



2000 Cambridge Avenue, Wyomissing, PA 19610-2714
(610) 775-2300

DISCLOSURE STATEMENT

As of
June 30, 2016

Filed
October 28, 2016

The Highlands at Wyomissing, a Continuing Care Retirement Community (CCRC),
is owned and operated by The Highlands at Wyomissing,
a Pennsylvania not-for-profit corporation

THE ISSUANCE OF A CERTIFICATE OF AUTHORITY BY THE INSURANCE DEPARTMENT OF PENNSYLVANIA DOES NOT CONSTITUTE THAT DEPARTMENT'S APPROVAL, RECOMMENDATION, OR ENDORSEMENT OF THE HIGHLANDS AT WYOMISSING, NOR IS IT EVIDENCE OF, NOR DOES IT ATTEST TO, THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT.

NOTICE

This Statement is provided in accordance with the provisions of The Pennsylvania Continuing Care Provider Regulation and Disclosure Act 40 P.S. Paragraph 3201 et seq. and was filed with the office of the Insurance Commissioner, Commonwealth of Pennsylvania, Office of Regulation of Companies, 1345 Strawberry Square, Harrisburg, Pennsylvania 17120 on October 28, 2016, as the annual update of the original statement filed on August 26, 1987.

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THE HIGHLANDS AT WYOMISSING

(Approved by the Board of Directors on May 17, 2012)

MISSION STATEMENT

The mission of The Highlands at Wyomissing is to enrich the lives of senior adults through sponsorship of a high quality, not-for-profit continuing care retirement community.

VISION STATEMENT

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

CORE VALUES STATEMENT

The Highlands is distinguished by the quality of life experienced by its residents. This reputation is premised on a set of values that guides the governing body and the staff in carrying out their responsibilities and is reflected in our commitment to the Power to Realize, Inspire, and Deliver Excellence (PRIDE).

Community Spirit

We foster and support a community that provides enjoyment, comfort, and a sense of pride among residents. We satisfy expectations for a physically attractive, well-maintained, and secure home. We are committed to offering a unique, resident-inspired program that addresses the physical, psychological, educational, spiritual, and social needs of residents throughout the community. The active participation of residents in defining these common interests and how to best accommodate these interests is essential to preserving community spirit. Additionally, we recognize that our commitment to community spirit includes an active role as a participant in the greater community.

Quality Commitment

The community is committed to providing outstanding quality in all interactions with residents. This commitment reflects the provision of care and service delivered in a fair, respectful, and professional manner. The measure of our quality commitment is exceptional resident satisfaction and the overall well-being of those we serve.

Innovation

We operate at the pinnacle of excellence among retirement communities by incorporating appropriate innovation into our programs, services, and facilities. We develop creative programming that meets the expectations of current residents and anticipates those of future generations. We provide services that consistently meet or exceed resident expectations, industry standards, and reflect best practices. We provide for residents' needs in a manner that

distinguishes The Highlands' facilities as the most appealing retirement community in the region.

Financial Responsibility

We are attentive to our fiduciary responsibility and manage The Highlands in a way that maintains financial strength, ensures long-term viability, and provides value to our residents. These purposes are accomplished through adherence to sound financial management principles and a focus on long-range planning.

Team Spirit

Our sustained commitment to work together as a team in pursuit of excellence promotes the fulfillment of our mission and vision. Team spirit is realized by fostering a work environment in which all staff endeavor to meet the PRIDE Standards of Performance. Team spirit includes a strong organizational commitment to respectful working relationships and recognition of the vital role each staff member plays in achieving success.

SUMMARY OF INFORMATION

1. The facility name and address:

The Highlands at Wyomissing
2000 Cambridge Avenue
Wyomissing, PA 19610-2714

2. The name and address of the licensed provider is the same as above.

3. The name, location, and telephone number of the person to be contacted to discuss admissions is:

Residential – Jodi A. Gibble, Director of Marketing
Healthcare – Sheila V. Prizer, RN, Health Services Liaison
The Highlands at Wyomissing
2000 Cambridge Avenue
Wyomissing, PA 19610-2714
(610) 775-2300

4. The Highlands at Wyomissing is located on approximately 113 acres on the eastern side of Cambridge Avenue in the southernmost section of the Borough of Wyomissing in Berks County, Pennsylvania. Access is from Cambridge Avenue directly opposite Logan Avenue.

The property is southwest of the city of Reading in a suburban area close to U.S. Route 222 and PA Route 724, adjoining Spring Township, Cumru Township, and Shillington Borough.

Adjoining the immediate parcel on which The Highlands at Wyomissing is built is open property, which is part of the Borough of Wyomissing's parklands.

The Highlands at Wyomissing consists of 242 residential living apartments (ranging from studio to two-bedroom deluxe), 28 two-and three-bedroom duplex villas, 15 three-bedroom with den single family homes (including the Farmstead), central activity, dining, and meeting spaces, the Fitness Center, as well as an 80-bed Medicare-certified nursing care facility (which includes 18 cognitive-care beds), and a 66-apartment personal care center. The residential living apartments and personal care residences are in two and three-floor elevator-serviced buildings. Commons and the nursing care facility are in one-story buildings. All are interconnected.

5. The Highlands at Wyomissing provides housing and continuing care services for individuals age sixty-two (62) and older. In double occupancy situations, services will be provided where one occupant is age sixty-two (62) or older and the other occupant is at least age fifty-five (55). The Highlands at Wyomissing will provide up to three (3) accommodations for contract residents who wish to have a dependent child under the age of sixty-two (62) live in their residence. A “dependent child” is an adult child, forty (40) to sixty-one (61) years of age, who requires parental support and supervision to live in a residential setting. A dependent child who qualifies is dependent due to a disability.

6. The Highlands at Wyomissing is a not-for-profit Pennsylvania corporation qualified as an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Highlands at Wyomissing is directly related by board structure to Reading Health System (formerly The Reading Hospital). The Board of Directors consists of thirteen (13) directors. The President or his/her designee of Reading Health System, the CFO or his/her designee of Reading Health System, and the president of The Highlands at Wyomissing shall be ex-officio members of the Board of Directors. The remaining ten (10) directors shall be approved for nomination by Reading Health System and elected by the directors. Two of the elected directors shall be residents of The Highlands at Wyomissing.

Reading Health System controls 100% of The Highlands at Wyomissing. Reading Health System, the parent of Reading Hospital, is a healthcare provider located in central Berks County (West Reading).

7. As of June 30, 2016, The Highlands at Wyomissing had a resident population as follows:

Location	Residents
Residential Living	337
Personal Care	62
Nursing Care	73

8. A sample of the current fees charged to residents, with a Comprehensive Contract (Type A), for occupancy of a one-bedroom residential living apartment is as follows:

Fee Type	Single	Double
Entrance Fee	\$137,900	\$182,900
Monthly Service Fee	\$ 2,905	\$ 4,390

This summary is necessarily brief. Please read the full Disclosure Statement and the attached Residence and Care Agreements for additional details.

9. The “Average Annual Cost of Providing Care and Services, Per Resident” is \$53,619.

DIRECTORS AND OFFICERS

The following persons have been duly elected to the Board of Directors after receiving approval of the nominee recommendation by Reading Health System, as parent organization, as of June 30, 2016. There was one open position on the Board of Directors as of June 30, 2016 that has not yet been filled.

Edward Barrett

Member and Treasurer of the Board of Directors. He is the former Executive Vice President/CFO of VIST Financial Corp/VIST Bank, a Tompkins Community Bank. Mr. Barrett serves on the Board of Directors of Berks Encore.

Steve A. Bobick

Member of the Board of Directors. He is also a former Chair of The Highlands' Board of Directors. He is the founder and former owner of UtiliTech, Inc. (EdgeInsights). Mr. Bobick is Past President of the Prospectus Berco Board of Directors, Past President of the South Mountain YMCA Camps Board of Directors, Volunteer Counselor for SCORE, Chair of the Board for The Vision Resource Center of Berks County, Board Member of Shared Growth, Inc., Chair of the Board of Lay Ministry of Trinity Lutheran Church in Robesonia, and serves on the President's Leadership Council at Lycoming College.

Gary Conner

Ex-officio member of the Board of Directors. He is the Senior Vice President and Chief Financial Officer of Reading Health System. Mr. Conner is currently a Board Member of Goggle Works.

Kevin P. DeAcosta

Ex-officio member of the Board of Directors. He is President and Chief Executive Officer of The Highlands at Wyomissing. Mr. DeAcosta is Vice President of Dayspring Homes Board of Directors and is a volunteer with two youth soccer associations.

Timothy G. Dietrich, Esq.

Member and Vice Chairman of the Board of Directors. Attorney Dietrich is also the Chairman of the Strategy and Policy Committee. He is a partner at Barley Snyder, LLP. Attorney Dietrich is a community cabinet member of the United Way of Berks County, a director of the Greater Reading Economic Partnership, a community member of the Audit and Compliance Committee of the Board of Directors of the Reading Health System, and a trustee of Alvernia University.

John Gruber, M.D.

Member and Secretary of the Board of Directors. He is retired from the practice of Cardiology Associates of West Reading and served as chairman of the Section of Cardiology at Reading Hospital and Medical Center (1989-1997). He is a past chairman

of the Board of Trustees of Alvernia University and past chairman of the Board of South Mountain YMCA. He is currently on the Board of the Reading Health Foundation.

June Maier

Member of Board of Directors. She is owner of Brookfield Design, a construction consulting and interior design firm. As an active community member, she is an Emeritus Trustee of Lancaster Country Day School and served as a Trustee of Albright College. She also served as a board member of the Junior League of Reading, the Red Cross and the Greater Berks Food Bank.

Gerald P. Malick, M.D.

Member of the Board of Directors. He also is the former Vice Chairman of the Board of Directors. He is the retired Vice President and Chief Medical Officer of Reading Hospital (formerly The Reading Hospital and Medical Center). Dr. Malick is a member of the Board of Directors and Quality Assurance Committee of the Berks Community Health Center, Volunteer for Meals on Wheels, former chairman of the Board of Directors of Threshold Rehabilitation Services, and Member of the Board of Directors of Berks Women in Crisis.

Paul R. Roedel

Member of the Board of Directors. He is the retired Chairman and CEO of Carpenter Technology Corporation. Mr. Roedel serves on various community boards and is an active member of the Goggle Works, Centro Hispano, and the Berks Community Health Center.

Sherry Sanger

Member of the Board of Directors. She is the Senior Vice President of Marketing for Penske. Mrs. Sanger currently is a Board member of Opportunity House and a former Board member of Bridge of Hope.

Therese Sucher

Ex-officio member of the Board of Directors. She is the Executive Vice President & Chief Operating Officer of Reading Health System. Mrs. Sucher is a director for United Way of Berks County.

David L. Thun

Member and Chair of the Board of Directors. He is also Chair of The Highlands' Executive Committee and the Performance Review Committee. Mr. Thun is a member of Reading Health System Board of Directors. He is the retired Chairman and CEO of Magnatech International, Inc. (formerly Magnatech International, L. P.) and serves on various community boards.

No Board of Directors members or officers have affiliated contracts, or criminal/injunctive actions.

There are no corporate trustees.

The Highlands at Wyomissing is a self-managed corporation.

The Highlands at Wyomissing is a non-stock corporation with no shareholders.

The following persons were members of The Highlands at Wyomissing's Senior Leadership Team on June 30, 2016:

Kevin P. DeAcosta, President and Chief Executive Officer

Jodi A. Gible, Director of Marketing

Heather Hetrick, Administrator of Personal Care

Christopher Holmes, Director of Human Resources

Lorena K. Lazarchick, Director of Administrative Services

Stephen R. Murray, Director of Dining Services

Marianne Pessognelli, Chief Financial Officer

Craig Shelly, Administrator of Nursing Care

June Maier of Brookfield Design was utilized as a consultant during FY 2016 as the interior designer for two projects at The Highlands at Wyomissing in our Residential area with a total of \$16,802.50 paid for design services.

No other director, officer, or executive listed above has a 10% or greater equity interest in or of The Highlands at Wyomissing or beneficial interest by providing goods, leases, or services to the facility of a value of \$500 or more, nor have any been convicted of a felony or pleaded nolo contendere to a felony charge.

FACILITY AND SERVICES PROVIDED

The Highlands at Wyomissing is a Continuing Care Retirement Community (CCRC) offering a full range of residential, lifestyle, and health care services.

Residential living consists of 8 studio (includes the model and guest one-bedroom apartments), 48 one-bedroom, 1 one-bedroom grand, 68 one-bedroom w/den, 1 one-bedroom w/den grand, 55 two-bedroom, 6 two-bedroom combo, 3 two-bedroom plus, 12 two-bedroom extended, 15 two-bedroom special, 4 two-bedroom w/den consolidated, 17 two-bedroom w/den, and 4 two-bedroom deluxe apartments; and various community and activity rooms, storage areas, and laundry facilities. Residential living also includes 13 two-bedroom duplex villas, 15 three-bedroom duplex villas, and 15 three-bedroom w/den single-family homes (including the Farmstead).

The residential living apartment Monthly Service Fee includes:

- Onsite Parking Accommodations
- Bi-Weekly Housekeeping (heavy cleaning service once per year)
- Cable Television
- Centrally Located Laundry Facilities
- Indoor/Outdoor Maintenance
- Basic Grounds Care, Including Lawn Services and Snow Removal
- Linen for Bed and Bath Furnished and Laundered Weekly
- Long-Term Care
- Onsite Security 24 Hours Per Day
- Semi-Private Room in Nursing Care or a Studio in Personal Care
- Recreational and Social Events and Programming
- One Meal Per Day
- Transportation
- Utilities, Including Electricity, Heat, Air Conditioning, Water , Sewer, Basic Cable TV
- Property Taxes
- 24-hour Emergency Medical Response
- Meal Delivery Service for Ill Residents
- Away Allowance (if away for at least 14 consecutive days)

Services available for an additional charge include:

- Beauty, Barber, Salon and Spa Services
- Cafe
- Communication services
- Gift Shop
- Guest Apartment
- Guest Meals
- Homecare and Companion services
- Maintenance (non-routine)
- Meals (additional)
- Medical Supplies (in Nursing Care and Personal Care)
- Pharmacy (in Nursing Care and Personal Care)

- Room Service (unless medically necessary)
- Storage Lockers (additional)
- Therapies
- Transportation (non-scheduled/non-medical)

Note: The Monthly Service Fee for villa, Farmstead, and Gaelsong residents includes all services and amenities that are available to residential living apartment residents, with the following exceptions:

- Linens are not furnished or laundered for villa, Farmstead, and Gaelsong residents.
- Villa, Farmstead, and Gaelsong residents receive ten (10) meals per month.
- Villa, Farmstead, and Gaelsong residents pay their own electric/gas bills.

An 80-bed Medicare-certified nursing care facility (which includes 18 cognitive-care beds) and a 66-apartment personal care center provide health care, which, together with the residential living apartments, villas, and Farmstead and Gaelsong single-family homes completes the continuum of care in an atmosphere of security and comfort.

A one-time Entrance Fee is charged upon admission (see Schedule of Entrance Fees).

All services provided, plus benefits and conditions imposed, are set forth in the Residence and Care Agreements (see Exhibit A).

The Highlands at Wyomissing Schedule of Entrance Fees Comprehensive Contract (Type A)

Residential Living Type	07/01/2011 ¹	07/01/2012 ¹	07/01/2013 ¹
	Single ²	Single ²	Single ²
Studio	\$103,900	\$105,900	\$105,900
One Bedroom	\$134,900	\$137,900	\$137,900
One Bedroom w/Den	\$174,900	\$178,900	\$178,900
One Bedroom Grand	\$179,900	\$183,900	\$183,900
One Bedroom w/Den Grand	\$186,900	\$190,900	\$190,900
Two Bedroom	\$186,900	\$190,900	\$190,900
Two Bedroom Combination	N/A	N/A	N/A
Two Bedroom Plus	\$208,900	\$213,900	\$213,900
Two Bedroom Extended/Special	\$239,900	\$244,900	\$244,900
Two Bedroom w/Den Consolidated (#137, #237, & #337)	\$249,900	\$254,900	\$254,900
Two Bedroom w/Den	\$269,900	\$275,900	\$275,900
Two Bedroom Deluxe (#102)	\$298,900	\$304,900	\$304,900
Two Bedroom Deluxe (#273 & #274)	\$302,900	\$308,900	\$308,900
Two Bedroom Villa	\$295,900	\$301,900	\$301,900
Three Bedroom Villa	\$331,900	\$338,900	\$338,900
Farmstead	\$474,900	\$484,900	\$484,900
Gaelsong	\$490,900	\$500,900	\$500,900
Residential Living Type	07/01/2014 ¹	07/01/2015 ¹	07/01/2016 ¹
	Single ²	Single ²	Single ²
Studio	\$105,900	\$105,900	\$105,900
One Bedroom	\$137,900	\$137,900	\$137,900
One Bedroom w/Den	\$178,900	\$178,900	\$178,900
One Bedroom Grand	\$183,900	\$183,900	\$183,900
One Bedroom w/Den Grand	\$190,900	\$190,900	\$190,900
Two Bedroom	\$190,900	\$190,900	\$190,900
Two Bedroom Combination	\$213,900	\$213,900	\$213,900
Two Bedroom Plus	\$213,900	\$213,900	\$213,900
Two Bedroom Extended/Special	\$244,900	\$244,900	\$244,900
Two Bedroom w/Den Consolidated (#137, #237, & #337)	\$254,900	\$254,900	\$254,900
Two Bedroom w/Den	\$275,900	\$275,900	\$275,900
Two Bedroom Deluxe (#102)	\$304,900	\$304,900	\$304,900
Two Bedroom Deluxe (#273 & #274)	\$308,900	\$308,900	\$308,900
Two Bedroom Villa	\$301,900	\$301,900	\$301,900
Three Bedroom Villa	\$338,900	\$338,900	\$338,900
Farmstead	\$484,900	\$484,900	\$484,900
Gaelsong	\$500,900	\$500,900	\$500,900

¹ Add \$45,000 to the single Entrance Fee for the double Entrance Fee. Studio is single only.

² Single Entrance Fee, with no refund after 50 months of occupancy.

Beginning 01/01/2010, a Modified Contract (Type B) is offered for Apartments only. Effective 07/01/2015, a Modified Contract (Type B) is also offered for Villas, Farmstead, and Gaelsong. The double Modified Contract (Type B) Entrance Fee is \$30,000 more than the single Modified Contract (Type B) Entrance fee until 07/01/2011, then it increased to \$33,000.

The Highlands at Wyomissing Schedule of Monthly Service Fees Comprehensive Contract (Type A)

Residential Living Type	07/01/2011		07/01/2012		07/01/2013	
	Single	Double	Single	Double	Single	Double
Studio	\$2,030	N/A	\$2,090	N/A	\$2,090	N/A
One Bedroom	\$2,500	\$3,775	\$2,575	\$3,890	\$2,575	\$3,890
One Bedroom w/Den	\$2,685	\$3,960	\$2,765	\$4,080	\$2,765	\$4,080
One Bedroom Grand	\$2,785	\$4,105	\$2,870	\$4,230	\$2,870	\$4,230
One Bedroom w/Den Grand	\$2,930	\$4,240	\$3,020	\$4,365	\$3,020	\$4,365
Two Bedroom	\$2,865	\$4,150	\$2,950	\$4,275	\$2,950	\$4,275
Two Bedroom Combination	N/A	N/A	N/A	N/A	N/A	N/A
Two Bedroom Plus	\$3,110	\$4,385	\$3,205	\$4,515	\$3,205	\$4,515
Two Bedroom Extended/Special	\$3,190	\$4,460	\$3,285	\$4,595	\$3,285	\$4,595
Two Bedroom w/Den Consolidated (#137, #237, & #337)	\$3,565	\$4,860	\$3,670	\$5,005	\$3,670	\$5,005
Two Bedroom w/Den	\$3,565	\$4,860	\$3,670	\$5,005	\$3,670	\$5,005
Two Bedroom Deluxe (#102)	\$3,640	\$4,920	\$3,750	\$5,070	\$3,750	\$5,070
Two Bedroom Deluxe (#273 & #274)	\$3,640	\$4,920	\$3,750	\$5,070	\$3,750	\$5,070
Two Bedroom Villa	\$3,445	\$4,700	\$3,550	\$4,840	\$3,550	\$4,840
Three Bedroom Villa	\$4,010	\$5,255	\$4,130	\$5,415	\$4,130	\$5,415
Farmstead	\$4,230	\$5,280	\$4,355	\$5,440	\$4,355	\$5,440
Gaelsong	\$5,490	\$5,490	\$5,655	\$5,655	\$5,655	\$5,655
Residential Living Type	07/01/2014		07/01/2015		07/01/2016	
	Single	Double	Single	Double	Single	Double
Studio	\$2,210	N/A	\$2,275	N/A	\$2,355	N/A
One Bedroom	\$2,725	\$4,120	\$2,805	\$4,240	\$2,905	\$4,390
One Bedroom w/Den	\$2,930	\$4,320	\$3,015	\$4,445	\$3,120	\$4,600
One Bedroom Grand	\$3,040	\$4,480	\$3,130	\$4,610	\$3,240	\$4,770
One Bedroom w/Den Grand	\$3,200	\$4,620	\$3,295	\$4,755	\$3,410	\$4,920
Two Bedroom	\$3,125	\$4,530	\$3,215	\$4,660	\$3,330	\$4,825
Two Bedroom Combination	\$3,125	\$4,530	\$3,215	\$4,660	\$3,330	\$4,825
Two Bedroom Plus	\$3,395	\$4,780	\$3,495	\$4,920	\$3,615	\$5,090
Two Bedroom Extended/Special	\$3,480	\$4,865	\$3,580	\$5,005	\$3,705	\$5,180
Two Bedroom w/Den Consolidated (#137, #237, & #337)	\$3,885	\$5,300	\$4,000	\$5,455	\$4,140	\$5,645
Two Bedroom w/Den	\$3,885	\$5,300	\$4,000	\$5,455	\$4,140	\$5,645
Two Bedroom Deluxe (#102)	\$3,970	\$5,365	\$4,085	\$5,520	\$4,230	\$5,715
Two Bedroom Deluxe (#273 & #274)	\$3,970	\$5,365	\$4,085	\$5,520	\$4,230	\$5,715
Two Bedroom Villa	\$3,760	\$5,125	\$3,870	\$5,275	\$4,005	\$5,460
Three Bedroom Villa	\$4,375	\$5,730	\$4,500	\$5,895	\$4,660	\$6,100
Farmstead	\$4,610	\$5,760	\$4,745	\$5,925	\$4,910	\$6,130
Gaelsong	\$5,820	\$5,990	\$4,985	\$6,165	\$5,160	\$6,380

- Fees may be adjusted periodically, normally not more frequently than annually.
- Residents will receive a 30-day written notice of fee adjustments.
- In 2010, the Monthly Service Fees increases were deferred from 01/01/2010 to 07/01/2010.
- Studio is single only.

Beginning 01/01/2010, a Modified Contract (Type B) is offered for Apartments only. Effective 07/01/2015, a Modified Contract (Type B) is also offered for Villas, Farmstead, and Gaelsong. The Monthly Service Fees for Modified Contract (Type B) contracts average 18% less than the Monthly Service Fees for the Comprehensive Contract (Type A) contracts, shown above.

**The Highlands at Wyomissing
Schedule of Miscellaneous Fees
Effective: July 1, 2016**

Description	Amount	Frequency
<u>Homecare</u>		
15-Minute Check-in Visit	\$10.00	Per visit
Up to 45-Minute Visit (Packages)	\$18.00	Per visit
Companionship:		
1 - 2 Hours	\$21.00	Per hour
3 - 7 Hours	\$20.00	Per hour
8+ Hours	\$19.00	Per hour
Personal Care Support:		
1 - 2 Hours	\$24.00	Per hour
3 - 7 Hours	\$21.00	Per hour
Medication Services:		
Pharmacy Pick-up	\$24.00	Each
Med Set-up	\$30.00	Per Week
Pre-filled MediPlanner Delivery	\$12.50	Each
Wellness Support:		
Up to 15 minutes per visit	\$14.00	Each
Up to 30 minutes per visit	\$26.00	Each
Up to 60 minutes per visit	\$50.00	Each
Medication Administration and Vital Signs:		
Between 8 a.m. and 8 p.m.	\$6.25	Each
Medical Supplies	Prevailing rates	
Mileage	IRS pub. Rates	Per mile

Description	Amount	Frequency
<u>Dining Service</u>		
Additional Resident Meals – Residential Living Bistro	\$17.00 A' La Carte	Per meal
Holiday Guest Meal (Applicable to all Dining rooms, including Personal Care and Nursing Care): Easter, Mother's Day, Father's Day, Memorial Day, 4th of July, Labor Day, Thanksgiving, Christmas Day, New Years Day (Makeup meals may not be used for a Holiday Guest Meal)	\$20.00	Per meal
Guest Meals:		
Residential	\$17.00	Per meal
Healthcare:		
Personal Care & Nursing Care		
Breakfast	\$6.00	Per meal
Noon	\$12.00	Per meal
Evening	\$12.00	Per meal
Healthcare Meals (Contract residents - all additional meals over the one meal per day and, if applicable, after depletion of the health fund)		
Apartment residents	\$12.00	Per day
Villa residents	\$21.00	Per day
Room Service – Non-Medical Reasons	\$9.00	Per meal
<u>Salon Services</u> - Services and fees are available upon request from The Salon at The Highlands		

Description	Amount	Frequency
Other		
Away Allowance only applied if away from community for 14 days or longer:		
Days 1 through 14	\$6.50	Per day
Days 15 through 89	\$12.00	Per day
Over 90 Days	15%	Monthly Service Fee
Chaplain Services	\$100.00	Per private service
Extended Guest Fee (in your apartment/villa and more than 8 days)	\$85.00	Per night
Guest Suite	\$100.00	Per night
Storage Locker Rental	\$300.00	Per year
Housekeeping Fees:		
Bed-Making Fees	\$7.50	Per service
Disposal: Furniture, Mattress or Other	Per Trash Service fee schedule	
Light housekeeping (billable in 1/2 hour increments)	\$24.50	Per hour/per staff
Carpet cleaning (billable in 1/2 hour increments)	\$27.50	Per hour/per staff
Maintenance Fees:		
Regular maintenance (billable in 1/2 hour increments)	\$30.00	Per hour/per staff
Grounds maintenance (billable in 1/2 hour increments)	\$30.00	Per hour/per staff
Cordmate, including installation	\$255.00	One time charge
Key charges:		
Apartment/Villa door	\$30.00	Per key
Patio door	\$30.00	Per key
Mailbox	\$30.00	Per key
Outside door key	\$150.00	Per key
Key Fob - main building	\$12.00	Per Fob
Key Fob - villa security system	\$100.00	Per Fob
Key Fob - villa emergency system	\$100.00	Per Fob
Re-Key - additional storage locker	\$100.00	Per extra locker
Re-Keying charge	\$300.00	Per instance
Healthcare (Personal Care & Nursing Care):		
Durable Medical Equipment	Prevailing rates	
Labeling - Personal Laundry	\$14.00	One time charge
Medical Supplies	Prevailing rates	
Oxygen (Nursing Care only)	Prevailing rates	
Personal Laundry Services	\$40.00	Per month
Nutritional Supplements	Prevailing rates	
Rehabilitative Supplies	Prevailing rates	
Telephone:		
Local service	\$19.99	Per month
Long distance	Prevailing rates	Per minute
Therapy Services	Prevailing rates	
Toiletry Items	Prevailing rates	

Description	Amount	Frequency
<u>Transportation Department</u>		
Involves utilization of THAW Vehicles		
All transportation requests require advance notice of three business days.		
A \$20.00 fee will be charged for less than three days notice.		
Bus Trips Involving a Charge (within a 10-mile radius):	\$5.00	Per round trip
Medical Trips:		
Type A Contracts: Within a 10-mile radius during normally scheduled business hours	No charge	
Type B Contracts: Within a 10-mile radius during normally scheduled business hours (limit 12 per year)	No charge	
Type B Contracts: Within a 10-mile radius during normally scheduled business hours (> 12/year)	\$25.00	Per round trip
Valet (within a 10-mile radius):		
Standard passenger vehicle	\$25.00	Per round trip
Wheelchair van	\$35.00	Per round trip
Medical & Valet (outside a 10-mile radius during normally scheduled business hours - 1 hour minimum):		
Add \$10/hour for Evenings (after 5 pm) and weekends.		
Standard passenger vehicle	\$30.00	Per hour
Plus mileage	IRS pub. rates	Per mile
Wheelchair van	\$35.00	Per hour
Plus mileage	IRS pub. rates	Per mile
Bus services:		
First 6 (Six) Hours:		
During normally scheduled business hours	\$125.00 + mileage	Per round trip
Evenings (after 5 p.m.) and weekends	\$150.00 + mileage	Per round trip
Each additional hour	\$15.00	Per hour
Mileage	IRS pub. rates	Per mile

RESERVE FUNDS

Reserves have been established to ensure the performance of The Highlands at Wyomissing's contractual obligations under the provisions of the Continuing Care Provider Registration and Disclosure Act. These reserves were in excess of \$2,719,000 on June 30, 2016, which are calculated as follows:

THE GREATER OF...

1. Total Debt Service (i.e., Principal and Interest) Payments for the Next 12 Months:

FY 2016-17			
Debt Description	Principal	Interest	Debt Service
Series 2009-A-5 (TRH Loan)	\$ 1,522,000	\$ 1,197,000	\$ 2,719,000
Total Debt Service	\$ 1,522,000	\$ 1,197,000	\$ 2,719,000

OR...

2. 10% of Annual Operating Expenses (Less Depreciation/Amortization) for the Next 12 Months:

	FY 2016-17
Annual Operating Expenses	\$ 26,528,000
Less: Depreciation/Amortization	(3,775,000)
Adjusted Annual Operating Expenses	\$ 22,753,000
Times: 10%	10%
10% of Annual Operating Expenses (Less Depreciation/Amortization) for the Next 12 Months	\$ 2,275,300

**THE HIGHLANDS AT WYOMISSING
PRO-FORMA STATEMENTS OF OPERATIONS
FOR FISCAL YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2017**

	Budget FY 2015-16	Actual FY 2015-16	Variance 2015-16	Variance % 2015-16
Operating Revenue:				
Residential Revenue	\$ 21,440,780	\$ 22,382,922	\$ 942,142	4.39%
Inpatient Revenue	10,633,172	10,653,127	\$ 19,955	0.19%
Outpatient Revenue	462,461	447,876	\$ (14,585)	-3.15%
Other Operating Revenue	<u>1,110,270</u>	<u>945,502</u>	<u>\$ (164,768)</u>	<u>-14.84%</u>
Gross Operating Revenue	33,646,683	34,429,427	782,744	2.33%
Contractual Allowances	<u>(6,765,220)</u>	<u>(7,506,367)</u>	<u>741,147</u>	<u>10.96%</u>
Net Operating Revenue	<u>26,881,463</u>	<u>26,923,060</u>	<u>41,597</u>	<u>0.15%</u>
Operating Expenses:				
Salaries and Wages	9,226,555	8,890,330	(336,225)	-3.64%
Depreciation	3,426,171	3,653,021	226,850	6.62%
Contract Service	2,435,618	1,888,303	(547,315)	-22.47%
Interest	1,252,907	1,252,907	-	0.00%
Other	1,985,932	2,693,667	707,735	35.64%
Health Benefits	1,961,724	1,451,995	(509,729)	-25.98%
Other Employee Benefits	1,369,479	1,515,388	145,909	10.65%
Real Estate Taxes	1,472,616	1,356,541	(116,075)	-7.88%
Food	1,299,852	1,295,867	(3,985)	-0.31%
Utilities	1,037,539	932,919	(104,620)	-10.08%
Maintenance and Repair	161,899	225,271	63,372	39.14%
Insurance	<u>151,947</u>	<u>151,799</u>	<u>(148)</u>	<u>-0.10%</u>
Total Operating Expenses	<u>25,782,239</u>	<u>25,308,008</u>	<u>474,231</u>	<u>-1.84%</u>
Net Income from Operations	<u>1,099,224</u>	<u>1,615,052</u>	<u>515,828</u>	<u>46.93%</u>
Non-Operating Revenue:				
Investment Return	1,259,778	600,515	(659,263)	-52.33%
Contribution Revenue	150,000	73,650	(76,350)	-50.90%
Gain from Sale of Assets	<u>1,500</u>	<u>7,352</u>	<u>5,852</u>	<u>390.13%</u>
Total Non-Operating Revenue	<u>1,411,278</u>	<u>681,517</u>	<u>(729,761)</u>	<u>-51.71%</u>
Net Income	2,510,502	2,296,569	(213,933)	-8.52%
Change in Unrealized Gains on Investments	<u>1,038,411</u>	<u>(355,658)</u>	<u>(1,394,069)</u>	<u>-134.25%</u>
Change in Unrestricted Net Assets	<u>\$ 3,548,913</u>	<u>\$ 1,940,911</u>	<u>(1,608,002)</u>	<u>-45.31%</u>

**THE HIGHLANDS AT WYOMISSING
PRO-FORMA STATEMENTS OF OPERATIONS
FOR FISCAL YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2017**

	Budget FY 2016-17
Operating Revenue:	
Residential Revenue	\$ 22,219,587
Inpatient Revenue	11,080,570
Outpatient Revenue	403,677
Other Operating Revenue	<u>1,443,352</u>
Gross Operating Revenue	35,147,186
Contractual Allowances	<u>(7,415,563)</u>
Net Operating Revenue	<u>27,731,623</u>
Operating Expenses:	
Salaries and Wages	9,658,560
Depreciation	3,774,606
Contract Service	2,424,704
Interest	1,196,809
Other	1,925,386
Health Benefits	1,749,080
Other Employee Benefits	1,652,807
Real Estate Taxes	1,514,436
Food	1,329,314
Utilities	925,600
Maintenance and Repair	215,915
Insurance	<u>160,486</u>
Total Operating Expenses	<u>26,527,703</u>
Net Income from Operations	<u>1,203,920</u>
Non-Operating Revenue:	
Investment Return	1,056,000
Contribution Revenue	100,000
Gain from Sale of Assets	<u>-</u>
Total Non-Operating Revenue	<u>1,156,000</u>
Net Income	2,359,920
Change in Unrealized Gains on Investments	<u>956,000</u>
Change in Unrestricted Net Assets	<u>\$ 3,315,920</u>

Notes to Pro-Forma Statements of Operations

Gross Operating Revenues for Fiscal Year 2015-16 exceeded the budget by \$782,744, or 2.33%. The positive variance was due to an increase in Occupancy in residential apartments and villas that was higher than anticipated. Residential revenues had a positive variance of \$942,142, or 4.39%.

Contractual Allowances for Fiscal Year 2015-16 exceeded the budget by \$741,147, or 10.96%. Overall, Net Operating Revenues were higher than budget by less than 1%, as the increase in Gross Operating Revenues was reduced by the higher than anticipated Contractual Allowances.

Total Operating Expenses were \$474,231, or 1.84% lower than budget as The Highlands was able to realize cost savings in Health Benefits, Contract Services and Utility expenses during the fiscal year 2015-16.

Overall, The Highlands at Wyomissing had an Operating Margin of \$1,615,052, or 6%, for the Fiscal Year 2015-16, which represents a positive variance of \$515,838 over the Budget.

NOTICE OF RIGHT TO RESCIND

The Continuing Care Provider Registration and Disclosure Act states that a prospective resident shall have the right to rescind the Residence and Care Agreement, as follows:

Prospective Resident(s) Name(s) _____

Date rescission period begins _____

You may rescind and terminate your Residence and Care Agreement, without penalty or forfeiture, within seven (7) days of the above date. You are not required to move into the continuing care facility before the expiration of this seven-day period. No other agreement or statement you sign shall constitute a waiver of your right to rescind your agreement within the seven (7) day period.

To rescind your Residence and Care Agreement, mail or deliver a signed and dated copy of this notice, or any other dated written notice, letter, or telegram, stating your desire to rescind to: The Highlands at Wyomissing, 2000 Cambridge Avenue, Wyomissing, PA, 19610-2714, not later than midnight of _____ (the last day for rescission).

Pursuant to this notice, I hereby cancel my Residence and Care Agreement.

Prospective Resident's Signature

Prospective Resident's Signature
(If more than one Prospective Resident)

Date

The "Notice of Right to Rescind" form is also attached to and made a part of the Residence and Care Agreement.