



APPLEWOOD

A Senior Living Community



2016
ANNUAL
REPORT



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Letter from Keith Grady, Executive Director

In 2016, 50 new residents chose to make Applewood their home. We welcomed them with all the excitement and splendor Applewood has to offer.

We would also like to offer a special thank you to all the residents who call Applewood their home. We could not be a successful community without the input and guidance from all residents.

Oh, what a year it has been! Applewood was a flurry of activity from January to December in 2016. We saw the implementation of Phase I of the Master Plan with the redecoration of the lobby, common areas and promenade. Both the coffee lounge and outdoor amenities area opened to resounding success. The variety of programs continues to grow, engaging an increasing number of residents.

I would like to thank Virginia Allen, President of the Residents' Association, the Executive Committee, and all resident committees for working with us in the development of the future of the community. We continue to strive to be the best continuing care retirement community (CCRC) in New Jersey.

With the combined efforts and dedication of the residents, managers and staff, this special community has attracted a caring, kind and fun-loving group of residents who are proud to call Applewood home.

In 2016, the management team continued to dedicate themselves to providing quality services to all stakeholders at Applewood. We continue to work tirelessly to make Applewood a spectacular place to live, enjoy life and to thrive.

Mission Statement

Applewood, New Jersey's premier retirement community is committed to providing mature adults opportunities to explore an engaged living lifestyle while providing abundant amenities and supportive services to enhance their independence at every stage. Through participation in cultural, recreational and educational opportunities, our residents can shape their environment through meaningful contributions. As part of CentraState Healthcare System, Applewood residents benefit from superior healthcare services provided by professionals devoted to clinical excellence.

Core Values

At Applewood, we believe in and are dedicated to:

- Assuring integrity and ethics through responsible proactive leadership
- Achieving standards of excellence through innovative leadership
- Maintaining fiscal responsibility
- Fostering mutual respect among all internal and external stakeholders
- Encouraging community enhancements and physical plant improvements through cooperation and communication between management and residents
- Recruiting, developing, and retaining the highest quality staff
- Providing opportunities for growth and enrichment through engagement of all residents and staff
- Delivering quality customer service that exceeds the expectations of all stakeholders



Social Accountability

Strengthening our own community by supporting those around us

At Applewood, our staff and residents work in tandem to make our community the best it can be, here at home and across town. As a not-for-profit organization, Applewood has a social responsibility to give back. To support this mission, we are pleased to announce an exciting new partnership with the Freehold Borough School District (FBSD).

“Tools 4 Schools” is a new program where Applewood residents and staff will provide hands-on, classroom support to Pre-K through 8th grade classes in the three overburdened FBSD schools. In addition, they will donate school uniforms, footwear, backpacks and school supplies, which will be handed out by classroom teachers as needed.

“Many of our residents are highly educated and want to help kids obtain the best education possible,” says Keith Grady, Executive Director at Applewood. “Social accountability plays an important role in our senior community, and offering a helping hand to local school children is an ideal way for us to make a substantive contribution.”

Each week, several residents visit the three borough schools and each is assigned to a kindergarten classroom. They assist with reading, writing sentences, playing Bingo and sharing stories. The volunteers report that it is heartwarming to enter their assigned classroom where they are greeted with smiles and hugs. This intergenerational program benefits both the students and the residents.

Students from the Millstone Middle School meet monthly with “senior buddies” residing on Healthcare and in Assisted Living. The students provide friendship to the residents and the residents give back to the students by establishing warm relationships with the students.

The Workplace Training Program, through the Freehold Regional High School District, offers special needs students services that help with life skills development. Community-based workplace training helps prepare students for life beyond high school. Student interns work with Applewood’s Dining Services department weekly working side by side with our servers in performing tasks such as folding napkins, sorting flatware and setting tables.

In 2016, Applewood provided subsidized funding of approximately \$224,000 to allow residents to remain in their homes. These funds are a combination of generous gifts from current and past residents and from other donations secured through the efforts of the CentraState Healthcare Foundation.

Achievements for 2016

Marketing

There were 37 move-ins in 2016. The Engaged Living program is attracting a younger, vital group of prospective residents. There has been an increase in both younger people and couples. The average age of residents new to Applewood has decreased from 84 in 2015 to 82 in 2016. The average age of our current depositors for 2017 is 79. The number of couples moving in has increased from three in 2014 to seven in 2015 and thirteen in 2016.

Our approach to planning marketing events has shifted from education to “fun” and more engaging. We have seen an increased level of attendance since the change. In the continuing effort to expand Applewood’s primary service area, “roadshows” with resident panel discussions have proven to be successful. The newly-designed website and links to social media sites with the monthly blogs and community information have also increased interest in Applewood. Some of Applewood’s initiatives have been featured in several industry publications including McKnight’s Senior Living as well as on News 12 New Jersey.

Master Planning

The Master Planning blueprint was developed with resident input through a survey. Phase I was completed as Applewood saw the redecorating of the lobby and promenade. Phase II will encompass the Formal Dining Room and The Bistro scheduled for later this year.

Environment

The cooling tower has been rebuilt which will provide more efficient air conditioning. Plans were developed and approved for the redecorating of dining areas. The outdoor recreation project was completed. A grand opening celebration was held for this new amenity which features a putting green, bocce, shuffleboard and croquet court, lighted strolling/walking path, shaded pergola and a memorial garden. The coffee lounge opened in the Fall to an overwhelming positive resident response. It is a popular spot for watching TV, playing tabletop shuffleboard and socializing with fellow residents. The self-serve specialty coffee machine is producing over 100 cups per day.

Technological Improvements

Installation was completed of the state-of-the-art resident emergency response system community-wide. In addition, the system was installed in the Healthcare Center. Moving forward in 2017, a plan is in development for additional security improvements.

Wellness Center

The Wellness Center continues to flourish, increasing the services we offer to our residents every year. 2016 saw the development and implementation of the “Rise & Tuck” program which assists residents in need of services upon awakening and at bed time. Over 30,000 services were provided including scheduling physician appointments, injections, on-site lab services, medication management including delivery, assistance with meal delivery and other ancillary services.

Employee Appreciation Fund

This resident-funded program raised over \$39,000 last year. Residents donate throughout the year and funds are distributed during the holiday season to the Applewood employees.



Foundation

A \$100,000 gift was received for the replacement of the public address systems in the Performing Arts Center and the Gala A & B meeting rooms. An additional \$200,000 was received for the dining room renovations.

Scholarship Recipients

This resident-funded program is open to Applewood employees and their children. Total amount granted in 2016 = \$21,000. Kyle Cannon: \$5,000, Lauren Whittet: \$3,000, Norma Jean Dorer: \$3,000, Melissa DellaPietro: \$2,500, Grace Fenner: \$2,000, Rebecca Roman: \$2,000, Francesca Denbigh: \$1,500, Talia Schiavello: \$750, Andrew Feldman: \$750, Tajnin Rahman: \$500.

Innovation Awards

This employee program continues to be a successful endeavor which encourages our service teams to participate in the development of new ideas, programs and improvements in three categories: problem solving, beautification and service improvements. Innovation comes in all forms. No matter how big or small, we always seek input from our staff. Innovation award winners for 2016: Tom Anzalone (Dining Services), Donna Bishop (Housekeeping), Susan Gelbard (Administration), Fay Kaminsky (Dining Services), Tricia Koches (Marketing), Joe Messenger (Dining Services), Robert Schoenleber (Laundry), Anthony Smith (Laundry), Karen Stanisce (Nursing), Adelia Venneau (Nursing), Toni Vono (Nursing). Each month, the winning idea is read and the winning employee is announced at the Residents' Association meeting. The year culminates in a celebration dinner hosted by the Executive Director. We encourage our team members to continue to submit their ideas. This program also improves employee engagement.

Applewood at Home

Through a partnership with Alpine Homecare of New Jersey, Applewood at Home was established to offer personal and healthcare services to the Applewood independent living residents. This program is designed to offer personal assistance to residents, from assistance with ADL's (activities of daily living) to shopping to companionship.

Tools 4 Schools

Tools 4 Schools is an intergenerational collaborative program developed by Applewood in conjunction with the Freehold Borough schools. Staff and residents donated school supplies and uniforms to the schools. In addition, resident volunteers visit the schools weekly to assist with in-class academics. Applewood was recognized for this program at the 2016 LeadingAge New Jersey Annual Awards breakfast, receiving the Excellence in Community Service Award.

Go Green

Management and residents recognize the importance of the conservation of our planet. The Go Green initiative was launched as a collaborative effort between the residents and staff.

Financial Highlights

Move Ins

37 *for the year*

33%

**Increased
Sub-Acute
Occupancy**

Financial Results 2014/2015/2016 (in thousands)

| | 2014 | 2015 | 2016 |
|----------------------------|--------|--------|--------|
| Resident Fees | 15,571 | 16,261 | 17,674 |
| Investment Income-Realized | 754 | 588 | 764 |
| Other Income (non-cash) | 3,798 | 3,408 | 3,738 |
| Total Operating Revenue | 20,123 | 20,257 | 22,176 |
| Payroll & Benefits | 8,946 | 9,155 | 9,634 |
| Interest Expense | 790 | 776 | 783 |
| Depreciation (non-cash) | 2,320 | 2,409 | 2,495 |
| Other Expenses | 6,461 | 7,252 | 7,545 |
| Total Expenses | 18,517 | 19,592 | 20,457 |
| Net Operating (Loss)/Gain | 1,606 | 665 | 1,719 |



Days Cash
on Hand

571.82

400.00 Required*

4.60

Debt Service

Ratio

1.20 Required*

* Standard requirement per Letter of Credit

Applewood Restricted Funds 2016 (in thousands)

| | <u>Balance</u> |
|-----------------------|---------------------------|
| Residents' Assistance | 2,052,980 |
| Employee Scholarships | 243,713 |
| Arts & Education | 20,552 |
| Programs & Services | 211,208 |
| Healthcare Services | 46,357 |
| Endowment | 139,348 |
| Memory Care Unit | 200,368 (single donation) |
| Special Projects | 6,569 (Thrift Shop sales) |
| Master Plan Donation | 286,964 |



ENGAGED Living™ at Applewood.

Engaged Living

The Engaged Living Program which explores each person's well-being, has expanded. Dan Piereth, Engaged Living Fitness & Wellness Coordinator continued his popular monthly lecture series helping to promote a healthy lifestyle. In partnership with CentraState Medical Center, "A Matter of Balance" an on-site six week program was offered to all residents; a dynamic class which explored the physical and mental obstacles of balance and mobility. Tai Chi, Meditation, Chair Yoga & Balance, Strength & Rhythm classes are all popular additions to the Fitness & Wellness program. "Splasherize" has an average of 25 residents at each session.

The Engaged Living survey is performed with new residents to develop a baseline of their likes, fitness level, nutrition preferences and social well-being. Residents' levels of engagement, based on the six dimensions of Engaged Living – physical, intellectual, emotional, social, occupational/vocational and nutritional – improved after participating in the Engaged Living program.





“A person’s general well-being cannot be measured by one’s possessions but by the beauty and security of their surroundings, the quality of their culture and the strengths of their relationships.”



The CIA, Culinary Institute of Applewood, completed its first full year offering 12 monthly hands-on courses led by the Dining Services Director and Executive Chef focusing on food knowledge, techniques and preparation. There was also a hands-on opportunity where residents created delectables to take home. The year culminated in Applewood’s version of “Chopped” in which teams of residents put to work the skills and knowledge they acquired during the monthly education sessions. The winning team was awarded trophies and gifts.

Through the efforts of CREATE – the Committee for Culture Recreation Education Arts Theater and Entertainment – residents have availed themselves of lectures on a variety of topics, courses through Rutgers University and Brookdale Community College, trips to the symphony, theater, opera and museums. The newly formed Men’s Club is a popular event for gentlemen only. Engaged Living continues to encourage residents to “actively participate in shaping their environment.”



CentraState Healthcare System

Excerpts from John Gribbin's (President & CEO) given at CentraState Healthcare System's annual meeting held on January 12, 2017:

It's been expected that hospitals deliver high-quality medical care. By producing better quality, we as a country will reduce costs. This is the basic premise behind bending the cost curve. We need to deal with the cost of healthcare or our Medicare System will, in our lifetime, become insolvent. And despite what pundits may write, most healthcare, like most politics, is local. That is why we look to our hospitals to be leaders in this effort.

We have also been at the forefront of better managing chronic conditions with the goal of keeping people out of the hospital altogether and directing them to specific outpatient programs that can more effectively deal with the behaviors and environment that necessitate hospitalization.

The Million Hearts Program is just such an example of an innovative model designed to get people into primary care practices so that doctors can monitor an individual patient's risk for heart attack or stroke. They can then guide patients on how to better manage their health conditions and hopefully prevent a heart attack or stroke from occurring. Another aspect of quality care is access to care, beginning with helping people access affordable health plans to pay for their care. We spoke with our own health plan provider, Qualcare, leading to the creation of two CentraState-affiliated plans through a successful MEWA, which stands for Multiple Employer Welfare Association. Those two plans are known as the CentraState Community Health Plan serving more than 1,000 covered lives.

The charge of the Community Health Plan is to help small employers reduce claims through a network of providers who work closely together to proactively manage the health status of plan members; thereby keeping costs down and choices open. This year, 14 other hospitals are using our model and our assistance to offer this option to employers in their communities.

This coordinated approach to developing an affiliated network of doctors and hospitals will provide the platform to implement population health, care coordination and shared savings programs with both insurers and employers. We believe this approach will help to keep CentraState an independent hospital while pursuing its mission of meeting the healthcare needs of the communities we serve.



Awards & Distinctions



- CentraState was reaccredited with Magnet status by the American Nurses Credentialing Center – has achieved this Magnet Recognition for nursing excellence three times.



- Designated by the American Hospital Association for the seventh consecutive year as one of the nation's Most Wired healthcare organizations



- Centers for Medicare and Medicaid Services 5-Star Quality Rating System. CSMC is one of only ten hospitals in New Jersey to achieve 4 Stars



- The Commission on Cancer awarded the Statesir Cancer Center a three-year reaccreditation. This reaccreditation came with four commendations and zero deficiencies.



- The Star and Barry Tobias Women's Health Center, was granted a three-year full accreditation designation by the National Accreditation Program for Breast Centers.



- The American College of Radiology has recognized the clinicians of CentraState for achieving high-quality standards for radiation oncology.



- The American College of Radiology has also recognized the Lung Cancer Program for its commitment to practicing safe, effective diagnostic care.

- The Karen Olbis Radiation Oncology Center has shown a continuing high level of patient care in this program.

Leadership

| | |
|-------------------------|---------------------------------|
| <i>Keith Grady</i> | Executive Director |
| <i>Linda Rizzo</i> | Director of Healthcare Services |
| <i>Heath Braunstein</i> | Director of Dining Services |
| <i>Eric Eichhorst</i> | Director of Marketing |
| <i>Shanna Lee</i> | Director of Nursing |
| <i>Joan Cinque</i> | Manager of Resident Services |
| <i>Ray Vargas</i> | Manager of Building Services |
| <i>Robert Deegan</i> | Safety & Security Coordinator |
| <i>Wanda Garrin</i> | Engaged Living Coordinator |
| <i>Kerry Piscitelli</i> | Assisted Living Coordinator |
| <i>Toni Vono</i> | Wellness Center Coordinator |
| <i>Susan Gelbard</i> | Customer Relations Coordinator |

Resident Committees

| | |
|----------------------|-----------------------|
| Resident Association | Finance |
| Executive Committee | Health & Wellness |
| Building Services | Library |
| CREATE | Safety & Security |
| Dining | Newcomers/Ambassadors |



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