

2010 Annual Report

VALLEY VIEW HAVEN



VALLEY VIEW
Retirement Community



MALTA HOME
Retirement Community

www.vvrconline.org

2010 IN REVIEW

One of Valley View Haven's priorities in its long range plan for 2010 to 2012 is to do a better job of "telling our story". Toward that end we developed a new organizational website, a video for the "Tour of Mifflin County" website, spoke to many civic organizations, and created a new Director of Development position which was filled by our former Director of Finance, Randy French. As the Director of Development, Randy not only focuses on improving our fundraising efforts, but he also helps to serve as our ambassador, reaching out to members of the community to tell them about our organization and its mission.

As we prepared to launch Randy on his way, we recognized that our mission is rooted in the story of our organization's creation in the 1960s. To help preserve the story of our founders, a video was commissioned to document the history of our organization and to help explain our mission. We invite you to watch the video, which features former Board members, at our website www.vvrconline.org.

During 2010 we made numerous improvements at Valley View Retirement Community and Malta Home. Some were not glamorous, but were needed to better serve our residents and staff or to meet Federal mandates. In the Haven, a new sprinkler system and chiller were installed on the 400 and 500 wings, a new wireless call system was added, and a new lounge was created on our 200 wing. At Malta Home, a new cottage was added based on a new design. It was our largest model ever, featuring a sun room and a two-car garage.

In 2010, we experienced a deep disappointment. We had high hopes for starting the construction of a new nursing home at Malta Home. Unfortunately, the bids received on the building project far exceeded our construction budget. The higher than expected building costs, coupled with a grim outlook for Medical Assistance Program funding, led us to cancel the project.

When compared to 2009, our Statement of Revenues and Expenses for 2010 reflects increased revenues of \$745,000 (4.6%) and increased expenses of \$554,000 (3.5%). For 2010, we report an operating income of \$172,099, and a bottom line loss of \$162,356 due to the \$450,520 charge-off of design and development costs associated with the cancelled project at Malta Home and a charge-off of \$124,016 of development costs carried on the books since

2005 for a dementia care project at Valley View.

Looking ahead, we expect a continuation of the trends we observed in 2010. We expect more short-term stays in our nursing homes as residents return home following temporary placement for care and rehabilitation, more growth in care at home by home care agencies or family members who have been affected by the weak economy, and more pressure on Medical Assistance and Medicare rates due to government funding challenges and greater utilization.

To help us adapt to these trends, in 2011, we will be working on a new master plan for Valley View Retirement Community and Malta Home. We are beginning new or expanded relationships with key business partners to serve our residents better: CURA Hospitality is assuming management of our food services at Valley View Retirement Community; Total Life Care Pharmacy, an affiliate of Lewistown Hospital, is our new pharmacy services provider; and Forefront Telecare provides web-based psychiatric care and virtual visits for residents and their family members.

As we look back on the disappointment of the failed building project and as we consider the challenges ahead, we are mindful of Romans 12:12 which says, “Rejoicing in hope; patient in tribulation; continuing instant in prayer”. We thank you for your support of Valley View Retirement Community and Malta Home, and we ask for your continued prayers for our organization and its residents and staff.



Randy Sheaffer, CPA, NHA
Executive Director



Harold Johnson
President of the Board of Directors

VALLEY VIEW RETIREMENT COMMUNITY



Brenda Fike
Administrator

The employees of Valley View Haven are dedicated to provide quality of care to our residents and to maintain or improve their quality of life. The residents are the reason we come to work every day. The national trend is for care to be resident focused and what the resident wants or needs. Care is becoming more personalized. This is reflected in the assessments and interviews that are completed by all departments on admission and at intervals throughout their stay.

We are continuing to see more and more residents come for a short period of time for rehabilitation and then safely return home. The short term stays have been ranging from one week to 3 or 4 months. It is refreshing to know that residents improve and that they do go home.

Telecare psychiatric services are now available for our residents. Living in a rural area we have limited access to a psychiatrist and we are fortunate to have Forefront Telecare, based in California, supply us with the services of a psychiatrist. Communication between the physician and the resident is via the Internet. An additional service is the Family Virtual Visits that are engineered to enable our residents to visit their families over the Internet, hands free. The service is free to family members; all that is needed is a web cam. The visits are pre-scheduled and last 15 minutes, and start and stop automatically.

A weekly resident breakfast is provided for the residents wishing to attend. The eggs are prepared per each resident's choice. The residents look forward to this special time and enjoy the social atmosphere. The Nutrition department and the Activities department have made this a joint effort.

We will continue to strive to improve resident care and quality of life through educational processes and changing of some of the systems. Our commitment is to our Mission, Vision, and Value statement and quality resident care.



Nan Yeater
Administrator

MALTA HOME RETIREMENT COMMUNITY

What are the elements that define a home? Is it the physical surroundings, the aesthetics, the food? Is it the location of the property? For some folks, the physical elements and appearance are extremely important. For others, food is very important – the taste, the appearance, the availability. A home is “a dwelling place” and “a place of residence”. Our focus at Malta Home for the past few years has not only been providing the comforts of home and a safe home for our residents – but also the development of a

site plan and a new nursing home to serve our existing residents and potential clients. Sadly, we have recognized that a new building is not going to take place. The reality is the economy's downturn, potential shortfalls in the Medical Assistance Program and other factors have forced us to forego the building project.

The challenge before us remains to continue our mission and vision and to serve our residents out of our existing building. There are many challenges - our building needs refurbishing and various upgrades to add to the overall function and logistics of the building. Our focus of serving the residents and their families, providing quality nursing care, and preserving dignity and quality of life would be enhanced by these changes.

Necessary staffing changes in various departments has also helped us to keep the Operational Budget in-line. This reorganization brought forth an in depth review of job functions and tasks as well as other processes.

The challenge before us is great. The rewards in our service to the residents are greater! A committed staff of nursing assistants, licensed nurses and the Department Head Team work diligently, along with Benchmark Therapies to deliver the best possible nursing care and rehabilitation not only to improve quality of life, but to strengthen, restore and maintain functioning for our residents. Our Interdisciplinary Team meets daily to review incidents, implement solutions and improve systems processes. Our turnover in staffing at Malta Home in 2010 was below 18%! Our volunteer program is blessed with the addition of three new volunteers in 2011, making our total - 20 volunteers! Our volunteers donated over 757 hours of time in 2010 in the areas of activities – such as transporting residents and providing a weekly bible study, a card club, and assisting with bingo and 1:1 visits for residents. In addition volunteers assist with maintenance, planting flowers and grooming our flower beds. Our “Red Hat Society” comprised of several residents, assist with projects for our service men and women and baking projects.

We added a custom cottage to our Independent Cottage Program and the cottage program continues to maintain occupancy at 100%.

As we envision what lies before us, with the regulatory environment changing, CMS guidelines ramping up, the foreseeable changing environment with accountable care organizations – again, the challenge is great. Malta Home continues to focus on providing on living out our mission everyday – to our residents and staff” in a manner demonstrating Christian love and compassion” – and making Malta Home truly a “home”.



2011 CORPORATE BOARD OF DIRECTORS

Harold E. Johnson, Jr., President
Randall T. Sunderland, Vice-President
Timothy E. Mateer, Secretary
Herbert W. Zook, Treasurer
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Darlene M. Byler
James A. Yoder

Kurt A. Stauffer
Elwood Byler
Jan M. Ferguson
Sara E. Hartzler
Johnathan E. Peachey
Lyle J. Yoder

DEPARTMENT HEAD TEAMS

VALLEY VIEW RETIREMENT COMMUNITY

Randy Sheaffer, CPA, NHA, Executive Director
Brenda Fike, RN, NHA, RAC-CT, Administrator
Traci Kreider, RN, Director of Nursing
Allen Hess, CPA, Director of Finance
David Wingard, Director of Village Services & Marketing
James Garrett, Jr., Director of Human Resources
Cynthia Sharp, PCHA, Director of Personal Care
Marjorie Armstrong, Administrative Secretary
Randy French, Director of Development
Margaret Neer, RN, Assistant Director of Nursing
Nicole Yoder, BSHS, Director of Social Services
Kelly Esh, Director of Volunteers
Rev. Galen Sharp, Chaplain
Lance Lobingier, Director of Information Technology
Holly Kanagy, LPN, Admissions Coordinator
Phyllis Yoder, PCHA, Assistant Director of Personal Care
Roger Anderson, Director of Maintenance
Billie Jo King, Director of Activities, Terrace
Christina Laughlin, Director of Activities, Haven
Verna Yoder, Director of Housekeeping & Laundry
Libby Henry, RNAC

MALTA HOME RETIREMENT COMMUNITY

Nan Yeater, NHA, Administrator
Beth Reifsnnyder, RN, Director of Nursing
Michelle Kearns, Director of Nutrition Services, Laundry & Housekeeping
Kim Varner, BSW, Director of Social Services
Kari Ann Keller, Director of Activities
Heather Stepanski, RNAC

2010 VOLUNTEERS



Marie Allison
Donna Aurand
Marlin & Shirley Aurand
Beverly Bigelow
Edith Brower
Flora Byler
Glen W. Byler
Glenn W. Byler
Loren & Lana Byler
Ray & Ann Clark
Ray Confer
Dick & Dorie Cramer
Ellen Delaney
Sam & Helen Delaney
Esther Esh
Dottie Espigh
Linda Frehn
Thelma French
Sue Gilbert
Jack Givler
Nancy Glick
Sara Glick
Carl & Fern Grace
Rosemary Graybill
Sara Graybill
Bernice Grimes
Bill & Beverly Harper
Fern Hartzler
Floyd Hartzler
Naomi Hartzler
Bernie Hefferan
Arlene Hicks
Faust Hissong
Joy Horning
Betty Hostetler
Raymond & Doris Jodon
Adella Kanagy
Rita Kanagy
Susan Keller
Joyce Kenepp
Kayla King
Mark King
Jim Knepp
Jeffrey Lamberson
Marjorie Laughlin
Craig & Karen Long
Cheyna, Shelby, Blake & Luke Lyter
Gerald Mansell
Esther McCalips
Ralph & Edie Meachum
Sandra Metz
B.J. Middlesworth
Julia Miller
Wilma Miller
Quentin Morris
Landis & Connie Moyer
Bob & Lois Notestine
Glen & Rhoda Nolt
Jeff Olson
Glen Peachey
Iris Peachey
Louis & Ann Peachey

Max & Tami Peachey

Loretta Pursel

John Reed

Charles Reiter

Emma Jane Roth

Mary Ella Saner

Judy Seiber

John Sharp

Malinda Sharp

Dick & Marjorie Shilling

Rosalie Smith

Annie Stoltzfus

Ron & Nancy Strickler

Dennis & Gail Strock

Anna Strouse

Patsy Swartz

Pat Taylor/Jean Hartman w/Hannah

John Tedeschi

Ana Theil

Darlis Treaster

Wilbur Ulsh

Whitey & Evelyn Vanada

Betty Walters

Verda Walters

Sue Weber

Don & Nancy Wert

Ben & Marie Whitacre

Jan White

Shirley White

Scottie Wilson

Marjorie Woomer

Anna Yingling

Anna Margaret Yoder

Betty Yoder

Fred Yoder

Jenny Yoder

Lydia Yoder

Mary Yoder

Nancy Yoder

Percy & Lois Yoder

R. Glenn Yoder

Ruby Yoder

Sallie Yoder

Twila Yoder

Orpha Zook

Sam & Helen Zook

Groups:

Locust Grove Mennonite Church sixth grade S.S. Class

Mountain View Mennonite Church Singing Group

Reedsville United Methodist Church S.S. Class

St. John's Lutheran Church Youth Group

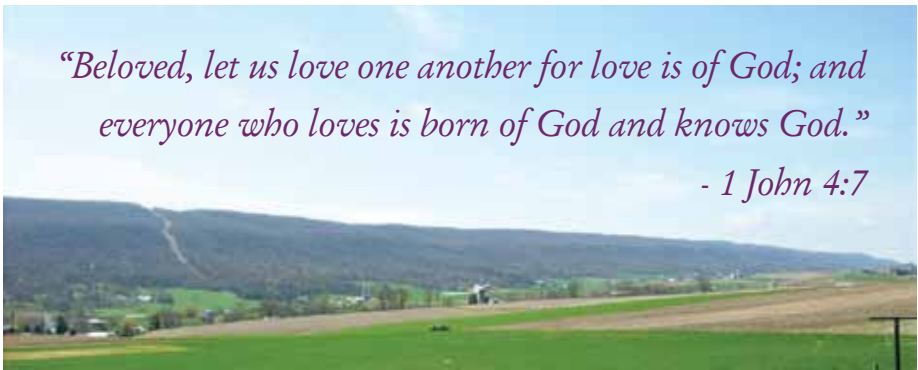
VALLEY VIEW RETIREMENT COMMUNITY'S 2010 ACCUMULATIVE VOLUNTEER SERVICE HOURS

Activities	2,842.25
Beauty Shop/Barber	1,493.00
Café	2,144.75
Chapel	1,424.50
Gift Shop	896.75
Laundry/Housekeeping	215.00
Maintenance	5,566.50
Nursing	1,164.25
Nutrition Services	687.50
Receptionist	541.50
Total Volunteer Hours for 2010	16,976.00



“Beloved, let us love one another for love is of God; and everyone who loves is born of God and knows God.”

- 1 John 4:7



DEVELOPMENT DIARY



Randy French
Director of Development

I am a fan of Corrie Ten Boom, whose book, [The Hiding Place](#), ranks as one of my favorites. She passed away on April 15, 1983. (I wonder if she filed her taxes?)

I recently read a quote from Corrie – “The measure of a life, after all, is not its duration but its donation.” The word *donation* immediately caught my attention.

Jerold Panas wrote a book entitled [Mega Gifts - Who Gives Them and Who Gets Them](#). I refer to this book occasionally for direction when I need fresh ideas. He presents a question that, in my opinion, is key to growing Valley View Retirement Community’s Endowment Fund. He asks, “Why don’t we spend more time demonstrating to people how absolutely euphoric they will feel after they have made a gift to the program?”

Early in its history I recall the unselfish interest that Mennonite churches had in the success of the undertaking of Valley View. Many people “donated” their time and resources to start its ministry. In fact, giving became contagious throughout Mifflin County as others supported the beginnings of a new nursing home in many ways.

The intent of Valley View’s original board of directors was to have the organization become self-sufficient. Today, that remains true, as we are called to be financially responsible. Frankly, in this changing economy, residents are facing difficult financial times. It is pertinent that the Endowment Fund grows in order to meet the needs of residents, especially Supportive Care Living Residents who make their home here at the Terrace, who need assistance with their monthly expenses.

We have had a successful year with fundraising events and workshops. The 2010 Golf Tournament and the Fall Homecoming concert netted Valley View \$16,200. The DVD “Telling Our Story” has become a great promotional work. The 2011 Benefit Concert given by Eduard Klassen and the Caregiver Workshop were very successful. This year the Development Committee has a goal to add another program to the agenda. We want to form a network of special people who are interested in giving to Valley View’s Endowment Fund. This event will be held in October and will include a speaker and a dinner in recognition to those who support the Endowment through annuities, various gifts of support, and are genuinely concerned about providing resources for residents who are depleting their assets. Another goal for our Board and Administration will be to change the current perception of Valley View. It is crucial to our growth and development that the surrounding communities begin to think a little differently about Valley View and its residents with regards to meeting their financial needs.

At Valley View and Malta Home, our campuses have financial obligations to be met each and every year just as our residents do. With tightening budgets and stricter federal and state regulations, our Endowment Fund and its donors become more valuable and necessary than ever before. The success of our daily operations at both campuses is becoming increasingly challenging year after year. The Endowment Fund and charitable giving are going to play a larger part in our financial future at both Valley View and Malta Home campuses in the years to come.

What is the measure of our life? How can we demonstrate to others how absolutely euphoric one feels after they give a gift toward the benefit of another’s good? Our investment in the people we care about is the only legacy that has the power to endure beyond our lifetime. Will you care about Valley View’s residents?

I am thankful for the privilege of being the Development Director at Valley View. We have a lot of work to do in the coming year to build upon the foundation that was started in 2010.

2010 CONTRIBUTORS

MEMORIALS

Walter Hagans

Huntingdon Horsemen
Dean & Carol Hepler
Richard & Jane Alderton

Laura Kuppel

Mark & Pam Fultz
Natalie Hoy
Anna Kuppel
Betty Brought

Esther A. Yoder

Robert & Lois Notestine

Dolly Mayes

Granville United Methodist Church

Arden Miller

Betty J. Walters

Robert Maclay

Beech Run Church of the Brethren
Veterans of Foreign Wars
Raymond & Barbara Gramley
Phyllis McClenahan
William & Ann Weaver

Kathryn Condron

Peter & Frances Silver
Nate & Sierra Ross
Bernice Horon
Deborah & Arthur Palermo, Jr.

Lyman Libby

Katalin Milter

Kathryn E. Kauffman

Alcan Cable
David & Susan Hunter
Boring Transport, Inc.

Rose Mueller

William & Ruth Mueller
June & Charles Seith
Robert & Joy Freisatz
Carl & Connie Bjalmé
Harold & Sue VanBuren
Arthur & Mary Bartlett
William & Stella Updegraff
Mary & George Frommer
Dennis & Susan Siy
Mr. & Mrs. Otlo Schneider

Anthony McCartney

Edsel & Ann Pugh
Betty J. Walters
Florence Corbin

Ethel Gauthier

Janet Irion

Eleanor Couch

Madeline Lightner

Barbara Kauffman

Florence Thilly

Joseph Zook

John & Joyce Yoder
Susan Strauss
Veterans of Foreign Wars
Darlene & Richard Nothstein
S. Frank & Ann Mitchell

2010 CONTRIBUTORS

Mary B. Yoder

Beverly Bigelow
Earl & Cindy Beal
Gerald & Frances Mansell
Jane Taylor
Robert & Susan Keller
MCS Bank

Bruce Kauffman

Alcan Cable

Lewis R. Yoder

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Nicholas & Jessica Tracy
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Lewistown Hospital

Alice Baney

Candace Blessing
Claire Bailey
R. Steven & Sally Perry
Ralph & Flora Shultz

Betty Lewis

Gerald & Frances Mansell

Dora Goss

Glenn & SaraJayne Knepp
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Gerald Peters

Betty Peters

Herman Knepp

Ray & Margaret Clark
Robert & Lois Notestine

Tessie Fultz

Jay H. Fultz

Margaret Wrigley

Larry & Nellie Walter

Mary King

Donald & Betty Smith

Robert Stitt

Candace Stitt & Family
Diana Stitt & Family

BEQUESTS

Estate of Minnie Miller
Estate of Mildred Renno

GENERAL CONTRIBUTORS

Allensville Presbyterian Church
MMA Distribution, Inc.
George & Linda Harpster
T. Bryant & Nancy Mesick
Richard & Nancy Marks
Rodney Cavanaugh
Lena Peachey
Jean Huntsman

HONORARIUM

Helen Buffington-Miller

FROM THE DIRECTOR OF FINANCE

Our balance sheet (i.e., statement of financial position) at 12/31/10 was comparable to 2009. Total assets were at \$22.6 million, which is 1.8% less than prior year. The reason for the decrease, in part, was due to some write-downs on capital projects that were no longer feasible. These capital projects consisted of design/engineering costs for a dementia care unit at Valley View as well as a new facility at Malta Home. Total net assets (i.e., total assets, net of total liabilities) were \$9.4 million which is also comparable to prior year.

On the profit and loss side, Valley View ended up with an operating income of \$172,000. Total revenues increased by 4.6% while our expenses increased by only 3.5%. In addition, the market value on the Endowment Funds increased by \$130,000 for 2010. This line item is referred to as “Change in Unrealized Gain on Investments” on the Statement of Operations and Changes in Net Assets. The improvement in our revenues was in large part due to increased rehabilitation services provided to our residents at Valley View Haven, as well as outpatient services provided to members of the community.

Our occupancy has remained steady but there is a slight increase in the facility days covered by the Medical Assistance (MA) Program (total MA percentage for 2010 was 67% compared to 66% in 2009). This increase is an ongoing concern as MA reimbursement rates have remained relatively flat, and there are signs pointing to future cuts to the Medicaid program, both at the State and Federal levels of Government.

This concern about the Medical Assistance program is nothing new to retirement communities. It is something we all struggle with. We can't let what might happen discourage us. We need to continue to focus on our mission of providing good quality of care and continue to try and look for ways to compensate.

I have been working at Valley View for over five months now. In that short time, I've had the privilege of meeting so many wonderful people, from the residents that live here to the volunteers and employees that serve here. I'm thankful for the opportunity to join the team at Valley View and I'm fully committed to the mission and values of this organization.



Allen Hess, CPA
Director of Finance



VALLEY VIEW HAVEN

BALANCE SHEET

December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$899,608	\$1,107,141
Certificates of Deposit	588,357	678,352
Resident Trust Funds	44,167	72,620
Accounts Receivable	1,633,302	1,630,484
Estimated Third-Party Payor Settlements	454,302	275,008
Inventory	36,428	35,116
Prepaid Expenses and Other Current Assets	247,569	225,765
Total Current Assets	3,903,733	4,024,486
Certificates of Deposit	292,227	191,941
Reserves and Funded Depreciation	1,182,859	1,038,198
Endowment Fund Investments	4,326,055	4,015,192
Property and Equipment - Net of Accumulated Depreciation	12,795,609	13,643,229
Deferred Financing Costs	35,431	43,874
Other Assets	125,704	125,704
Total Assets	\$22,661,618	\$23,082,624
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities	\$1,653,917	\$1,697,771
Long-term Debt	5,202,521	5,685,851
Refundable Cottage Entrance Fees	2,242,275	2,171,410
Deferred Revenues from Advanced Cottage Fees	4,125,911	4,058,270
Total Liabilities	13,224,624	13,613,302
Unrestricted Net Assets	9,155,645	9,183,987
Temporarily Restricted Net Assets	39,816	39,816
Permanently Restricted Net Assets	241,533	245,519
Total Net Assets	9,436,994	9,469,322
Total Liabilities and Net Assets	\$22,661,618	\$23,082,624

*The financial statements of Valley View Haven have been audited by:
Carbis Walker, LLP • Certified Public Accountants
Audited financial statements are available upon request.*

STATEMENT OF OPERATIONS & CHANGES IN NET ASSETS

For the Years Ended: December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Revenues:		
Resident Service Revenues.....	\$17,804,515	\$17,419,539
Less: Charges which the Medicaid and Medicare programs did not pay and charitable allowances to residents who were unable to pay the full charge for services they received.....	(1,139,714)	(1,502,439)
Other Operating Revenues.....	110,746	113,498
Total Revenues.....	<u>16,775,547</u>	<u>16,030,598</u>
Expenses:		
Nursing Care and Ancillary Services.....	8,775,390	8,312,111
Social Services and Activities.....	628,085	607,146
Nutrition Services.....	1,761,581	1,752,750
Housekeeping & Laundry.....	681,264	666,237
Plant Operation and Maintenance.....	1,482,946	1,439,711
Administrative and General.....	1,692,835	1,714,734
Marketing.....	96,115	31,054
Depreciation & Interest.....	1,485,232	1,525,531
Total Expenses.....	<u>16,603,448</u>	<u>16,049,274</u>
Operating Income (Loss).....	<u>172,099</u>	<u>(18,676)</u>
Other Income:		
Contributions.....	71,934	118,235
Investment Income.....	169,985	(56,706)
(Loss) on Abandoned Projects.....	(574,536)	
Other Gains/(Losses).....	(1,838)	52,720
Total Other Income (Expenses).....	<u>(334,455)</u>	<u>114,249</u>
Excess (Deficiency) of Revenue over Expenses.....	<u>(162,356)</u>	<u>95,573</u>
Change in Unrealized Gain on Investments.....	<u>130,028</u>	<u>557,470</u>
Change in Net Assets.....	(32,328)	653,043
Net Assets, Beginning of Year.....	9,469,322	8,816,279
Net Assets, End of Year.....	<u>9,436,994</u>	<u>9,469,322</u>



VALLEY VIEW HAVEN

*Valley View Retirement Community
Malta Home Retirement Community*

4702 E. MAIN STREET
BELLEVILLE, PA 17004-9251

OUR MISSION

“TO PROVIDE A CONTINUUM OF QUALITY RESIDENTIAL AND LONG TERM CARE SERVICES IN A MANNER DEMONSTRATING CHRISTIAN LOVE AND COMPASSION.”



VALLEY VIEW

Retirement Community



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Belleville, PA 17004
(717) 935-2105
Fax: (717) 935-5109

MALTA HOME

Retirement Community



105 Malta Drive
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Fax: (717) 248-2780

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