Innovation: to launch something new or different. That, in essence, was how we spent 2015 at Western Home Communities. We plowed new ground and cleared a path for others to follow, by:

Putting home back in nursing home.
The Cottages opened in June, Iowa’s first free-standing “small house” nursing homes for people living with dementia.

Starting construction on a unique concept to foster fulfilling lifestyles.
The Jorgensen Plaza for Well-Being will create community while enhancing all areas of well-being, from physical to intellectual to social and spiritual.

Training the next generation of caregivers.
Prepare to Care classes launched in July, offering students the chance to earn while they learn and providing an opportunity for us to build a well-trained workforce that is well-versed in our vision and values.

As we approach our 104th anniversary, innovation becomes imperative so this organization continues to thrive. A challenging environment of changing expectations – via health care reform, the move to managed Medicaid, the coming influx of baby boomers with different desires – can be viewed as a threat or opportunity. Western Home Communities chooses the latter.

That response stems from our mission, vision and values: not just words printed on a page, but daily direction for how we operate, now and into the future. Read this report to see how we lived those values in 2015 and to anticipate where we will go in 2016 and beyond.

Moving forward,

Kris W. Hansen, CPA
Chief Executive Officer
Mission
Western Home Communities is a charitable Christian service organization that assertively creates fulfilling lifestyles for those we serve, their families and our employees.

Vision & Values

Fulfilling Lives

People First
Community Partner
Financial Integrity
Servant Spirit

Progressive continuum of care
Expertise and influence
Stewardship
Putting home back in nursing home

A long-time dream became reality in June: hundreds toured The Cottages on Caraway Lane before 16 people moved into each and began to thrive in their new environment.

Residents immediately gravitated to the heart of the home, the open kitchen and dining room.

Stop by The Cottages and you’ll find residents and caregivers cooking, drinking coffee on the porch, creating art on the patio, playing piano and singing, watching movies and munching popcorn. Together. Just like a family.

Hitting the road with residents

Overheard on the charter bus: “Isn’t it fun going places you’ve never been?!”

The first out-of-state trips planned and coordinated by Western Home Communities took travelers to Washington, D.C., in April; Springfield, Illinois, in May; and Branson, Missouri, in November.

“When you travel with us, you get the added enjoyment of planning your vacation with friends before the trip, and recalling the fun memories of the trip when you get home,” says Carolyn Martin, director of volunteer services and trip leader.
Teaching and training new caregivers

Faced with a shortage of certified nursing assistants (CNAs), and recognizing a potential workforce that would benefit from being paid while attending classes, Prepare to Care was launched in July. The three-week program includes 81 hours of classroom lecture and labs, plus a third week of clinical training. Students then take the CNA exam.

Some students are young adults, while others want a mid-life career change. Still others are single parents looking for a way to support their families.

The program is taught by Sue Weber in a new role as director of clinical staff development. 26 students successfully graduated from Prepare to Care in 2015 and celebrated with their families at graduation ceremonies in the chapel of Stanard Family Assisted Living.

Did you know?

Since our beginning in 1912, Western Home Communities has kept its promise to put people first even when they run out of resources.

Number of residents ever asked to leave WHC for outliving their money 0

Amount of charitable care provided by WHC in 2015 $763,403
Serving others springs from a desire to make a difference in people’s lives. In ways seen and unseen, practicing a servant spirit helps us fulfill our mission: to assertively create fulfilling lifestyles.
It is absolutely clear that God has called you to a free life...use your freedom to serve one another in love.  
Galatians 5:13 (MSG)

Western Home Communities is grateful for many residents, employees and supporters whose servant hearts lead them to give time, talent and treasure in support of this work.

1,239 volunteer sign-ins
7,415 hours of service
$171,064.05 Value of those volunteer hours

517 Donors who gave financially
$1.4 million Total gifts, pledges and planned gifts

$30,000 Gift from Friends of WHC to Jorgensen Plaza
300% Growth in giving to chapel fund
Community Partner

Western Home Communities took a leadership role to bring the award-winning “I’ll Be Me” documentary to the Cedar Valley on September 15 at Gallagher Bluedorn Performing Arts Center. Nearly 1,000 attendees laughed, cried and marveled at how the Campbell family rallied to support their husband and father, Glen, as he embarked on a final tour after receiving an Alzheimer’s diagnosis.

Glen’s wife, Kim, answered audience questions after the film. Her candor encouraged and inspired audience members. She finds purpose in being an advocate for those who have the disease and their caregivers who often find themselves isolated.

“Many times people are embarrassed by it, so they don’t share anything about what they’re going through, or if they do, friends feel awkward and don’t know what to do,” she says. “That’s why what Glen did with the film is so important. Being honest and open gives others permission to talk about it.”

Admired nationwide, dementia educator Teepa Snow of North Carolina returned to the Cedar Valley in late July. Brought to the region by Western Home Communities and Martin Brothers Health Services, Teepa’s straight talk and role play helps audiences understand what happens to the brain when dementia occurs so they can respond with empathy instead of frustration.
The historic round barn on south campus, built by the Rownd family in 1911, opened for public tours on a June weekend to support the Iowa Barn Foundation.

Western Home Communities and Lockard Development organized a September Fireworks Spectacular for the Cedar Valley to say thanks for the community’s support of Pinnacle Prairie.

Residents cheered as bicyclists rolled into town for RAGBRAI, the Register’s Annual Great Bike Ride Across Iowa. Director of Development Mary Taylor co-chaired the city-wide events for the overnight stop.

Other non-profit service organizations received donations, in-kind support or volunteer service from Western Home Communities:

- Cedar Falls Community Main Street
- Cedar Falls Community Theatre
- Cedar Falls 2025
- Cedar Falls Lions Club
- Cedar Valley Chamber Music
- Christmas in Walnut
- Dancing Under the Blue Moon
- Eastern Iowa Alzheimer’s Association
- Gallagher-Bluedorn Performing Arts Center
- Go Red for Women, American Heart Association
- Hawkeye Community College Artist Series
- Iowa Barn Foundation
- Iowa Health Care Association
- Island Park Beach House
- Keepsake Quilters Guild
- LeadingAge Iowa
- North Star Community Services
- Sartori Foundation
- Sturgis Falls Celebration
- University of Northern Iowa Lifelong University
- Women in Philanthropy, Northeast Iowa Community Foundation
## ASSETS

### Current Assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$6,418,164</td>
<td>$7,235,332</td>
</tr>
<tr>
<td>Resident Receivables, Net of Allowance for Doubtful Accounts</td>
<td>$1,372,335</td>
<td>$1,485,073</td>
</tr>
<tr>
<td>$82,043 for 2015 and $47,332 for 2014</td>
<td>$708,041</td>
<td>$594,148</td>
</tr>
<tr>
<td>Investments</td>
<td>4,672,308</td>
<td>3,681,063</td>
</tr>
<tr>
<td>Assets Limited as to Use</td>
<td>345,000</td>
<td>0</td>
</tr>
<tr>
<td>Prepaid Expenses and Other Current Assets</td>
<td>708,041</td>
<td>594,148</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>13,515,848</td>
<td>12,995,616</td>
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</tbody>
</table>

### Assets Limited as to Use, Less Current Portion:

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,295,411</td>
<td>4,931,194</td>
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</table>

### Property and Equipment:

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and Land Improvements</td>
<td>11,570,462</td>
<td>8,671,018</td>
</tr>
<tr>
<td>Buildings</td>
<td>102,443,326</td>
<td>88,321,251</td>
</tr>
<tr>
<td>Equipment</td>
<td>7,745,388</td>
<td>6,776,922</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>5,221,980</td>
<td>7,028,009</td>
</tr>
<tr>
<td>Total Property and Equipment</td>
<td>126,981,156</td>
<td>110,797,200</td>
</tr>
<tr>
<td>LESS - Accumulated Depreciation</td>
<td>33,493,609</td>
<td>31,069,174</td>
</tr>
<tr>
<td>Net Property and Equipment</td>
<td>93,487,547</td>
<td>79,728,026</td>
</tr>
</tbody>
</table>

### Other Assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes Receivable - Individuals</td>
<td>139,386</td>
<td>89,087</td>
</tr>
<tr>
<td>Other Assets</td>
<td>793,063</td>
<td>748,998</td>
</tr>
<tr>
<td>Assets Restricted for Purchase of Property and Equipment</td>
<td>2,087,788</td>
<td>2,665,078</td>
</tr>
<tr>
<td>Assets Restricted for Scholarships</td>
<td>29,750</td>
<td>27,915</td>
</tr>
<tr>
<td>Assets Restricted for Operations Endowment</td>
<td>253,941</td>
<td>253,941</td>
</tr>
<tr>
<td>Total Other Assets</td>
<td>3,303,928</td>
<td>3,785,019</td>
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</tbody>
</table>

### TOTAL ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$111,602,734</td>
<td>$101,439,855</td>
</tr>
</tbody>
</table>

## LIABILITIES AND NET ASSETS

### Current Liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes Payable</td>
<td>4,062,246</td>
<td>2,136,636</td>
</tr>
<tr>
<td>Current Maturities of Long-Term Debt</td>
<td>1,273,801</td>
<td>627,308</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>1,808,577</td>
<td>2,033,479</td>
</tr>
<tr>
<td>Accrued Salaries and Benefits</td>
<td>885,509</td>
<td>1,104,138</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>579,093</td>
<td>1,226,816</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>8,609,226</td>
<td>7,128,377</td>
</tr>
</tbody>
</table>

### Long-Term Liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-Term Debt, Less Current Maturities</td>
<td>25,014,057</td>
<td>26,380,831</td>
</tr>
<tr>
<td>Charitable Gift Annuities</td>
<td>1,820,211</td>
<td>1,472,504</td>
</tr>
<tr>
<td>Deferred Revenue from Advance Fees</td>
<td>2,548,684</td>
<td>1,964,460</td>
</tr>
<tr>
<td>Refundable Advance Fees</td>
<td>59,138,883</td>
<td>52,568,944</td>
</tr>
<tr>
<td>Total Long-Term Liabilities</td>
<td>88,521,835</td>
<td>82,386,739</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>97,131,061</td>
<td>89,515,116</td>
</tr>
</tbody>
</table>

### Net Assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>11,938,920</td>
<td>8,835,479</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>2,249,062</td>
<td>2,807,404</td>
</tr>
<tr>
<td>Permanently Restricted</td>
<td>283,691</td>
<td>281,856</td>
</tr>
<tr>
<td>Total Net Assets</td>
<td>14,471,673</td>
<td>11,924,739</td>
</tr>
</tbody>
</table>

### TOTAL LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td></td>
<td>$111,602,734</td>
<td>$101,439,855</td>
</tr>
</tbody>
</table>
## Balance Sheet

**Balance sheet as of December 31, 2015**

### Unrestricted Net Assets

**Revenues, Gains, and Other Support:**
- **Net Resident Service Revenue, Including Amortization of Advance Fees**
  - $1,952,072 for 2015 and $1,334,040 for 2014
  - **2015:** $28,754,008
  - **2014:** $25,843,667
- **Contributions**
  - **2015:** 847,513
  - **2014:** 1,347,229
- **Investment Income**
  - **2015:** 375,947
  - **2014:** 358,637
- **Other Operating Income**
  - **2015:** 943,509
  - **2014:** 755,130
- **Gain on Involuntary Conversion**
  - **2015:** 2,520,843
  - **2014:** 0
- **Net Assets Released from Restrictions Used for Operations**
  - **2015:** 1,307,376
  - **2014:** 403,568

**Total Revenues, Gains, and Other Support**
- **2015:** 34,749,196
- **2014:** 28,708,231

**Expenses:**
- **Salaries and Benefits**
  - **2015:** 16,636,809
  - **2014:** 13,470,900
- **Medical Supplies, Drugs, and Therapies**
  - **2015:** 1,877,625
  - **2014:** 1,507,619
- **Food**
  - **2015:** 1,162,848
  - **2014:** 1,591,729
- **Utilities**
  - **2015:** 1,399,337
  - **2014:** 1,396,295
- **Insurance and Other**
  - **2015:** 5,370,558
  - **2014:** 5,653,635
- **Depreciation and Amortization**
  - **2015:** 3,388,944
  - **2014:** 3,010,844
- **Interest**
  - **2015:** 1,063,123
  - **2014:** 951,476
- **Loss on Bond Refinance**
  - **2015:** 399,825
  - **2014:** 0

**Total Expenses**
- **2015:** 31,299,069
- **2014:** 27,582,498

**Operating Income (Loss)**
- **2015:** 3,450,127
- **2014:** 1,125,733

**Change In Net Unrealized Gains (Losses) on Investments**
- **2015:** (345,180)
- **2014:** 60,584

**Net Assets Released from Restrictions Used for Purchase of Property and Equipment**
- **2015:** 7,500
- **2014:** 85,155

**Increase (Decrease) in Unrestricted Net Assets**
- **2015:** 3,112,447
- **2014:** 1,271,472

### Temporarily Restricted Net Assets

**Contributions**
- **2015:** 756,534
- **2014:** 848,626

**Net Assets Released from Restrictions**
- **2015:** (1,314,876)
- **2014:** (488,723)

**Increase (Decrease) in Temporarily Restricted Net Assets**
- **2015:** (558,342)
- **2014:** 359,903

### Permanently Restricted Net Assets

**Contributions**
- **2015:** 1,835
- **2014:** 5,250

**Increase (Decrease) in Permanently Restricted Net Assets**
- **2015:** 1,835
- **2014:** 5,250

**Increase (Decrease) in Net Assets**
- **2015:** 2,555,940
- **2014:** 1,636,625

**Net Assets at Beginning of Year**
- **2015:** 11,924,739
- **2014:** 10,288,114

**Transfer of Net Assets (Deficit)**
- **2015:** (9,006)
- **2014:** 0

**Net Assets at End of Year**
- **2015:** $14,471,673
- **2014:** $11,924,739

Ryun, Givens & Company, P.L.C., audited the 2015 financial statements and provided an unqualified (clean) opinion, meaning that the financial information represents a fair and accurate picture of the company and complies with generally accepted accounting principles. Additionally, no adjusting entries were required by the auditors.