



# MESSAGE FROM CEO

## 2008 ANNUAL REPORT

Sam Wan, Chief Executive Officer

### 2008 OPERATIONS HIGHLIGHTS

The year 2008 was an important year for Kin On. We established two significant programs, one being the Transitional Care Service at the Health Care Center and the other being the Hospice Program under the Community Care Network of Kin On.

We scored another favorable inspection report by the Washington Department of Social and Health Services regarding the quality of care to our residents. Recognized for the excellent services we provided our residents, Kin On Health Care Center was rated a "Five Star" facility by Centers for Medicare and Medicaid Services. The Community Care Network also met all program standards as required by our funding agency, Seattle Aging and Disability Services.

We achieved financial viability and stability in both the Health Care Center and Community Care Network programs. We are committed to improving the quality of care to the residents of the Health Care Center and to the clients and their family caregivers of the Community Care Network.

Through two new fundraising events, the Summer Sports Tournament and the Annual Open House/Bake Sale held in the Fall, we introduced our organization to new community members who heard about Kin On for the first time. Many of them enthusiastically supported Kin On by donating much needed funds to fulfill our goals.

### THE PEOPLE THAT WE SERVED

Because of the excellent services Kin On Health Care Center provides our residents, we have been a facility of choice for many community seniors. To address the emergent need of seniors who require short-term rehabilitation after hospitalization, the Board approved the development of the Transitional Care Program in the Health Care Center. In 2008, the number of new clients in the Transitional Care Program doubled from the year before.

As for the Community Care Network programs, we experienced a small decrease (6%) in service hours in the Home Care Program. The other programs remain stable in serving those seniors who are living in their own homes. The following is a summary of the residents and clients we served in 2008:

#### Kin On Health Care Center:

|                            |        |
|----------------------------|--------|
| Number of Residents served | 144    |
| Gender Distribution: (M/F) | 57/87  |
| No. of New Admissions      | 46     |
| No. of Discharge           | 46     |
| No. of Patient Days        | 35,963 |
| Average occupancy rate     | 98.3%  |
| Oldest                     | 106    |
| Youngest                   | 33     |
| Average Age                | 85     |

#### Community Care Network of Kin On:

|   |     |
|---|-----|
| <b>Total Unduplicated Clients</b> 342<br>(excluding community education program participants) |     |
| Alzheimer & Dementia Support Center   | 33  |
| Family Caregivers Support Center  | 59  |
| Home Care Program   | 118 |
| Home Health & Hospice Program   | 79  |
| Kin On Alert-PERS   | 89  |
| Community Care Network Enrollees  | 62  |
| Participants in Outreach & Education programs   | 316 |

#### Service Volume:

|   |        |
|---|--------|
| Hours of Home Care Services                 | 65,904 |
| Visits by RN, therapists and social workers | 1,079  |

### THE STAFF WHO PROVIDED THE CARE

Kin On maintains a very stable and skillful workforce in both of our operations. Our staff turnover rate was far below the industry average. Our job safety record is one of the best in the State. Our staff is dedicated and committed to honoring our motto: "Residents and Clients are the Center of our Attention." Staff members are committed to providing the best care possible to our residents and clients.

#### Kin On Health Care Center:

**138 (90 Full-Time and 48 Part-Time)**

|                        |    |
|------------------------|----|
| Accounting             | 3  |
| Activity               | 7  |
| Administration         | 4  |
| Dietary                | 14 |
| Environmental Services | 23 |
| Nursing                | 84 |
| Social Services        | 3  |

#### Community Care Network of Kin On:

**67 (8 Full-Time and 59 Part-Time)**

|                                    |    |
|------------------------------------|----|
| Administration                     | 3  |
| Family Caregivers Support Programs | 2  |
| Home Care                          | 51 |
| Home Health                        | 9  |
| Planning & Development             | 2  |

## THE FINANCIAL RESOURCES THAT FUNDED OUR PROGRAMS

### *Kin On Health Care Center:*

The Kin On Health Care Center achieved a surplus in our operation because of our efforts to control operation costs, while refinancing our mortgage loan with better terms.

| Revenue: \$7,021,480              |     | Expenditures: \$6,368,393                 |     |
|-----------------------------------|-----|---|-----|
| Medicaid                          | 88% | Administration                            | 11% |
| Medicare                          | 8%  | Activity & Social Service                 | 5%  |
| Private Pay                       | 2%  | Dietary                                   | 10% |
| Others (ie: Managed Care/Respite) | 2%  | Environmental Services                    | 14% |
|                                   |     | Nursing                                   | 52% |
|                                   |     | Property, Hazard Insurance & Depreciation | 8%  |

### *Community Care Network of Kin On:*

As for the Community Care Network, with community donations supporting the Family Caregivers program and the Extension program, we achieved a small surplus in our operation.

| Revenue: \$1,656,792                 |     | Expenditures: \$1,633,722 |     |
|--------------------------------------|-----|---------------------------|-----|
| Government Contracts & Reimbursement | 87% | Home Care Program         | 79% |
| Reimbursement from other agencies    | 10% | Home Health               | 13% |
| United Way of King County            | 2%  | Social Services           | 8%  |
| Others (e.g. Donations)              | 1%  | Extension Program         | 1%  |

## THE VOLUNTEERS WHO INSPIRED US

Volunteers are the lifeline of our organization. Our volunteers provided leadership and manpower for all our fundraising events including the South China Benefit Dinner, the annual Golf Tournament, the Sports Tournament and Open House/Bake Sale. They also assisted in administration, activities, social services and religious services. Many community groups and organizations also presented programs to entertain our residents all year round. At the Volunteer Appreciation Dinner in December, over 200 long time volunteers/supporters attended. Anne Wing, David Wu and Tzu Chi Compassion Foundation were recognized as the recipients of the Bertha Tsuchiya Outstanding Volunteer of the Year Award. Our heartfelt gratitude to all of our dedicated volunteers.

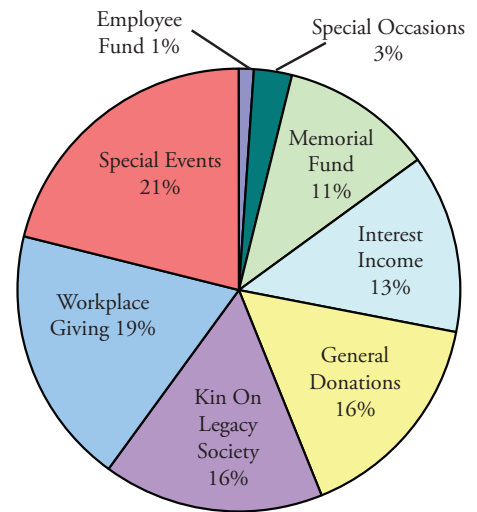
### *Volunteer Program Statistics:*

|  |       |
|--|-------|
| No. of Volunteers in Operation                           | 189   |
| Total No. of Volunteer Hours Supporting the Operation    | 5,359 |
| Average Monthly Volunteer Participants                   | 121   |
| No. of Community Organizations Presentations             | 21    |
| No. of Volunteers at the South China Dinner              | 100   |
| No. of Volunteers at Golf Tournament                     | 34    |
| No. of Volunteers at Kin On Sports Tournament/Open House | 99    |

## THE GENEROUS CONTRIBUTIONS THAT SUPPORTED OUR MISSION

We did not hold an auction dinner in 2008. The total amount we raised was \$348,444 which was about average for a non-auction year. In addition to our regular fundraising events such as the First Hill Lions' Pancake Breakfast, South China Benefit Dinner and the 8th Annual Kin On Golf Tournament, we added two new events: the Sports Tournament and the Open House/Bake Sale. General donations from our core donors and workplace giving from employees at Boeing, Microsoft, government and public agencies and business corporations continued to provide vital resources to help us fulfill our mission. We also received a significant donation from the estate of Dr. Calvin Lang. Kin On was successful in retaining grant funds from public agencies and United Way in support of our Community Care Network programs.

**Total funds received: \$348,444**



## LOOKING INTO OUR FUTURE

Due to the global economic downturn, we are anticipating funding for our programs in 2009 to be very tight. Our management team is committed to improving our operation efficiency and curbing our costs. Even under this uncertain time, our commitment of caring for residents and clients with respect, dignity and integrity will never waiver. We are committed to providing the best care possible to our seniors. We will continue to create solutions to meet the emerging needs of our community. We will work hard to gain your continual trust and support.