

**Ann's Choice**

**2008**

**Annual Report**



# ANN'S CHOICE

May 26, 2009

Dear Ann's Choice Residents:

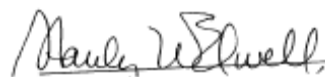
We are very pleased to present this Annual Report to the residents of Ann's Choice. As part of our overall cost containment during these challenging economic times we have chosen to scale back the color, glossy annual report of last year. Nonetheless, this Report again includes a review of our community's activities and financial summary for 2008, goals and challenges for 2009, and important information regarding your Board of Directors.

Thank you to the residents of Ann's Choice for contributing your gifts to make Ann's Choice a great place to live. In particular, we would like to thank the members of your Residents Advisory Council (RAC) for their hard work, candid feedback and thoughtful advice. The excellent feedback from the RAC helps Ann's Choice management to focus on what is most important to you, the residents. We also want to thank Ann's Choice's terrific staff members, who are committed to fulfilling the Ann's Choice mission every day.

We hope you will attend the annual meeting on Thursday, June 4<sup>th</sup> to meet several members of the Ann's Choice Board of Directors and ask any questions you may have. Thank you for the trust you have given us by choosing Ann's Choice as your home.



Joseph P. LoCascio  
Executive Director



Stanley W. Elwell  
Chairman of the Board

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*MISSION STATEMENT*

**SHARING OUR GIFTS TO CREATE COMMUNITIES THAT  
CELEBRATE LIFE**

**The Board of Directors of National Senior Campuses, Inc. and its supported communities are committed to achieving the mission by:**

- 1. Promoting an active quality of life for seniors**
  - Creating large scale retirement campuses to promote activity and healthy living
  - Providing a Resident centered service culture
  - Encouraging Resident run activities with professional support
  
- 2. Achieving excellence in services and programs**
  - Exercising its authority in services, programs, fees, facilities and financing
  - Embracing compliance, ethics, and integrity
  - Overseeing services and programs personally and in meetings with Residents Advisory Council
  - Taking a long-term view of fiduciary responsibility
  
- 3. Insuring Affordability to middle income seniors**
  - Focusing on the long term viability of the community for current and future residents
  - Using financing strategies to lower the cost of capital
  - Qualifying for exemption from federal and state income tax
  - Obtaining property tax reductions from community governments
  - Accumulating net income to further the mission
  - Maintaining a policy for 100% refundable entrance deposit
  - Offering fee-for-service health care
  
- 4. Making a life care commitment**
  - To the extent feasible, ensuring that no resident should ever have to leave a community as a result of financial inability to pay for the cost of their care
  - Encouraging fundraising efforts in support of Benevolent Care
  
- 5. Fostering Growth**
  - Committing to making this lifestyle available to an increasing number of seniors
  - Increasing efforts to achieve affordability
  - Developing new communities in current markets
  - Developing communities in new markets

## **2008: In Review**

### **Community Profile**

In 2008, Ann's Choice continued to build upon its strong reputation as a place of fun, family and community. We completed our third neighborhood and welcomed 315 new residents to our community, bringing Ann's Choice's year end census to 1,928 total residents.

Ann's Choice settled 202 new apartments, ending the year 2008 at 1,382 settled units or 93% occupied. In a down market, Ann's Choice was very successful in implementing the *Moving Home* program, where a sales counselor worked directly with prospective residents in their homes to help them stage and sell. The *Moving Home* program helped reduce the average number of days on the market for those prospective residents.

At the end of the year, Ann's Choice had 744 employees which included 289 part-time students working in the restaurants and café.

### **Summary of 2008 Financial Results**

Since its inception, Ann's Choice has exceeded its expectations in growth and financial performance. In 2008, with the economic slowdown, particularly in the last two quarters of the year, Ann's Choice had a net operating income loss of \$20,363 in 2008 which was a negative variance from business plan by approximately \$546,000. The major factor in the variance was that the pace of new residents moving into the community was somewhat slower than projected in the original plan, as well as other revenues also being lower than the business plan in the amount of \$489,000. However, the community was able to offset the revenue reduction by reducing expenses. As a result, Ann's Choice had a positive variance in wages, benefits, and other employee costs in the amount of \$161,000, mitigating the impact of the lower than anticipated revenues.

At the end of this report, you will find a Summary Financial Statement which includes the 2008 results. Further, the complete 2008 Audited Financial Statements will be made available to you upon request from the Executive Director's office

### **Resident Satisfaction**

Ann's Choice conducted its annual Resident Satisfaction Survey in the late fall of 2008. Overall satisfaction scores, and the positive response to the question, "Would You Recommend Ann's Choice?" remain very high and a strong

indicator of resident satisfaction at Ann’s Choice. Action Plans were developed and implemented for areas needing improvement.

	<b>2008 Results</b>	<b>2007 Results</b>	<b>2006 Results</b>
Overall Satisfaction	85.5%	87.0%	86.9%
Dining Satisfaction	80.3	82.7	80.3
Would You Recommend Ann’s Choice?	97.2	96.8	96.0

During the year, a number of improvement initiatives were implemented based on resident suggestions, including the following areas:

**“Confidence in Security”** – A new Security Manager was hired and has developed an aggressive improvement plan which includes: new on-boarding procedures for new hires, improved education and communication to residents, improved re-training of all security staff and improved enforcement of policies and procedures.

**“Quality of Apartment Housekeeping”** – We utilized feedback from comment cards and resident focus groups to develop action steps for areas needing improvement; randomly call residents using housekeeping services to solicit real-time feedback; and, improve communication to residents via newsletter, CTV and town hall meetings.

**“Dining areas kept clean”** - Retrain staff how to properly clean and sanitize dining tables between resets; each dining facility will develop daily standards for vacuuming floors, cleaning tables and polishing equipment; acquire recommended cleaners for upholstery cleaning; and, schedule quarterly dining room carpet and upholstery cleaning with General Services.

**“Satisfied with food quality”** – Evaluate talent of all production staff and make changes as necessary; continue ‘Culinary College’ training program for staff; and, educate residents through various means on brands and quality of products used.

**“Food Temperatures”** – Refocus on Hot Food Program and ‘Think Hot’ training of all production staff; new equipment installed in Café will improve temperatures; the food temperatures will now be taken every 30 minutes on line; and, we will require all dining staff to have certain number of training hours per year.

**“Friendliness & Efficiency of Dining Room Service”** - Increase student training to include better menu knowledge, accurate order taking, and entering info into the “Point of Sale” (POS) system; utilize “cheat sheet” nightly for student reference; and, ensure proper service by maintaining proper staffing levels including the hiring of supplemental adult staff.

**“Ann’s Choice TV Station”** - CTV will develop and administer an assessment survey to solicit feedback from a cross section of residents relative to the effectiveness of CTV; based on results, a local branding strategy may be employed to help draw the distinction between CTV and the current cable provider.

## **Community Highlights and Initiatives**

### ***General Services***

In an effort to improve the climate control of the entire Village Clubhouse neighborhood, new cooling towers were installed with great feedback from residents. A “Light Bulb Exchange” was held to support energy conservation in cooperation with the Ann’s Choice energy committee. Further, motion sensors were added in offices and public areas throughout the campus to become more energy efficient. Life Cycle renovations were completed inside and outside on several floors in Dawson Terrace and Montgomery Court.

### ***Dining Services***

Ann’s Choice Dining Services successfully rolled out the *My Nutrition* program, a web-based application providing the nutritional values for our nightly dinner menus. Banners Café underwent extensive renovations to convert to a new scatter system service model, improving venue efficiency and flow of service. Two of our Chefs have been named to the “Pace Setters” group assisting with quality assessment of new products identified by the procurement team as potential product lines in our constant focus to improve quality.

### ***Resident Life***

There are now more than 100 clubs, groups, and activities for residents to choose from. Here are a few Resident Life highlights for 2008:

- Led by the social work team, Ann’s Choice has embarked on a *Unity in the Community* mission that has incorporated large-scale community forums of joint resident-staff committees, all geared toward generating a system of resident values and augmenting the skills inherent in living successfully in a community like Ann’s Choice.
- The CTV studio was renovated so that work stations for both staff and resident volunteers are less distracted; the work has also enhanced flexibility on the set.
- The Resident Life team introduced *Memory Fitness*, a memory enhancement program, and reintroduced *Fallproof* balance and mobility classes.
- *Fruits of our Labor* days were introduced to galvanize mercantile activity in the community.

- The selection, fundraising and installation of the stained glass window in the chapel were carried out with strong community participation.
- The Resident Life Department supported the RAC in raising and distributing over \$346,000 to nonexempt employees through the Staff Appreciation Fund.

## ***Philanthropy***

Ann's Choice residents and staff continued to be extremely generous with both their time and resources, both within and without the community. Two efforts in particular provide charitable funds that directly support the Ann's Choice community:

- *Benevolent Care Fund*: provides support for those residents who have depleted their assets due to extraordinary financial circumstances.
- *Scholars' Fund*: provides scholarship funds of up to \$1,000 per year for our students who are pursuing post-secondary education. Students must meet certain criteria to qualify for this scholarship. In 2008, \$64,500 in scholarships was awarded.

The following is a summary of activity in 2008 for these funds:

	Benevolent Care Fund	Scholars' Fund
2008 Beginning Balance	\$462,834	\$146,842
Funds Raised, 2008	\$211,348	\$157,204
Funds Expended, 2008	\$0	\$64,500
2008 Ending Balance	<b>\$651,073</b>	<b>\$244,023</b>
Resident Participation	<b>37%</b>	<b>47%</b>

In addition to receiving cash contributions, several residents made planned gifts (gifts for the future) to the Benevolent Care Fund and Scholars Fund and the total amount pledged to both funds was \$546,000. This represents a 513% increase for Legacy Gifts from the previous year (\$89,000 in planned gifts were pledged in 2007). In recognition of the importance and value of the BCF, all of the members of the Ann's Choice, Inc. Board of Directors contributed to the fund in 2008.

In 2008, the National Senior Campuses, Inc. (NSC) Board formalized the creation of a separate Investment Committee of NSC to assist the Ann's Choice Board in closely monitoring the Restricted Funds (charitable funds) collected from each Community's residents. The Investment Committee's chosen objective is for these funds to provide current income and a relatively stable market value (a Fixed-Income portfolio approach). The Restricted Funds portfolio performed extremely well considering the volatile market fluctuations throughout the last three quarters of 2008. The returns earned on the portfolio amounted to **3.63%** (net of fees) for 2008. The portfolio mix at year-end was as follows, and it will continue to be monitored on a monthly, quarterly and annual basis:

<b>Cash</b>	<b>60.70%</b>
<b>Fixed Income</b>	<b>39.30%</b>
Corporate	28.20 %
US Government	11.08 %
Other	.02 %

### ***Community Outreach***

One of the strengths of Ann’s Choice is the level of connection and activity that exists beyond our gates, spilling out into the greater Warminster and Bucks County area. The tremendous gifts and talents of staff and residents are enhanced, the connection with our surrounding area is made stronger and we create a wonderful synergy with the general community.

The “Doing Good” Committee (a team of residents and staff members interested in doing good works) led a number of philanthropic efforts in the greater community including a food drive that collected over 1000 pounds of food for a local food pantry, a clothing drive that collected over 750 items of new clothing for a national non profit agency that provides new clothing for people in need. The Ann’s Choice Grounds Department volunteered their time at a local non profit by beautifying the grounds. Ann’s Choice formed a relationship with the YWCA of Bucks County and provided support to the organization by hosting two teen career camps for underserved children, providing food donated by the Dining Services Department to feed over 50 people at a YWCA outreach program and wrapped over 150 gifts for the children attending their holiday party.

Dining Services implemented weekly food donations to the “Aid for Friends” program. We also supported community outreach events including the YWCA’s “Chapel and Chow”, Ben Wilson Senior Center’s annual fund raiser, the Crossroads Mission-sponsored Habitat for Humanity home project, and the local school district’s education foundation. Staff participated in the annual Alzheimer’s Association and Susan B. Komen walks to raise funds for these charities. Ann’s Choice held a summer camp for the YWCA exposing teens to job opportunities in our industry, contributed to the Teacher Grant Program through the Centennial Education Foundation and to the Lenape Valley baseball and football youth programs. In addition, 25 staff members participated in the Matching Gift Program to provide support for local charities.

### ***Renaissance Gardens (RG)***

Our extended care neighborhood at Ann’s Choice opened three more households in 2008 – two nursing households and one assisted living household. We are continuing to build a strong operation, attracting both internal and external residents to our skilled short-term rehabilitation household. RG residents are highly motivated, participating in campus activities and continue to maintain their active lifestyles.

## ***Diversity***

During 2008, the National Senior Campuses, Inc. Board of Directors chartered a diversity and inclusion committee to work with Erickson Management focusing on a long term strategy promoting a culture of diversity and inclusion. Erickson Management empowered a Diversity and Inclusion Council to develop an enterprise strategy focused on defining an inclusive strategy that leveraged diversity, creating an environment where residents, staff, and management felt heard and supported. The strategy capitalizes on the value of a diverse management team, staff complement and resident population. Our focus has been on establishing diversity and inclusion as key values. While we will not achieve success overnight, we view this strategy as a business imperative given the changes in the American workforce. Success with this strategy will help position Erickson to compete for the best talent and thereby continue to provide top quality services to our residents.

Ann's Choice has been involved in activities to enhance community diversity and inclusion efforts including the following:

- Through our "Doing Good Committee" we supported two YWCA summer camp experiences on campus for disadvantaged teenagers which focused on opportunities for careers in the CCRC business.
- The Links, Inc., the largest social action group for African American women in the country, held their Youth Leadership Conference for over 325 teenagers. Fifteen residents and eight staff members helped throughout the day with the conference.
- We support a work-study program for seven disabled teens from William Tennent High School who work mornings in our Dining Services department.
- Advertisements are strategically placed in minority publications in our area and Philadelphia City to increase awareness of what we offer

## ***"Green" Initiatives***

The residents, board and management, together, have been good stewards of the community's natural resources through our business conduct in areas of energy management, community initiatives, design, development and construction. As an enterprise, we are committed to becoming more aware of how we can "go greener" and we will take action, where we can, to initiate change within the enterprise to reduce our carbon footprint and minimize the effects of global warming. This process will evolve over time.

The purposes for "going green" are to support the reduction of our carbon footprint which equates into the reduction of our overall carbon emissions. This will minimize our impact on global warming. We also want to be good stewards of our resident resources by developing energy efficient communities that require less direct utility cost. This in turn supports our financial/business objectives to provide affordable retirement living and services to our residents.

Ann's Choice has focused on the following in the past year:

- Move to using all recyclable disposable paper products.
- Gradual move to more gas efficient / environmentally friendly vehicles (hybrid and bio-diesel or natural gas where possible).
- Housekeeping has been working with Waste Management to develop a more comprehensive department and employee recycling plan.
- Implementing a comprehensive plan for use of environmentally friendly housekeeping / cleaning supplies throughout the campus.
- Conducting Community Building Energy Audits & Lighting Review.
- Developing an Integrated Pest Management program using "Green" chemicals.

### ***Erickson Advantage***

The Erickson Advantage (EA) health plan at Ann's Choice currently has the highest number of enrollees of all Erickson communities where the plan is currently offered. The EA Team enrolled 271 new members for 2008, a total enrollment of 634 as of December 31, 2008. The plan scored more than 88.5% for member satisfaction, over 18 points higher than the National Benchmark of 70.5% for 2008, over 90% of the respondents said that they would "Definitely" or "Very Likely" continue their EA coverage. Plus, nine out of ten said that they would recommend EA to a friend.

### **Resident Accomplishments and Highlights**

The Resident Advisory Council (RAC) plays an important role in keeping the focus on what is important to residents through their support, guidance and communication. The RAC held its fifth election for members and officers for 2009/2010. Five new members were elected: Pam Hitt, Jim Semmel, Dick Mansfield, Ben McMillen and Joanne Stroh. The following are the current council: Al Wiley, Pam Hitt and Jim Semmel from the Village Clubhouse neighborhood, Maggie Farley, Bob Jacoby, and Dick Mansfield from the Liberty Commons Clubhouse neighborhood, and Howard Bishow, Joanne Stroh and Ben McMillen from the Keystone Clubhouse neighborhood. We are grateful for the tremendous contributions of outgoing RAC members Harriet Malamud, Gerry Connell, Grace Reeves, Sy Glazman and Helen Gabler.

Residents joined together to raise over \$28,000 to purchase the stained glass window for the Ann's Choice Chapel.

1,200 residents and staff formed a ring of joined hands around the Ann's Choice campus as part of our *Unity in the Community* program.

Our new Ham Radio Club began operating and our Computer Club opened the resident computer lab, both of which are located in the lower level of Lewis Pointe.

## **Staff Accomplishments and Highlights**

Ann's Choice continued to set high standards in the marketplace as a great place to work. In fact, on the annual employee satisfaction survey, over 86% of Ann's Choice employees said they are "proud to work for Ann's Choice". Ann's Choice retention for the year was 70% which included both regular employees and the students. Not only was Erickson selected as a national top 100 places to work in *Fortune Magazine*, Ann's Choice and Maris Grove, a sister Erickson community in Delaware County, joined forces and were selected to the Top 50 Places to Work in Pennsylvania.

General Services, Dining Services and Resident Life achieved over 90<sup>th</sup> percentile positive grades and no deficiencies on their annual assessments administered from the corporate support team in their respective areas.

Ann's Choice won the "Bucks Beautiful" Award for grounds for the 3<sup>rd</sup> year in a row, recognizing the beautiful horticultural work of the staff.

Staff held a fundraiser and donated Paid Time Off (PTO) time in the amount of \$8,000 to sister Erickson community Eagle's Trace's staff, located outside of Houston, Texas, after Hurricane Ike.

## **2009: Looking Forward**

### **Areas of Focus**

Dealing with these economic times tests us all in new ways to be good stewards and we work to stay affordable to middle class seniors.

- Utilize various initiatives designed to encourage and facilitate settlements for new residents to meet settlement goals in the challenged economy.
- Focus in meeting established benchmarks for all clinical indicator measurements in our Renaissance Gardens to ensure superior resident care.
- Reduce expenses where possible, strengthen cash management and build cash reserves without compromising on superior quality of services and programming provided .
- Position ourselves to reduce costs for utilities on campus consistent with the deregulation of electric power in the State of Pennsylvania
- Enhance opportunities to improve the ‘greening’ of our campus.
- Facilitate resident led groups and activities on campus and community outreach and volunteerism off campus to keep Ann’s Choice a vibrant and engaging community

### **Financial Plans**

As a developing campus, Ann’s Choice’s business plan calls for an operating income of \$4,169,328. The community’s operations are consistent with other communities at the same phase of development.

The economic times and challenges have been cause for a sharp, continued focus on market conditions and our business plan. As a result, we have been careful postponing the hiring of some planned staff, corresponding to the somewhat slower pace of new residents moving in, and in tightening of our other expense lines. This has been thoughtfully and deliberately approached in our 2009 plan while focusing on the continued high level of service and programming.

The Board of Directors annually approves the delivery of community services, programs and operations, and adopts a resident fee schedule, through approval of the community business plan or Budget. The Budget is formulated by Management during the fall of each year and approved by the Board on or before December 1 for the ensuing calendar year. Management’s proposed budget to the Board takes into consideration suggestions from the community RAC and attempts to attain spending levels that meet the Board’s standards for community quality of life while maintaining affordability to the residents. In approving each annual Budget the Board seeks to provide a viable annual financial plan that is premised upon sustaining long term financial stability.

## **Campus Development**

Historically Erickson develops and expands campuses based on demand. Due to the current state of the economy and the aforementioned slowing of demand relative to previous years, Ann's Choice is holding off on the development of a fourth neighborhood and the expansion of Renaissance Gardens. As conditions allow, further development is expected to follow.

In 2009, the Liberty Commons Clubhouse will experience some Life Cycle Renovations (periodic capital improvements throughout common areas in the community) to update and freshen the look of our second community building.

## **Programs and Initiatives to Maintain Service, Culture, Mission and Values**

We have a number of goals related to resident satisfaction, employee satisfaction, and financial performance in 2009. While our goals may evolve during the year based on emerging priorities, some of the goals that are relevant to residents at Ann's Choice are as follows:

- This year our HR Department will offer a host of training classes for staff to enhance their skills in service delivery.
- Ann's Choice will expand the "*R Time*" Program in the community to provide extra support for residents who would benefit from a more structured day and to provide respite for caregivers.
- To improve resident confidence in evacuation procedures we will schedule evacuation drills in the dining rooms over the course of the year.
- There will be a refocus on the hot food program to ensure food and beverages are served at the appropriate temperatures.
- We will move to a 24-hour wellness center availability for residents and their guests.
- Enhance initiatives to convey timely and appropriate information to residents.
- Maintaining focus on repairs and general upkeep of buildings by monthly building walkthroughs, increasing accountability for closed work orders, and ensuring work orders for repairs are completed within one week.
- With a full complement of providers in place in the Medical Center, strategic review of provider schedules will be done to improve ease of appointment scheduling for our residents.

## **Executive Management Team**

**Joe LoCascio, Executive Director:** Joe joined the Ann's Choice team as Executive Director in 2002. Prior to coming to Ann's Choice, he was the ED for Brooksby Village in Peabody, Massachusetts. Before joining Erickson in 1997, he served for fifteen years as an administrator for the Anne Arundel County Public School System in Annapolis, Maryland, the 35<sup>th</sup> largest school district in the country. In that role Joe was recognized by the Washington Post as a "Distinguished Educational Leader" in the tri-state area. Joe received his B.A. from the Catholic University of America and his M.A. in Administration and Supervision from Loyola.

**Christopher Donati, Associate Executive Director:** Chris has over 20 years experience working in senior housing and since 2007 has been the Associate Executive Director at Ann's Choice. Prior to joining Erickson Communities, he was an Executive Director for Cooperative Retirement Services of America (CRSA) at Mercy Ridge, Inc., a 455-unit continuing care retirement community located in Timonium, MD. Chris also opened and managed life care communities for Marriott Senior Living Services and Sunrise Senior Living Services in Wilmington DE and Stamford, CT. He is a licensed nursing home administrator in Pennsylvania, Delaware and Connecticut. Chris graduated from the Pennsylvania State University with a B.S. in Health Planning & Administration and a Master of Health Administration degree.

**Deborah Olcese, Director of Marketing:** Deborah joined the Ann's Choice team as Director of Marketing in December of 2003. She joined Erickson Communities in June of 2002 as Director of Marketing at Cedar Crest. Prior to joining Erickson, she was the Personal Care (Assisted Living) Administrator at Twining Village for 11 years. Deborah is a Licensed Practical Nurse and maintains her nursing licenses in numerous states. She received her Personal Care Administrators Certification from Temple University. Deborah attended nursing school at Bullard Havens Technical School with clinical training at Bridgeport Hospital in Connecticut. She also attended Northern Essex Community College in Haverhill, Massachusetts. She holds a Real Estate Sales license in Massachusetts and a Real Estate Brokers License in North Carolina in addition to a Personal Care/Assisted Living Certification in Pennsylvania.

**Pete Cataldi, Director of Resident Life:** Peter joined the Ann's Choice team as the Director of Resident Life in 2008 after working in the same capacity at Cedar Crest, a sister Erickson community in northern New Jersey since 2001. He is responsible for the seven departments that fall under the Resident Life's umbrella. Peter began his Erickson career as a Wellness Manager and then assumed the title of Community Services Manager prior to accepting his current title. Peter spent 17 years working principally in rehabilitation at JFK Medical Center in Edison, New Jersey prior to coming to Erickson. He holds a bachelors degree in health education from Syracuse University, an MS in exercise science from the State University of New York College at Cortland, and a doctorate in sport psychology from Syracuse

**Tom Walsh, Regional Director of Finance:** Tom joined the Ann's Choice team as Director of Finance in 2003. Prior to joining Erickson, he worked as the Chief Financial Officer for Preferred Care, Incorporated and Preferred Care Life Insurance Company, a managed care entity in the Philadelphia area. Tom earned his bachelor's degree in Accounting from Temple University and his MBA from Philadelphia University. As Regional Director of Finance Tom's responsibilities include enterprise risk management, budget establishment and compliance, internal audits and monthly financial preparation and reviews.

**Chris Babst, Director of Dining Services:** Chris joined the Ann's Choice team as Restaurant Manager for our first clubhouse and was promoted to Director of Dining Services in 2006. Prior to coming to Ann's Choice in 2003, he worked for the Great American Restaurant's group in Virginia. Chris also owned and operated the Mill Race Inn in Holland, Pennsylvania and owned a catering company in Langhorne, Pennsylvania. He is certified in food service management, ServSafe instruction, Food Management Professional (FMP) Dietary Manager (CDM) and Adult CPR/AED. Chris received his Bachelor of Science in Hotel, Restaurant, and Institutional Management from the Pennsylvania State University.

**Robin Kaufold, Director of General Services:** Robin joined the Ann's Choice team as a Sales Associate in the Marketing Department in 2003 and quickly moved up to Sales Manger and then Associate Director of Marketing before accepting the position of Director of General Services. She has 28 years of experience with progressive responsibility in the areas of management, marketing and sales. Prior to coming to Ann's Choice, Robin was Director for Marconi and Rhythms NetConnections and led work teams for AT&T, Sprint, Metromedia and Cingular Wireless. Robin graduated from Elizabethtown College with a Bachelor of Science in Business Administration and minored in Marketing and Mathematics.

**Dr. John Marcelis, Senior Regional Medical Director:** Dr. Marcelis joined the Ann's Choice team as the first doctor of our Medical Center in 2003. Prior to joining Erickson, he served 10 years with the University of Pennsylvania's Clinical Care Associates as a practicing Geriatrician. He was also a member of their Institute on Aging and Medical Director for a local CCRC and Sub-Acute ventilator unit. He completed his undergraduate degree in Biochemistry with Honors from Temple University and then went on to complete his medical school training, Internship, and residency at Temple University Hospital. Dr. Marcelis is responsible for the operations of the Medical Center, provision of medical services, policy and procedure oversight, and integration of Medical Center activities within a seamless continuum of care.

**Susan Abtouche, Director of Philanthropy:** Susan joined the Ann's Choice team as the Gift Planning Coordinator in the Resident Life Department in 2005 and moved up to Director of Philanthropy in August of 2007. Susan had worked in various positions at local non profits over the last ten years. She had been a Director of Community Outreach at Bucks County Opportunity Council, Inc. and

had worked as an Internship and Co-op Coordinator at Holy Family University and as an Admissions Representative at Bucks County Community College. Susan graduated from Holy Family University with a Bachelor of Arts in Psychology and received a Master of Science in Administration of Human Services from Chestnut Hill College.

**Maureen O'Toole, Director of Renaissance Gardens/Administrator:**

Maureen joined the Ann's Choice team in January 2006 as the Administrator for Renaissance Gardens. Prior to Ann's Choice she worked for the past twenty-five years in various positions in long-term care. Maureen has spent the past year integrating herself and the Renaissance Gardens team into the life of the whole community. She has spent a great deal of time educating staff and residents about the neighborhood-model being implemented in the Renaissance Gardens. Maureen received her Bachelor of Arts degree in Social Work from LaSalle University and a Master of Science in Gerontology from St. Joseph's University. She is licensed nursing home administrator in Pennsylvania and has been an administrator for over 10 years.

## **Resident Advisory Council (RAC)**

(elected March 26, 2009)

### **Howard Bishow – Chair**

Howard Bishow served as Senior Vice-President of the New York Times (responsible for labor relations). He was on the Board of Directors for the Red Cross of Greater New York; served on the Board of Directors of the West Side YMCA in NY City and served as Chair of the Board of Directors for Clinton House (outreach program for teens). He served on the Advisory Council, Labor Relation School at Cornell University, a Veteran of the Korean War and is a member of AARP's Florida Leadership where he served on the AARP Florida Training Chapter and as President of the Chapter. He was President of a Condominium Board and member of Florida's long term care Ombudsmen Council.

### **Pamela (Pam) Hitt – Vice Chair**

After graduating from Alfred Tech with a degree in Business, Pam moved to Washington, DC. In Washington, Pam worked at the CIA for the Director of Budget and Finance. For sometime, Pam worked part-time in Finance, both stateside and overseas in Germany and Italy. After retirement, the main thrust of Pam's work was with volunteering in Southampton, Long Island where she and her family lived for 20 years. She served for 10 years as the Financial Secretary of the First Presbyterian Church of Southampton and also served as President of the Presbyterian Women. Pam also served for a number of years as Secretary to the Long Island Presbyterial. One of the most challenging and interesting positions Pam held was that of President of the Board of Trustees of the Southampton Historical Museum and Research Center. In this role Pam was directly involved with fundraising activities associated with maintaining and preserving three museum owned properties with one dating back to 1640. Since 2005 Pam has lived here at Ann's Choice. Pam has continued her passion for volunteering and involvement through her participation with many Ann's Choice committees and groups including Memory Extravaganza, Unity in the Community, Community Forum, Meeting of the Minds, Scholars Fund, Helping Hands, and Dining Services.

### **Margaret (Maggie) Farley – Secretary**

Maggie lived most of her adult life in the Langhorne/Levittown area. She retired in 2004 after 25 years as Treasurer and Manager of Dawson Engineering, Incorporated. Served on numerous community boards and the Treasurer of Fairway Plaza Business Association for 15 years. Theater has been her passion for over 50 years with continuing education in theater courses, as well as, years of experience in acting and directing in Community Theater. She is a graduate of Bucks County Community College, and attended Strayer Business College, Washington, DC.

### **Robert (Bob) Jacoby**

Graduated from Millersville State Teachers College, Millersville, PA with a Bachelor's Degree in Industrial Arts Education and graduated from the University

of Pennsylvania with a Masters Degree in Educational Administration. Served two years in the U.S. Navy on the aircraft carrier USS Princeton off the coast of Korea. His working career included Teaching, High School Administrator and Bureau Manager with the NJ State Department of Education. His responsibilities in NJ included statewide monitoring and supervision of vocational student organizations, apprenticeship training, veteran's education and training, approval of private vocational schools, working papers, adult vocational education, and federal training programs. Served three terms on the church council of Good Shepherd Lutheran Church in Southampton. Served five terms on the Council Rock School Board. Moved into Ann's Choice in May 2005. Involved in the ACH "Signs" Committee, ACH Ambassadors, Committee of Parking Policies, Committee on Safety Guidelines for Large Group Areas, Computer Club, Dining Committee, Genealogy Club, German Club, Political Interest Group, Publishing of "RAC Matters", Trips and Travel, TV Studio Volunteers, Veterans Group, Woodshop Club, and member of ACH Resident Advisory Council.

### **Richard G. (Dick) Mansfield**

Dick served in the U.S. Army from 1950-1952 in the Corps of Engineers. He has a B.S. Degree in Textile Engineering and Chemistry from the Philadelphia Textile Institute (now called Philadelphia University). Dick also holds an M.S. Degree in Textile Technology from the Institute of Textile Technology in Charlottesville, VA. During his career, he has held technical and management positions within DuPont, Dow Chemical, Chemstrand-Monsanto and Burlington Industries. In 1975, Dick established his own consulting business specializing in textiles and man-made fibers. Dick retired in 2005. In Wilton, Dick was active in the church on the Board of Deacons, Board of Trustees, and the Cemetery, Building and Grounds Committees. He also served on the Open Space and Parks Committee for the town of Wilton. In May of 2007, Dick moved here to Ann's Choice from Wilton, CT. At Ann's Choice Dick is active in many groups including the Digital Photography Club, Romeos, Short Story Discussion group, the Veterans group, and Learners Forum.

### **Oliver B. (Ben) McMillen**

Ben worked for Bell Atlantic, now Verizon, for 47 years before retiring as Executive Vice-President. Prior to his retirement, he served as President and Chief Operating Officer of Telecom New Zealand for four years. During his time with Telecom of New Zealand, Ben developed a plan which transformed the telephone company from a government owned and operated entity to a profitable, competitive operation. Before moving to Ann's Choice, Ben was a resident of Stone Ridge Condominiums. During the first five years of development, Ben was President of the Stone Ridge Condominium Association. In this position, Ben concentrated his efforts on township, builder, and resident negotiations.

### **James (Jim) Semmel**

Professionally, Jim served as an elementary school principal with a staff of over 40 people for 33 years. In service to the community, Jim has held the chairmanship of church committees, along with membership on a variety of committees including two pastoral search committees. Time spent volunteering in a local school was rewarding. Jim has lived at Ann's Choice for five years.

Presently, he serves on Congressman Patrick Murphy's Air Force Academy Review Board to choose candidates for the Air Force Academy. Here at Ann's Choice he volunteers in Renaissance Gardens in the Physical Training Department. For fun, Jim initiates and organizes floor dinners.

**Joanne Stroh**

Joanne holds a B.S. in Education from the University of Pennsylvania and an M.S. in Psychology from Temple University. Joanne's career is highlighted with 18 years as Principal within the Abington School District. Prior to her retirement as Principal, Joanne held various administrative positions within the district. She also trained as a mediator to assist people and groups solve disputes, especially across Southeastern Pennsylvania. At this time, Joanne teaches courses in communication skills, and is the author of state and federal grants and programs for the Abington School District along with the local police department. She is currently the Chair of "No Place For Hate" in Abington Township and coordinates the D.A.R.E. program for Abington School District. Joanne has lived at Ann's Choice since June of last year. She is a member of the Meeting of the Minds committee.

**Albert (Al) Wiley**

Honorably discharged from the United States Army and served 15 months in Korea, and has 2 battle stars. He holds a Commonwealth of PA Professional License to practice Public Accounting. He was the Founder and organizer (1972) of Alert Wiley Jr. & Company, P.C., a Public Accounting Practice in Richboro, PA. Al is a Director (32 years) and present Treasurer of the Union Cemetery Company in Richboro, PA. He was elected to and held office on the Northampton Township, PA Board of Supervisors for 12 years, served on the Bucks County Republican Committee for 4 years and served on Board of Trustees of the Bucks County Community College as Finance Chairman for 4 years. Al was the inspiration and assisted with the vision, development, creation and organization of: The American Professional Wound Care Association, a not-for-profit education and health advocate entity; former President of the Lower Bucks County Church Softball League; former member of President of the Churchville Lions Club, the Churchville and Richboro Rotary Clubs; and served as Ruling Elder of Church affiliation for 17 years. Al has been a resident of Ann's Choice since April 2004 and serves as an Ann's Choice Ambassador, served as President of the Ann's Choice Veterans Group, organizer and moderator of Ann's Choice Exploring the Stock Market Group, charter member of ACH Advisory Council Finance Committee and member of the ACH BCF Committee. Hobbies are playing organ music, stock market trading, traveling and an avid NASCAR fan.

*We would like to thank Jerry Connell, Sy Glazman, Harriet Malamud, Helen Gabler, Grace Reeves and Bernie Freitag for their service on the Resident Advisory Council as they step off the Council.*

## **Organization and Governance**

### ***Organization***

Ann's Choice is organized as a not-for-profit corporation and is an affiliate of National Senior Campuses, Inc. (NSC). Ann's Choice is governed by its Board of Directors, whose members are independent of Erickson Retirement Communities, LLC and its affiliated organizations. No Erickson employees may serve on the Boards of Directors.

The Ann's Choice Board is responsible for oversight of the development, financing and operations of the Community. The Board has retained Erickson to provide management services for the Community pursuant to a Management and Marketing Agreement. With no private shareholders to pay, the Community's net assets are retained for the long-term benefit of current and future residents and to further the Community's charitable mission.

Ann's Choice is one of 21 communities supported by National Senior Campuses, Inc. (NSC). NSC acts as an umbrella organization by organizing separate not-for-profit corporations to operate retirement communities (such as Ann's Choice) and providing ongoing strategic planning, governance and operational resources to the Community Boards. It also develops and monitors overall policies and guidelines for operations and standards of care in order to promote efficiency while preserving the high-quality standards of its supported organizations. NSC develops long-range strategic plans and formulates relationships that are beneficial to its supported organizations and promote cost savings within the system. NSC also facilitates growth of the system by sponsoring new communities in areas of the country where it is needed.

The Board of NSC currently consists of eleven independent directors, each of whom brings a particular expertise to the Board. To assure that NSC is responsive to its Supported Organizations that own and operate the communities, at least one of the directors of each Supported Organization is also a director of NSC. This allows each Supported Organization to have representation and influence over the policies and activities of NSC.

For more information about the organization and governance of Ann's Choice and NSC please go to [www.NationalSeniorCampuses.org](http://www.NationalSeniorCampuses.org).

### ***Board of Directors***

All corporate authority resides in the Ann's Choice Board of Directors as fiduciaries of the Corporation, subject to the requirements and restrictions set forth in the Corporation's Charter, Bylaws and applicable law. As fiduciaries, the directors are the stewards of the corporation's assets and have the responsibility for seeing that the corporate mission is being fulfilled and that the assets of the corporation are being effectively used for that purpose.

Erickson Retirement Communities is responsible for the day-to-day management of Ann's Choice pursuant to a Management and Marketing Agreement between Ann's Choice and Erickson Retirement Communities. The Board of Directors regularly monitors the quality and effectiveness of management performance and decisions including the execution of its strategies in support of the mission

The Board of Directors is comprised of a maximum of 11 and a minimum of 6 people. At least one of the directors of Ann's Choice must be a member of the Board of Directors of NSC and is appointed by NSC to a one-year term. At least one of the other members of the Board of Directors must be a resident of Ann's Choice.

Ann's Choice's Board of Directors is committed to maintaining strong corporate governance principles and practices. The Board periodically reviews evolving legal, regulatory and best practice developments to determine those that will best serve the interests of our stakeholders.

If you would like additional information about Ann's Choice's corporate governance practices, you may view many of the documents listed below at [www.National-Senior-Campuses.org](http://www.National-Senior-Campuses.org) or visit the Executive Director's office where you will be provided access to review the contents of the Community Reading File:

- Corporate Governance Guidelines
- Amended and Restated Articles of Incorporation
- Bylaws of Ann's Choice
- Form 1023 – Application for Recognition of Exemption
- IRS 990, Return Of Organization Exempt From Income Tax (most recent year)
- IRS Certificate of Approval of 501(c)(3)
- Management and Marketing Agreement
- Official Statement of Bond Issue (as applicable)
- Audit Committee Charter
- Finance & Acquisitions Committee Charter
- Conflict of Interest Policy
- Community Board Resident Director Recruitment Policy and Procedure
- RAC Handbook
- Summary copy of current year budget and rolling three-year business plan
- Annual Report (most recent copy) which contains the Mission Statement, Management Report, Director Biographies, and Organization Chart
- Audited Financial Statement

## ***Corporate Governance Guidelines and Committee Charters***

The Corporate Governance Guidelines and the charters of the committees of the Board of Directors describe our corporate governance practices.

The Corporate Governance Guidelines and charters are intended to ensure that the Board has the necessary authority and practices in place to review and evaluate our business operations and to make decisions that are independent of the Management Company. The Corporate Governance Guidelines establish the practices the Board follows with respect to board composition and selection, board meetings, board committees and director compensation. Members of the Board of Directors are expected to participate in continuing education activities designed to maintain their knowledge of current industry developments and corporate governance practices. To achieve the Board education objective the Board maintains memberships in leading corporate governance trade associations such as the National Association of Corporate Directors and Board Source. The Board annually conducts a self-evaluation to assess compliance with the Corporate Governance Guidelines and identify opportunities to improve Board performance.

The Corporate Governance Guidelines and committee charters are reviewed periodically and updated as necessary to reflect changes in regulatory requirements and evolving oversight practices.

## ***Committees of the Board of Directors***

The Board of Directors has appointed various Committees to undertake certain aspects of the Board's duties. Each Committee is comprised of Board members and is governed by a Committee Charter that was approved by the Board of Directors.

### ***Community Operations Committee***

The Community Operations Committee ("COC") serves as the local governance connection that interfaces with the community residents and management staff. The COC may exercise most of the powers and authority of the Board of Directors in the management of the operations of Ann's Choice. During 2008, the COC formally met on a quarterly basis with more frequent informal meetings. Among the actions taken by the COC during 2008 were:

- Approval of the Budget for 2009. (The 2008 Budget was approved in 2007.)
- Meetings with the Residents Advisory Council to receive their input on the effectiveness of Community operations and priorities.
- Formal evaluation of the performance of Erickson Retirement Communities as a manager of Ann's Choice
- Review of the annual goals proposed by Erickson Retirement Communities for the operations of Ann's Choice

- Review of the results of the annual Residents' Satisfaction Survey including the Action Plans proposed by Erickson Retirement Communities to address matters needing corrective action as reported in the survey.
- Meeting with the residents at the Annual Town Meeting to review the operations of Ann's Choice
- Numerous meetings with the Executive Director and management staff to review operating, compliance and financial reports.

Ann's Choice requires Erickson Retirement Communities to adhere to a Code of Business Conduct, a Compliance Plan and a Whistleblower Policy. The Community Operations Committee regularly receives reports from Erickson Retirement Communities on the continued adherence to these policies

### *Finance & Acquisitions Committee*

The Charter of the Finance & Acquisitions (F&A) Committee authorizes the Committee to develop financing strategies for the Community during the development stages and conduct due diligence on proposed financing transactions.

During the period of development and construction at Ann's Choice, the F&A Committee has monitored the progress of the development in comparison to the original development projections. In 2008, the Committee was pleased to welcome Fred Haas as a member.

### *Audit Committee*

The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting and the qualifications and performance of the independent public accounting firm engaged as the Community's independent auditor.

The Committee relies on the expertise and knowledge of the Management Company and the independent auditor in carrying out its oversight responsibilities. The Management Company is responsible for the preparation, presentation, and integrity of our financial statements, accounting and financial reporting principles, internal control over financial reporting, and disclosure controls and procedures designed to ensure compliance with accounting standards, applicable laws, and regulations. The Management Company is responsible for objectively reviewing and evaluating the adequacy, effectiveness, and quality of our system of internal control. The Community's independent auditor, PricewaterhouseCoopers LLC, is responsible for performing an independent audit of the financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States.

With respect to the year 2008, the Audit Committee fulfilled its duties and responsibilities generally as outlined in the charter as follows:

- Met with the independent auditors and representatives of the Management Company and
  - Reviewed the audited financial statements and the auditor’s report.
  - Reviewed the auditor’s report on internal controls as well as the Management Company’s response and planned corrective actions
  - Reviewed the auditor’s report on matters relating to their audit that are required to be discussed with the Audit Committee by Statement on Auditing Standards No. 61, as amended, “Communication with Audit Committees.” This review included a discussion with the Management Company and the independent auditor of the quality (not merely the acceptability) of our accounting principles, the reasonableness of significant estimates and judgments, and the disclosures in our financial statements, including the disclosures relating to critical accounting policies.
- Met in Executive Session with representatives of the independent audit firm
- Reviewed and approved the audit firms Letter of Arrangement for the audit engagement
- Confirmed the independence of the audit firm in compliance with American Institute of Certified Public Accountants independence standards.
- Confirmed with the Management Company and the independent audit firm that the independent audit firm provides no services for the Management Company.

Based on the reviews and discussions described above, the Audit Committee recommended to the Board of Directors that the audited financial statements be accepted for distribution to residents, creditors and others as appropriate.

### Investment Committee

The purpose of the Investment Committee is to assist the Ann’s Choice Board of Directors to fulfill their oversight responsibilities with respect to the investment, monitoring, accountability and control of Benevolent Care Funds, Excess Cash and other community funds as may be appropriate. The Committee is an Advisory Committee to the Ann’s Choice Board with director representatives drawn from the Boards of Directors of NSC and the Communities. The Investment Committee was formally established as a separate Committee in January 2009. Previously the monitoring of investment activities was provided through an Investment Subcommittee of the Finance & Acquisitions Committee. The Boards of Directors of NSC and its Supported Communities decided to create a separate Investment Committee in recognition of the growing levels of investment dollars across the communities and the need to provide a singularly focused committee to oversee these funds.

## ***Director Compensation***

In 2008, Ann's Choice paid a total of \$67,580.00 in compensation to the members of the Boards of Directors of Ann's Choice and National Senior Campuses, Inc. Directors' Compensation for both Ann's Choice and NSC was determined by the Boards of Directors of Ann's Choice and NSC. In determining the amounts of compensation, the Boards considered the time and expertise requirements of directors; fees paid to directors of comparable companies, both for-profit and not-for-profit and the findings of an independent compensation consultant retained to review the reasonableness of directors' compensation.

## ***Form 990***

A copy of the most recent Form 990, Return Of Organization Exempt From Income Tax, can be reviewed in the Executive Director's Office or online at [www.NationalSeniorCampuses.org](http://www.NationalSeniorCampuses.org).

## **Board of Directors**

### **Stanley Elwell - Chair**

Mr. Elwell is the former President, C.E.O. and Trustee of Episcopal Hospital in Philadelphia, having served this major teaching hospital for 25 years. He was a member of the Board of Directors of the Delaware Valley Healthcare Council and the Hospital Association of Pennsylvania where he served a term as the Chairman of the Board. His other activities included service in the Regional Advisory Board of the American Hospital Association and member of the Philadelphia Bar Foundation Committee on awards. He is now a director and officer of the Presbyterian Children's Village located in Rosemont and Philadelphia. His career in health care management began on the staff of Duke University Medical Center and he earned a Masters in Hospital Administration from Duke. He has a Bachelors of Science degree from Iowa State University. Mr. Elwell also serves on the board of directors of National Senior Campuses, Inc., and other organizations supported by National Senior Campuses, Inc.

### **Jim Anders**

Mr. Anders is the Administrator and Chief Operating Officer for the Kennedy Krieger Institute, Inc. and all subsidiary corporations. Kennedy Krieger Institute is an internationally recognized academic, research, healthcare and educational facility dedicated to serving children and young adults with developmental disabilities and spinal cord injuries. He is responsible for the overall strategic, operational, and financial management of Kennedy Krieger. In addition he is Chairman of Chesapeake Rehab Equipment, Inc., a Mid-Atlantic rehab company. He has an MBA from the University of Baltimore and is also a CPA. Mr. Anders also serves on the board of directors of National Senior Campuses, Inc., and other organizations supported by National Senior Campuses, Inc.

### **Harold Ashby**

Mr. Ashby retired in 2001 from PricewaterhouseCoopers, where he served as Managing Partner of the firm's Baltimore Office. He was also, at various times, Partner in Charge of regional or national industry programs for financial services, middle market companies, and state and local government. Mr. Ashby's volunteer activities include Chairman of the Central Maryland YMCA, Board of Directors of the Maryland Association of CPAs, Board of Advisors of the Loyola College Executive MBA Program, and Greater Baltimore Committee Task Forces on Crime and Regionalization. Mr. Ashby also serves on the board of directors of National Senior Campuses, Inc., and other organizations supported by National Senior Campuses, Inc.

### **Fred Haas**

Mr. Haas received his BA in accounting from Penn State University in 1966. After joining the air force, Mr. Haas was commissioned as a 2<sup>nd</sup> Lieutenant in 1967. He served as a maintenance officer until 1971. Following his military career, Fred joined Philadelphia tax firm, Coopers and Lybrand in 1971, earned his CPA in '73, and became partner in 1978. After joining PriceWaterhouseCoopers LLP in 1983,

Mr. Haas continued to specialize in real estate, financial services, personal financial planning, and closely held businesses. After retiring in 2001, Mr. Haas relocated to Philadelphia and continues to work part time for several clients.

### **Bill Kennedy**

Mr. Kennedy is a litigation partner in White and Williams, LLP, a large, civil law firm with offices throughout the Mid-Atlantic. Mr. Kennedy represents insurers, manufacturers, and health care providers. He has taught at both graduate and professional levels on many aspects of the integration of law and business. He has served as Special Counsel to institutions investigating abuse. Mr. Kennedy received his B.A. from Bucknell University and his Juris Doctor from The Dickinson School of Law, where he was on the Law Review. Mr. Kennedy also serves on the board of directors of National Senior Campuses, Inc., and other organizations supported by National Senior Campuses, Inc.

### **Ken Longman**

Mr. Longman worked for over 20 years in a partnership in a marketing modeling firm in Greenwich, CT and Princeton, NJ. He has served as adjunct professor of Marketing at the University of North Carolina at Chapel Hill. He has held top positions with Young and Rubicam, NW Ayer & Son, and J. Walter Thompson Company. Mr. Longman has published articles in various Marketing trade journals, and published a text book on advertising. He has been active with Canine Companions for Independence in both New Jersey and Philadelphia. Mr. Longman has lived at Ann's Choice since 2003 and has served as Chair of the Ann's Choice Resident Advisory Council.

### **Willow Pasley**

Ms. Pasley is a finance and management professional with 20 years of experience in the banking industry. During her tenure with Citizens Bank and BayBank, she specialized in lending to healthcare and not-for-profit organizations, including continuing care retirement communities. She earned a BA from Hartwick College and an MBA from Simmons College. Ms. Pasley also serves on the board of directors of National Senior Campuses, Inc., and other organizations supported by National Senior Campuses, Inc.

### **Larry Shubnell**

Mr. Shubnell retired from Legg Mason, a Baltimore based financial services firm, at the end of 2001 having served as senior managing director for public finance investment banking. Prior to joining Legg Mason he was a public finance officer at each the local, state, and federal levels of government. He also served as an independent financial advisor to companies and public authorities in matters of debt management. He graduated from the University of Notre Dame and George Washington University and holds an MBA degree and a CPA certificate. He has served on the boards of several for-profit and not-for-profit organizations including the United Way and the Historic Annapolis Foundation. Mr. Shubnell also serves on the board of directors of National Senior Campuses, Inc., and other organizations supported by National Senior Campuses, Inc.

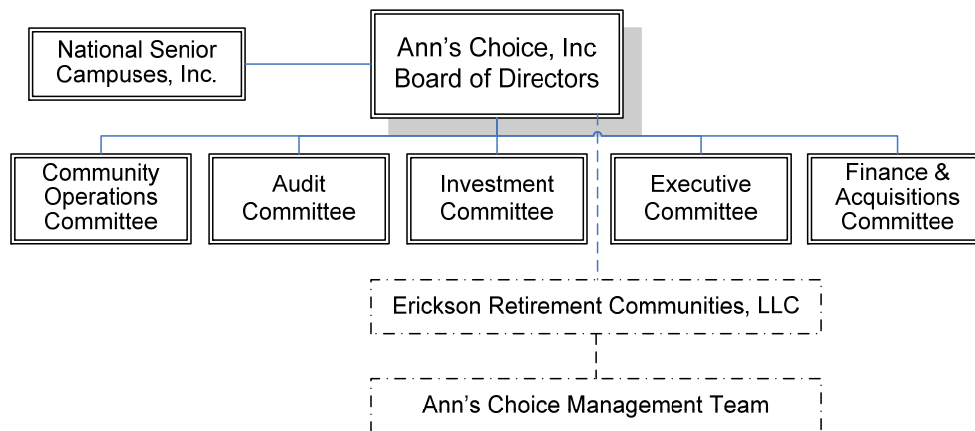
**Meryle Twersky**

Ms. Twersky is a business executive/attorney with more than twenty years of extensive healthcare industry experience. She served as Vice President of Episcopal Hospital, a major teaching hospital in Philadelphia, PA; as a VP/Counsel for a Philadelphia-based Pharmaceutical Company and as a Senior Consultant to diverse non-profit organizations. Ms. Twersky received her law degree, MBA & bachelor’s degrees from Temple University. She is a member of the New Jersey Bar and Pennsylvania Bar. Her community volunteer activities include membership on her local township Zoning Board and as a board member of Settlement Music School, Jenkintown, PA. Ms. Twersky also serves on the board of directors of National Senior Campuses, Inc., and other organizations supported by National Senior Campuses, Inc.

**Ron Walker**

Mr. Walker served as President of Lyon, Conklin & Company in Baltimore until his retirement in 1993. Prior to that position, he was Treasurer and Controller of C.C. Dickson Company in Charlotte, North Carolina. Both companies were involved in HVAC equipment distribution. Mr. Walker started his professional career as a CPA with the accounting firm of Coopers & Lybrand in Charlotte after graduating from the University of North Carolina at Chapel Hill. Mr. Walker is chairman of the board of directors of National Senior Campuses, Inc. and also serves on the boards of other organizations supported by National Senior Campuses, Inc.

***Ann’s Choice Organizational Chart***



**LEGEND:**

- \_\_\_\_\_ = governance relationship (by charter or bylaws)
- - - - - = contractual relationship

## *Ann's Choice Committees of the Board of Directors*

### Community Operations Committee:

- Stanley Elwell
- Fred Haas
- Bill Kennedy
- Ken Longman
- Meryle Twersky

### Finance & Acquisitions Committee:

- Jim Anders
- Harold Ashby
- Fred Haas
- Willow Pasley
- Larry Shubnell
- Meryle Twersky

### Audit Committee:

- Fred Haas
- Bill Kennedy

### Executive Committee:

- Ron Walker
- Stanley Elwell
- Jim Anders
- Harold Ashby

### Investment Committee:

- Jim Anders
- Fred Haas
- Willow Pasley
- Larry Shubnell
- Jim Hayes (member NSC Board)

**Ann's Choice**  
**Statement of Operations**  
**For the Year 2008 \***

	<b>FY07 YearTotal <u>Actual</u></b>	<b>FY08 YearTotal <u>Actual</u></b>	<b>FY08 YearTotal <u>Budget</u></b>
<b>Operating Revenue</b>			
Resident Monthly Fees	\$ 24,029,968	\$ 34,784,015	\$ 34,877,678
Departmental Revenues	4,863,393	6,451,790	6,846,908
<b>Total Operating Revenue</b>	<b><u>28,893,362</u></b>	<b><u>41,235,805</u></b>	<b><u>41,724,586</u></b>
<b>Operating Expense</b>			
Wages	12,467,769	16,623,823	17,254,141
Employee Benefits / Other EE	3,206,448	4,477,540	4,120,554
Contract Labor Expense	2,327,051	2,248,984	1,946,012
Supplies Expense	3,957,320	5,115,277	4,992,956
Repairs and Maintenance Expense	605,584	793,912	584,570
Professional Fee Expense	191,159	279,454	278,843
Purchased Services Expense	2,355,084	2,738,175	2,666,831
Insurance	430,292	604,928	550,399
Utilities	2,048,704	2,695,680	3,063,168
Real Estate Tax	2,024,198	2,675,210	2,514,643
Management Fees	1,187,320	1,739,201	1,640,632
Marketing Costs	0	0	0
Other Expense	979,428	1,263,984	1,586,472
<b>Total Operating Expense</b>	<b><u>\$ 31,780,359</u></b>	<b><u>\$ 41,256,168</u></b>	<b><u>\$ 41,199,222</u></b>
<b>Operating Income</b>	<b><u>\$ (2,886,997)</u></b>	<b><u>\$ (20,363)</u></b>	<b><u>\$ 525,364</u></b>
<b>Non-Operating Income **</b>	<b>317,555</b>	<b>(1,651,952)</b>	<b>2,535,469</b>
<b>Net Income</b>	<b><u>\$ (2,569,442)</u></b>	<b><u>\$ (1,672,315)</u></b>	<b><u>\$ 3,060,834</u></b>

\* *Audited Financial Statements Available in Executive Director's Office Upon Request*

\*\* *Non-Operating Income Includes - Investment Income, Unrealized Gains and Losses, Net Rent, Interest Expense, Letter of Credit Fees, Amortization Expense, and Depreciation Expense.*