roedel



Elizabeth B. Rothermel



Col. George L. Spuhler



Charles B. Sullivan

The Board of Directors conducts, manages and directs the business and affairs of The Highlands at Wyomissing. The Board of Directors is composed of local business and community leaders who are committed to the mission of the organization.

EXECUTIVE COMMITTEE

Steve A. Bobick, Chair
Margaret S. McShane • Steven I. Finkel
John W. Roland, Esq. • Charles B. Sullivan
Scott R. Wolfe
Staff Liaison: James E. Adamowicz

PLANNING COMMITTEE

John W. Roland, Esq., Chair
Steve A. Bobick • Margaret S. McShane
The Honorable Elizabeth Ehrlich • Steven I. Finkel
Harold W. Perkins, Ed. D. • David P. Reinsel, CPA
Charles B. Sullivan
Staff Liaison: James E. Adamowicz

FINANCE COMMITTEE

David P. Reinsel, CPA, Chair
Steven I. Finkel • Thomas P. Handwerk, CPA
The Rev. Paul J. Hoh, II • Edwin A. Lakin
Paul R. Roedel • David L. Thun
Staff Liaisons: James E. Adamowicz, Kevin P. DeAcosta

ENDOWMENT FUND COMMITTEE

(Finance Sub-Committee)
Col. George L. Spuhler, Chair
George T. Barbon • C. Louise Fair
Dr. Richard C. Baumbach • D. Nancy Nagle
David P. Reinsel, CPA • Sylvia L. Ross
Staff Liaisons: James E. Adamowicz, Mitchell O. Hanna, CPA
Kevin P. DeAcosta

PROPERTY COMMITTEE

Steve A. Bobick, Chair
Paul F. Lilienthal • Susan K. Lippy
Richard J. Mable • Jakob Olree
Lawrence S. White
Staff Liaisons: James E. Adamowicz, William H. Snyder

MARKETING COMMITTEE

Margaret S. McShane, Chair
Dr. Otto Rosenast • Anita Lewis Chaney
The Rev. Fred S. Opalinski • Elizabeth B. Rothermel
Wendie Waschitsch
Staff Liaisons: James E. Adamowicz, Jodi A. Gibble

Gaelsong Progress



View of the Gaelsong site prior to construction.



Gaelsong Single Family homes during construction.



Completed Gaelsong home in July 2009.

2008-09 ACHIEVEMENTS

ADMINISTRATIVE SERVICES

ADMINISTRATION

- Celebrated the organization's 20th anniversary.
- Began construction of the Gaelsong homes.
- Finalized a plan for The Reading Hospital to assume full controlling interest of The Highlands effective July 2009.
- Refined the architectural schematic plan of proposed improvements to the core building.
- Implemented staff driven service teams in the areas of organizational culture, service excellence, and staff selection and retention.
- Conducted comprehensive perception survey of Residential Living residents with favorable results.
- Became a tobacco-free community.
- Conducted a comprehensive program review of Health Services and Human Resources for presentation to the Board of Directors.
- Developed and implemented policies and practices to prevent identity theft as part of the implementation of the Fair and Accurate Credit Transaction Act.
- Transferred \$159,587 from the Endowment Fund to the General Fund to provide support to residents and selected programs.
- Received \$18,905 in Endowment Fund cash contributions and one charitable gift annuity from a resident totaling \$25,000.
- Enhanced and maintained a password-protected Extranet and The Highlands Forum Web site exclusively for residents.
- Renewed insurance policies with a decrease in premiums over previous policy year.
- Upgraded all computers to Microsoft Windows XP.

HUMAN RESOURCES

- Recognized 11 staff members who joined The Highlands 20 years ago as part of our 20 year Anniversary.
- Recognized 36 staff members for their five, ten, fifteen and twenty year anniversaries at our annual anniversary luncheon.
- Implemented Silverchair Learning System, an on-line, web-hosted training program to meet annual training requirements.
- Implemented an on-line, web-hosted benefits enrollment process.
- Conducted an annual staff perception survey to identify ways to promote staff satisfaction and retention.
- Completed Year 5 of a Health and Wellness program for all health insurance covered staff and their spouses.
- Completed Year 1 of a two-year disease management program for six major chronic illnesses for all insured staff and their families.

MARKETING

- Sold 93% of residential apartments and 93% of cottages/Farmstead.
- Presold 10 Gaelsong single family homes, for targeted occupancy Summer/Fall 2009.
- Added 38 new memberships to the Future Resident List, bringing the List to 411.
- Continued in-house creation of collateral, newsletters and ads, thereby eliminating outsourcing costs.
- Conducted "Soup to Nuts" information luncheons.
- Held 20th Anniversary celebration for Future Resident List Members.
- On boarded new Director of Marketing to direct sales and marketing function.

RESIDENTIAL SERVICES

RESIDENTIAL SERVICES

- Resident Services staffing adjusted to enhance coverage of emergency response in residential living.
- Conducted tours of Personal Care to provide future needs education.
- Resident Services increased involvement in care management of residential residents temporarily in Personal Care or Nursing Care.
- Enhanced content of the Resident Quarterly Newsletter.
- Increased referral network of community service providers available and offered to residential residents, (ie counseling services, financial assistance, mental health screenings and in home companion services).
- Provided timely response to residents and family issues.

RESIDENTIAL PROGRAMMING

- New host site for the “Know Your Symphony” lecture series of the Reading Symphony Orchestra.
- Celebrated the 100th birthday anniversaries of Everett & Gladys Smith at the Harvest Ball. The Smith’s were featured on national TV (Williard Scott) and NBC 10 Philadelphia.
- Happy 20th Birthday Highlands events occurred throughout the month of April: opening ceremonies, resident and staff variety show and the dinner/dance.
- Resident lecture programs included: Earthquakes & Volcanoes, Clockwork to Chaos, Music & Humor.
- Lecture Programs by Resident family members: Amish Schools, Antarctica Travelogue, and 2008 Olympic Update by synchronized swimming team captain.
- Visits from government officials: US Congressman Jim Gerlach, PA State Senator Mike Folmer and PA State Representative Sam Rohrer.
- Updated Closed Circuit TV System Channel 15.
- Installed Wii Game System, now available to residents daily.

FITNESS CENTER AND POOL

- Tallied 1,227 monthly resident visits to the Fitness Center gym and more than 541 visits to the swimming pool; approximately 41% of residents use the Fitness Center on a regular basis.
- Customized safe, effective exercise programs by our certified Fitness Coordinator.
- Recorded monthly use of gym and/or pool by more than 74 Future Residents.
- 15% of staff members utilize the fitness center.

VOLUNTEERS

- Staffed front reception desk, Gift Shop and Library; delivered mail to Personal Care residents.
- Announced for The Highlands in-house television Channel 15.
- Prepared mail projects for not-for-profit community agencies.
- Knitted sweaters, hats, slippers for Reading Hospital nursery.
- Collected *Box Tops for Education* to buy computers and supplies for local schools.
- Raised money with *Holiday Bake Sale*; provided “Christmas” for a needy family.
- Supported Reading Hospital’s Garden Party fund raiser with a cold drinks stand.

GIFT SHOP

- Staffed by 19 resident volunteers providing 2,200 hours of service.
- Provided “Gift Cart” shopping for residents in Personal Care.

SECURITY and TRANSPORTATION

- 24/7 front desk and patrol service.
- All Security personnel are CPR certified; Transportation staff are Safety Class trained and CPR certified.
- Traveled 53,598 miles: 7,291 medical appointments; 86 valet trips; 958 daily/evening/Sunday church trips.
- New Supervisor of Security on boarded.
- Security hours were adjusted for more efficient coverage.

HEALTH SERVICES

PERSONAL CARE

- Achieved re-licensure from Department of Public Welfare.
- Updated directional signs for better orientation to Personal Care.
- Renovated Lower Level dining room.
- Collected 104 lbs of food for the Berks County Food Bank during National Assisted Living Week.
- Resident Care Coordinator received certification as Personal Care Home Administrator.

NURSING CARE

- Participated in national Advanced Excellence campaign to monitor key indicators of quality and to promote excellence in caregiving.
- Achieved enhanced safety standards for staff with successful completion of “No Lift” program.
- Added Occupational Therapy gym to rehab suite to allow for individualized and group occupational therapy and restorative nursing treatments.
- Employed RN unit manager for Heather Court to increase clinical and programmatic oversight.
- Achieved re-licensure from Department of Health licensing inspection.
- Initiated weekend administrative presence in Nursing Care to provide additional support.
- Received Medicare certification for Heather Court accommodations.

HEALTH & WELLNESS RESIDENTIAL LIVING PROGRAM

- Extended hours of service for evening shift Health and Wellness nurse.
- Provided 24/7 emergency response.
- Conducted move-in visits to orient new residents to Health Services benefits.
- Held blood pressure, weight, and flu vaccine clinics, annual Health Fair, monthly health and wellness lectures; kept *Elder Alert* records.
- Maintained Education Resource Center in the newly renovated Health & Wellness office.

SUPPORT SERVICES

DINING SERVICES

- Implemented a variety of programs to increase cash sales to residents and staff
 - Holiday pie sales
 - Birthday Cakes
 - Soup by the quart sale
 - Farmers Market
 - Holiday Feast, holiday take out meal for residents and staff
- Increased cafe’ sales \$12,429 or 19% over goal.
- Implemented departmental PRIDE program with a reward and recognition program targeted to student workforce.
- Revised and upgraded service in Personal Care lower level dining room.
- Presented “Breakfast of Champions” The Highlands breakfast buffet program in Nursing Care at PANPHA (Pennsylvania Association of Non Profit Homes for the Aging) annual conference.
- Maintained high degree of resident satisfaction with food while achieving total food costs within .05% of goal.

HOUSEKEEPING

- Achieved 20th consecutive deficiency-free state survey in Nursing Care.
- Initiated program to achieve improved infection control practices, in Nursing Care and Personal Care.
- Provided evening transportation services for 47 resident calls and set-ups for 1,097 activity programs and special functions.
- Launched new trash and recycling program which significantly reduced costs as well as enhanced recycling capabilities.

MAINTENANCE, GROUNDS

- Filled 8,611 work orders.
- Completed final phase of a 2 year shingled roof replacement plan.
- Completed first phase of the 2 year HVAC unit replacement plan for Phase 1 cottages.
- Renovated residential apartments, cottages and personal care apartments upon turnover.
- Installed new trash compactor.
- Painted stucco on patios of all residential apartments.
- Completed the replacement of fencing around the community transformer stations.
- Continued with the installation of underground storm water management piping project.

Resident Involvement

RESIDENT COUNCIL

The Resident Association provides channels of communication among residents, Administration, and the Board of Directors.

Nine residents are elected for three-year terms to the Resident Council, which conducts the Association's affairs. Regular bimonthly meetings are held for all Association members. In addition, residents serve on Board Committees as well as the Endowment Committee, thus enhancing communication and assuring a strong resident voice.

1 Bedroom Apartment



1 Bedroom open kitchen floor plan with new appliances



1 Bedroom spacious living room with crown molding



Back row : Dr. Eugene Hildreth, Dr. Richard Baumbach, Col. George Spuhler, President; Mr. Karl Eisele, Rev. Marvin DeWalt
Front Row: Annette Robertson, Vice President, Dr. Brian Wummer; Laree Trollinger. Absent: Hazel Geracimos, Secretary.

THE HIGHLANDS AT WYOMISSING

AUDITED STATEMENTS OF OPERATIONS

For the years ended June 30, 2009 and 2008

	2009	2008
Revenue, gains, and other support		
Residential services, including amortization of entrance fees of \$3,373,760 and \$3,832,334 for the years ended June 30, 2009 and 2008, respectively	\$14,810,452	\$14,590,844
Net patient service revenue	5,517,384	4,943,578
Investment (loss) income	(5,771,271)	2,084,318
Other income	691,457	805,042
Net assets released from restrictions for operations	8,556	19,820
Total revenue, gains, and other support	15,256,578	22,443,602
Expenses		
General and administrative	2,144,494	2,109,840
Marketing	301,812	335,466
Support services	3,272,620	3,245,586
Food service	3,610,482	3,541,516
Health services	5,658,452	5,203,469
Utilities	885,873	965,011
Real estate taxes	1,108,310	1,066,603
Depreciation and amortization	2,422,870	2,385,220
Interest expense	1,677,662	2,314,867
Total expenses	21,082,575	21,167,578
Operating (loss) income	(5,825,997)	1,276,024
Nonoperating income		
Realized and unrealized losses on swap contracts	(2,826,388)	(2,349,519)
Deficiency of revenue over expenses	(8,652,385)	(1,073,495)
Change in unrealized (losses) on investments	(1,032,632)	(4,934,032)
Change in unrestricted net assets	\$ (9,685,017)	\$ (6,007,527)

2009 results for **Revenue, gains, and other support, Investment (loss)**, is impacted by accounting pronouncements relating to fair value of investments. As a result, in accordance with generally accepted accounting principles, The Highlands reclassified a loss of \$4,276,000 from **Change in unrealized losses on investments to Investment (loss)**. This is an accounting change which does not affect cash and reflects the mark to market price change at June 30, 2009.

THE ENDOWMENT FUND

— NURTURING A LEGACY

This special fund provides monetary support to help meet the ever-increasing cost of healthcare services and to provide support to residents who have depleted their assets. The Highlands Endowment Fund continuing care reserves will help fund future obligations and thus benefit all residents. The Endowment Fund accepts gifts on behalf of The Highlands. Residents and friends make contributions through direct gifts, annuities, life insurance designations, and bequests. Contributions to The Highlands are tax deductible as permitted by applicable laws.

June 30, 2009

Cash, Bequests and Terminated Gift Annuities	\$ 3,679,894
Gift Annuities	1,126,910
Total Assets	4,806,804
Less: Gift Annuity Liabilities	(765,569)
Net Assets	\$4,041,235

The following transfers have been made from The Highlands Endowment Fund to the General Fund:

Fiscal years ended June 30, 1999-08	\$939,841
Fiscal year ended June 30, 2009*	159,587
Cumulative Total	\$1,099,428

* Transferred September 18, 2009.

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Kevin DeAcosta
Chief Financial Officer



Danielle Hammer, LSW, NHA
Dir. of Health Services



Jodi Gibble
Director of Marketing



Mary Beth Kelly
Director of Resident &
Community Services



Stephen R. Murray
Director of
Dining Services



Mitchell O. Hanna, CPA
Senior Financial
Services Analystist



Cheryl Munro
Director of Nursing



Laura A. Strausser, LPN
Administrator of
Personal Care



Emily Boyle
Manager of
Human Resources



Kelly A. Bock
Manager of
Support Services



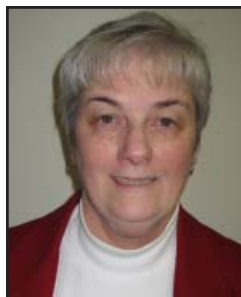
Shirley Riegel-Ferreri
Manager of
Resident Programming



Lorena K. Lazarchick
Manager of
Administrative Services



William H. Snyder
Manager of
Maintenance



Nancy L. Tatelbaum
Manager of
Transportation



William Fithian
Manager of
Security

— **Mission of The Highlands at Wyomissing** —

To enrich lives of senior adults through sponsorship
of a high-quality, not-for-profit,
continuing care retirement community.



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member