RIVERWOODS
ANNUAL REPORT 2015
The way to our future is through living our core values.
“If the highest aim of a captain were to preserve his ship, he would keep it in port forever.”

St. Thomas Aquinas
President & Chairman’s Letter

Have you ever realized that something is only “unimaginable” until you imagine it? Opportunities, and risks, only become “real” when they occur or when you give them life through thought. Spending time “imagining” can lead to a world of worry, but it can also open up a world of possibilities.

Every day at RiverWoods, we talk about our commitment to providing Community and Peace of Mind. We think about how our founders took risks and thought about serving in a way and addressing a need that was bigger than themselves – and we work to that purpose. Providing the opportunity for Community and Peace of Mind is the heart of who we are as an organization; it’s our purpose, our Mission. For 21 years, we have done that through creating some truly fantastic CCRCs. It can be hard to imagine being anything different; particularly because we continue to operate with incredible operational success. The old adage of “If it ain’t broke, don’t fix it” tends to surface in these situations.

But this year we have stretched our thinking, “imagined” if you will, the various things we could and should consider as we face a growing need and a changing environment for older adults. We’ve talked more and more about the various ways that we can meet our Mission – we’ve talked with our residents, our staff and our Board. We listened and learned with and from those three groups, as well as various industry experts.

That “imagining” included an intensive strategic plan process that has opened our thinking to serving outside of our walls and to serving a larger and broader audience.

It included our residents forming an Innovation Committee and “Goal Groups” to find creative ways to tackle issues that vex us.

It included the start of an ongoing staff training process that will forever focus all of our staff on our core values and on our culture.

These are just a few examples, but imagining has taught us many things. We learned that when you open people’s minds, and when you use all of your resources, and when you ask questions, and when you are willing to grow and learn, and when you trust that imagining is likely to yield good results (even if the process is sometimes a little scary); that is when you have the best chance of achieving big things.

Our big thing continues to be providing the opportunity for Community and Peace of Mind. As we continue to focus on that Mission within our Exeter Communities, we also want to be touching more lives as a deeper and broader resource for our region, remembering that we were founded on the principle of serving in a way and addressing a need that was bigger than any one of us.

St. Thomas Aquinas said, “If the highest aim of a captain were to preserve his ship, he would keep it in port forever.” But our aim is higher. It will require some sailing.

Justine Vogel
President
Chief Executive Officer

Bruce Mast
Chairman of the Board
Significant Accomplishments

RiverWoods gets A- Upgrade from Fitch
Fitch, the national rating agency, released their independent report on RiverWoods’ financial picture, upgrading the community to A- status, which puts RiverWoods in the top 2% of Continuing Care Retirement Communities (CCRCs) nationwide.

Of the 1900 Continuing Care Retirement Communities in the U.S., the majority of which are non-profit, only 7% are rated by professional financial rating firms. The reason for a community to undergo the grueling process of having their financial books rated by an outside agency is to establish their financial strength in relation to others on a national stage. This, in turn, helps the community gain more preferable borrowing rates from lending organizations. According to the analysts’ report, “RiverWoods’ strong performance was supported by high independent living occupancy and improved occupancy rates within assisted living and skilled nursing, as well as good expense management.”

The Woods is New at 20
The Woods campus celebrated its birthday with a $7 million makeover, and the results are beautiful! The front entrance has been completely reimagined, with a new light-filled entrance canopy, welcoming stone walls and new patios and plantings circling the new walkways and freshly paved roads. Inside, the front desk area is larger and more open, with nearby comfortable seating across from the new mail area. A focal point is the newly redesigned Woods Café (pictured here) which has quickly become a favorite gathering spot. Additionally, the art studios and music rooms have been updated, and the Country Store has a beautiful new location and store design. Work will continue outside in the festival area this coming year.

RWAY Training Kicks Off
This past year, RiverWoods kicked off a program for all employees that helps reinforce and teach our five core values. Department heads have been conducting the training sessions, each one of which includes video content, discussion and learning activities. One goal of the RWAY training is to ensure that all employees understand and can align their decisions and actions with our core values.

Strategic Planning Process Begins
In September of 2014, The Board of Trustees and RiverWoods senior team began the start of a Strategic Planning process. They identified two key goals to frame thinking for the future:

- To develop various styles of active communities for older adults who care about each other and the world around them
- To change how people view aging

They also identified what can’t change, which are the RiverWoods core values. Work has already begun on a number of initiatives including: maintaining and strengthening our existing RiverWoods communities, investigating affiliation and growth opportunities, and examining opportunities for innovation, as we seek to adapt to a changing future and a new generation of consumers. Periodic updates on the Strategic Plan will be provided to all residents.

Second Year for Spring Break Credit
Last year, RiverWoods launched a truly unique initiative - a “spring break credit” that was designed to return a percentage of surplus margin to residents, in years where we flourished financially. This innovation was conceived by RiverWoods and approved by the Board, and is a trend setting program in the industry. The spring break credit allows for RiverWoods to return up to 75% of the surplus margin to residents through a year end credit, as well as up to 25% to employees through their 403B plans. Similar to 2014, in 2015 our high occupancy has produced very positive financial results and this program allows RiverWoods to share the benefits of our strong financial performance.

Future Resident Program Launches
In early spring of 2014, RiverWoods launched the Future Resident Program, developed in response to some feedback from folks on our wait list. The goal of the program is to help wait list people stay more connected to RiverWoods. The wait list is now called the Future Resident Roster, and members have formal name badges, similar to residents. They also participate in exclusive events designed to bring them closer to the each other and current residents. The initial response has been very positive.
MJ Bailey (left) and Eliza Condelli (right) combine culinary talent and personality to create a one-of-a-kind experience at the newly renovated Woods Café.
Juanita Eaton (left) and Sandra Carpenter (right) take a break from their favorite activity: gardening.
RiverWoods at a Glance

By The Numbers

Year of opening: The Woods .................. 1994
Year of opening: The Ridge .................. 2004
Year of opening: The Boulders .................. 2010
Number of residents .................. 611
Number of employees .................. 536
Average occupancy per month .................. 98%
Number of hours spent removing snow ........ 6,449
Number of residents who are Board members ........ 3
Resident committees & interest groups ........ 100
Resident activities held annually ........ 9,783
Number of fitness classes held per year ........ 3,432
Pounds of laundry processed annually ........ 372,878
Number of acres mowed annually ........ 444
Miles driven by Campus Services per year ........ 235,900
Meals served per month ........ 24,670
On-campus Wellness Center visits ........ 19,388
Number of states our residents come from ........ 26

Fiscal Year 2015

Unrestricted cash and investments ........ $69,353,000
Cash Margin from Operations ........ $1,673,000
Long term debt outstanding ........ $61,565,000

Employee Retention

Number of individuals employed by RiverWoods for 10 years or more ........ 77
Making a Difference

At the heart of who we are, RiverWoods residents, staff and board seek to make a difference in the world. Our founders were seasoned community volunteers and change-makers, and that sensibility is woven into our mission and core values. We seek to make a difference in the greater Seacoast community that we call home.

Ever since we opened, RiverWoods has had a unique tradition of raising money for another local non-profit, from Planet Playground, to Seacoast Hospice and New Teen Outlook (now New Heights), among others. This year, we are supporting St.Vincent de Paul through a number of initiatives, as we begin our year-long process of planning the second gala for them, which is slated for October of 2016.

Scholarship Funds

Education is a value that is highly prized by RiverWoods residents, who established scholarship funds for RiverWoods staff and their families. Since 2007, when the first scholarships were established, 49 scholarships have been distributed, worth more than $108,000 toward goals of higher education. 2015 was the largest year to date, as more than $24,000 was awarded to 9 recipients.

Resident Volunteers

Our residents make a difference in the community through their volunteer efforts. More than 150 Seacoast organizations of all kinds, from environmental causes to arts and culture, benefit from RiverWoods residents’ time and talents.
A group of RiverWoods singers outside the Portsmouth music studio where they recorded an original song.
Pam Harkins enjoying a morning paddle along the Exeter River.
## Statement of Operations and Changes in Net Assets

<table>
<thead>
<tr>
<th>Operating Revenue</th>
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<tbody>
<tr>
<td>Residential Service Fees</td>
<td>$22,802,000</td>
</tr>
<tr>
<td>Earned Entrance Fees</td>
<td>$2,891,000</td>
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<tr>
<td>Health Center Fees</td>
<td>$6,875,000</td>
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<tr>
<td>Investment Income</td>
<td>$1,689,000</td>
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<tr>
<td>Other Operating Revenue</td>
<td>$740,000</td>
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<tr>
<td><strong>Total Operating Revenue</strong></td>
<td><strong>$34,997,000</strong></td>
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<table>
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<tr>
<th>Operating Expenses</th>
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<tbody>
<tr>
<td>General and Administrative</td>
<td>$8,119,000</td>
</tr>
<tr>
<td>Resident Services</td>
<td>$1,489,000</td>
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<tr>
<td>Dining Services</td>
<td>$3,987,000</td>
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<tr>
<td>Health Services</td>
<td>$6,975,000</td>
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<tr>
<td>Environmental Services</td>
<td>$4,043,000</td>
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<tr>
<td>Facility Costs and Utilities</td>
<td>$3,751,000</td>
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<tr>
<td>Depreciation and Amortization</td>
<td>$6,032,000</td>
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<tr>
<td>Interest</td>
<td>$2,070,000</td>
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<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>$36,466,000</strong></td>
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<table>
<thead>
<tr>
<th>Income From Operations</th>
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<tbody>
<tr>
<td>Non Operating Gains and Losses</td>
<td>$350,000</td>
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<tr>
<td>Other Changes in Net Assets</td>
<td>$(1,205,000)</td>
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<tr>
<td><strong>Change in Net Assets</strong></td>
<td><strong>$(2,324,000)</strong></td>
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## Statement of Financial Position (Balance Sheet)

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Unrestricted Cash and Investments</td>
<td>$69,353,000</td>
</tr>
<tr>
<td>Property and Equipment (Net)</td>
<td>$104,864,000</td>
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<tr>
<td>Other Current Assets</td>
<td>$1,836,000</td>
</tr>
<tr>
<td>Other Assets</td>
<td>$4,000,000</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$180,053,000</strong></td>
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<table>
<thead>
<tr>
<th>Liabilities</th>
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<tbody>
<tr>
<td>Current Liabilities</td>
<td>$8,395,000</td>
</tr>
<tr>
<td>Debt, net of current maturities</td>
<td>$59,970,000</td>
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<tr>
<td>Entrance Fee Liability/E.F.Deferred Revenue</td>
<td>$170,416,000</td>
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<tr>
<td>Other Liabilities</td>
<td>$7,229,000</td>
</tr>
<tr>
<td>Net Assets (deficiency)</td>
<td>$(62,957,000)</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets (deficiency)</strong></td>
<td><strong>$180,053,000</strong></td>
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The RiverWoods name carved on a bench overlooking the Exeter River, on a trail in The Woods campus.
RiverWoods Leadership

**Board of Trustees***
- Bruce Mast, Chair
- Patty McCartan Prue, Vice Chair
- Dianne Mercier, Treasurer
- Katherine H. Southworth, Clerk, Resident Trustee
- Carla Braverman
- David Hanson
- Tammy Michaud
- Patrick Parisi
- John F. Prochilo
- Beth-Ann Roberts
- Cathy Trower
- Howie Ulfelder, Resident Trustee
- Justine Vogel
- Brian F. Walsh
- Sidney Wanzer, M.D., Resident Trustee

**Management Team**
- Justine Vogel, President and CEO
- Susanne Anzalone, Controller
- Dawn Barker, VP of Human Resources
- Tim Bishop, Dir. of Facilities, Ridge & Boulders
- Julie Braley, Dir. of Human Resources
- Colleen Buzzell, Dir. of Nursing, Woods
- Lionel Dube, Dir. of IT
- Pat Favreau, Dir. of Resident Services, Ridge
- Kevin Goyette, CFO
- Christine Hegarty, Dir. of Social Services
- Timothy Keenan, M.D., Medical Director
- Charles Kelsey, VP of Resident Life
- Kathleen LaFave, Dir. of Resident Services, Woods
- Cindy Martin, VP of Health Services
- Carolyn O'Driscoll, Dir. of Nursing, Ridge
- Jay Rego, Dir. of Facilities, Woods
- Carol Stevenson, Dir. of Resident Services, Boulders
- Linda Thurston, Dir. of Nursing, Boulders
- Cathleen Toomey, VP of Marketing

**Resident Council**
- Dick Martin, Council Chair
- Sarah Donnelly, Council Vice Chair
- Ellie Crow, Council Secretary
- Lisa Cross, Committee Liaison, Boulders
- Pam Harkins, Committee Liaison, Ridge
- Mary Lamb, Committee Liaison Woods
- Katherine H. Southworth, Resident Trustee
- Howie Ulfelder, Resident Trustee
- Sidney Wanzer, M.D., Resident Trustee
- John Merrifield
- Amy Ross
- Pat Scarborough
- Bob Jones
- Jack Taylor
- Derek Teare

**15+ Year Employees**
- Dawn Barker
- Tim Bishop
- Jean Borden
- Ann Cannon
- Virginia Cole
- Eliza Condelli
- Carl Dupuis
- Mary Flanagan
- Elizabeth Hanscom
- Jill Hersey
- Michael Hoyt
- John Isabel
- Olivia Kepner
- Kathleen LaFave
- Jesse Lannoo
- Karyn-Beth Mercer
- Wendy Michaud
- Terri Ottati
- Carlos Rodriguez
- Katrina Smith
- Donna Snow
- Penny Teodorczyk
- Justine Vogel
- Tammy Whitman

*As of June 30th, 2015*