



THE DIMENSIONS *of* TEL HAI

REFLECTIONS | 2012 ANNUAL REPORT





di-men-sion n. Extent or magnitude; scope. Often used in the plural.

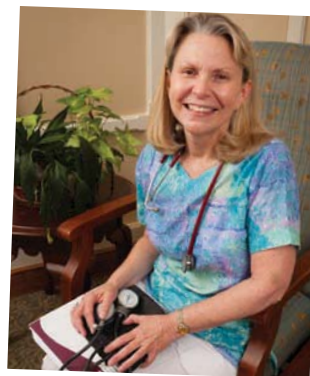
Dear Friends,

The theme of this 2012 Annual Report explores the multifaceted “dimensions” of the Tel Hai Retirement Community through, as summarized below, an acrostic lense of our name. Whether the content does justice in summarizing the highlights of the past year will be left to the reader, but we are sure you will agree with the “variety” characterization. Our hope is that this report will not only inform, but also encourage your heart. Thank you for your partnership in the mission of the Tel Hai Retirement Community.

Tradition rooted in faith:
Tel Hai's *Faith Connections* program, which has now grown to include covenant relationships with seven local churches, not only provides practical mutual support but also helps maintain a vital link to our faith-based roots.

Excellence in care and services: The outstanding reputation Tel Hai enjoys is sustained through effective leadership and service. New staff leaders were welcomed; Tom Tracy, Volunteer of the Year, and Betsy Brown, Employee of the Year, were honored for their exemplary service (pictured below).

Living options abound:
Growth in residency options with Tel Hai's new cottage neighborhoods, Cedar Ridge and Woods Edge, continues with the anticipated new apartment neighborhood, StoneCrest. Even more important is the enriching presence our new resident neighbors are adding to our campus.



LEADERSHIP LETTER



Joseph J. Swartz
President & CEO

Randall G. Stubbs
Chair, Board of Directors

Happy, smiling faces: The different dimensions of wellness opportunities at Tel Hai are noted, as is the happiness derived from these pursuits. Our campus stitchers, SEW Creative, whose creations support charitable programs near and far, were also honored as the recipients of **LeadingAge PA's** Volunteer of the Year/Group award in June.

A cres of beauty surround you: Improvements undertaken over the past year are summarized, which not only are complementary to our beautiful campus setting, but also enhance programs, services and accessibility. A few of these include the lake bank restoration with native fieldstone, the opening of the new Welcome Center, renovations to the Garrett Community Center and new walking trails.

Incredible generosity: One of the blessings that we all share is the rich generosity that is part of the Tel Hai culture. This is manifested in the extraordinary service of volunteers, including the Board of Directors, the devotion of staff, and also the liberality of donors. Development highlights include the encouraging growth of the *Care Assurance Fund*, Heritage Society estate gifts, and the June 2012 gala, *Lanterns on the Lake*. The report concludes with a summary of the dimensions in giving extended to our neighbors beyond the Tel Hai campus.

**“I am about to do a new thing;
now it springs forth...” –Isaiah 43:19**

TRADITION ROOTED IN FAITH



Board of Directors: Standing from left: Robert Hoffman, Retired Engineer and Resident; Gary R. McEwen, *Secretary*, Director of Land Development, Berks Homes; M. Thomas Ridington, PhD; Senior VP, Eastern University; Howard A. Moss, Jr., *Vice Chair*, Director of Information Technology, Lockheed Martin Corporation; William F. Colby, Jr., Attorney; Larry S. Shaub, Partner, Reinsel Kuntz Leshner LLP; Matthew R. King, Realtor; Lesetta Weaver, MSN, CRNP, Geriatric Specialist. Seated from left: Douglas Brubaker, Director of Safety & Communications, Brubaker, Inc.; Joanne Belson, Retired Educator and Resident; Randall G. Stubbs, *Chair*, Owner (ret.) Stubbs Insurance Associates; Joseph J. Swartz, President & CEO; Patricia Stoltzfus, Reverend, Covenant Presbyterian Church. Not pictured: Lonnie L. Martin, *Treasurer*; Controller, Lancaster Bible College

Tel Hai was founded as a senior living community in 1956 by the people of Conestoga Mennonite and Maple Grove Mennonite Churches following the repurposing of the original farmhouse as a “rest home.” The property on the south side of Beaver Dam Road remained dedicated to the activities of the camp and retreat center that was established in 1950.

Our deeply rooted faith is communicated in our statements of mission and vision, and in practical terms through the excellent and compassionate care and services provided daily to more than 500 residents who now call our campus “home.” Our Board of Directors, staff and volunteers make the organization’s core values come to life: *integrity, compassion, trust, stewardship and community* are more than words in a frame—they are ideals carried forward in the conduct of the people of Tel Hai.

Through our *Faith Connections* initiative, seven covenanted church relationships have now been established with neighboring congregations, ensuring provision of mutual support. Outreach to the larger community puts our faith into action through a variety of programs—informational, celebratory, musical, educational, artistic, practical and inspirational. The *Faith Connection* newsletter published its inaugural issue, providing an educational article on widowhood, this year.

Our Board of Directors also represents a cross-section of faith traditions dedicated to servant leadership. New Board members include Patricia Stoltzfus, Reverend of the Covenant Presbyterian Church, and geriatric specialist Lesetta Weaver, MSN/CRNP.

All members of the Tel Hai community join together in actively supporting our neighbors in need throughout the year in a myriad of ways, including the annual food drive, monthly service at a local food pantry and soup kitchen, serving as the area’s Meals-on-Wheels kitchen for many years, holding an annual blood drive, and offering great bargains through the Outgrown Children’s Sale and flea market sales during this time of economic hardship for so many.

E XCELLENCE IN CARE AND SERVICES

Management Team: Standing from left: Joe Swartz, President & CEO; Renny Magill, VP Development; Sue Verdegem, Executive Sr. VP, Finance & Administration; David Dunn, Lakeview Administrator; Janice Williams, Meadows Administrator; Rachel Cessna, Child Day Care Administrator; Bruce Hartshorne, Executive VP, Operations; Tammy Jacobs, Adult Day Services Director; Christopher Anthony, Dining & Nutritional Services Director; Keeli Looper, Volunteer Services Director. Seated mid-ground from left: Linda Livingood, Administrative Assistant to the President; Tim Herr, VP, Pastoral Services; Sharon Canull, Finance Director; Katie Buck, Residential Living Administrator; Christine Fritzen, Rehabilitation Services Director. Standing far right: Peggy Bradley, Director of Nursing. Seated in front from left: Calvin Roggie, Information Technology Director; Teresa Long, Executive VP, Resident Services; Darren Cornish, Environmental Services Director; Kelly Jester, VP, Human Resources; Cathy Yoder, VP, Marketing; Chasity Brown, Wellness Director



The diverse array of services available on campus requires a dedicated staff of over 400 people to deliver. Leadership and management in constant communication are able to respond promptly and appropriately to the changing needs and desires of our residents. This year, we are happy to introduce some of the new faces who have joined our team:

Keeli Looper, Director of Volunteer Services since June 2011, has introduced new and creative ways to employ and celebrate hundreds of Tel Hai volunteers

Kelly Jester, VP, Human Resources, joined us in October 2011 with a long history in operations and human resources

Chasity Brown, Director of Wellness, joined the team in December 2011 and expanded our health and fitness offerings during the year

Darren Cornish, Director of Environmental Services, came on board in February 2012 with a wealth of industry experience

Going above and beyond in the past year garnered kudos for two very special people on our campus. **Betsy Brown**, LPN and Team Leader in Meadowbrook, was named our Employee of the Year in February 2012. Known as “one of the angels of Meadowbrook,” Betsy is a sixteen-year veteran who provides a helping hand and a strong, calming presence.

Other employees recognized in quarterly nominations included Tina Cressman, Residential Living; Eileen Ferry, Meadows; Diane Kabbeko, Meadows; Jessica Martin, Residential Living; Vernon Umble, Maintenance; Mai Vue, Housekeeping; and LaRae Weinert, Human Resources.

Our Volunteer of the Year was cottage resident **Tom Tracy**, cited for his broad involvement in community endeavors, including the Tel Hai’s Farmers’ Club, where he has served as Treasurer for the past nine years, on the Finance and Tech Committees and as a participant in the annual strategic planning process. Mr. Tracy is also on the Brandywine Hospital Board and is treasurer of the Chester County Chapter of the PA Association of School Retirees.

LIVING OPTIONS ABOUND ON CAMPUS



As a community offering a wide range of accommodations, Tel Hai has even more options to offer its residents now with the completion of the Cedar Ridge neighborhood of 23 cottage homes. Starting with a friendly block party, new residents enjoying three new floor plans have become dynamic and active participants in community life.



Our newest cottage community of 55 homes, Woods Edge, introduced a fourth cottage plan for future residents' consideration. In this fiscal year, 22 of these households were occupied, with the remainder to join our campus by February 2013.

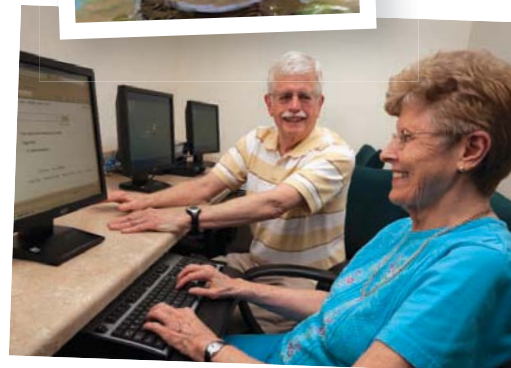
Architects' drawings have proposed activity and wellness areas, including a multi-lap pool, varied dining venues and a large multifunction gathering room for up to 450 people.

Top left: Tel Hai's 23-cottage neighborhood, Cedar Ridge. Above: Artist's rendering of the future StoneCroft apartment building. Below: Construction continues on Tel Hai's newest neighborhood, Woods Edge.

Excitement has been building with word of the new apartment neighborhood, StoneCroft. The five-story mid-rise will offer 11 distinct floor plans and direct connection to the new Commons building at its core.



HAPPY, SMILING FACES



Tel Hai's population has been growing this year—adding happy, smiling faces on all areas of the 149-acre campus. Opportunities to be as active or solitary as one wishes have always been a hallmark here, with activities available in a wide array of areas. Our commitment to wellness expresses itself on campus in several ways:

Physical wellness opportunities can be found in and out of the pool with wellness supervisors and our exercise specialist, Gwynne Johnson. New course offerings have included Zumba, run/walk programs, line dancing, chair exercise and strength, stretch and balance workouts.

Social and emotional wellness opportunities flourish through various interest clubs, such as the *Taste Buds* dining-around gang, trips to athletic events, and concert and theatre productions, to name a few.

Intellectual pursuits include a monthly series of lectures and educational programs, such as the Great Decisions discussion group and courses sponsored by the Life Enrichment Committee. Others are developed with the Osher Lifelong Learning Institute at Widener University and additional institutions of higher learning in the region.

Spiritual wellness is celebrated in weekly worship services on Wednesday and Sunday, with hymns of praise performed by the Chapel choir and chime choir, ongoing Bible studies, prayer groups and special programs sponsored by the Pastoral Services Department.

In this fiscal year, they sponsored three informational programs for local clergy, seminars for the public, and several concerts and welcomed pastoral intern Theresa Moss.

Vocational wellness most often takes shape in opportunities to serve others through the Volunteer Services Department. This past year, the SEW Creative stitchers won the Volunteer of the Year/Group award, presented by LeadingAge PA, our statewide association of not-for-profit senior service organizations. Tel Hai volunteers as a group contributed more than 41,400 hours of service to the campus and community in 2011. Monthly spotlighted volunteers in the past six months included Dave Paton, Lois Fogg, Angela Atwater, Ted Kircher and Ann Paton. Honorees in the final quarter of 2011 were Robert and Becky Hoffman.

ACRES OF BEAUTY SURROUND YOU



Tel Hai's setting remains peaceful and welcoming, with rolling green hills and neighboring Amish farms. A prominent water feature owned by the Tel Hai Camp and Retreat Center, the lake facing Beaver Dam Road, received attention this past year through a joint remediation effort. Contractors working in the Woods Edge neighborhood helped create a new berm of native fieldstone. Other efforts to be undertaken include adding a fountain and shoring up the "bridge" storage area used by the camp.

With the opening of the new Welcome Center, which includes the Marketing Department offices and the StoneCroft model apartment, Tel Hai Circle became one-way between Lakeview, Garrett Community Center, and the newly relocated Hertzler Drive.

Renovations to the Garrett Community Center were ongoing as the new fiscal year 2013 began. New office spaces and the library have been unveiled, and part of the second floor dining venue was also put into service.

In the Meadows Health Care center, the Jacobs Memorial Family Room was dedicated and is now enjoyed by residents on a daily basis for activities, music and other get-togethers.

Walking trails being developed will offer over three miles of lovely sights and breathtaking wooded vistas as people enjoy the topography of the "Hill of Life."

INCREDIBLE VALUE AND VALUES



Known for values manifested in service to others, Tel Hai also represents great value financially. Our fee-for-service contract reflects charges only for the services used; residents are never billed in advance for anticipated use of services or for programs in the future. Our nationally accredited nonprofit has earned a reputation for compassionate, quality care, services and accommodations that have created a lifestyle enjoyed by residents for over 56 years. When you put all these facets together—people, programs, services and accommodations—you begin to understand the Dimensions of Tel Hai.





A highlight of the past fiscal year was the Board of Directors' approval of a plan to increase the *Care Assurance Fund* to \$4 million by 2015. They then created a powerful momentum toward meeting this goal by allocating a tithe of \$116,276 from operational gains to the *Fund* in October 2011. In November 2011, donors contributing over \$11,500 in support of a wheelchair-accessible van were recognized for their support of this appeal ensuring enhanced mobility for residents. The 2011 Year-End Appeal garnered contributions for the *Care Assurance Fund* in excess of \$26,500. Heritage Society membership, which grew slightly in the fiscal year, celebrated bequests from the estates of Ira Nissley and Dorothy Tindall at their spring gathering on April 17.

Ira Nissley, a native of Indiana, lived briefly with Simon and Elsie Zook, who were among the founding couples of the Tel Hai camp and retirement community. This encounter helped shape Ira's lifelong relationship with both Tel Hai organizations. He served as a member of the camp's board in the 1970s and

later, in the 1990s, he served on the board at the Tel Hai as a resident. Mr. Nissley shared generously during his lifetime, including donating funds for the main dining room in the Garrett Community Center that bore his name. His generous bequest to the *Care Assurance Fund* was realized in 2012.

Dorothy Tindall, known for saying "You've got to go with the flow," was one who lived life to the fullest. Fellow residents and staff were fond of her humor, energy and lively company. Quietly generous during her residency here at Tel Hai,



Dorothy included a bequest to the *Care Assurance Fund* in her will. This generosity came from her own interest in helping others, as she had in her professional nursing career, and her appreciation for the care that her brother received while residing in the Meadows health care center.

The June 2012 gala, *Lanterns on the Lake*, was an opportunity to offer tribute to loved ones through "Share a Day of Care" contributions and support of the silent auction. The auction netted over \$3,300, and the "Share a Day of Care" option generated 212 days of care in contributions based on the \$76

BENEVOLENT CARE AT TEL HAI



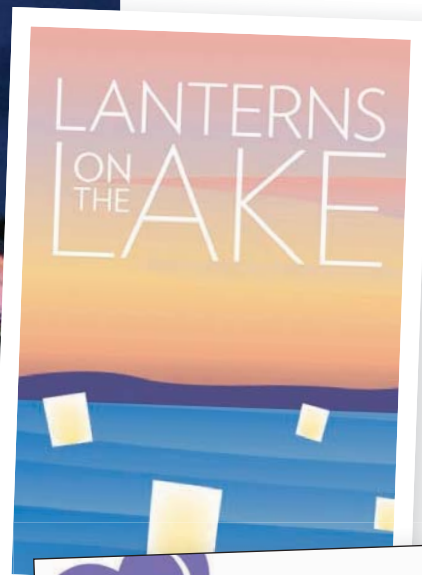
per day averaged cost of care on campus. As VP of Development Renny Magill explained, “When seniors become members of the Tel Hai residential community, they are promised that they will never be asked to leave for financial reasons. In order to keep this promise, the *Care Assurance Fund* was created in the 1980s. Now, with the Board’s pledge to increase the fund to \$4 million by 2015, steady increases in contributions from generous individual and business donors will be needed.”

In order to help donors understand the impact of their giving in the lives of the residents served, an average daily cost of care was calculated. Donors can now offer support through a defined number of days of care. Contributors providing one week of care will join the President’s Caring Leaders Club; those donating one

month of care will be named to the Board of Directors’ Caring Cabinet. This year’s gala generated more than \$16,000 this way.

Another source of financial support for the *Care Assurance* Program is the resident-run Flea Market, with sales held throughout the year. In fiscal 2012, the volunteers who dedicate many hours to gathering, pricing, staging and selling added \$25,700 to the *Fund* through their efforts.

**Total donations to the
Care Assurance Fund from
all sources in the 2012
fiscal year totaled \$381,765.**



“Each of you should look not only to your own interests, but also to the interests of others.”

—Philippians 2:4

REACHING OUT TO OUR NEIGHBORS

Throughout the fiscal year, programs at Tel Hai were offered as a resource for our neighbors in the greater community. A variety of programs growing out of different departments and campus groups have made these offerings rich and substantive, including:

- The Meadows Health Care Center logged 289 admissions in the past fiscal year; 157 were people from the greater community; the remainder consisted of Tel Hai residents, some with multiple stays.
- Lakeview Personal Care welcomed 25 new residents from the area in the 2012 fiscal year; 33 new admissions were internal transfers from residential living on campus. An additional 34 residents moved to Lakeview from The Meadows in this period.
- 9 educational programs sponsored by our residents' Life Enrichment Committee and Wellness staff
- Annual Children's Outgrown Sale offering bargains to local parents; net proceeds of \$4,500 were donated to the Chester County Food Bank
- Sponsored the Honey Brook Harmony Day concert and helped provide shuttle bus service for the event
- Merchants' Faire and holiday bazaar offered a one-stop source of information and access to local merchants, health and social services and craftspeople
- Tel Hai served as a polling place for township residents in primaries, local and national elections



- Hosted the two-day High School Art Student Show, exhibiting over 175 pieces of student art from five local high schools
- Conducted the annual food drive to benefit the Twin Valley Food Pantry
- Residents and staff volunteer in service at the Twin Valley Food Pantry as well as the Shepherd's Kitchen program
- Resident volunteers worked cooperatively with the Honey Brook Lions Club on their annual Easter Egg Hunt and completed a 5,000-piece mailing for the Honey Brook Community Library



- 10 concerts featuring professional musicians in various musical genres
- 3 programs presented in our Visiting Artist series



- Tel Hai residents and staff contributed holiday gifts and cash donations via the Angel Tree activity to benefit the Honey Brook Youth Center and the Pajama Buddies program of St. Norbert's Church (Paoli)



REACHING OUT TO OUR NEIGHBORS

- Offered watercolor and oil painting instruction on campus
- Happy Days Ukulele Ensemble of residents entertained children at the Honey Brook Elementary Center; we also participated in the first Honey Brook Community Fair, held on the same site; resident Shirley Walton worked with an elementary art class to create a quilted wall hanging
- Annual book sale made thousands of titles available at bargain prices to the public
- Annual Blood Drive was held to benefit the American Red Cross



- Team Tel Hai participated in the 2011 Walk to End Alzheimer's Disease on September 24 in Lancaster County, raising nearly \$2,000 in contributions for the Alzheimer's Association
- A community vegetable garden was created by Tel Hai residents to supply fresh produce to the Chester County Food Bank



- SEW Creative group continued creating pillow cases for cancer patient programs at local hospitals and a Delaware camp; walker bags; placemats for Meals on Wheels recipients; draw-string dresses for children in Latin America; quilts for disabled veterans and children at the Chester County Domestic Violence Center
- The Development Department worked in partnership with the Tel Hai Camp & Retreat Center to rebuild the banks of the camp's lake and jointly raised funds in the amount of \$4,500 to support the rehabilitation of the camp's water feature and storage building



- Pastoral Care staff sponsored and hosted seminars for clergy and the public, including a Junior High retreat for First Baptist Church of Pequea members; inspirational music programs during the year, including church choirs, chime choir and hymn sing events

The Good Samaritan Fund, which offers monetary support to staff members in times of need, also had a very busy year. Added to residual monies, this year's fund-raisers, sponsored by the Good Samaritan Committee and supported by Tel Hai residents and staff, raised \$10,800 in the fiscal year and provided \$12,400 in support. Resources of the Good Samaritan fund were used to pay for needed health care, car repairs, utility bills and catastrophic emergency expenditures that exceeded staff's means.

This past year was one of growth and continuing financial preparation for the future. For the period ending June 30, 2012, our financial performance produced a gain from operations of \$258,044. Again this year, the gain reflects significant bequests, including bequests restricted to the *Care Assurance Fund*. This fund, established to offset costs incurred in providing uncompensated care, increased to 3.4 million dollars. Tel Hai provided \$2,256,528 of uncompensated care through all levels of service in this period. We are truly blessed by the community of donors who generously support the fund and Tel Hai's mission.



Investments in property and equipment totaled \$15,756,309 this fiscal year. The improvements included: land development and cottage construction for the Woods Edge neighborhood and preliminary costs for the development of the StoneCroft apartments, costs to improve current residential and Lakeview accommodations at turnover, and renovations to the Garrett Community Center and Meadows dining venues, as well as ongoing capital expenses to maintain facilities.

This fiscal year, we recorded an unrealized loss for the interest rate agreements as required by current accounting guidelines. This rule requires recoding 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. The value of cash investments declined slightly.

Tel Hai continues to anticipate 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.

The managers and department leaders who use their talents and vision to monitor expenses while delivering quality care continue to grow—especially in these dynamic times. This fine stewardship, in tandem with the Marketing team's success in maintaining excellent census in all levels of resident services, ensures that Tel Hai continues to maintain stable operations while looking eagerly to the future.

These financial statements will be submitted to CARF/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. Tel Hai is pleased to realize financial results which compare favorably to CARF/CCAC standards and those of other member communities. The data included on 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, reading "M. Sue Verdegem". The signature is fluid and cursive, with a large, stylized 'M' and 'V'.

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

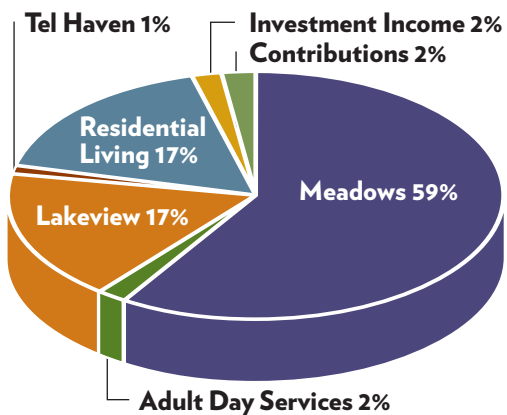
FINANCIALLY SPEAKING

Consolidated Balance Sheets

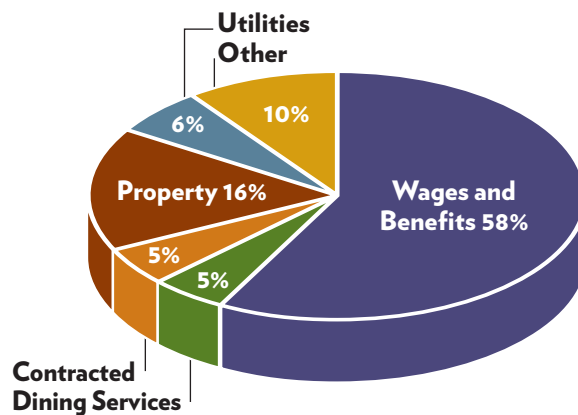
Year Ended June 30, 2012

Assets	2012	2011
Current Assets	\$ 12,293,632	\$ 11,016,036
Assets whose use is limited	63,562	47,177
Assets whose use is limited by donors	4,654,947	4,516,807
Property, Plant and Equipment	51,366,604	37,529,282
Other Assets	524,020	333,220
Total Assets	\$ 68,902,765	\$ 53,442,522
Liabilities & Net Assets		
Current Liabilities	\$ 7,811,845	\$ 2,979,908
Long Term Debt	21,909,510	17,075,598
Advanced Fees	27,924,426	22,284,726
Other Liabilities	3,673,712	2,167,126
Total Liabilities	\$ 61,319,493	\$ 44,507,358
Net Assets		
Unrestricted	\$ 2,928,325	\$ 4,418,357
Restricted	4,654,947	4,516,807
Total Net Assets	\$ 7,583,272	\$ 8,935,164
Total Liabilities & Net Assets	\$ 68,902,765	\$ 53,442,522

Revenues



Expenses

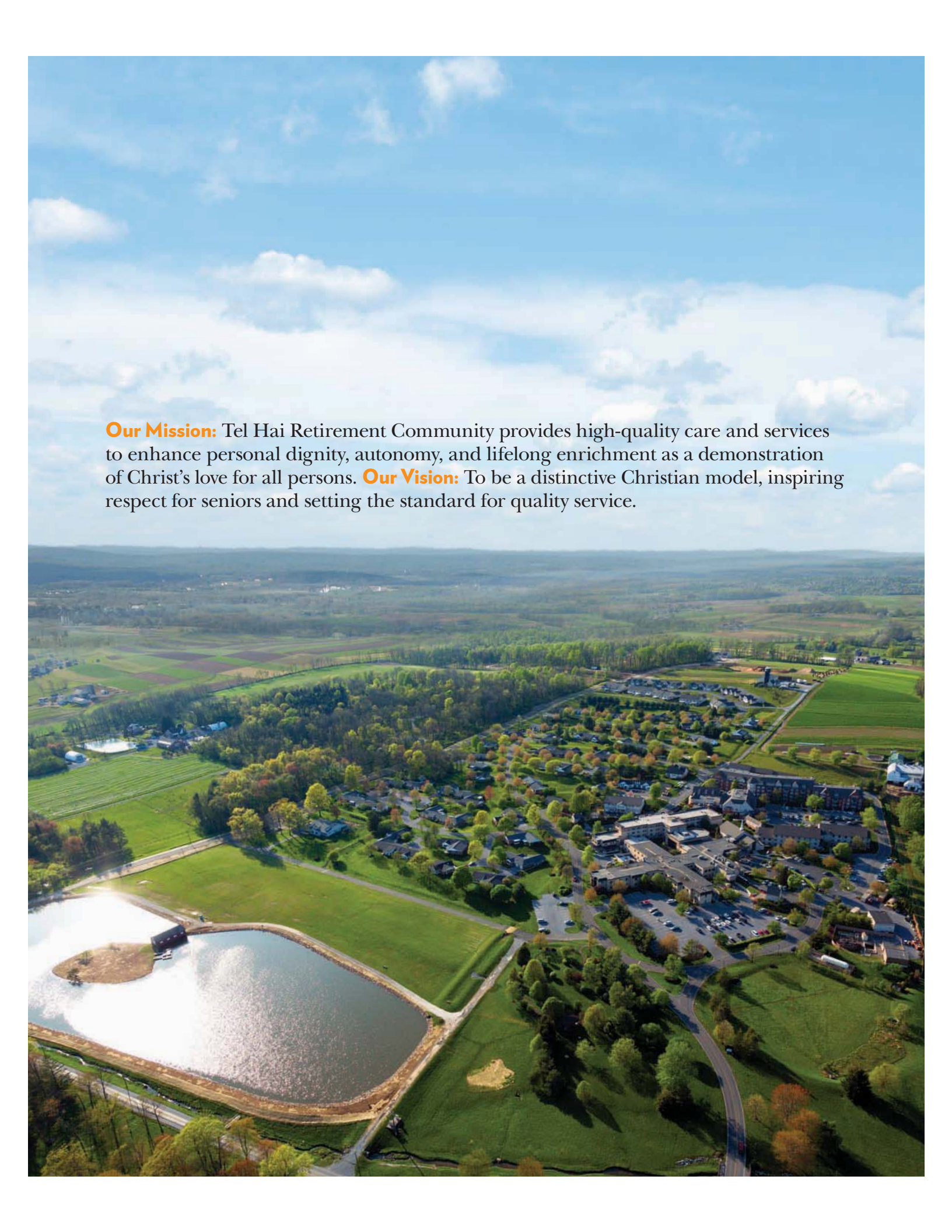


FINANCIALLY SPEAKING

Statement of Revenues and Expenses

for Fiscal Year 2012

Revenue	2012	2011
Net direct service revenue	\$ 25,605,800	\$ 24,949,767
Contributions	404,272	609,248
Realized investment income	627,340	420,652
Other income	271,346	235,429
Total Revenue	\$ 26,908,758	\$ 26,215,096
Expenses		
Salaries, benefits, and contracted services	\$ 15,916,187	\$ 14,424,813
Depreciation and amortization	3,185,096	3,018,982
Bond interest and fees	574,920	903,843
Other expenses	6,974,511	6,638,433
Total Expenses	\$ 26,650,714	\$ 24,986,071
Excess of revenue over expenses	\$ 258,044	\$ 1,229,025
Unrealized gain (loss)	\$ (1,609,935)	\$ 1,999,531
Increase (decrease) in net assets	\$ (1,351,891)	\$ 3,228,556
Uncompensated Care (assistance to individuals)	\$ 2,256,528	\$ 1,568,109
Investment in Property and Equipment	\$ 15,756,309	\$ 6,928,537

An aerial photograph of the Tel Hai Retirement Community. The community is a large, planned residential area with numerous houses and apartment buildings, surrounded by lush green fields and trees. A large, irregularly shaped pond is visible in the lower-left foreground, with a small structure on a small island in the water. The background shows rolling hills and a clear blue sky with scattered white clouds. The text is overlaid on the upper-left portion of the image.

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.



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