

KENDAL~CROSSLANDS *Communities*

Together, transforming the experience of aging.®

KENDAL AT LONGWOOD ♦ CROSSLANDS ♦ CONISTON ♦ CARTMEL

P.O. BOX 100 • KENNETT SQUARE, PA 19348 • (610) 388-1441 • www.kcc.kendal.org

January 27, 2017

Dear Friends:

At its meeting on December 13, 2016, the Kendal-Crosslands Communities Board of Directors approved the operating and capital budgets for the 12 month fiscal year ending December 31, 2017. The Board also approved new fee schedules effective April 1, 2017; the monthly fee increase for Coniston and Cartmel will be approximately 4.00% effective April 1, 2017, which results in a new monthly fee of \$2,573.

You will find the fiscal year 2017 operating and cash flow budgets for Kendal-Crosslands Communities on the attached sheet. The development of the operating and capital budgets has been undertaken carefully and thoroughly by the staff and the Board. The budgets and resulting increases to resident fees reflect economic challenges facing the communities, among them continued capital refurbishment projects. For example, since fiscal year 2005, the cost of capital projects has exceeded the net operating cash flow provided by monthly fees by over \$4,106,000. Upcoming capital projects include paving work at both Coniston and Cartmel. Ongoing projects include heat pump replacements and turnover costs at both communities. We have worked very hard to keep the increase to a minimum while still maintaining the quality of services and communities that you have come to expect.

We want to give you additional information about the fiscal year 2017 budgets and answer your questions at a meeting on March 27, 2017 from 3:00 until 4:00 p.m. in the William Penn Room at Crosslands. Questions will be taken from the floor or if you prefer you may submit them in writing to Phil DeBaun in advance. This meeting meets the requirements of PA Act 82.

Sincerely,



Richard Wortmann, Clerk

Kendal-Crosslands Communities Board

Attachment

Kendal-Crosslands Communities, a not-for-profit organization serving older people, is governed and operated in accordance with the principles of the Religious Society of Friends (Quakers).

The Communities are members of both LeadingAge and Friends Services for the Aging.

Kendal at Longwood and Crosslands are accredited by CARF/CCAC, an international accreditation system aspiring to excellence.



Kendal Crosslands Communities		Text	A	B	C	D	E	F	G	H
Budgeted Statement of Operations / Cash Flow		Ref								
FY 12/31/2017			Kendal Crosslands FY 2017	Coniston Cartmel FY 2017	Consolidated Budget FY 2017	2016 Projection	Cash Flow Comparison			
							Modified FY 2017	Modified FY 2016	Change \$	%
Revenue										
Residential Fees	1		27,685,264	2,226,162	29,911,426	28,454,679	29,911,426	29,015,529	895,897	3.09%
Health Center Fees										
Resident Fees	2		8,955,154	-	8,955,154	8,679,298	8,955,154	8,579,948	375,206	4.37%
Medicare & Insurance	3		1,243,850	-	1,243,850	1,451,560	1,243,850	1,182,926	60,925	5.15%
Per Diem Fees	4		2,344,949	-	2,344,949	2,103,576	2,344,949	2,285,256	59,693	2.61%
Amortization of Deferred Entry Fees	5		7,793,000	403,000	8,196,000	8,044,996				
Interest and Dividend Income	6		699,000	166,000	865,000	874,016	865,000	800,000	65,000	8.13%
Other Program Services	7		765,500	-	765,500	776,942	765,500	734,000	31,500	4.29%
Other Operating Revenue	8		24,500	-	24,500	28,933	24,500	22,000	2,500	11.36%
Total Revenue			49,511,217	2,795,162	52,306,379	50,414,000	44,110,379	42,619,659	1,490,721	3.50%
Expenses										
General & Administrative	9		4,475,903	383,024	4,858,927	4,535,279	4,858,927	4,552,314	(306,613)	-6.74%
System Fee - Affiliate	10		1,315,187	72,153	1,387,341	1,347,732	1,387,341	1,347,730	(39,611)	-2.94%
Housekeeping and Laundry	11		1,895,739	348,026	2,243,765	2,231,592	2,243,765	2,230,358	(13,407)	-0.60%
Maintenance	12		3,583,704	504,533	4,088,236	4,103,872	4,088,236	4,100,393	12,157	0.30%
Food Service	13		6,411,597	-	6,411,597	6,139,560	6,411,597	6,292,176	(119,421)	-1.90%
Health Services	14		12,075,579	24,000	12,099,579	11,517,271	12,099,579	11,505,501	(594,078)	-5.16%
Pharmacy Expenses, Net of Reimbursement	14A		1,141,644	15,000	1,156,644	1,064,270	1,156,644	1,209,937	53,293	4.40%
Employee Benefits	15		6,085,172	229,965	6,315,138	6,062,802	6,315,138	6,009,805	(305,332)	-5.08%
Utilities	16		2,011,000	43,050	2,054,050	1,795,266	2,054,050	2,097,636	43,586	2.08%
Real Estate Taxes	17		1,810,750	376,540	2,187,290	2,134,352	2,187,290	2,134,368	(52,922)	-2.48%
Interest	18		1,022,124	-	1,022,124	841,260	1,022,124	928,210	(93,914)	-10.12%
Depreciation and Amortization	19		7,544,000	723,000	8,267,000	8,048,580				
Total Expenses			49,372,399	2,719,292	52,091,691	49,821,836	43,824,691	42,408,428	(1,416,263)	-3.34%
Income from Operations	20		138,818	75,870	214,688	592,164	285,688	211,230	74,457	35.25%
Non-Operating Revenue:										
Gain (loss) on sale of investments			-	-	-	-	-	-	-	
Investment Activities			-	-	-	-	-	-	-	
Other non-operating activity			-	-	-	-	-	-	-	
Total Non Operating Gain (Loss)			-	-	-	-	-	-	-	
(Deficiency) excess of revenue over expenses	A		138,818	75,870	214,688	592,164	285,688	211,230	74,457	35.25%
Cash Flow Adjustments:										
Income (Loss) from Operations	A		138,818	75,870	214,688	592,164	285,688	211,230	74,457	35.25%
(-) Amortization of Deferred Entry/Occupancy Fees			(7,793,000)	(403,000)	(8,196,000)	(8,044,996)	-	-	-	
(+) Depreciation & Amortization Expenses			7,544,000	723,000	8,267,000	8,048,580	-	-	-	
Cash Income (Loss) from Operations	21		(110,182)	395,870	285,688	595,748	285,688	211,230	74,457	35.25%
Allowance for Extended Fill Up of Unoccupied Units										
Net Cash Revenues in excess of (less than) Expenses			(110,182)	395,870	285,688	595,748	285,688	211,230	74,457	35.25%
Operating Ratio (98.31% CARF Median)			100.26%	83.45%	99.35%	98.59%	99.35%	99.50%		
Fixed Assets Budget	22		(5,584,800)	(415,200)	(6,000,000)	(5,000,000)	(6,000,000)	(5,000,000)	(1,000,000)	20.00%
Principal Payments	23		(1,589,241)		(1,589,241)	(1,271,045)	(1,589,241)	(1,271,045)	(318,196)	
Entrance Fee Received	24		8,500,000		8,500,000	8,500,000	8,500,000	7,000,000	1,500,000	21.43%
Total Cash Flow	25		1,215,777	(19,330)	1,196,447	2,824,703	1,196,447	940,185	256,261	27.26%

KENDAL~CROSSLANDS COMMUNITIES

FEE SCHEDULE

Effective April 1, 2017

For residents who have entered PRIOR to 3/31/02 (with pharmacy benefit)

SECTION A

Unit Types	MONTHLY FEE	
	Single	Double
Studio	\$3,176	N/A
Small One Bedroom	3,483	5,557
One Bedroom	3,835	6,247
One Bedroom w/Study Apartment (XL)	4,103	6,316
One Bedroom w/Den (K)	4,352	6,583
One Bedroom w/Den Apartment (XL)	4,342	6,348
One Bedroom w/Den Cottage (XL)	4,770	6,776
Two Bedroom Apartment (XL)	5,059	6,541
Two Bedroom Cottage	5,444	6,918
Two Bedroom w/Study	5,665	7,163
Coniston Cartmel	2,573	2,573

For residents entering AFTER 3/31/02 and before 3/31/04 (with pharmacy benefit)

SECTION B

Unit Types	MONTHLY FEE	
	Single	Double
Studio	3,176	N/A
Small One Bedroom	3,453	5,318
One Bedroom	3,835	5,700
Large One Bedroom	4,127	5,992
One Bedroom w/Study Apartment (XL)	4,399	6,264
One Bedroom w/Den (K)	4,701	6,566
One Bedroom w/Den Apartment (XL)	4,545	6,320
One Bedroom w/Den Cottage (XL)	4,983	6,758
Two Bedroom Apartment (XL)	4,758	6,533
Large One Bedroom w/Den	5,412	6,995
Two Bedroom Cottage	5,124	6,899
Large Two Bedroom	5,507	7,090
Two Bedroom w/Study	5,412	6,995
Large Two Bedroom w/Den	5,653	7,236
Coniston Cartmel	2,573	2,573

Notes:

Per diem - Skilled (\$400 per day private room)	\$12,165
Per diem - Personal Care (\$204 per day)	\$6,205

Monthly charge per person for additional meal plans:

Breakfast	\$130.00
Lunch	\$195.00

Residents in the Health Center are billed for two additional meals per day.

Away credit-dinner only	\$210.00
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Carport charge per month	\$37.50
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KENDAL~CROSSLANDS COMMUNITIES

FEE SCHEDULE

Effective April 1, 2017

For residents entering AFTER 3/31/04 (without pharmacy benefit)

SECTION C

Unit Types	MONTHLY FEE	
	Single	Double
Studio	3,047	N/A
Small One Bedroom	3,328	5,067
One Bedroom	3,709	5,448
Large One Bedroom	3,998	5,737
One Bedroom w/Study Apartment (XL)	4,274	6,013
One Bedroom w/Den (K)	4,574	6,313
One Bedroom w/Den Apartment (XL)	4,421	6,071
One Bedroom w/Den Cottage (XL)	4,854	6,504
Two Bedroom Apartment (XL)	4,630	6,280
Expanded One Bedroom (K)	5,033	6,683
Large One Bedroom w/Den	5,285	6,740
Two Bedroom Cottage	4,992	6,642
Expanded Two Bedroom Apartment (XL-AB)	5,227	6,682
Expanded Two Bedroom Apartment (XL-BB)	5,285	6,740
Expanded Two Bedroom Cottage (K)	5,285	6,740
Large Two Bedroom	5,383	6,838
Expanded Two Bedroom Apartment (XL)	5,524	6,979
Large Two Bedroom w/Den	5,524	6,979
New One Bedroom w/Den (K)	5,497	6,952
New Two Bedroom (U) (K)	5,561	7,016
New Two Bedroom (Q) (K)	5,627	7,082
New Two Bedroom w/Den (K)	6,083	7,538
New Two Bedroom w/Den & Basement (K)	6,083	7,538
Coniston Cartmel	2,573	2,573

Notes:

Per diem - Skilled (\$400 per day private room)	\$12,165
Per diem - Personal Care (\$204 per day)	\$6,205

Monthly charge per person for additional meal plans:

Breakfast	\$130.00
Lunch	\$195.00

Residents in the Health Center are billed for two additional meals per day.

Away credit-dinner only	\$210.00
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Carport charge per month	\$37.50
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