### CADBURY AT LEWES EVENING EXCHANGE

October 4, 2011

Vic Amey, President & CEO, welcomed residents to the Evening Exchange.

Vic spoke on behalf of Carol Holzman who will be out of the office every Tuesday until December 15<sup>th</sup>. Carol is attending classes on training to become a Nursing Home Administrator. Carol's notes included:

- A missed activity for the October Calendar. *Mah-jongg!* Please come to play every Sunday at 2:15 pm in the Creative Arts Room. Printed rules are on the "D" table outside Carol's office.
- Hilary had a baby (Carson) and her time with us is coming to an end on the 31<sup>st</sup> of October. Hilary Lavender is the group exercise instructor. We are in the process of seeking a new instructor.
- Just a Reminder... For your safety and the safety of the Maintenance workers, please tie your trash bags when putting them in the garbage.
- LEAP Program The featured artist this week is Post Impressionist Norwegian artist, Edvard Munch. His work reflects the influence of Vincent van Gogh and Paul Gauguin. Thursday, October 6<sup>th</sup> - 10:30 in the Auditorium. Refreshments!
- Note: The lunch at the Georgia House has been moved to Tuesday, October 25<sup>th</sup>.
- The "Cadbury Dines Out" event at Nicola Pizza will take place on Wednesday, October 26<sup>th</sup>.

Vic mentioned that Flu Shots will be available soon. The schedule for residents will be placed in mail boxes and on the Cadbury Channel.

Vic proceeded with a presentation, Finance 101, which provided an overview of Cadbury at Lewes' history and financial management procedures (copy attached).

At the conclusion of the presentation, Vic opened the floor to questions.

Questions -

Q: Did we project too many cottages?

A: YES and NO – Cottage Resident is a little bit younger and can afford to wait out a down economy. Note: There are 7 projected move-ins by December 31<sup>st</sup>.

Q: Expectation when CAL is fully occupied, will the revenue exceed expenses?

**A:** Projections do show a very healthy reserve and will build up. Reductions in monthly fees are not probable.

**Q:** Who are the Board Members?

A: 50% of members must be of the Religious Society of Friends. The Board consists of 3-7 individuals – 4 from the Religious Society. Currently there is one resident on the Board.

Current Board Members are: Gil Kaufman (CAL Resident) Laura Deckmann Nancy Targett Allison Richards Sally Swayze Richard Grier-Reynolds

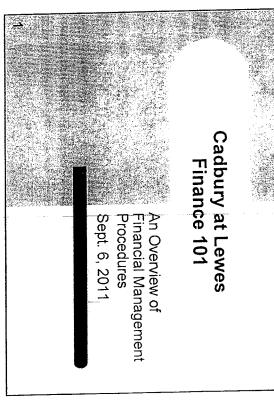
**Q**: What is Bad Debt?

A: Uncollectable, unearned revenue.

The next Evening Exchange will be held on Tuesday, November 1<sup>st</sup> at 7:00 pm in the Auditorium.

Recorder: Carol Cascone (for Barbara White)

10/11/11



## Development Process

- Board Approval October 1997
- Site Selection
- Conduct Focus Groups
- Assemble Development Team
- Develop CC Agreement & Pricing
   Actuarial Firm Future Service Obligation
- Obtain Authority Approvals
- Cadbury at Cherry Hill loan \$550,000

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### Development Process Cont.

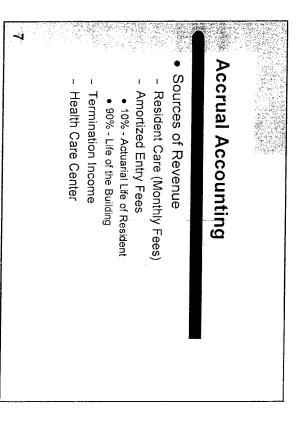
- Pre-Marketing 70% Pre-sales regd.
- Secure Permanent Financing
- Tax Exempt Bonds \$48.5 million
- Series A, B & C
- Begin Construction 2005
- Open 2007
- Fill Up
- Pay Off Series C Bonds \$26.5 million

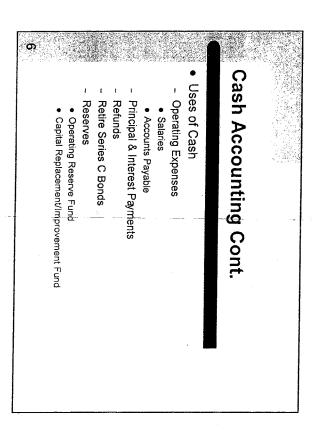
### Financial Management

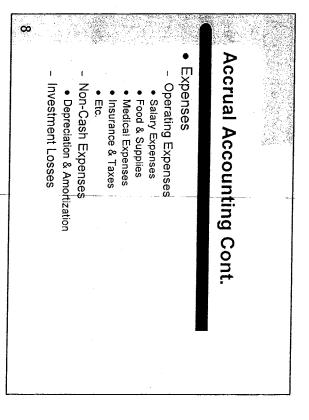
- Cash versus Accrual Accounting
- General and Accepted Accounting Principals (GAAP)
- Federal Accounting Standards Board (FASB)
- Future Service Obligation (FSO)
- CCRC Actuaries

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# Cash Accounting Sources of Cash Entrance Fees Monthly Fees Medicare/Medicaid Private Insurance Ancillary Charges







### CADBURY AT LEWES, INC. Statement of Operations For the Three Months Ending June 30, 2011

|  |             | -           |            |              | ,            |          |
|--|-------------|-------------|------------|--------------|--------------|----------|
|  |             | June        |            |              | Year-to-Date |          |
|  | Actual      | Budget      | Variance   | Actual       | Budget       | Variance |
| Resident Care                                  | \$552,040   | \$544,677   | \$7,363    | \$1,646,062  | \$1.615.552  | \$30.510 |
| Amortized Entry Fees                           | 102,945     | 111,442     | (8,497)    | 312.266      | 334.327      | (22,061) |
| l ermination income                            | 0           | 11,080      | (11,080)   | 15.621       | 33.241       | (17,620) |
| Health Care Center                             | 411.678     | 411,276     | 402        | 1,304,774    | 1,246,130    | 58,644   |
| Total Operating Revenue                        | 1,066,663   | 1,078,475   | (11.812)   | 3,278.723    | 3,229,250    | 49,473   |
| Investment Income                              | 3,148       | 4,057       | (909)      | 9.297        | 12,170       | (2.873)  |
| Other Revenue                                  | 14,454      | 9,936       | 4.518      | 33,269       | 29,808       | 3,461    |
| Total Revenue                                  | \$1,084,265 | \$1,092,468 | (\$8.203)  | \$3,321,289  | \$3,271,228  | \$50,061 |
| Wages & Commissions                            | 419,681     | 403,802     | (15.879)   | 1.271,586    | 1.223,550    | (48,036) |
| Employee Benefits                              | 130,086     | 133,600     | 3,514      | 383,992      | 403,050      | 19.058   |
| Administrative                                 | 53,555      | 51,750      | (1,805)    | 126,201      | 159,104      | 32,903   |
| Advertising                                    | 20,236      | 23,198      | 2,942      | 72,531       | 65,843       | (6.688)  |
| Food & Supplies                                | 52,666      | 46,398      | (6.268)    | 149.318      | 561 681      | (501.01) |
| Medical  | 33,459      | 23,902      | (9,557)    | 106.190      | 71,706       | (34,484) |
| Facility Insurance & Taxes                     | 15,949      | 13,017      | (2,932)    | 46,968       | 39,052       | (7,916)  |
| Contract Services                              | 56,962      | 67,680      | 10,718     | 191,977      | 206,640      | 14,663   |
| Ot littles                                     | 51,132      | 53,747      | 2,615      | 153,864      | 161,240      | 7,376    |
| Bad debt                                       | 3,105       | 3.105       | 0          | 9.31\$       | 9.315        | 0        |
| interest                                       | 125,409     | 130,677     | 5.268      | 359.462      | 392.030      | 32,568   |
| Depreciation & Amortization                    | 127,608     | 129,469     | 1,861      | 382,824      | 388,408      | 5,584    |
| Total Expense                                  | \$1,110,640 | \$1,098,390 | (\$12,250) | \$3,300,69\$ | \$3,314,468  | \$13,775 |
| Operating Gain (Loss)                          | (\$26,375)  | (\$5,922)   | (\$20,453) | \$20,596     | (\$43,240)   | \$63,836 |
| Change in Net Assets<br>Unrealized Gain (Loss) | (1,558)     | 0           | (1,558)    | 20.352       | 0            | 20,352   |
| Increase (Decrease) in Temp Rstretd Net Ass    | (\$1,558)   | 50          | (\$1,558)  | \$20,352     | 80           | \$20,352 |
| Increase (Decrease) in Net Alssets             | (\$27,933)  | (\$5,922)   | (\$22.011) | \$40.948     | (\$43,240)   | \$84,188 |
|  |             |             |            |              |              |          |

LW- Inc Stmt 06/30/11

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