



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

DISCLOSURE STATEMENT

as of
June 30, 2024

Filed October 25, 2024

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 25, 2024, as the annual update of the original statement filed on August 26, 1987.

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THE HIGHLANDS AT WYOMISSING

CORE FOCUS

Transforming the Senior Experience!

CORE VALUES

- 1. Ambassador:** Represents The Highlands at Wyomissing in a positive light. Provides internal and external customers with a memorable face-to-face experience. Takes pride in our community.
- 2. Commitment:** Dedicated, adaptable, tolerant, dependable, focused and passionate. Often does more than is required. Reports to work as scheduled and timely.
- 3. Results Driven:** Maintains commitment to goals in the face of obstacles and frustrations. Exerts unusual effort over time to achieve a goal. Has a strong sense of urgency about solving problems and completing work.
- 4. Team Oriented:** Works cooperatively and effectively with others to achieve common goals.
- 5. Innovative:** Is curious. Proposes or develops new approaches, methods, or technologies to do things better, faster, or in less expensive ways.
- 6. Compassionate:** Is empathetic, mindful and kind.

HIGHLANDS' TRADITIONS

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 four tenets of the Highlands' Traditions:

1. Safety
2. Kindness
3. Show!
4. Efficiency

The philosophy or reasoning behind our tenets is each tenet represents a discrete behavioral guideline captured in one word. The tenets are arranged in rank of order, in order of priority. The main focus is a concern of Safety for residents, employees and visitors. When staff is faced with two conflicting demands, understanding these priorities will help determine which concern takes precedence. The goal is to eliminate confusion on what should have priority when dealing with any situation that may occur.

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 to be contacted to discuss admissions is:

Residential – Marketing Department
Healthcare – Clinical 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 240 residential living apartments (ranging from studio to two-bedroom deluxe), 3 unique, two-bedroom with den residential living apartments in a renovated historic barn, 44 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, and a 63-apartment personal care center. The residential living apartments and personal care residences are in three-floor and two-floor elevator-serviced buildings, respectively. Commons and the nursing care facility are in one-story buildings. All are interconnected. The Personal Care center includes 2 (two) secure memory support units with a total of 37 apartments with the remaining 26 apartments to offer traditional Personal Care services.

Construction of an additional 41-unit “hybrid” style apartment building (“Vistas at Fox Hill”) is nearing completion. The Vistas at Fox Hill offer the best of an apartment building and the best of a villa. The Highlands at Wyomissing will be the first to offer this type of residence in our primary and secondary market areas. Site development and construction began in early 2023 and occupancy began in mid-August 2024. Currently, 38 units are occupied, and an additional unit has been presold.

On or about December 21, 2022, at the request of The Highlands at Wyomissing, The National Finance Authority issued its Revenue Note, Series A of 2022 (\$13,600,000), and its Revenue Note, Series B of 2022 (\$32,230,000), each of which was purchased by Truist Commercial Equity, Inc. and loaned to The Highlands at Wyomissing pursuant to Direct Note Obligations. Concurrent with the execution and delivery of the Series 2022 Revenue Notes, Truist Bank, as lender, established an interest rate management transaction with respect to the Series 2022B Revenue Note.

The Series 2022A Revenue Note was issued for the purpose of partially financing the construction costs of the Vistas at Fox Hill project, funding capitalized interest, and paying the costs relating to the issuance of the Notes. The associated Direct Note Obligation is a tax-exempt, drawdown loan at a variable rate of 79% of 1-month SOFR plus 0.83% per annum. Principal was drawn down at closing for issuance costs and additional principal will be drawn over the construction period in accordance with costs incurred. Interest on the unpaid balance, which accrues monthly, commenced January 15, 2023. The Series 2022A Note may be prepaid without penalty or premium. The Series 2022A Note is expected to be repaid from entrance fees proceeds. All outstanding principal and accrued but unpaid interest with respect to this Note shall be due and payable on December 21, 2026.

The Series 2022B Note was issued for the purpose of partially financing the cost of the Vistas at Fox Hill Project, refinancing the construction loan used to partially finance construction costs of the Vistas at Fox Hill project, refinancing outstanding debt used to partially finance previous construction projects, funding capitalized interest, and paying the costs relating to the issuance of the Notes. The associated Direct Note Obligation is a tax-exempt, drawdown loan at a variable rate of 79% of 1-month SOFR plus 0.83% per annum. Under the interest rate management transaction, Truist pays The Highlands a fixed rate of 3.605%. Principal was drawn down at closing for issuance costs and debt refinancing. Additional principal will be drawn over the construction period in accordance with costs incurred. Interest on the unpaid balance, which accrues monthly, commenced January 15, 2023. Principal will begin to amortize and be payable beginning January 15, 2027. The Series 2022B Note may be prepaid without penalty or premium. All outstanding principal and accrued but unpaid interest with respect to this Note shall be due and payable on December 21, 2052.

Also concurrent with the execution and delivery of the Series 2022 Revenue Notes, Truist Bank, established a line of credit for the benefit of the Highlands at Wyomissing to include the issuance of certain letters of credit for the Vistas at Fox Hill project. On February 8, 2023, the Lender issued an irrevocable stand-by letter of credit for the benefit of the Borough of Wyomissing in amount of \$1,323,617 for the Vistas at Fox Hill project.

5. The Highlands at Wyomissing provides housing and continuing care services for individuals aged 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).
6. As of June 30, 2024, The Highlands at Wyomissing had a resident population as follows:

Location	Residents
Residential Living	360
Personal Care	63
Nursing Care	50

7. 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	\$146,900	\$194,900
Monthly Service Fee	\$ 3,915	\$ 5,860

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

8. The “Average Annual Cost of Providing Care and Services, Per Resident” is \$82,359.

DIRECTORS AND OFFICERS

The Bylaws of The Highlands provide that the Board of Directors shall conduct, manage and direct the business and affairs of The Highlands. The Bylaws further provide that the Board of Directors (the "**Board**") shall consist of 13 directors as follows: The President and CEO of The Highlands shall be ex-officio members of the Board of Directors. The remaining twelve (12) Directors (the "**Elected Directors**") shall be approved for nomination by the Board of Directors and elected by the Directors. Two of the Elected Directors shall be residents of The Highlands at Wyomissing. (There is no compensation for members of the Board.)

Pursuant to the Bylaws of The Highlands, the Executive Committee shall have and exercise all of the powers and authority of the Board of Directors; however, it shall be subordinate to the Board of Directors and convened only in emergencies when a quorum of the Board of Directors cannot be obtained quickly enough to avoid harm to or take immediate action to benefit the Corporation. The Executive Committee promptly thereafter shall report its action to the Board of Directors. The Executive Committee consists of the Chairman, Vice Chairman, Secretary, Treasurer, and President and CEO of The Highlands. In addition, the Board has established a Finance Committee, a Marketing Committee, a Strategy, Policy and Governance Committee, a Performance Review Committee, a Facilities Committee and an Audit and Risk Committee.

The current members of the Board and their principal occupations are described below.¹

Elected Board Members

<u>Name</u>	<u>Residence</u>	<u>Occupation</u>	<u>Committee Assignments</u>	<u>Service Since</u>
Geoffrey Eddowes, Chairman	Lancaster, PA	Sr. Vice President, Penn Medicine Lancaster General Health; Senior Operating Officer, Women & Babies Hospital	Executive Committee (Chair); Finance and Audit Committee (Chair); Governance Committee	2018
Keith Mooney, Esq. Vice Chairman	Temple, PA	Attorney, Barley Snyder, LLP	Executive Committee; Governance Committee	2022
Daniel B. Kimball M.D., Secretary	Wyomissing, PA	Retired; Resident of The Highlands at Wyomissing	Executive Committee; Compliance and Resident Quality of Life Committee	2022
Michael J. Rowley, CPA/ABV, CBA, CFF Treasurer	Reading, PA	Chief Operating Officer and Partner at Herbein + Co., Inc.	Executive Committee; Finance and Audit Committee	2017
Peter J. Connors, CFA	Sinking Spring, PA	President, Connors Investor Services, Inc.	Finance and Audit Committee (Chair)	2020

¹ See Biographical Affidavits, attached as Exhibit A for new board members.

<u>Name</u>	<u>Residence</u>	<u>Occupation</u>	<u>Committee Assignments</u>	<u>Service Since</u>
Michael A. Duff	Reading, PA	Vice President, Community Engagement, Penske Transportation Solutions	Governance Committee	2024
David L. George, M.D.	Wyomissing, PA	Serves as Governor for the American College of Physicians	Compliance and Resident Quality of Life Committee (Chair)	2019
Karen Miller	Wyomissing, PA	Retired; Resident of The Highlands at Wyomissing	Compliance and Resident Quality of Life Committee	2024
Karen Rightmire	Wyomissing, PA	Retired; Resident of The Highlands at Wyomissing	Governance Committee	2024
Carl Seidl	Shillington, PA	Retired Vice President of Operations at the Reading Hospital	Compliance and Resident Quality of Life Committee	2024
James Spencer, CPA, MBA	Wyomissing, PA	Founder & President of Silverbloom Consulting, LLC; Chief Financial Officer of Ingleside	Finance and Audit Committee	2022
Kevin P. DeAcosta, President & CEO	Wyomissing, PA	President & CEO of The Highlands	Executive Committee; Finance and Audit Committee; Governance Committee; Compliance and Resident Quality of Life Committee	2012

Keith Mooney is an attorney at Barley Snyder, LLP which provides general legal services to The Highlands. Total fees paid to this firm were \$121,982 in 2024.

Michael Rowley, CPA, is a senior director of Herbein + Company, Inc., which has four separate and distinct business divisions, including Financial Services, HR Consulting, Risk Management, and Talent Solutions. Total fees paid to the HR Consulting division were \$265,583 in 2024.

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.

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.

Executive Staff of The Highlands

The day-to-day operations of The Highlands are managed by on-site personnel. Brief resumes of the key members of the executive staff of The Highlands are included below.

Kevin P. DeAcosta, President and CEO, joined The Highlands in September 2000, and was promoted to the position of CFO in January 2004, served as Interim President and CFO from January 2012 through March 2013, and was appointed President and CEO effective March 2013. Mr. DeAcosta received a bachelor's degree in Accounting at Alvernia University in Reading, Pennsylvania. Prior to coming to The Highlands, Mr. DeAcosta spent ten years in the banking and public accounting industries. At The Highlands, Mr. DeAcosta plans, directs and manages all operations of The Highlands. He develops and maintains effective business and professional relations with members of the Board of Directors, residents, clients, industry organizations, hospitals and churches. Additionally, he works in cooperation with the Board in developing the strategic vision for the organization.

Lorena Lazarchick, Vice President of Customer Experience, joined The Highlands in November 1987. Mrs. Lazarchick has a Bachelor of Science in Business from Alvernia University. Ms. Lazarchick earned the LeadingAge PA Fellows in Leadership and the International Council on Active Aging Leadership in Wellness Management certifications. Ms. Lazarchick is responsible for Human Resources, Payroll and The Highlands' University, which provides comprehensive orientation, as well as ongoing training and development, for all Highlands' staff members.

Kristen Santangelo, Vice President of Health Services, joined The Highlands in 2017 as Nursing Home Administrator. Ms. Santangelo holds a Bachelor of Science in Psychology from Kutztown University, Kutztown, PA. Ms. Santangelo became a licensed Nursing Home Administrator in 2005 and spent the eleven years prior to joining The Highlands as the Vice President of Operations with a national short-term, post-acute and long-term care provider. Ms. Santangelo is responsible for providing oversight of all health services (Personal Care, Memory Support, Nursing Care, Rehabilitation, Healthcare Staffing Services, Home Care and Hospice) and operations (Facilities Management, Security, Support Services). Ms. Santangelo serves as The Highlands' Compliance Officer.

Cameron Martin, Vice President of Development and Marketing, joined The Highlands in 2021 with more than 13 years' experience leading fundraising efforts in Berks County and beyond. Before joining The Highlands, Mr. Martin served in development roles for many local organizations. In 2018, Mr. Martin received an award spotlighting the next level of leaders in Berks County; and in 2020, he received Berks Encore's Rising Leader award. Mr. Martin earned his bachelor's degree in Public Relations from Millersville University and a master's degree in Leadership Studies from Lancaster Bible College. He is an active member of the Berks Regional Chapter of the Association of Fundraising Professionals. Mr. Martin supports all aspects of The Highlands' fundraising programs, including planned giving, grateful resident program, donor events and capital projects.

Rick Melcher, Chief Financial Officer, returned to The Highlands in 2022 with more than 36 years' experience in accounting and financial management, including more than 30 years of leadership roles in healthcare, higher education and senior living. Rick earned a bachelor's degree in Accounting from Albright College. He oversees resident and medical billing, accounts receivable and payable, preparation of the financial statements, risk management, budget preparation, cash and investment management, external reporting, and analysis of strategic initiatives.

Executive Staff of The Highlands (continued)

Anita Martin, Personal Care Administrator, joined The Highlands in 2022 with more than 40 years' experience working in senior living. Ms. Martin obtained certification as a Personal Care Administrator in 1998 and an Aging Service Professional in 2015. During her career she has held various leadership capacities within personal care and residential living, most recently serving as an Executive Director of a nearby senior living community. Ms. Martin is responsible for the daily operations and regulatory compliance of the Aspire Personal Care and Aspire Memory Support at The Highlands at Wyomissing. This includes full implementation of the Hearthstone Center of Excellence philosophy.

Jared Martz, Director of Community Life and Engagement, joined The Highlands in September 2016 and has served in various progressive roles within Residential Living. Mr. Martz earned a Master of Science degree in Exercise and Sport Physiology from West Chester University and a Master of Business Administration degree from Alvernia University. Mr. Martz provides leadership, oversight, management and development for the day-to-day operations of Residential Living Programming, Fitness Center, and Social Services.

Ashley Kirkpatrick, Administrator, joined The Highlands in September 2018 as a Social Services Coordinator. Mrs. Kirkpatrick earned her Bachelor and Master of Social Work degrees from Kutztown University, Kutztown, PA. In May 2024, Mrs. Kirkpatrick obtained her Nursing Home Administrator license, and after completing a year as Administrator in Training, she was appointed Administrator in July 2024. Mrs. Kirkpatrick's responsibilities include planning, organizing and administering the daily operations of Aspire Nursing Care and Rehabilitation, including oversight of the administration of all therapy services.

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.

As of June 30, 2024, Residential Living consists of 6 studio (includes the model and guest one-bedroom apartments), 47 one-bedroom, 1 one-bedroom grand, 67 one-bedroom w/den, 3 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 3 unique, two-bedroom w/ den apartments at the Barn at Wyomissing Creek, 20 two-bedroom duplex villas, 24 three-bedroom duplex villas, and 15 three-bedroom w/den single-family homes (including the Farmstead).

Beginning August 2024, with the completion of the Vistas at Fox Hill project, 41 hybrid-style apartments have been added to Residential Living, consisting of 5 one-bedroom w/den and 36 two-bedroom w/den apartments.

The Highlands at Wyomissing offers two contract types for Residential Living: Comprehensive (Type A) and Modified (Type B). Services and amenities are defined for each contract type in the respective Residence and Care Agreement (see Exhibit B). From time to time over the past thirty-five years, the Residence and Care Agreements have been revised, and as such, services and amenities can differ depending on the prevailing Residence and Care Agreement signed by the resident at time of entry. Resident(s) who joined The Highlands at Wyomissing Residential Living community under previous Residence and Care Agreements continue to receive the services as prescribed in their contract.

Under the current Residence and Care Agreements, the Monthly Service Fee includes:

Service / Amenity	Type A	Type B
• Declining Balance Dining Plan (<i>* Note: monthly dining allotment varies between contract Type, and between Apartments and the Villas, Gaelsongs and Farmstead.</i>)	✓*	✓*
• Onsite Parking Accommodations	✓	✓
• Housekeeping (twice monthly)	✓	✓
• Basic Television Services	✓	✓
• Centrally Located Laundry Facilities	✓	✓
• Indoor/Outdoor Maintenance	✓	✓
• Basic Grounds Care, including lawn services and snow Removal	✓	✓
• Long-Term Care	✓ <i>(unlimited)</i>	✓ <i>(limited)</i>
• Onsite Security (24 Hours per day)	✓	✓
• Studio apartment in Personal Care	✓	✓
• Semi-Private room in Nursing Care	✓	✓
• Recreational and Social Events and Programming	✓	✓
• Utilities (including Electric*, Heat*, Air Conditioning, Water, Sewer)	✓*	✓*
<i>* Note: Villa, Farmstead, and Gaelsong residents pay their own electric/gas bills.</i>		

Under the current Residence and Care Agreements, the Monthly Service Fee includes:

Service / Amenity	Type A	Type B
• Property Taxes	✓	✓
• 24-hour Emergency Medical Response	✓	✓
• Meal Delivery service (when medically necessary)	✓	✓
• Away Allowance (after minimum 14 consecutive days)	✓	✓

Under the current Residence and Care Agreements (Type A and Type B), the following services are available for an additional charge:

- Beauty, Barber, Salon and Spa Services
- Bulk Internet
- Cafe
- Communication services
- Gift Shop
- Guest Apartment
- Guest Meals
- Housekeeping (heavy cleaning service once per year)
- Long-Term Care - Type B contract (beyond included days)
- Maintenance (non-routine)
- Meals (additional)
- Medical Supplies (in Nursing Care and Personal Care)
- Room Service (unless medically necessary)
- Storage Lockers (additional)
- Therapies
- Transportation
- Personal Laundry Service (in Nursing Care and Personal Care)
- Telephone Service (in Nursing Care and Personal Care)

An 80-bed Medicare-certified nursing care facility (which includes 18 designated private, post-acute rehabilitation beds) and a 63-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 on next page).

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



**Schedule of Entrance Fees
Comprehensive Contract (Type A)**

Residential Living Type	07/01/2023	¹	07/01/2024	¹
	Single	²	Single	²
Studio	\$112,900		\$112,900	
One Bedroom	\$146,900		\$146,900	
One Bedroom w/Den	\$190,900		\$190,900	
One Bedroom Grand	\$195,900		\$195,900	
One Bedroom w/Den Grand	\$202,900		\$202,900	
Two Bedroom	\$202,900		\$202,900	
Two Bedroom Combination or Plus	\$226,900		\$226,900	
Two Bedroom Extended/Special	\$259,900		\$259,900	
Two Bedroom w/Den Consolidated	\$270,900		\$270,900	
Two Bedroom w/Den	\$293,900		\$293,900	
Two Bedroom Deluxe	\$323,900-\$327,900		\$323,900-\$327,900	
Two Bedroom Villa (Original)	\$330,900		\$330,900	
Three Bedroom Villa (Original)	\$370,900		\$370,900	
Two Bedroom Villa (New)	\$408,900		\$408,900	
Three Bedroom Villa (New)	\$448,900		\$448,900	
Barn at Wyomissing Creek – 2 Bedroom w/ Den	\$456,900		\$456,900	
Barn at Wyomissing Creek - Combination	\$891,900		\$891,900	
Farmstead	\$529,900		\$529,900	
Gaelsong	\$547,900		\$547,900	

¹ Apartments- add \$48,000 to Single Entrance Fee for Double Entrance Fee. Studio is single only.
Villa, Farmstead, Gaelsong and Barn at Wyomissing Creek-Two Bedroom with Den - add \$49,000 to the single Entrance Fee for the double Entrance Fee.

Barn at Wyomissing Creek-Combination – add \$98,000 to the single Entrance Fee

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

NOTE:

- Modified Contract (Type B) is offered for all residences – Apartments, Barn at Wyomissing Creek, Villas, Farmstead, and Gaelsong.
- Single Entrance Fee for Modified Contract (Type B) contract is approximately 25% less than the single Entrance Fee for a Comprehensive Contract (Type A).
- Double Modified Contract (Type B) Entrance Fee is \$36,000 more than Single Modified Contract (Type B) Entrance fee for the Apartments, \$37,000 for Villa, Farmstead, Gaelsong and Barn at Wyomissing Creek-Two Bedroom, and \$74,000 for Barn at Wyomissing Creek-Combination.



**Schedule of Monthly Service Fees
Comprehensive Contract (Type A)**

Residential Living Type	07/01/2023		07/01/2024	
	Single	Double	Single	Double
Studio	\$3,020	N/A	\$3,170	N/A
One Bedroom	\$3,730	\$5,580	\$3,915	\$5,860
One Bedroom w/Den	\$3,995	\$5,845	\$4,195	\$6,140
One Bedroom Grand	\$4,160	\$6,010	\$4,370	\$6,315
One Bedroom w/Den Grand	\$4,375	\$6,225	\$4,595	\$6,540
Two Bedroom	\$4,285	\$6,135	\$4,500	\$6,445
Two Bedroom Combination	\$4,285	\$6,135	\$4,500	\$6,445
Two Bedroom Plus	\$4,630	\$6,480	\$4,860	\$6,805
Two Bedroom Extended/Special	\$4,745	\$6,595	\$4,980	\$6,925
Two Bedroom w/Den	\$5,315	\$7,165	\$5,580	\$7,525
Two Bedroom Deluxe	\$5,430	\$7,280	\$5,700	\$7,645
Two Bedroom Villa (Original)	\$5,135	\$6,985	\$5,390	\$7,335
Three Bedroom Villa (Original)	\$5,975	\$7,825	\$6,275	\$8,220
Two Bedroom Villa (New)	\$5,135	\$6,985	\$5,390	\$7,335
Three Bedroom Villa (New)	\$5,975	\$7,825	\$6,275	\$8,220
Barn at Wyomissing Creek – 2 Bedroom w/ Den	\$5,135	\$6,985	\$5,390	\$7,335
Barn at Wyomissing Creek – Combination	\$6,805	\$8,655	\$7,145	\$9,090
Farmstead	\$6,290	\$7,865	\$6,605	\$8,260
Gaelsong	\$6,620	\$8,185	\$6,950	\$8,595

- Fees may be adjusted periodically, normally not more frequently than annually.
- Residents will receive a 30-day written notice of fee adjustments.
- Studio is single only.

NOTE:

- Modified Contract (Type B) is offered for all residences – Apartments, Barn at Wyomissing Creek, Villas, Farmstead, and Gaelsong.
- Single Monthly Service Fees for Modified Contract (Type B) contracts average 19% less than the Single Monthly Service Fees for the Comprehensive Contract (Type A) contracts shown above.



Schedule of Supportive Living Per Diem Rates
Effective: July 1, 2024

Description	Rates
<u>Aspire Personal Care and Aspire Memory Support</u>	
Aspire Personal Care Services	
Studio	\$241 per day
One Bedroom	\$290 per day
Premium (Contract Residents)	\$49 per day
Technology Infrastructure Fee	\$99 per month
Aspire Memory Support Services	
Studio	\$326 per day
One Bedroom	\$399 per day
Premium (Contract Residents)	\$73 per day
Double Rate	Single Rate (listed above) x 2 people per day
Respite Care	Single Rate (listed above) plus \$25 per day
Room Hold - daily rate assessed to hold the room during any absence	100% of applicable rate listed above
<u>Aspire Nursing Care and Aspire Rehabilitation</u>	
Aspire Nursing Services	
Semi-Private Room	\$494 per day
Private Room	\$564 per day
Private Room Premium or Bed Hold (<i>Contract Resident Only</i>)	\$70 per day
Aspire Rehabilitation	
Private - Medically Necessary or Bed Hold (<i>when insurance ends</i>)	\$705 per day
Private - Not Medically Necessary	\$1,190 per day
Private - Post Insurance Premium or Bed Hold (<i>Contract Resident Only</i>)	\$211 per day
Room Hold - daily rate assessed to hold the room during any absence	100% of applicable rate listed above
Lapse of Insurance – daily rate assessed to resident when commercial insurance coverage has ended.	100% of applicable rate listed above



Schedule of Ancillary Service and Other Fees
Effective: July 1, 2024

Ancillary Service	Fee	Frequency
Residential Living		
• Away Allowance	\$8.00	Per day
Days 1 through 14	\$14.00	Per day
Days 15 through 89	15% of Monthly Service Fee	
Over 90 Days	\$100.00	Per night
• Extended Guest Fee	\$116.00	Per night
• Guest Suite	\$460.00	Per year
• Storage Locker Rental	\$265.00	Per extra locker
• Re-Key - additional storage locker	\$8.00	Per night
Technology Services		
• Technology Infrastructure Fee	\$99.00	Per month
• Optional Technology Services (available upon request)		
Internet	\$45.00	Per month
Technology Support Services	\$40.00	Per half-hour
Dining Services		
<i>Meal Plans are prescribed in the resident's Residence and Care Agreement.</i>		
<i>Traditional Meal Plans provide for a certain number of meals per day or month.</i>		
<i>Declining Balance Plans provide for an available monthly dollar amount to be spent à la carte.</i>		
• Additional dining over the Meal Plan allowance		
Contract Residents	À la carte	Per meal
Non-Contract Residents	À la carte	Per meal
• Healthcare Meals (<i>Contract residents residing in Aspire for Well-Being[®] only</i>)		
Apartment residents	\$19.00	Per day
Villa residents	\$30.50	Per day
• Guest Meals		
Contract Residents	À la carte; or meal credit	
Non-Contract Residents	À la carte	Per meal
• Holiday Guest Meals	À la carte	Per meal
Housekeeping		
• Bed-Making Fees	\$10.25	Per service
• Light housekeeping	\$34.00	Per hour/per staff
• Carpet cleaning	\$36.75	Per hour/per staff
• Rug Rotation	\$34.00	Per person
• Pest Control Services (non-routine)	Market rate	Per service
• Disposal: Furniture, Mattress or Other	Market rate	Per disposal
• Rental: (1) card table and (4) chairs	\$16.00	Per day



Schedule of Ancillary Service and Other Fees (cont.)
Effective: July 1, 2024

Ancillary Service	Fee	Frequency
Maintenance		
• Regular maintenance	\$38.00	Per hour/per staff
• Grounds maintenance	\$38.00	Per hour/per staff
• Cordmate, including installation	\$275.00	One time charge
• Key charges	\$32.00	Per key
• Key Fob (<i>main building; replacement or additional</i>)	\$32.00	Per fob
• 2-Button Security Pendant replacement	\$105.00	Per fob
• 4-Button Security Pendant replacement	\$120.00	Per fob
• Garage door opener replacement	\$200.00	Per opener
• Re-Core lockset charge	\$265.00	Per instance
Transportation		
<p>• Medical Appointment Trips are transportation to and/or from a medical practitioner (e.g., physician, dentist, podiatrist, imaging center, laboratory, or similar providers). <i>Transportation to and/or from medical appointments must occur during normal business hours and must be scheduled at least three business days in advance of the appointment.</i></p>		
<p>Medical Appointment Trips (within a 10-mile radius during normal business hours)</p>		
Standard Passenger Vehicle (Sedan / SUV)	\$21.00 One-way / \$42.00 Round-Trip	
Wheelchair Van	\$31.50 One-way / \$63.00 Round-Trip	
<p>• Special Medical Trips are transportation for medical treatment, including transportation to and/or from the Emergency Room, Urgent Care or Hospital, and any medical trip that occurs outside of normal business hours, on weekends and/or holidays."</p>		
<p>Special Medical Appointment (<i>within a 10-mile radius</i>)</p>		
Standard Passenger Vehicle (Sedan / SUV)	\$55.00	Per Trip
Wheelchair Van	\$82.50	Per Trip
<p>Special Medical Appointment (<i>outside 10-mile radius</i>)</p>		
• Bus Trips Involving a Charge		
During normally scheduled business hours	minimum \$10.50	per Round Trip
Evenings (after 5 p.m.) and weekends	minimum \$12.50	per Round Trip
• Valet Service		
Standard Passenger Vehicle (Sedan / SUV)	\$55.00	Per hour
Wheelchair Van	\$80.00	Per hour
14-Passenger bus	\$135.00	Per hour
Personal Training Fees		
• Half-hour private instruction (in Fitness Center)	\$32.00	Per Session
• Special pricing available for group sessions In Home or in Fitness Center upon request		
Salon & Spa Services	Prevailing rates	



Schedule of Ancillary Service and Other Fees (cont.)
Effective: July 1, 2024

Ancillary Service	Fee	Frequency
<u>Supportive Living</u> <i>(available in Personal Care, Memory Support and Nursing Care)</i>		
• Rehabilitation (Physical, Occupational, Speech Therapy)	Prevailing rates	Per Session
• Transportation to Medical Appointments <i>(available by request consistent with our policies and procedures)</i>		
Contract Residents	Prevailing rates	Per trip
Non-Contract Residents	Prevailing rates	Per trip
• Other Transportation (non-Medical)	Prevailing rates	Per trip
• Personal Laundry Service		
Personal Laundry Service	\$53.00	Per month
Initial Labeling of Personal Laundry	\$25.00	50 labels
Additional Labeling of Personal Laundry	\$3.25	10 labels
• Guest Meals		
Contract Residents <i>(per Residence & Care Agreement)</i>	À la carte; or meal credit	
Non-Contract Residents	À la carte	Per meal
• Optional Technology Services		
Telephone (Local Service)	\$19.99	Per month
Internet	\$45.00	Per month
Technology Support Services	\$40.00	Per half-hour
• Salon and Spa Services	Prevailing rates	Per service
• Long Term Care Claim Processing Fee	\$35.00	Per month
• Ambulance Services	Prevailing rates	
<u>Aspire Personal Care and Aspire Memory Support</u>		
• Furniture Rental		
Full Room (bed, chest of drawers, bedside table, high back chair, dining chair, lamp)	\$170.00	Per month
Bed frame with mattress	\$28.00	Per month
• Other		
Replacement of Cordmate / Wanderguard	Prevailing rates	
Internal Moves between rooms in Aspire for Well-Being	\$700.00	Per move



Schedule of Ancillary Service and Other Fees (cont.)
Effective: July 1, 2024

Ancillary Service	Fee	Frequency
<u>Aspire Nursing Care</u>		
• Rehabilitative Supplies	Prevailing rates	
• Nutritional Supplements	Prevailing rates	
• Bundled Supplies and Services		
Incontinence Bundle	\$7.75	Per day
Hygiene Bundle	\$1.30	Per day
Diabetic Bundle	\$2.90	Per day
Oxygen Bundle	\$11.65	Per day
Wound Bundle - Level 1	\$4.30	Per day
Wound Bundle - Level 2	\$16.75	Per day
Wound Bundle - Level 3	\$33.40	Per day
Nebulizer Bundle <i>(Nebulizer machine charged separately)</i>	\$8.85	Per month
• Nebulizer Machine	Prevailing rates	
• Durable Medical Equipment	Prevailing rates	
• Wanderguard	Prevailing rates	
• Consultation - Registered Dietitian	\$53.00	Per consultation

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 \$6,972,000 on June 30, 2024, which are calculated as follows:

THE GREATER OF ...

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

Debt Description:	Principal:	Interest:	FY 2025 Total Debt Service:
Bond Series 2017 A, B & C	\$ 1,630,000	\$ 2,298,000	\$ 3,392,000
Notes Series 2022 A, B & C	<u>230,000</u>	<u>2,814,000</u>	<u>2,604,000</u>
Total Debt	<u>\$ 1,860,000</u>	<u>\$ 5,112,000</u>	<u>\$ 6,972,000</u>

OR ...

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

	FY 2025
Annual Operating Expenses	\$ 40,296,000
Less: Depreciation/Amortization expense	<u>(7,923,000)</u>
Adjusted Annual Expenses	\$ 32,373,000
	10%
10% of Annual Operating Expenses (Less: Depreciation/Amortization)	<u>\$ 3,237,000</u>

THE HIGHLANDS AT WYOMISSING
PRO-FORMA STATEMENTS OF OPERATIONS
FOR FISCAL YEAR ENDED JUNE 30, 2024

	Budget FY 2024	Actual FY 2024	Variance FY 2024	Var. % FY 2024
Operating Revenue:				
Residential Revenue	\$25,813,604	\$24,207,613	(\$1,605,991)	-6.2%
Personal Care Revenue	6,286,425	6,177,143	(109,282)	-1.7%
Nursing Care Revenue	13,899,982	12,994,019	(905,963)	-6.5%
Other Operating Revenue	2,033,261	2,052,002	18,741	0.9%
Gross Operating Revenue	48,033,272	45,430,777	(2,602,495)	-5.4%
Contractual Allowances	(9,298,748)	(9,460,862)	(162,114)	1.7%
Net Operating Revenue	38,734,524	35,969,915	(2,764,609)	-7.1%
Operating Expenses:				
Salaries and Wages	13,087,111	11,184,671	1,902,440	14.5%
Temporary Resources	625,028	2,243,722	(1,618,694)	-259.0%
Depreciation	7,169,603	6,960,459	209,144	2.9%
Contract Service	3,519,302	3,522,821	(3,519)	-0.1%
Interest	3,735,923	3,782,874	(46,951)	-1.3%
Health Benefits	1,291,054	1,664,429	(373,375)	-28.9%
Other Employee Benefits	1,689,228	1,470,070	219,158	13.0%
Real Estate Taxes	1,880,760	1,865,909	14,851	0.8%
Food	1,178,857	1,311,247	(132,390)	-11.2%
Other	974,398	1,078,409	(104,011)	-10.7%
Professional Fees	435,060	509,854	(74,794)	-17.2%
Utilities	1,277,608	1,445,103	(167,495)	-13.1%
Supplies	902,031	1,033,441	(131,410)	-14.6%
Maintenance and Repair	265,102	368,405	(103,303)	-39.0%
Insurance	368,704	349,860	18,844	5.1%
Total Operating Expenses	38,399,769	38,791,274	(391,505)	-1.0%
Net Income from Operations	334,755	(2,821,359)	(3,156,114)	-942.8%
Non-Operating Revenue:				
Investment Return	1,538,000	8,220,630	6,682,630	
Change in FMV of Interest Swaps	184,414	94,650	1,883,725	
Loss on Disposal of Assets	--	(258,386)	(258,386)	
Contribution Revenue	350,000	64,797	(285,203)	
Total Non-Operating Revenue	2,072,414	10,095,180	8,022,766	
Change in Unrestricted Net Assets	\$2,407,169	\$ 7,273,821	\$4,866,652	

THE HIGHLANDS AT WYOMISSING
PRO-FORMA STATEMENTS OF OPERATIONS
FOR FISCAL YEAR ENDED JUNE 30, 2025

	Budget FY 2025
Operating Revenue:	
Residential Revenue	\$28,010,269
Personal Care Revenue	6,723,243
Assisted Living Revenue	1,320,892
Nursing Care Revenue	7,786,581
Other Operating Revenue	891,627
Gross Operating Revenue	44,732,612
Contractual Allowances	(6,778,968)
Net Operating Revenue	37,953,644
Operating Expenses:	
Salaries and Wages	12,006,549
Depreciation	7,923,050
Contract Service	3,687,457
Interest	5,204,245
Health Benefits	1,655,826
Other Employee Benefits	1,622,764
Real Estate Taxes	2,714,863
Food	1,260,556
Other	941,598
Professional Fees	344,870
Utilities	1,423,340
Supplies	823,691
Maintenance and Repair	301,391
Insurance	385,558
Total Operating Expenses	40,295,758
Net Income from Operations	(2,342,114)
Non-Operating Revenue:	
Investment Return	1,760,270
Contribution Revenue	350,000
Total Non-Operating Revenue	2,110,270
Change in Unrestricted Net Assets	(\$231,844)

Notes to Pro-Forma Statements of Operations²

Gross Operating Revenues for Fiscal Year 2024 fell short of the budget by \$2,602,000, or 5.4%, reflecting shortfalls in Residential Living and Nursing Care. Residential Revenue trailed budget due to a high number of resident transitions resulting in vacancies over the twelve-month period and recognition of additional entrance fee amortization upon expiration of resident contracts, which was substantially lower than historical levels. Nursing Care Revenue trailed budget due to lower occupancy in traditional long-term skilled nursing care, particularly in the fourth quarter, as The Highlands strategically managed census in anticipation of a phased renovation project planned to commence in the first quarter of Fiscal Year 2025.

Contractual Allowances for Fiscal Year 2024 exceeded budget by \$162,000, or 1.7%, and Net Operating Revenues of \$38,400,000 were unfavorable to budget by \$2,764,000, or 7.1%.

Total Operating Expenses of \$38,791,000 were \$392,000, or 1.0% over budget. The net overage was driven by unfavorable budget variances in health benefits, utilities, maintenance and repair, general and administrative, and dining services, largely due to higher than anticipated energy supply costs, facilities maintenance, food costs and professional fees. Favorable budget variances in salaries and wages, including temporary resources, other employee benefits, and depreciation expense combined to minimize the overall unfavorable variance.

Overall, The Highlands at Wyomissing had an Operating Margin of (\$2,821,000) for the Fiscal Year ended June 30, 2024.

² See Report of Independent Auditors on Financial Statements attached as Exhibit C.

NOTICE OF RIGHT TO RESCIND

EXHIBIT "B"

NOTICE OF RIGHT TO RESCIND

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 (i.e. the Community) before the expiration of this seven (7) day period. No other agreement or statement you sign shall constitute a waiver of your right to rescind your Agreement within this 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, such as a letter or facsimile, stating your desire to rescind to the following:

**The Highlands at Wyomissing®
Office of the President
2000 Cambridge Avenue
Wyomissing, PA 19610-2714**

Facsimile: 610-775-9851

Not later than midnight of _____ (last day for rescission)

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

Date

Prospective Resident's Signature

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

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