



THE HEART *of* TEL HAI

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REFLECTIONS | 2013 ANNUAL REPORT



**O**ver the past 57 years, the Tel Hai community has been known as a preferred provider of health care, ensuring the consistent delivery of excellent services by a staff known for compassion. Since the 1970s, the introduction of cottage living on campus afforded active adults an appealing lifestyle option with many features, including worry-free, maintenance-free living, a beautiful pastoral setting, wonderful neighbors, a dedicated staff and leadership with a heart for serving. This year, when considering the dramatic growth on campus, we are blessed to focus on the aspects of Tel Hai life that make it attractive to so many. At the core of our success are the people of Tel Hai—they are the heart of the community.

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The people of Tel Hai come from many different backgrounds, but are galvanized as one in their commitment to care, investment, friendship and service to others. More than 600 residents have come from near and far to call Tel Hai “home.” Our 149-acre campus also includes 450 staff

members, ranging in age from teenagers to seniors. Volunteers on campus share their time and talents to the benefit of many and enrich the fellowship experience. Members of the greater community are engaged as volunteers, board members, partners in business relationships

and our faith walk, and co-participants in on-site programs, initiatives, the arts and a variety of services, as well. The 2013 fiscal year has been one blessed with growth and enriched by the addition of each new resident, staff member and community partner.

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BOARD MEMBERS *at the* HEART *of* OUR MISSION

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**I**n keeping with its non-profit status, Tel Hai is governed by a volunteer Board of Directors. The board is charged with oversight of the business affairs of the corporation and, in this role, carries a fiduciary duty to act in the best interests of the corporation—a sobering responsibility given the challenges of operating a modern-day senior living community. Yet, they gladly serve, and the blessings enjoyed by residents and other service recipients are derived from their wise stewardship.

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**The Board of Directors gathers at the renovated Library entrance. Standing from left:** Lesetta E. Weaver, CRNP, Lancaster General; M. Thomas Ridington, Sr. Vice President, Eastern University; Gary R. McEwen, *Secretary*, Director of Land Acquisition, Berks Homes; Rev. Patricia R. Stoltzfus, Associate Pastor, Covenant Presbyterian Church; Randall G. Stubbs, *Chair*, Retired Owner, Stubbs Insurance Associates; Robert H. Hoffman, Retired Electrical Engineer and Business Owner; William F. Colby, Jr., Partner, Barley Snyder, LLC; Joanne B. Belson, Retired Educator. **Seated from left:** Joseph J. Swartz, President & CEO; Douglas W. Brubaker, Director of Safety & Communication, Brubaker, Inc.; Lonnie L. Martin, *Treasurer*, Controller, Lancaster Bible College. **Not pictured:** Howard A. Moss, Jr., *Vice Chair*, Director of Information Technology, Lockheed Martin Corp.; Larry S. Shaub, Partner, Reinsel Kuntz Leshner LLP.

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Given the significant time required to serve on the board, what motivates them to provide this commitment? If you would interact with the board, four “heart” passions are apparent which fuel their dedication. The first is a *heart for its mission* of service to seniors. This in turn flows from a *heart for Christian ministry*, consistent with our Mission to be “a demonstration of Christ’s love.” A third passion is a *heart to share talents* that are valuable to their leadership role. A fourth and final passion is a *heart for the call to serve*. Each of our talented board members could choose to use their valuable time in other ways, but have answered the call to serve here.

Tel Hai’s Board of Directors is led by chair Randy Stubbs. Randy has been an extraordinary example of these “heart” passions, serving with unflinching devotion while also coping with serious health challenges. Another example is resident board member Joanne Belson. She displays extraordinary wisdom in balancing her fiduciary duty while also representing a resident perspective in board deliberations. Her passion for Tel Hai was apparent when

she answered the call to serve as Chair of Tel Hai’s upcoming StoneCroft Capital Campaign.

We are thankful for new opportunities to serve, experienced this past year. We welcomed the remaining 34 new households into our family with the completion of the 55-cottage Woods Edge neighborhood. Further, we are grateful for the new partnership with Frederick Living in the acquisition of Liberty In Home Care. This Devon, PA-based home care agency is serving approximately 75 clients in a four-county area with a workforce of over 100 employees.

The future remains bright for Tel Hai as we respond to a growing and changing senior population. We are certainly experiencing that in the enthusiastic response to the marketing of the StoneCroft apartment project. We anticipate construction of StoneCroft to begin this year and occupancy by 105 new households to start in mid-2015. All of Tel Hai will enjoy the exciting recreational, social and dining spaces which the completed StoneCroft Commons building will provide.



A handwritten signature in black ink that reads "Joseph J. Swartz".

Joseph J. Swartz  
*President & CEO*

A handwritten signature in black ink that reads "Randy Stubbs".

Randall G. Stubbs  
*Chair, Board of Directors*

# The Tel Hai staff delivers a multi-faceted program of services and opportunities to community members.

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*Above: Moving Resources Manager  
Tina Cressman.*

## **Resident Services**

For some, the Tel Hai experience may be in residential living. In addition to the 34 new households completing the Woods Edge neighborhood this year, ten new resident families joined us as Hillcrest and Maple Knoll neighbors. Existing residents took advantage of the robust continuum of care available in Lakeview Personal Care and the Meadows health care center on campus.

In our quest to provide excellence in customer service, our Moving Resources Manager, **Tina Cressman**, has offered a variety of services to facilitate the transition of new residents to campus. This included 47 home visits and helpful articles outlining a multitude of resources in quarterly publications and StoneCroft updates. She also spearheaded numerous community-building events: January's "Souper Bowl," the Moving Expo, and a "Best-Kept Secret" shopping tour in neighboring Lancaster County.



The **Residential Living** staff celebrated the successful completion of the Home Care program's inaugural year providing many hours of house-keeping, transportation and companion services on campus. All departments were also deeply involved in the preparation of our accreditation renewal application to CARF-CCAC—the national body that sets the bar for exceptional service and stewardship in a variety of health-care-related and continuing care communities. We are proud to be among the 300 accredited CCRCs (Continuing Care Retirement Communities) meeting or exceeding CARF's myriad of performance standards.

The **Adult Day Services** program served 23 campus residents, as well as 39 people from the surrounding area, during this period. **Lakeview Personal Care** welcomed 54 new residents transferring from residential living, health care and the greater community. In response to the increasing physical care needs of this population, staff changes resulted in the hiring of an RN as our Resident Services Coordinator. We are happy to report that all new primary caregivers in personal care are certified Nursing Assistants.

**The Meadows** recorded 287 new admissions in this period—93 from campus and 194 from surrounding communities. Nearly 68% of our health care services were delivered to the general public. Our rehabilitation services staff, now Tel Hai employees, has served 560 Meadows health care center residents in the past fiscal year, and 208 people on an outpatient basis from Lakeview, residential homes on campus, and the greater community.

### **Information Technology**

Our Information Technology staff made it possible to work smarter and more efficiently with the implementation of the Smartlinx software program, which aids in staff scheduling and provides a document system for creating and maintaining resident records, as well as internet and telephone services for new residents in the Woods Edge neighborhood. The staff also renovated the community center's Data Center, and are providing ongoing IT support to the Liberty In Home Care agency's operations.

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## STAFF IMPLEMENTING *the* MISSION

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**The Management Team is happy to gather in the popular Daily Brew. Standing from left:** Cathy Yoder, VP, Marketing; Kelly Jester, VP, Human Resources; Renny Magill, VP, Development; Darren Cornish, Environmental Services Director; Tim Herr, VP, Pastoral Services & Corporate Compliance Officer; Bruce Hartshorne, Executive VP, Operations; M. Sue Verdegem, Executive Senior VP, Finance & Administration; Cal Roggie, Information Technology Director. **Seated, back on left:** David Dunn, Lakeview Administrator; Peggy Bradley, Director of Nursing; Janice Williams, Meadows Administrator; Sharon Canull, Finance Director. **Seated, back on right:** Teresa Long, Executive VP, Resident Services; Christopher Anthony, Director of Dining & Nutritional Services; Christine Fritzen, Rehabilitation Services Director; Katie Buck, Residential Living Administrator; Toni Balla, Purchasing & Inventory Director. **Seated, front:** Joe Swartz, President & CEO; Tammy Jacobs, Adult Day Services Director; Keeli Looper, Volunteer Services Director; Chasity Brown, Wellness Director.

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### **Pastoral Care**

Pastoral Care staff continued to cultivate relationships with seven covenant churches and the Mennonite Church's Atlantic Coast Conference. The *Faith Connections* newsletter reached over 140 regional churches twice in the year. Staff members enjoyed working collaboratively on varied projects, including concerts at Maple Grove Mennonite Church and the Pine Grove Church, and collecting items over the course of eight months for Hurricane Sandy victims with the Twin Valley Bible Chapel. An elder law and financial planning program was cosponsored with the law firm Gibbel, Kraybill & Hess of

Lititz and Everence of Ephrata, and a workshop on bereavement was held at the Honey Brook Presbyterian Church. Josh Gill, the Chaplain's intern, was also welcomed as he completed his course requirements while a seminarian at Palmer Theological Seminary.

Tel Hai served as the venue for a Leadership Retreat in which three congregations participated. Our Chaplains also developed seminars offered in other faith-partners' locations, including "End-of-Life Care," "Dementia and Caregiving," and "The 8 Stages of Aging." Bringing others to our campus

enriched our programs and community life as well. Chapel messages were provided by pastors from 26 different congregations during the year; many provided holiday worship services and special programs on site. Weekly Bible studies were led by Living God Lutheran Church, and Honey Brook and Parkesburg Baptist Churches. Monthly communion services were celebrated on campus by Tel Hai chaplains and pastors of Honey Brook Presbyterian, Living God Lutheran, and St. John's Episcopal Churches. We also welcomed the monthly Mass and Eucharistic ministry offered by St. Peter Parish of West Brandywine.





### Exceptional Service

Exceptional service was celebrated through nominations of our Employees of the Quarter. This year, the program recognized the following employees for their contributions: **Samantha Reed**, an LPN in The Meadows, was named Employee of the Year; Francois Guillonneau (Housekeeping); Gwynne Johnson (Wellness); Kathy Buck (Business Office); Agnes Lackman (Garden View); Ginny Crasten (Marketing); Jennifer Bryson (Garden View) and Becky Conger (Meadowbrook). A new recognition program provided more opportunities to thank exceptional team members in specific categories.

Our Leadership honoree was **Tim Herr**, VP of Pastoral Care; the Harmony award was presented to **Katie Buck**, Administrator of Residential Living; and our Rookie of the Year (a more recent hire) was **Mathavi Letchumanan** of Dining Services.

A popular staff-led initiative on campus was the Children's Outgrown Sale, held in August 2012. Young mothers on staff have grown this event over the past several years, and it has been met with great enthusiasm by members of neighboring communities. Parents with young children delighted in the great bargains, and consigners

and buyers reaped benefits. Net proceeds from the sale were donated to the Chester County Food Bank, totaling \$3,500.

*Above left: Employee of the Year Samantha Reed. Above right, left to right: Harmony Award winner Katie Buck, Rookie of the Year Mathavi Letchumanan, and Leadership Honoree Tim Herr.*



*Above, left: Volunteer of the Year Dave Paton. Above, right: Mail Room volunteers (top) and Meals on Wheels volunteers (bottom). Both volunteer groups were recognized for their faithful delivery of service to others in 2012.*

The Volunteer Services Department identified 420 active volunteers in its calendar year reporting period. The group delivered 38,840 hours of service on Tel Hai's campus, and an additional 4,890 hours in the surrounding community. Residents of Tel Hai comprise approximately 60% of our volunteer corps.

In thanks for their dedicated work, a Celebration Brunch was held on March 19, 2013 which acknowledged the volunteers' contributions throughout the period. Residents who were recognized included Lois Fogg, Tom Jenkins, Ted Kircher, Ann Paton, George Young, Carol and Bill Morling, and Lee Staszak. Community volunteers cited were Angela Atwater and the Zuponic family: Cindy, Elizabeth, Bradley, Emmy and Steven. The Volunteer of the Year was **Dave Paton**, a Tel Hai resident who had served in many capacities in varied roles.

The Summer Youth program held during this period involved 20 youngsters, including children of staff members, grandchildren of residents and community volunteers. The youth were given opportunities to serve on campus in all levels of living, including Adult Day Services, Child Day Care, Central Supply, Wellness, and Dining Services.

Volunteer groups were also cited for their faithful delivery of services to others. In the 2012 calendar year, the Mail Room volunteers were recognized on campus. In June 2013, **Meals on Wheels volunteers** were celebrated at *LeadingAge PA's* 50th anniversary conference in Hershey, PA as the organization's Volunteer Group of the Year.

*Right: Members of the Meals on Wheels volunteer group accept the award for Leading Age PA's Volunteer Group of the Year.*



# The Tel Hai community offers the hand of friendship to our neighbors through services and programs available on our campus.

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Locally, Tel Hai residents and staff have worked in support of the **Twin Valley Food Pantry** through the annual food drive, volunteering on distribution days and assisting at the **Shepherd's Kitchen** soup kitchen sponsored by Honey Brook Presbyterian Church. Tel Hai resident Dave Paton's vegetable garden on campus also produced 470 pounds of produce, which was donated to the **Chester County Food Bank** in season. Tel Hai was also a sponsor and participated in Honey Brook's annual Harmony Day in September 2012.

**Arts and educational programs** were also offered to the general public throughout the year, including watercolor and oil painting instruction, nine free concerts by professional musicians and ensembles, lecture series on a broad range of topics, and retirement living forums. A popular event each year has been our **High School Art Student exhibit** each February. This time, more than 200 art works were judged by two juried artists for awards in varied mediums. We also featured the work of two visiting local artists and created a display of resident works in the Welcome Center for all to enjoy.

Services include direct admission to our health care center, child day and Adult Day Services programs, as well as respite and rehabilitation services. Our collaboration with Frederick Living allows our nonprofit communities to reach out further with a variety of services to individuals at home in the four-county area through the **Liberty In Home Care** agency.





On January 16, 2013, thirteen Tel Hai staff members of all ages and levels of campus living participated in the Mennonite Disaster Services (MDS) **Day of Service** in Far Rockaway, New York. Making a contribution to the restoration of a home and church facility in the wake of Superstorm Sandy was a moving experience for all participants. One volunteer stated, “Even though we were only there for a day, it was amazing to know I can help make a difference in someone’s life in this way.”

During the year, fundraisers were held to benefit residents and staff with financial needs. The **Good Samaritan Fund** added \$14,700 to its coffers to support coworkers in times of emergency. Approximately \$15,700 was distributed in the past fiscal year.

**The Care Assurance Fund**, which is the beneficiary of the proceeds of Resale Shop’s efforts, the annual golf tournament and gala, supports campus residents who can no longer shoulder the full cost of their care. Those activities served to grow the fund in the past fiscal year and were bolstered by a transfer from operations to the *Care Assurance Fund* approved by the Board of Directors as a “tithe” representing their commitment of support to the fund from a gain in Tel Hai’s operations. An additional \$34,400 was received in response to the 2012 year-end appeal in January 2013.

The **Lanterns on the Lake** tribute gala welcomed more than 230 people to campus who enjoyed a delightful evening in support of the *Care Assurance Fund*, resulting in contributions representing 437 “Days of Care” and a Silent Auction that netted \$7,100.

We also were the beneficiaries of great generosity during this period. In August 2012, residents and staff gathered for a **potluck thank-you lunch** to recognize the contractors who donated time and materials to renovate the campus gazebo. CHN Construction, our partner on the Cedar Ridge and Woods Edge cottage neighborhoods, worked with their subcontractors to install a new roof and repair, clean and stain the structure, making it better than new.

A bequest to the *Care Assurance Fund* was received from the estate of **Dr. John Henefer**, formerly a resident of Hillcrest apartments. John, known for his quiet, behind-the-scenes contributions to programs and activities on campus, was a dedicated volunteer with the Meals on Wheels program on site. A second, unrestricted bequest was received from the estate of **Miriam Buckwalter**, a former activities director here in the 1970s. Her gift to Tel Hai will be used to honor her years of service and great caring.



PAT LOOPER



# This past year was rich in joy-filled moments, punctuated by renovation, expansion and rich community life:



The **Tel Hai Cup** was awarded on September 12, 2012 at the Honeybrook Golf Club to Team Ridington. This was the 23rd annual gathering of golfers in support of our *Care Assurance Fund*. Since 2007, the golf tournament has netted \$133,792 for the fund.

The renovated Garrett Community Center was rededicated in October 2012 with a festive event welcoming neighbors, business partners, residents, staff and board members.

Neighboring seniors were welcomed to our campus during a two-day **Explore Retirement Living event** offered regionally each year.

In November, the 16th Annual **Merchants Faire** was held in the newly renovated community center, offering an opportunity for local businesses and human services/health-related agencies to share their organizations' services and message with our ever-growing resident population, staff and the general public.





The **Holiday Shoppers' Bazaar** was held concurrently in our Auditorium Chapel, providing a venue for home-based entrepreneurs and crafters to showcase their wares.

In anticipation of the upcoming StoneCroft expansion, the Marketing Team sponsored a **Moving Expo** open to the public. We assembled a variety of helpful moving resources to assist seniors considering a new retirement lifestyle. Informational and educational programs on senior living and brain fitness were also made available in spring 2013.

The **Meadows Health Care Center** dedicated one wing, now known as "Garden View," to people coming to benefit from our Rehabilitation Services on site. Under the direction of Chris Fritzen, Garden View offers physical, occupational and speech therapy to Tel Hai residents and the surrounding community.

Our annual **Day in the Country** open house afforded guests the opportunity to visit new homes in the Woods Edge neighborhood, explore the 3-mile wooded walking trail, learn more about the exciting StoneCroft expansion and enjoy good fellowship. Exploration of StoneCroft Commons' exceptional facilities was a topic of great interest. The day was crowned by the extraordinary performance by David Kim, Concertmaster of the Philadelphia Orchestra.



## Looking Ahead with Eagerness

The **StoneCroft expansion project** will offer 105 apartments with nine floor plans, ranging in size from the **Garnet's** 790 square feet to the breathtaking **Marquise**, which offers 2,300 square feet of luxuriously appointed living space. Each floor plan is turning out to be a perfect fit for future residents eagerly awaiting to move on campus in 2015. The hilltop location and **StoneCroft Commons** are proving to be a winning combination for many. The Commons will offer opportunities for new and expanded programs and activities to be enjoyed by residents and the local community, including state-of-the-art aquatic facilities, fine art and worship center, art suite, gallery and additional dining venues.



**This past year continues a trend of growth and continuing financial preparation for the future. For the period ending June 30, 2013, our financial performance produced a gain from operations of \$126,928. This gain includes contributions and realized investment income. Tel Hai is pleased to now have over 3.9 million dollars set aside in the Care Assurance Fund, established to offset costs incurred in providing uncompensated care. Tel Hai provided \$2,716,888 of uncompensated care through all levels of service in this period. We appreciate the community of donors who generously support the fund and Tel Hai's mission.**



Investments in property and equipment totaled \$7,476,850 this fiscal year. The improvements included the completion of the Wood's Edge neighborhood and preconstruction costs associated with the pending StoneCroft apartments and commons project; costs to improve current residential and Lakeview accommodations at turnover; renovations to the Garrett Community Center and Meadows dining venues; as well as ongoing capital expenses to maintain facilities. We are pleased to have welcomed the Wood's Edge residents to Tel Hai.

This fiscal year we recorded an unrealized gain for the interest rate agreements and for the investment holdings. The interest rate agreements are required by accounting guidelines to be recorded at the cost to buy out this agreement, despite our desire to have the agreement

remain in place. The value to buy out the agreement is impacted by the current global economy. Tel Hai anticipates continued recovery of the unrealized losses on investments and interest rate agreements as the economy stabilizes.

The financial stability we enjoy is realized through many partnerships with stakeholders. I continue to be thankful to the Resident Finance and Board Finance Committees, as well as our managers and Marketing team for their assistance. While the cost of delivering quality care continues to grow, the managers and department leaders continue to use their talents to reach the Tel Hai vision. This fine stewardship, in tandem with the Marketing team's success in maintaining excellent census in all levels of resident services and with StoneCroft presales, ensures that

Tel Hai continues to maintain stable operations while looking eagerly to the future.

These financial statements will be submitted to CARE/CCAC for review as a part of our annual accreditation. The statements will appear in a ratio format to allow comparison between Tel Hai and similar retirement communities throughout the nation. The data included in these pages reflects a summary of the financial statements issued by our independent accountants. As part of their review, Tel Hai received a "clean opinion"—the highest level of assurance provided by auditors.

A handwritten signature in black ink that reads "M. Sue Verdegem". The signature is fluid and cursive.

M. Sue Verdegem  
*Senior Executive Vice President  
Finance & Administration*



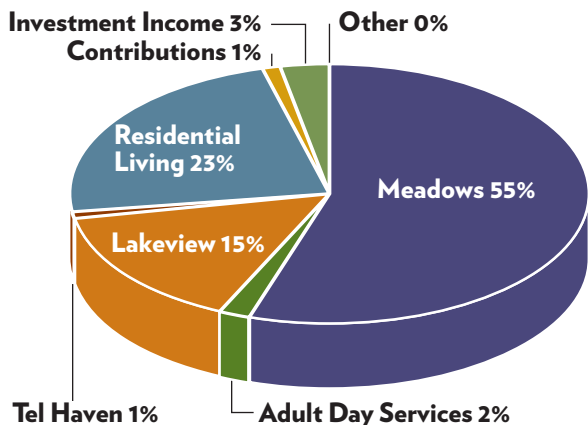
THE HEART of GOOD STEWARDSHIP

**Consolidated Balance Sheets**

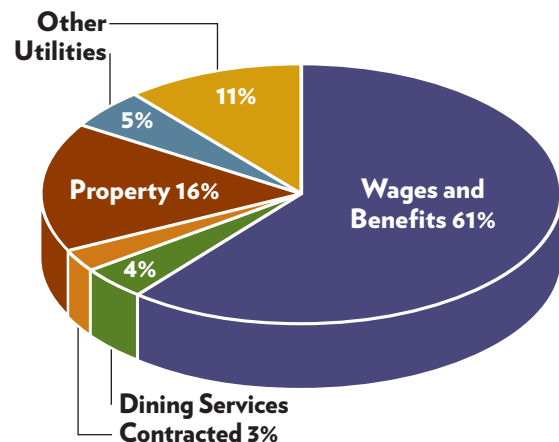
Year Ended June 30, 2013

<b>Assets</b>	<b>2013</b>	<b>2012</b>
Current Assets	\$ 11,519,048	\$ 12,293,632
Assets whose use is limited	54,456	63,562
Assets whose use is limited by donors	5,203,931	4,654,947
Property, Plant and Equipment	57,708,365	51,366,604
Other Assets	1,068,342	524,020
<b>Total Assets</b>	<b>\$ 75,554,142</b>	<b>\$ 68,902,765</b>
<b>Liabilities &amp; Net Assets</b>		
Current Liabilities	\$ 4,006,958	\$ 7,811,845
Long Term Debt	24,037,259	21,909,510
Advanced Fees	37,297,722	27,924,426
Other Liabilities	2,655,807	3,673,712
<b>Total Liabilities</b>	<b>\$ 67,997,746</b>	<b>\$ 61,319,493</b>
<b>Net Assets</b>		
Unrestricted	\$ 4,145,334	\$ 2,928,325
Accounting Prior Year Adjustment	(1,792,869)	
Restricted	5,203,931	4,654,947
<b>Total Net Assets</b>	<b>\$ 7,556,396</b>	<b>\$ 7,583,272</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 75,554,142</b>	<b>\$ 68,902,765</b>

**Revenues**



**Expenses**



THE HEART *of* GOOD STEWARDSHIP

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**Statement of Revenues and Expenses**

for Fiscal Year 2013

<b>Revenue</b>	<b>2013</b>	<b>2012</b>
Net direct service revenue	\$27,263,073	\$ 25,605,800
Contributions	263,745	404,272
Realized investment income	1,054,687	627,340
Other income	330,883	271,346
<hr/>		
<b>Total Revenue</b>	<b>\$ 28,912,388</b>	<b>\$ 26,908,758</b>
<b>Expenses</b>		
Salaries, benefits, and contracted services	\$17,564,232	\$ 15,916,187
Depreciation and amortization	3,360,900	3,185,096
Bond interest and fees	982,529	574,920
Other expenses	6,877,799	6,974,511
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<b>Total Expenses</b>	<b>\$28,785,460</b>	<b>\$ 26,650,714</b>
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<b>Excess of revenue over expenses</b>	<b>\$ 126,928</b>	<b>\$ 258,044</b>
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<b>Unrealized gain (loss)</b>	<b>\$ 1,639,066</b>	<b>\$ (1,609,935)</b>
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<b>Increase (decrease) in net assets</b>	<b>\$ 1,765,994</b>	<b>\$ (1,351,891)</b>
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<b>Uncompensated Care (assistance to individuals)</b>	<b>\$ 2,716,888</b>	<b>\$ 2,256,528</b>
<b>Investment in Property and Equipment:</b>	<b>\$ 7,476,850</b>	<b>\$ 15,756,309</b>



**Our Mission:** Tel Hai Retirement Community provides high-quality care and services to enhance personal dignity, autonomy, and lifelong enrichment as a demonstration of Christ's love for all persons. **Our Vision:** To be a distinctive Christian model, inspiring respect for seniors and setting the standard for quality service.



# Tel Hai

*Redefining Retirement™*



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