

2022
ANNUAL
REPORT



DUNWOODY
VILLAGE

ABOUT DUNWOODY

Statement of Intentions

1. To carry out our mission in ways that are always ethical and in the expressed spirit of our stated mission.
2. To create an atmosphere of caring that treats all residents in a dignified manner, respecting individuality, privacy and personal choices.
3. To create health and wellness programs that serve residents along the full continuum of care.
4. To support a quality management program that identifies, develops and implements on-going performance improvement projects.
5. To cultivate teamwork in providing distinctive, high-quality services.
6. To provide a homelike and welcoming environment that is safe and secure.
7. To support our mission in a cost-efficient and effective manner.
8. To provide charitable Personal Care services to a limited number of qualified individuals in keeping with the vision of our founder, William Hood Dunwoody.
9. To promote and develop strong community affiliations through residents, employees, and Trustees.
10. To create an atmosphere of growth and opportunity in order to attract and maintain employees who are committed to our Core Values of Teamwork, Respect, Integrity, Compassion, and Quality.
11. To provide education and training for staff, residents and Trustees aimed at broadening knowledge related to the needs of seniors.
12. To maintain an open-door policy that encourages open channels of communication among all levels of employees, residents, families, and Trustees.
13. To embrace the efficiencies and quality of life advantages delivered by new technologies.
14. To advocate for seniors with law makers and regulators.

The LeadingAge Quality First Elements of Quality

Dunwoody Village participates in the LeadingAge Quality First program, which helps organizations to achieve excellence in aging services and earn public trust. By endorsing the Quality First principles, Dunwoody pledges to work in partnership with consumers and the government to create an environment of high-quality care and service. The ten elements of quality are:

- Commitment
- Governance and Accountability
- Leading-Edge Care and Services
- Community Involvement
- Continuous Quality Improvement
- Human Resources Development
- Consumer-Friendly Information
- Consumer Participation
- Research Findings and Education
- Public Trust and Consumer Confidence



VILLAGE



1. Community

Dunwoody Village
3500 West Chester Pike
Newtown Square, PA 19073-4168

2. Licensed Provider

Dunwoody Village
3500 West Chester Pike
Newtown Square, PA 19073-4168

3. To Discuss Admissions Call or Write:

Elaine Kaiser, CASP
Director of Marketing and Admissions
Dunwoody Village
3500 West Chester Pike
Newtown Square, PA 19073-4168
(610) 359-4400
email: marketing@dunwoody.org
website: www.dunwoody.org
Hearing and Speech impaired may reach us by dialing 711 or via the PA Relay Center: 1-800-654-5984

4. Community Description

The community is located in a suburban setting on 83 acres and contains a three-story apartment building with studio, junior, one and two bedroom apartments; one-story country houses with one and two bedrooms; one-story country houses with two bedrooms and a den; and 40 Carriage Homes. There are 81 private Personal Care rooms (20 of which are a secure Memory Unit) and 81 private Skilled Nursing rooms on the campus. The community is masonry construction with enclosed heated and air conditioned walkways. Common areas include an auditorium, board room, several dining areas, arts and crafts studio, library, a swimming pool and Jacuzzi, fitness center, club room, woodworking shop, gift shop, hair salon, and game room.

5. Minimum Age for Admission

The minimum age for admission is 60.

6. Affiliates

Dunwoody Village does not have any affiliation with any religious, charitable or other not-for-profit organizations except for Dunwoody Allied Services (d.b.a. Dunwoody at Home). Dunwoody Village is the sole member of Dunwoody at Home (www.dunwoodyhomecare.org). Both organizations are Pennsylvania not-for-profit corporations and tax exempt under IRS Code 501 (c) (3).

7. The Current Resident Population

The current resident population is 425.

8. Sample 2023 Fees

One-bedroom apartment: *(Non-refundable option)*

	<i>Single</i>	<i>Double</i>
Entrance Fee	\$ 192,400	\$ 223,600
Monthly Fee	\$ 3,790	\$ 6,790

One-bedroom apartment: *(50% Refundable option)*

	<i>Single</i>	<i>Double</i>
Entrance Fee	\$ 288,600	\$ 335,400
Monthly Fee	\$ 3,790	\$ 6,790

INVESTMENT CONSULTANT

Dunwoody employs Vanguard as the investment consultant who recommends investment managers.


Vanguard is a family of about 215 U.S. funds with more than \$7.5 trillion in assets under administration.

DISCLOSURE STATEMENT

The issuance of a certificate of authority by the Insurance Department of Pennsylvania does not constitute that Department's approval, recommendation or endorsement of the universal care facility, nor is it evidence of, nor does it attest to, the accuracy or completeness of the information set forth in this disclosure statement. The Springton Lake Village disclosure statement and fee schedule are located on page 69.

The background is a solid dark blue. On the left side, there are several overlapping, thin gold circles of varying sizes, some of which are partially cut off by the edge of the frame. The text is centered in the upper half of the image.

How do you
know when
you're *ready*?

The background is a solid dark blue color. It is decorated with several large, overlapping circles made of a thick gold line. These circles are positioned in the top right and bottom left corners of the page, framing the central text.

In each stage of life, there are decisions that must be made. Some feel more challenging than others. However, it's these decisions that ultimately determine a person's happiness and well-being.

Making the choice to enter a continuing care retirement community may feel daunting, but when it comes to Dunwoody Village, it's a choice residents say they wish they'd made even sooner. With so much to experience and enjoy at Dunwoody, there's no reason to hold back. Simply applying to Dunwoody, with its 3-10 year waitlist, ensures someone will have options in the future... and when it comes to the future, a place full of friendship, passion, and quality care is an excellent option to have.

Edward Chiosso

CHAIRMAN OF THE BOARD



For the past nine years, I've had the honor of serving on the Dunwoody Board and serving as Chairman since 2018. My almost-decade spent serving has had an incredibly significant impact on my life; so much so that, even though the time has come for me to step down, I plan to enter the role of a Chairman Emeritus.

It's a powerful testimony to have a Chairman whose term is up but continues to come to future Board meetings and resident events. Yet this is the power of Dunwoody: a community that is so positive and impactful that someone's personal connection to it goes beyond mere titles or obligations. It's a community where you truly are part of a family.

I feel grateful to be able to step into this new role. I am also proud of all that has been accomplished over the past 9 years. We've revamped our campus, completed hallway and common area projects, built our game-changing Penrose Carriage homes, hired a new CEO, and even survived a pandemic. Through it all, we've become even stronger. Given these accomplishments and much more, I can't help but feel tremendous pride and excitement for Dunwoody. Now, with a leader like Maureen Casey, our new CEO, we're looking to the future and are positioned for success.

Part of the reason why I can say this with so much confidence is our strategic, four-pillar approach. This plan was created with input from board members and residents alike, whose broad range of backgrounds helped to communicate what was needed in order for Dunwoody to thrive. The four pillars make up the backbone of what we do in our community and the type of home we've built. They are:

- ***One Dunwoody:*** The *One Dunwoody* initiative is founded on the idea that all key stakeholders in Dunwoody — residents, employees, and Board members — collaborate to develop an ideal environment for healthy aging. As a Board, we've strived to remain accessible to both residents and staff. What results is a system in which everyone feels respected and valued, with their needs being met.
- ***Healthcare Services:*** We've maintained our CMS 5-Star Healthcare rating and continue to be a preferred healthcare provider, yet we never rest on our laurels. We continually look to the future to see what more can be done for our residents to ensure excellent healthcare at all levels. Additionally, a Montessori approach has now been incorporated into our care center to further promote respect and dignity for all people.
- ***Technology Enablement:*** We continue to develop technology that will make the lives of residents, their families, and staff easier and more enjoyable. We also listen to our residents to see what technology needs they require. Electric car charging stations are being added to our campus as a direct result of feedback from our engaged and progressive residents.
- ***Leadership and Engagement:*** Dunwoody is often noted for just how engaged our residents are. Of course, this engagement extends throughout all leadership, which boasts a blend of Board members who are both non-residents and residents. This mix makes it possible for leadership to be truly attuned to the wants and needs of our community. The variety of backgrounds within our board also contributes to the success of the governance, with the collective knowledge of the leadership team extending throughout all key areas of care, healthy aging, and successful living. Additionally, our great and financially vibrant community continues to ensure Dunwoody's sound financial infrastructure.

As Dunwoody moves forward into the future, I want to express my utmost confidence in Maureen and the rest of the Management Team. Their genuine love of Dunwoody shines through and is reflected in the culture of the community. Whatever the future holds, Dunwoody is ready.

Sincerely,

Edward A. Chiosso

Chairman of the Board

Maureen Casey

PRESIDENT & CEO



Dunwoody could have been knocked down when hit with the “3 C’s” all at once — COVID, construction, and a new CEO — but our community stands stronger than ever. Looking back, I’m glad that I was able to join Dunwoody during a time when things were in transition. We were creative, adaptive, and nimble — looking towards the future with hope and excitement. That resiliency is a testament not only to our long history and strong mission, but also to our residents, staff and Board of Trustees. We worked together to support one another individually and as a community.

Our residents help to make Dunwoody welcoming for new residents, guests, and staff. Our culture is such that everyone is valued, everyone is respected, and everyone is equally important. This makes for a special environment that is both warm and supportive. The Dunwoody Village Residents’ Association (DVRA) continues to develop new programs and activities to make Dunwoody an interesting and fun place to live. Routine meetings with staff and DVRA members ensure open communication and a proactive approach.

Another key element related to our culture is our Board of Trustees. A blend of both residents and outside members, they are generous with their time and talents — always strategic and forward thinking. In a time that is financially challenging for many, Dunwoody is financially secure and sustainable into the future; we continually invest in our residents, our staff and our community. Ed Chiosso has been a wonderful partner during my transition; I am very grateful to him for his leadership and guidance. We are thrilled he will stay on as Chairman Emeritus. At Dunwoody, board members — including those that are not residents — are truly present. They are on campus, engage with residents, and attend special events such as the resident cocktail party, picnic, and holiday party. They are fully invested in Dunwoody and our residents and staff.

The other critical component is our staff: smart, skilled, and deeply caring people — not only towards our residents, but also each other. At Dunwoody, we recognize and value our employees, ensuring they have the training, supplies, and support to do their best work. I am very proud and very grateful for our staff, management, and leaders who shine through the most challenging of circumstances. The Board and I deeply appreciate — and rely upon — their dedication and commitment.

So, are we ready for our next challenge? Are we ready for the future? We have an invested Board of Trustees with Bert Dalby as our new Chair, engaged residents, dedicated leadership and staff, financial security, sound infrastructure, and beautiful, functional buildings and grounds ... and we never stop planning for our future. Whether it’s healthcare, living space, infrastructure, entertainment, or resident services, we’re continually asking: “What are the residents’ needs, what are the staff’s needs, what are the community’s needs; and, most importantly, how can we best meet those needs?” Dunwoody Village is a wonderful place to live, as well as an amazing place to work. It’s a place where everyone is respected and valued. I love what I do and I love that I am able to do it at Dunwoody. We’ve not only survived, but we have thrived through our “3 C’s.” There are always future challenges. Yet, it’s clear to me that when it comes to creating a meaningful, exceptional experience for residents, Dunwoody is 100% ready.

Sincerely,
Maureen Casey
President & CEO

Dr. Nancy Bloomfield

2022 PRESIDENT, RESIDENTS' ASSOCIATION /
EX-OFFICIO MEMBER OF THE BOARD



The Dunwoody Village Residents' Association is comprised of all of our residents and provides a voice to all of us in Residential Living, Personal Care, and Skilled Care. We work in concert with Administration, Staff, and the Board of Trustees to assure that residents' needs and concerns are addressed. We have more than 30 committees that range from resident-run; liaison (with representatives from residents and administration); and advisory, who work cooperatively with leadership to provide resident activities and address issues such as facilities and dining.

We are delighted that construction of our expanded community center has been completed and we are settling into our beautiful new space. We are eating together in our dining venues, providing lots of opportunities for socialization. All of our committees are active, and we have returned to being a very busy community with live entertainment, lectures, book discussions, bridge, *Mahjong*, shuffleboard, ping pong, billiards, and other games in our game room. We also have a busy resale shop, a busy floral studio, and a very active arts and crafts program. In addition to this, there are weekly music get-togethers in our new Fox Den, where residents who love to play music and residents who love to listen or sing along join as one. Our men's and women's discussion groups continue to meet. We look forward to the installation of our outdoor sports areas, including putting, croquet, and bocce courts. Our beautiful library is very inviting and our fitness center is alive with classes and lots of exercise equipment available for use.

One of the most exciting events at the end of the year was the reopening of our holiday bazaar in our new auditorium. This was a highly successful event, drawing many customers and realizing a record profit to support our activities. We look forward to a repeat this year when all of our spaces will be open and available.

We have experienced a busy and challenging year, said goodbye to some friends, welcomed many new residents, and remained a supportive and friendly community where we build strong bonds and continue to expand our horizons. We continue to enjoy our experiences and activities as we plan for a future filled with satisfaction for all who live here.

Sincerely,

Nancy Bloomfield

President, Dunwoody Village Residents' Association

Upon moving to Dunwoody Village, every resident automatically becomes a member of the Residents' Association. An independent, self-governing body, the Residents' Association holds monthly meetings September through May. It gives collective voice to the needs and desires of Dunwoody Village residents, and through its numerous committees and initiatives, Association volunteers help organize activities to further enhance life at Dunwoody. Officers and the Association's Executive Committee are elected annually.



2022 Residents' Association Executive Committee members

Standing:

Jim Carino, *Assistant Treasurer*
Steve Ruzansky, *Vice President*
Nancy Bloomfield, *President*
Joe VanderVeer, *Member at Large*
Howard Howe, *Treasurer*

Seated:

Ginni Condo, *Corresponding Secretary*
Marjorie Smink, *Recording Secretary*
Judy Van Allen, *Member at Large*
Norma Winther, *Member at Large*

Not Pictured:

Lisa Twitmyer, *Member at Large*

Ready for... *Friendship.*

When asked what they most love about Dunwoody, without fail, the first thing residents mention is the people. They comment on a feeling of total inclusivity, all-around support, and belonging.

That sense of belonging is due, in large part, to a very robust Residents' Association that not only plans and implements most of the programming at Dunwoody, but also ensures that new residents feel welcomed and included. A Hospitality Committee makes it a point to invite new residents to social gatherings and to dinner.

“Not everyone comes to Dunwoody Village knowing people,” says Elaine Kaiser, Marketing Director. “But it doesn’t take long for new residents to assimilate and find connections. Of course, not everyone wants to join in, and there’s room for that, too.”

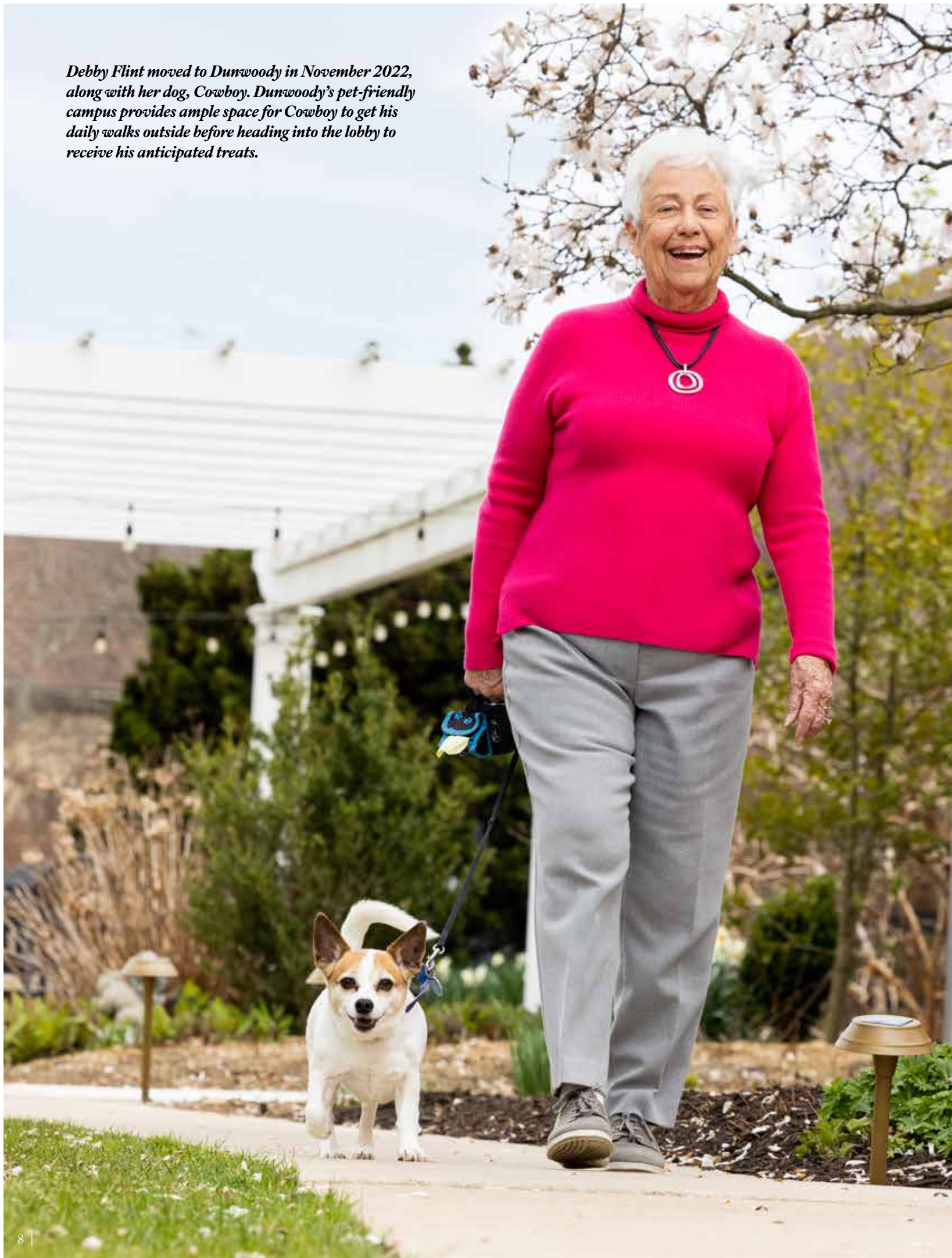
New resident Debby Flint can attest to the camaraderie. She laughs, recalling that after she moved to Dunwoody, she needed to get a

The Fox Den, Dunwoody’s new lounge, is a favorite meeting space for residents. Whether reading the paper over a morning cup of coffee, or enjoying light fare during happy hour, the Fox Den offers a comfortable, welcoming atmosphere.





Debby Flint moved to Dunwoody in November 2022, along with her dog, Cowboy. Dunwoody's pet-friendly campus provides ample space for Cowboy to get his daily walks outside before heading into the lobby to receive his anticipated treats.





“I go down the hall and people are calling ‘Hi, Cowboy!’ I don’t yet know them, but they recognize him!”

calendar just to keep track of all the dinner invites she received. “It is wonderful,” she says. “I didn’t realize what a social person I actually was!”

Debbly first became familiar with Dunwoody when she visited to have dinner with friends who moved here. Many residents enjoy not only connecting with new friends in the Dunwoody community, but continuing to socialize with old friends and inviting them to attend on-site events.

Adding to Debbly’s social life is her small dog, Cowboy. A mixed breed, this rescue pup has become something of a celebrity at pet-friendly Dunwoody.

“I go down the hall and people are calling ‘Hi, Cowboy!’ I don’t yet know them, but they recognize him,” Debbly jokes. She boasts that it took Cowboy less than 3 days to learn how to get

to the front desk for the treats that are kept there for furry companions. Dunwoody’s dog park and extensive woodland walking trails are also accessible for Cowboy and other resident pets to enjoy. Dunwoody doesn’t put any restrictions on pet size, a major plus for dog lovers who have larger breeds.

The sense of hospitality felt by residents and four-legged friends also extends to the staff. While many other communities experience high employee turnover, Dunwoody experiences the opposite: once a part of the Dunwoody family, employees rarely leave. Some 109 employees have been working at Dunwoody for at least 10 years, with 44 of those logging more than 20 years. Dunwoody CEO and President Maureen Casey attributes this to the philosophy of honoring, respecting, and valuing everyone on the campus.

“It’s important to understand that staffing equals success,” says Maureen. “Part of what makes it such an amazing place to live is that it’s also an amazing place to work.”

As a result, residents not only receive better care, but they develop genuine friendships with the staff as well. It’s common to see a staff member joking with residents in the dining area or even visiting them in the event they’ve moved to the care center for medical reasons.

“This is what sets us apart: the people,” Maureen says. “Residents, staff, families ... the relationships people create, the culture. It’s extremely warm, extremely welcoming. People really extend themselves and support each other. They enjoy laughing, being together, celebrating each other’s successes, and just having fun.”





Ready for... *Beauty.*

Right after camaraderie and top-notch medical care, residents and staff alike are quick to comment on Dunwoody's gorgeous campus. While Dunwoody's Newtown Square location places it right near shopping, businesses, and hospitals, the arboretum-style campus itself is still, tranquil, and beautiful. Situated on 83 acres, Dunwoody boasts its own wildlife preserve in addition to the extensive trails and dog park.

Beyond natural beauty, the design and layout of Dunwoody also draws admiration. Residents are able to customize their homes. Living options range from one-bedroom apartments to large carriage houses with 4,000 square feet of space, guaranteeing that everyone can find their perfect fit. What's more, residents are able to select elements they want in their home, from countertops to paint colors. They're even able

Residents Chuck and Diane Ladner enjoy a stroll through Dunwoody's wildlife preserve. In an effort to preserve native plants and create healthy environments for the animals, residents worked with groundskeepers to turn 45 acres of its scenic land into a nature refuge, complete with walking trails. The effort has delighted nature lovers and birdwatchers alike.



Dunwoody offers an array of housing options, from one- and two-bedroom apartments, to country houses, to Penrose carriage homes. Pete and Francie Hubbard, along with their dog Bentley, relax in their East Country House. Residents are able to customize their residence to make it really feel like home.

to make upgrades and reshape spaces within their homes to suit their tastes. Amenities, such as Dunwoody’s on-site generator and 24-hour security, offer residents additional peace of mind. In bad weather, the fact that apartments and country houses are connected to the main community building via climate-controlled hallways makes it much simpler for residents in those homes to access dining and events.

Dunwoody has just completed a \$24 million expansion and renovation project, which has beautified common areas and doubled the size of the community building.

“By investing in capital projects, our leadership has done an excellent job in looking to the future,” Maureen explains. “The Board was able to skillfully plan to make such improvements while



Dunwoody's library has long been admired, and an important part of the expansion included an even more spacious library for residents to enjoy. Marge Smink, Marilyn Caltabiano, and Stella Gabuzda, all librarians by profession, continue to lend their expertise to this coveted gem. The library boasts over 7,000 books, all of which are now cataloged digitally so that residents can search for their favorite titles online.

still maintaining financial security.” As a not-for-profit, all revenue gets invested back into the community. “The infrastructure is very sound,” she adds.

With the renovation, residents now enjoy brand new amenities that include the library, archive room, hair and nail salon, fitness center, woodshop, arts and crafts studio, and an auditorium that can seat over 200. There are also increased dining options, which is particularly important as meals are a key time to socialize.

Dunwoody's multiple dining venues ensure that there can be something for everyone. Hearthside is the main dining area, serving lunch and dinner. For an even more upscale experience, residents

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Keeping in Touch

In May 2022, Dunwoody launched *Touchtown* — a community engagement platform that provides up-to-date information on all things Dunwoody, including activities and programs; dining menus; memos from administration; community directories; and more! Residents and family members alike can access the interface through a web browser or smartphone app. Since its release, *Touchtown* has grown in popularity, with an estimated 75% of independent living households regularly using it. The next update, planned for sometime in 2023, will provide access to Dunwoody's preferred waiting list and residents of Springton Lake Village.



Residents enjoy a full spectrum of dining options, including outdoor service when the weather cooperates. Indoors, residents can choose from casual fare (Hearthside), elegant dining (1712), or can even just simply order takeout. Residents looking to entertain guests are welcome to do so in our private dining room (the Reserve). For late night cravings, our Trolley Stop is open 24/7 for grab-n-go items such as sandwiches or a carton of milk.



Impromptu concerts happen frequently at the Fox Den, Dunwoody's new pub. Residents Steve Ruzansky and Fred Samaha entertain the room with some of the residents' favorite songs.

can dine in 1712, where multiple courses are served à la carte, with the vibe of a contemporary steakhouse. The Fox Den is Dunwoody's new pub, featuring a fireplace and piano, as well as a full bar where residents can enjoy cocktails and small plates with lighter fare. There is also a private dining room, the Reserve, available for those who would like to book parties with 8-15 guests, and The Trolley Stop, an all-new grab-n-go option. A dining points system was instituted to provide residents with more flexibility.





“We really listen to feedback from residents in terms of what they want to see with food and service,” says Julia McCarthy, Dunwoody’s Director of Dining Services. “Lamb chops are a favorite, but residents also love meatloaf and turkey. They tend to really like traditional meals, but with a fine dining flair.”

In addition to everyday dining, Dunwoody’s dining staff tends to go all-out for major holidays and special events. For instance, a special

Dining Services Director Julia McCarthy and Executive Chef Derek Brewington work together to offer residents a delightful culinary experience. Multiple dining venues allow for varied menus, offering everything from custom-made salads and brick oven pizzas to lamb chops and fresh seafood — all available for residents to enjoy depending on what they fancy at mealtime.

brunch at Easter is held in the auditorium and includes omelette stations. Occasional “Jazz Sundays” feature jazz trios for residents to enjoy as they dine. A recent “Spring Fling” even included a swing band and dance floor in the middle of the dining set-up.





Ready for... *Fun.*

“No matter what you love to do, you can do it at Dunwoody,” Maureen says.

There truly is a range of activities to satisfy any interest. Of course, residents are free to participate as much or as little as they like, but in addition to a variety of activities, including games like bridge, *Mahjong*, Rummikub, and bingo, there are lectures, performances, concerts, and other special events year-round. David Kim of the Philadelphia Orchestra recently performed, along with a wealth of other notable talents. Additionally, a swimming pool and fitness center, a floral studio and an arts and crafts room that includes everything from sewing to painting, and a woodworking shop ensure that no one's ever bored!

“For an aging population, we're a pretty youthful population!” jokes Nancy Bloomfield, president of the Residents' Association. “We have a youthful

There's something for everybody when it comes to fitness at Dunwoody. Fitness instructors like Bonnie Monastra of Ageless Exercise offer classes for all levels of ability and mobility. Strength and balance classes, chair and mat yoga, Pilates, and Tai Chi are an important part of many residents' wellness program.



(Top left) Dunwoody residents can regularly exercise their mind, body, and soul thanks to organized bus trips to cultural attractions, such as the Philadelphia Art Museum. (Top right) As chair of the arts and crafts committee, Mary Kreek has made the art studio her second home! Whether she and other residents are painting, beading, stitching, or dabbling in ceramics, there are sure to be friendships in the making. (Right) Residents like Dr. Pen-Ming Ming enjoy a variety of games available to them, including Mahjong, a resident favorite.

“No matter what you love to do, you can do it at Dunwoody.”

outlook, and like to keep busy and active.” She cites a new Friday musical program as an example. The program came about as a result of residents who played instruments. No matter what their skill level, they come together just to jam and entertain others. They also visit and perform for residents in the memory care unit. “There are outlets to do all kinds of things. That’s the strength of Dunwoody.”

Resident Alice Lodge has first-hand experience with using her passion to create an event residents could enjoy. As an exercise physiologist, much of Alice’s life before Dunwoody was dedicated to educating older adults on staying active and healthy. She recently held a seminar on “Secrets for Health Change,” and plans to



In a new state-of-the-art fitness center, a variety of fitness classes and equipment help keep residents engaged, healthy, and fit. A fitness trainer is present on weekdays to help set personal goals, instruct how to use the machines, and — most importantly — be everyone’s biggest cheerleader.

do an informal follow-up to the session where participants can meet casually in the Fox Den to discuss their progress. She’s also instituted a “Dunwoody Strong Challenge,” which encourages residents to get up and get moving for at least ten minutes at a time, in the hope of accumulating thirty minutes of movement over the course of a day.



Resident Alice Lodge dedicated much of her life to helping older adults remain physically active. Now, she brings her talents to Dunwoody and shares her passion with her fellow residents.





“There are outlets to do all kinds of things. That’s the strength of Dunwoody.”

“Mindfulness is very important,” she says. “As we get older, we need to be more focused on what we’re doing. It’s important to set goals. Make them small and hold yourself accountable for that ... but don’t beat yourself up if you go off the rails.”

She also stresses the importance of having a strong vision for WHY you’re doing something. “We have a lot of ‘shoulds,’ but without a clear why, what’s the point?” For many of the residents, their clear why has been the surplus of things there are to enjoy at Dunwoody, and wanting to be able to fully experience all the community has to offer.

When it comes to happiness, several key elements must align. Human beings are social creatures and need friendship and connection. They need to feel secure and that they are safe both physically and financially. Having a beautiful and inspiring environment is vital. Last but not least, there also needs to be freedom to pursue one’s passions.

These aspects of happiness are all also aspects of life at Dunwoody.

America has gone crazy for pickleball, and Dunwoody is no exception! Residents set up a court using available parking spaces in front of Penrose Carriage Homes and frequently meet for pick-up games.



Dr. Lawrence has been the Medical Director at Dunwoody Village for more than 20 years. While routine nursing care is available around the clock, residents can visit doctors and nurse practitioners by appointment — or by visiting the Wellness Center during office hours. Specialists, including dentists, cardiologists, and podiatrists are part of the in-house team. Residents can also opt to stay with their preferred providers and use Dunwoody’s private transportation for their appointments.

Ready for...

Top quality care.

Dunwoody is rated a 5-star medical facility, and this alone has been a determining factor for many residents when deciding to move here. All the care they need is available on-site, including doctors, dentists, specialists, and rehabilitation services. There's even a visiting veterinarian for pets! For those that do wish to go off-campus for medical care at one of the excellent local hospitals, there is free local transportation available.

In addition to skilled care and personal care, Dunwoody also has a memory care unit in their Cedars West neighborhood that resident Anne Harrison calls "a gem." Anne, grateful for the quality care her husband Tom received in Cedars West, is on a crusade to spread the word. Anne and Tom first moved to Dunwoody in 2013. About three years ago, it became clear that Tom needed memory care. Anne reflects on the fear that people experience when they think about Alzheimer's and memory loss.

"It's a frightening disease; people shy away from it. They're scared. So to know there's a place where people are treated kindly, where they enjoy their activities, it makes you want to stand up and cheer 'thank goodness for Cedars West!'" she says. "When he was there, I had no concerns about his care. I want people to know he was happy there."



Resident Anne Harrison is eager to speak with prospective residents about the care her husband received in Cedars West — the Dunwoody Village secure memory unit.

Part of the reason that Cedars West is such a happy place is their Montessori approach. Nurses and therapeutic recreation staff delve into each resident's personal interests to create programs and activities that will most resonate with them. Tom was able to engage in activities that related to his lifelong passions.

To have access to such amenities while also knowing [her husband] is safe nearby is a godsend.

Avid swimmers Helen Dodson and Theresa Chang frequent Dunwoody's pool, with Helen logging at least one mile of swimming several days each week. Residents have now started a program where distance milestones such as "swimming the English Channel" or "swimming the distance from Cuba to Florida" are recognized and celebrated.

Residents in memory care are also still able to see their family members regularly. With the exception of restrictions during the pandemic, Anne was able to visit Tom every day. She would sit with him as he had lunch, and they would sometimes pretend to dance to the piped in music.

Tom passed away in October 2022, but Anne continues to sing the praises of the care he received. "My husband and I never regretted a day that he was living here." Anne is so grateful for the quality of care that he received that she has asked for help in creating a new marketing piece to educate others about Cedars West.

Two of Dunwoody's newest residents, Theresa and Yong Chang, find themselves in a similar situation. Active swimmers who would typically swim five days a week, their lives changed dramatically when, one day, Yong was suddenly unable to walk without assistance. They moved in with their oldest son for about 22 months, but Theresa felt strongly that she didn't want to be a burden to her children. They had heard amazing things about Dunwoody and felt it was the right place for them.

Upon moving into Dunwoody, Theresa moved into an apartment, and Yong resides on Cedars West. Just like Anne, Theresa expresses gratitude that she's able to visit her husband each day.

"I'm the only one who is able to speak to him in Korean," she says. "I also bring him puzzles and flashcards, and we're able to talk about his hometown in Korea." Both he and Theresa came to the U.S. during the Korean War. Without this ease of being able to see each other and reflect





on these past experiences, the process of getting care for Yong would be much more difficult for both of them.

This arrangement also makes it possible for Theresa to still be very physically and socially active, which she loves. She especially enjoys Dunwoody's pool, which is one of the few pools at a retirement community to have a pool attendant. To have access to such amenities while also knowing Yong is safe nearby is a godsend.

Theresa often reflects on the long journey that led her to Dunwoody.

"When I think about my life ... losing my older brother and sister (in the war), moving to America alone at 18, and how I've come here now ... I'm thankful every day. Every day is a gift. I feel now this is my home."

So ... why wait?



Dr. Nancy Bloomfield

*2022 President,
Residents' Association*



Theodore Bredikin



Constance Carino



Peter E. Bort



Patrick J. Burke



Robert Edmiston



Richard L. Greene



Garth Hoyt



Linley Grandison



Erin L. Haas

Treasurer

2022 Officers & Board of Trustees

Dr. Nancy Bloomfield

*2022 President,
Residents' Association*

Dunwoody Village
3500 West Chester Pike
Newtown Square, PA 19073

Peter E. Bort

Bort Law
101 Lindenwood Drive
Suite 225-G
Malvern, PA 19355

Theodore Bredikin

UnitedHealthcare, Inc.
Insurance Solutions Division
680 Blair Mill Road
Horsham, PA 19044

Patrick J. Burke

Mill Creek Capital Advisors, LLC
Eight Tower Bridge
161 Washington Street, Suite 1500
Conshohocken, PA 19428

Constance Carino

Dunwoody Village
3500 West Chester Pike
Newtown Square, PA 19073

Maureen P. Casey

President / CEO
Dunwoody Village
3500 West Chester Pike
Newtown Square, PA 19073

The Dunwoody Board and Officers of the Corporation have no equity or beneficial interest in the Corporation.

No professional service, firm, association, trust, partnership or corporation provides goods, leases, or services to the facility in which a board member or officer has any equity or beneficial interest. All board members sign a conflict of interest statement.



Edward A. Chiosso
Chairman of the Board



Bert Dalby
First Vice Chairman



Jason Darrach



Maureen P. Casey
President / CEO



Charles L. Ladner



Stephanie Strid-Davis



Dr. David R. Jones



Anne S. Morse
Secretary



Stephen S. Young

Edward A. Chiosso

Chairman
KPMG LLP
1601 Market Street
Philadelphia, PA 19103

Bert Dalby

First Vice Chairman
Vantage Advisors, LLC
Dunwoody Village
3500 West Chester Pike
Newtown Square, PA 19073

Jason Darrach

Archer365, PLLC
Archer Tax & Financial Group, P.C.
512 West Lancaster Avenue – Suite C
Wayne, PA 19087

Robert Edmiston

PNC Institutional Advisory Solutions
1600 Market Street, 19th Floor
Philadelphia, PA 19103

Linley Grandison

Globus Medical Inc.
Valley Forge Business Center
2560 General Armistead Avenue
Audubon, PA 19403

Richard L. Greene

Dunwoody Village
3500 West Chester Pike
Newtown Square, PA 19073

Erin L. Haas

Treasurer
Glenmede Investment Management
1650 Market Street
Philadelphia, PA 19103

Garth Hoyt

McNees Wallace & Nurick LLC
426 W. Lancaster Avenue
Devon, PA 19333

Dr. David R. Jones

Retired President and CEO
Comprehensive Health Solutions, PC
Dunwoody Village
3500 West Chester Pike
Newtown Square, PA 19073

Charles L. Ladner

Dunwoody Village
3500 West Chester Pike
Newtown Square, PA 19073

Anne S. Morse

Secretary
Aronwold Partners
3553 West Chester Pike #328
Newtown Square, PA 19073

Stephanie Strid-Davis

Hamilton Lane
One Presidential Blvd., 4th Floor
Bala Cynwyd, PA 19004

Stephen S. Young

Genesis Healthcare, Inc.
101 E. State Street
Kennett Square, PA 19348

Chairpersons Emeriti

Patricia P. McCarter
Charles L. Ladner
Patrick J. Burke

Trustees Emeriti

Sara Spedden Senior
Henderson Supplee, III

2022

Dunwoody Village Leadership Team

The Dunwoody Village Leadership Team works together to review priorities for upholding the quality of the Dunwoody experience. Members of the team are responsible for the day-to-day operation of Dunwoody Village. In addition, the Dunwoody Leadership Team holds quarterly town meetings with the residents to present current information and future plans of interest.



Susan Bankert
Director of Nursing



Len Dachino
Controller



Maureen Casey
President/CEO



Brandon Jolly
Director of Health Services



Elaine Kaiser
Director of Marketing



Gary Ladeau
Director of Environmental Services



Julia McCarthy
Director of Dining Services



Curt Sayers
Director of Human Resources



Brian Schroeder
Director of Homecare, Dunwoody at Home

Services For Non-Residents



You don't have to live at Dunwoody Village to take advantage of our health care. Programs for non-residents include the following:

Dunwoody at Home

Dunwoody at Home is a proud subsidiary of Dunwoody Village. We provide individualized care that allows you to safely enjoy the comfort of home in whichever place you call home. Dunwoody at Home offers a variety of services that allows you to manage all of your home care needs. Some of our private duty services include personal care, medication reminders, light housekeeping, meal preparation, doctor appointment assistance and much more. Due to our close affiliation with Dunwoody Village, you have the peace of mind knowing your care is being provided by experienced and compassionate professionals who are passionate about your wellbeing. We strive to provide the highest standard of care, exceeding your expectations and allowing you to remain independent and enjoy life to the fullest. Our goal is to get to know everything we can about you, your health and your needs so that we can provide personalized care that fits your lifestyle. For more information on Dunwoody at Home, call (610) 359-4503 or visit our website at www.dunwoodyhomecare.org.



Short-Term Rehabilitation

Dunwoody Village's Short-Term Rehabilitation services are designed for patients recovering from joint replacement, cardiac surgery, stroke, and other conditions, easing the transition between hospital and home. Our 41-private-room program includes occupational, physical, and speech therapy as well as nutrition management, recreation, and Skilled Nursing care. For more information on Short-Term Rehabilitation Services, contact us at (610) 723-4700.

Skilled Nursing, Personal Care, and Memory Support

The Dunwoody Village Care Center provides Skilled Nursing Care, Personal Care and Memory Support (for patients with Alzheimer's and Dementia). For more information on Skilled Nursing, Personal Care, and Memory Support, contact us at (610) 723-4700.





AUDITED CONSOLIDATED

Financial Statements

YEARS ENDED DECEMBER 31, 2022 AND 2021
WITH REPORT OF INDEPENDENT AUDITORS

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2022 DISCLOSURE STATEMENT AND ANNUAL REPORT Dunwoody Village is a not-for-profit Continuing Care Retirement Community consisting of 159 apartments, 65 country houses, and 40 Penrose carriage homes. These are all clustered on a beautiful 83-acre tract of fields, woods, lawns and gardens in the center of Newtown Square, Pennsylvania. There are 81 private Personal Care rooms and 81 private Skilled Nursing rooms in the Care Center. Amenities include fully enclosed and heated walkways for apartments and country houses, several new dining venues, lounges, an auditorium, a library, a board room, a swimming pool, a fitness center, a gift shop, a game room, a wood shop, a club room, an arts and crafts studio, a hair salon, weekly housekeeping and linen service, transportation, door-to-door mail delivery, and an all-campus generator.



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Dunwoody Village
Newtown Square, Pennsylvania

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Dunwoody Village, which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dunwoody Village as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Dunwoody Village and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dunwoody Village's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements


Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dunwoody Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dunwoody Village's ability to continue as a going concern for a reasonable period of time.

Board of Trustees
Dunwoody Village

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
April 5, 2023

Dunwoody Village

Consolidated Balance Sheets

December 31, 2022 and 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 8,118,013	\$ 7,308,486
Accounts Receivable	1,009,856	633,423
Prepaid Expenses and Other Current Assets	993,568	922,079
Total Current Assets	10,121,437	8,863,988
ASSETS LIMITED AS TO USE		
Internally Designated by Board of Trustees	29,217,240	35,475,482
Statutory Minimum Liquid Reserve	3,671,019	3,408,010
Externally Designated by Revenue Note Trustee - Project Fund	2,637,810	2,005,041
Externally Designated by Donors	1,157,457	1,157,457
Total Assets Limited as to Use	36,683,526	42,045,990
PROPERTY AND EQUIPMENT, NET	97,899,017	90,989,484
INTEREST RATE SWAP AGREEMENTS	6,707,393	-
Total Assets	\$ 151,411,373	\$ 141,899,462
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$ 1,675,721	\$ 1,073,230
Accounts Payable and Accrued Expenses	5,459,706	6,843,180
Refundable Deposits from Prospective Residents	1,049,386	665,110
Total Current Liabilities	8,184,813	8,581,520
INTEREST RATE SWAP AGREEMENTS	-	353,915
LONG-TERM DEBT, NET	57,394,266	47,825,788
REFUNDABLE ADVANCE FEES	8,600,500	8,671,800
DEFERRED REVENUE FROM ADVANCE FEES	40,790,594	40,541,445
Total Liabilities	114,970,173	105,974,468
NET ASSETS		
Without Donor Restrictions	32,228,899	31,687,860
With Donor Restrictions	4,212,301	4,237,134
Total Net Assets	36,441,200	35,924,994
Total Liabilities and Net Assets	\$ 151,411,373	\$ 141,899,462

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Operations and Changes in Net Assets

Years Ended December 31, 2022 and 2021

	2022	2021
REVENUE, GAINS, AND OTHER SUPPORT		
Resident Care Fees	\$ 21,671,592	\$ 20,736,539
Medical Care Fees	9,722,264	8,308,776
Amortization of Deferred Entry Fees	5,831,039	6,905,939
Resident Services Fees	1,780,935	1,823,174
Government Stimulus	-	223,572
Investment Income (Loss), Net of Investment Fees	(5,469,229)	3,732,310
Other	120,813	101,849
Net Assets Released From Restrictions	44,774	33,528
Total Revenue, Gains, and Other Support	33,702,188	41,865,687
EXPENSES		
Medical and Personal Care	14,691,716	13,471,744
Resident Services	947,249	982,673
Food Service	5,230,544	4,505,378
General and Administrative	5,591,470	5,609,435
Maintenance	3,447,096	3,341,172
Housekeeping and Laundry	2,144,223	1,979,766
Utilities	1,197,470	1,121,187
Real Estate Taxes	1,152,598	1,086,892
Depreciation	5,378,924	5,266,958
Interest	441,168	568,623
Total Expenses	40,222,458	37,933,828
OPERATING INCOME (LOSS) BEFORE OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(6,520,270)	3,931,859
CHANGE IN VALUE OF INTEREST RATE SWAP AGREEMENTS	7,061,309	253,736
FORGIVENESS OF PPP LOAN	-	3,953,167
OPERATING INCOME AND OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	541,039	8,138,762
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	19,941	136,300
Net Assets Released from Restrictions – Used for Operations	(44,774)	(33,528)
Total Increase (Decrease) in Net Assets with Donor Restrictions	(24,833)	102,772
INCREASE IN NET ASSETS	516,206	8,241,534
Net Assets - Beginning of Year	35,924,994	27,683,460
NET ASSETS - END OF YEAR	\$ 36,441,200	\$ 35,924,994

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 516,206	\$ 8,241,534
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Change in Value of Interest Rate Swap Agreements	(7,061,309)	(253,736)
Restricted Contributions	(19,941)	(136,300)
Depreciation	5,378,924	5,266,958
Amortization of Deferred Financing Costs	19,200	19,200
Net Realized and Unrealized (Gain) Loss on Investments	6,015,649	(3,070,390)
Forgiveness of PPP Loan	-	(3,953,167)
Amortization of Deferred Entry Fees	(5,831,039)	(6,905,939)
Proceeds from Resident Deferred Entry Fees and Advance Deposits	6,407,603	6,300,750
Proceeds from Resident for Apartment Refurbishment	570,852	374,514
Refunds of Deposits and Refundable Fees	(585,290)	(115,790)
(Increase) Decrease in Assets:		
Accounts Receivable and Accounts Receivable - Entrance Fees	(376,433)	538,765
Prepaid Expenses and Other Current Assets	(71,489)	(113,301)
Increase (Decrease) in Liabilities:		
Accrued Construction in Progress	(400,369)	127,715
Accounts Payable and Accrued Expenses	(983,105)	2,386,806
Net Cash Provided by Operating Activities	<u>3,579,459</u>	<u>8,707,619</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(745,456)	(1,114,255)
Sales of Investments	632,769	807,998
Acquisition of Property and Equipment	(12,288,457)	(16,745,441)
Net Cash Used by Investing Activities	<u>(12,401,144)</u>	<u>(17,051,698)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(1,073,231)	(772,281)
Proceeds from Issuance of Long-Term Debt	11,225,000	12,425,000
Payment for Swap Execution Costs	-	(74,000)
Restricted Contributions	19,941	136,300
Net Cash Provided by Financing Activities	<u>10,171,710</u>	<u>11,715,019</u>
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	1,350,025	3,370,940
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>16,844,940</u>	<u>13,474,000</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u>\$ 18,194,965</u>	<u>\$ 16,844,940</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest, Net of Capitalized Interest of \$518,389 and \$118,327 in 2022 and 2021, Respectively	<u>\$ 464,776</u>	<u>\$ 579,304</u>

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements include the consolidated accounts of Dunwoody Village (Dunwoody), Dunwoody Allied Services, the Dunwoody Trust (the Trust), and Dunwoody Long Term Care Services.

Dunwoody is a Pennsylvania not-for-profit corporation that owns and operates a continuing care retirement community which provides residential, personal, and medical care to its residents and provides similar personal and medical care to members living outside of the retirement community operating under the trade name of Dunwoody Long Term Care Services. Dunwoody includes 264 independent living units, 81 skilled nursing beds, and 81 personal care beds, which includes a 20-bed memory care unit.

Dunwoody Allied Services is a separate Pennsylvania not-for-profit corporation that primarily provides private-duty companion services to Dunwoody residents and the greater community.

The Trust provides funding for a portion of Dunwoody's charitable rates to community residents in financial need.

Principles of Consolidation

The consolidated financial statements include the accounts of Dunwoody, Dunwoody Allied Services, the Trust, and Dunwoody Long Term Care Services. All significant intercompany transactions have been eliminated in consolidation.

Mission Statement

The mission of Dunwoody is to provide a welcoming and compassionate community with distinctive residential and health care services that promote wellness, dignity, and respect for our residents and home-based clients.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Charity Care

Dunwoody provides charity care to residents in the Trust program who meet certain criteria under the provisions of the William Hood Dunwoody Trust Under Will, provides financial assistance to residents in need through the Resident Reserve Fund, and provides financial assistance to residents in need that have depleted their funds in the Care Center. For the years ended December 31, 2022 and 2021, Dunwoody provided charity care of \$1,165,112 and \$1,385,059, respectively. These amounts represent the costs associated with providing this care. This charity care was funded by transfers from net assets with donor restrictions, contributions, and investment income and operations.

Cash, Cash Equivalents, and Restricted Cash

Dunwoody considers cash and cash equivalents to include cash in bank accounts and other liquid investments with original maturities of three months or less. Restricted cash is cash within funds that are designated by the Board of Trustees. Dunwoody deposits cash in financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, the cash in the bank may exceed FDIC insurable limits.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows at December 31:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 8,118,013	\$ 7,308,486
Cash and Cash Equivalents within Funds Internally		
Designated by Board of Trustees:		
Memorial Garden Fund	10,199	15,971
Dunwoody Trust - Emergency and Health Care Fund	61,072	163,933
Dunwoody Trust	43,325	27,478
Capital Projects	33,697	33,182
Entrance Fees Escrow	7,290,849	7,290,849
Externally Designated by Revenue Note Trustee -		
Project Fund	<u>2,637,810</u>	<u>2,005,041</u>
Total Cash, Cash Equivalents, and Restricted Cash		
Shown in the Statements of Cash Flows	<u>\$ 18,194,965</u>	<u>\$ 16,844,940</u>

Assets Limited as to Use

Assets limited as to use include assets set aside by the board of trustees for future capital improvements and other purposes over which the board retains control and donor-restricted assets under will. Assets limited as to use also include restricted assets externally designated by the Note Trustee for the Project Fund and a statutory minimum liquid reserve (see Note 3).

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Limited as to Use (Continued)

Investments in mutual funds with readily determinable fair values are measured at fair value in the consolidated balance sheets. Investment return (loss) (dividends and interest income, realized and unrealized gains and losses on investments), net of investment fees, is included in operating income unless the income or loss is restricted by donor or law.

Assets limited as to use consist primarily of mutual funds containing fixed income and equity investments and are stated at market value.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near-term and that such changes could materially affect the amounts reported in the consolidated balance sheets.

Property and Equipment

In 1914, land and a trust fund of \$1,000,000 were received under the will of Mr. William Hood Dunwoody to establish Dunwoody. The land was not recorded at an accounting value.

Dunwoody capitalizes all expenditures for property and equipment with costs over \$2,000 and an estimated life greater than one year. The cost of maintenance and repairs are charged against operations as incurred. Property and equipment are stated at cost or at fair value at the date of donation. Land improvements, building and improvements, furniture and equipment, and vehicles are stated at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the respective assets, generally 5 to 40 years.

Long-lived assets, such as property and equipment, are reviewed periodically for impairment based on comparison of carrying value against undiscounted future cash flows. If impairment is identified, the assets' carrying amounts are adjusted to fair value. There were no such adjustments during the years ended December 31, 2022 and 2021.

It is the policy of Dunwoody to capitalize interest cost incurred on borrowed funds during the period of construction of capital assets as a component of the cost of acquiring those assets.

Deferred Financing Costs

Deferred financing costs represent bond and associated swap issuance costs and are recorded as a direct deduction from the face amount of related borrowings. Deferred financing costs incurred in connection with the issuance of long-term debt are deferred and amortized using the straight-line method, a method which approximates the effective interest rate method, over the term of the related indebtedness. Amortization expense was \$19,200 for both the years ended December 31, 2022 and 2021, and is included as a component of interest expense on the consolidated statements of operations and changes in net assets.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue from Advance Fees

Advance fees are initially refundable upon receipt, but become nonrefundable at the rate of 2% per month until becoming fully nonrefundable after 50 months. There are also advance fees that are either 50% or 100% refundable depending on the type of agreement signed by the resident. At December 31, 2022 and 2021, the portion of advance fees subject to refund provisions amounted to \$19,823,660 and \$19,632,936, respectively. Advance fees are recorded as deferred revenue and amortized into operating revenue over the actuarially determined life expectancy of each resident or resident couple, adjusted annually. Upon death of a sole surviving resident, any remaining unamortized portion of the entry fee is recognized as revenue.

The opening and closing balances in Deferred Revenue from Advance Fees were as follows:

	Deferred Revenue from Advance Fees
Balance as of January 1, 2021	\$ 40,871,210
Balance as of December 31, 2021	40,541,445
Balance as of December 31, 2022	40,790,594

Refundable Deposits from Prospective Residents

Refundable deposits from prospective residents represent waiting list deposits and partial payments made on entry fees. Such deposits by prospective residents or resident couples are fully refundable and are credited toward the entry fee upon move in.

Obligation to Provide Future Services

Dunwoody calculates the present value of the cost of future services and use of facilities to be provided to current residents and compares that amount with the balance of deferred entry fees to determine if a liability and corresponding charge to income need to be recorded. As of December 31, 2022 and 2021, the present value of the net cost of future services and use of facilities does not exceed the balance of deferred entry fees and as such, no liability for the obligation to provide future services is required to be recorded in the accompanying consolidated balance sheets.

Interest Rate Swap Agreements

Pursuant to the accounting guidance for derivative instruments, Dunwoody recognizes derivative financial instruments in the consolidated balance sheets at fair value. The interest rate swap agreements were not designated as a hedge for financial reporting purposes. As a result, the change in fair values are reported as a separate component of operating income in the consolidated statements of operations and changes in net assets.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Dunwoody reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions (subject to donor or time restrictions with certain assets maintaining a principal amount in perpetuity).

Net Assets Without Donor Restrictions – Include net assets available for use in general operations and not subject to donor restrictions. The board of trustees has designated, from net assets without donor restrictions, certain amounts for purposes described in Note 3.

Net Assets With Donor Restrictions – Net assets whose use has been limited by donors to a specific purpose. These amounts are principally restricted to Resident Benevolence, Memorial Garden, and other specified purposes. Contributions are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of operations and changes in net assets as net assets released from restrictions. Certain net assets with donor restrictions have been restricted by donors to be maintained by Dunwoody in perpetuity.

Income Taxes

Dunwoody, Dunwoody Allied Services, and the Trust are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state codes.

Dunwoody follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's consolidated financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. The application of this standard has no impact on Dunwoody's consolidated financial statements.

Fair Value Measurements

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. Dunwoody emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that Dunwoody has the ability to access.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair values of financial instruments are summarized further in Note 3.

Resident and Member Services Revenue

Resident services revenue is reported at the amount that reflects the consideration to which Dunwoody expects to be entitled in exchange for providing resident services and care. Resident services include monthly fees, health care services, amortization of deferred entry fees, and resident and other services on the consolidated statements of operations and changes in net assets. These amounts are due from residents, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, Dunwoody bills the residents monthly for services and third-party payors after the services are performed. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by Dunwoody. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred. Dunwoody believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents receiving skilled nursing or other services within the facility or residents receiving services within or outside of the facility. Dunwoody measures the performance obligation from admission into the facility or commencement of services to the point when Dunwoody is no longer required to provide services to that resident, which is generally at the time of discharge or termination of the resident contract. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to the residents and customers in a retail setting (e.g., guest meals) and Dunwoody does not believe it is required to provide additional goods or services related to that sale.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident and Member Services Revenue (Continued)

Dunwoody determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with Dunwoody's policy and/or implicit price concessions provided to residents. Dunwoody determines its estimates of contractual adjustments based on contractual agreements, its policies, and historical experience. Dunwoody determines its estimate of implicit price concessions based on its historical collection experience.

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

Medicare

The licensed nursing facility participates in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). Effective October 2019, the nursing facility is paid under the Medicare Patient Driven Payment Model (PDPM) for residents who are Medicare Part A eligible and meet the coverage guidelines for skilled nursing facility services. The PDPM is a per diem price-based system. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

Nursing facilities licensed for participation in the Medicare and Medical Assistance programs are subject to annual licensure renewal. If it is determined that a nursing facility is not in substantial compliance with the requirements of participation, CMS may impose sanctions and penalties during the period of noncompliance. Such a payment ban would have a negative impact on the revenues of the licensed nursing facility.

Other

Payment agreements with certain commercial insurance carriers for payment using prospectively determined daily rates.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and Dunwoody's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price were not significant in 2022 or 2021.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident and Member Services Revenue (Continued)

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. Dunwoody estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are generally recorded as adjustments to resident services revenue in the period of the change.

Dunwoody has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors: payors, service line, method of reimbursement, and timing of when revenue is recognized. All resident services revenue for Dunwoody is provided at the single campus located in Newtown Square, Pennsylvania. The method of reimbursement is prospective payments, and the timing of revenue recognition is health care services transferred over time.

The composition of resident and member services revenue by primary payor is as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Private Pay	\$ 32,940,129	\$ 33,014,301
Medicare	5,254,497	3,959,806
Commercial Insurance and HMO	<u>932,017</u>	<u>902,170</u>
Total	<u>\$ 39,126,643</u>	<u>\$ 37,876,277</u>

Revenue from resident and members' deductibles and coinsurance are included in the categories presented above based on the primary payor.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Resident and Member Services Revenue (Continued)**

The composition of resident and member service revenue based on its service lines, method of reimbursement, and timing of revenue recognition are as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Service Lines:		
Independent Living	\$ 22,772,042	\$ 23,475,420
Skilled Nursing Facility	9,709,124	8,317,863
Personal Care	3,783,614	3,502,587
Memory Care	1,072,320	754,503
Private Duty	1,598,555	1,583,165
Other Sales	190,988	242,739
Total	<u>\$ 39,126,643</u>	<u>\$ 37,876,277</u>
Method of Reimbursement:		
Fee for Services	\$ 39,259,002	\$ 37,934,160
Other, Net of Credits	<u>(132,359)</u>	<u>(57,883)</u>
Total	<u>\$ 39,126,643</u>	<u>\$ 37,876,277</u>
Timing of Revenue and Recognition:		
Services Transferred Over Time	\$ 39,259,002	\$ 37,934,160
Sales at a Point in Time, Net of Credits	<u>(132,359)</u>	<u>(57,883)</u>
Total	<u>\$ 39,126,643</u>	<u>\$ 37,876,277</u>

The opening and closing balances in Accounts Receivable were as follows:

	<u>Accounts Receivable</u>
Balance as of January 1, 2021	\$ 955,983
Balance as of December 31, 2021	633,423
Balance as of December 31, 2022	1,009,856

Financing Component

Dunwoody has elected the practical expedient allowed under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606-10-32-18 and does not adjust the promised amount of consideration from residents and third-party payors for the effects of a significant financing component due to Dunwoody's expectation that the period between the time the service is provided to a resident and the time that the resident or a third-party payor pays for that service will be one year or less.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contract Costs

Dunwoody has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that Dunwoody otherwise would have recognized is one year or less in duration.

Operating Indicator

For purposes of display, the operating income (loss) is the operating indicator for Dunwoody. Included in the operating indicator is the change in the fair values of the interest rate swap agreements since the interest rate swaps have not been designated as cash flow hedges and forgiveness of PPP loan. There are no other changes in net assets without donor restrictions that are excluded from the operating indicator.

Leases

Dunwoody leases equipment and determines if an arrangement is a lease at inception. Operating leases would be included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the consolidated balance sheets. Finance leases would be included in property and equipment, other current liabilities, and other longterm liabilities on our consolidated balance sheets.

Right-of-use (ROU) assets represent Dunwoody's right to use an underlying asset for the lease term and lease liabilities represent Dunwoody's obligation to make lease payments arising from the lease. ROU assets and liabilities would be recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, Dunwoody uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset would include any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that Dunwoody will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Dunwoody has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included in the lease liabilities or right of use assets on the consolidated balance sheets. Management has evaluated Dunwoody's leases and determined that there are no material leases to disclose.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the consolidated balance sheets. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of consolidated financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. Dunwoody adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. After evaluating active leases held by Dunwoody, management has determined that the adoption of the standard has no impact on the consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires nonprofits to expand their consolidated financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions and valuation techniques. The new standard, as amended, is to be applied retrospectively to annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. After evaluating contributed nonfinancial assets, management has determined that the adoption of the standard has no impact on the consolidated financial statements.

Reclassifications

Certain items in the 2021 consolidated financial statements have been reclassified to conform to the 2022 consolidated financial statement presentation. The reclassifications have no effect on the result of operations or the changes in net assets.

Subsequent Events

In preparing these consolidated financial statements, Dunwoody has evaluated events and transactions for potential recognition or disclosure through April 5, 2023, the date the consolidated financial statements were available for issuance. The results of this evaluation indicated that there are no subsequent events or transactions that are required to be disclosed in these consolidated financial statements.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure within one year of the consolidated balance sheet dates, consist of the following:

	<u>2022</u>	<u>2021</u>
Financial Assets as of Year-End:		
Cash and Cash Equivalents	\$ 8,118,013	\$ 7,308,486
Accounts Receivable, Net	1,009,856	633,423
Assets Limited as to Use		
Investments, Internally Designated	29,217,240	35,475,482
Statutory Minimum Liquid Reserve	3,671,019	3,408,010
Investments, Externally Designated	1,157,457	1,157,457
Total Financial Assets	<u>43,173,585</u>	<u>47,982,858</u>
Less Amounts not Available to be Used Within One Year:		
Investments, Internally Designated	29,217,240	35,475,482
Investments, Externally Designated	1,157,457	1,157,457
Total Financial Assets not Available to be Used Within One Year	<u>30,374,697</u>	<u>36,632,939</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 12,798,888</u>	<u>\$ 11,349,919</u>

Dunwoody has assets limited to use for donor-restricted purposes, which are more fully described in Note 3. Additionally, certain other board-designated assets are designated for future use. These assets limited to use, which are more fully described in Note 3, are not available for general expenditure within the next year; however, these amounts could be made available, if necessary.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 3 ASSETS LIMITED AS TO USE

The functional composition of assets limited as to use internally designated by the board and externally designated by donors and others at December 31 is set forth below:

	<u>2022</u>	<u>2021</u>
Internally Designated by the Board of Trustees:		
Board-Designated Funds	\$ 15,309,574	\$ 19,301,495
Residents' Reserve Fund	4,033,878	5,377,186
Trust Under Will	1,622,937	2,286,192
Dunwoody Allied Services Board-Designated Fund	405,941	487,363
Entrance Fees Escrow	7,290,849	7,290,849
Other Dunwoody Funds	<u>554,061</u>	<u>732,397</u>
Total	29,217,240	35,475,482
Statutory Minimum Liquid Reserve	3,671,019	3,408,010
Externally Designated by Note Trustee - Project Fund	2,637,810	2,005,041
Externally Designated by Donors:		
Trust Under Will and Bequest	1,107,457	1,107,457
Scholarship Fund	<u>50,000</u>	<u>50,000</u>
Total	<u>\$ 36,683,526</u>	<u>\$ 42,045,990</u>

Assets designated for resident care include the Trust Under Will and Residents' Reserve Fund. The Trust Under Will provides funds to help support the care of certain residents in the Trust program. If a resident of Dunwoody is unable to pay the monthly service fee due to circumstances beyond his or her control, the resident will be evaluated for potential subsidy from the Residents' Reserve Fund.

Assets listed as Board-Designated Funds are purposed for board-approved capital improvements, working capital in addition to funds generated from operations, and funds available for resident benefit.

Dunwoody Allied Services Board-Designated Funds are purposed for working capital in addition to funds generated from operations as determined and approved by the board.

Assets limited as to use externally designated by donors represent a charitable trust established under the will of Mr. William Hood Dunwoody and a restricted bequest. The income and gains earned by the trust are without donor restrictions and available for use as designated by the board of trustees.

Assets limited as to use externally designated by the Note Trustee are to be used to fund the Project (see Note 5).

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 3 ASSETS LIMITED AS TO USE (CONTINUED)

Under the provisions of the Pennsylvania Continuing Care Provider Registration and Disclosure Act (the Act), Dunwoody must maintain a statutory minimum liquid reserve that is equal to the greater of 10% of the total projected operating expenses for the next 12 months, exclusive of depreciation and amortization, or the total of all debt service (principal and interest) due during the upcoming 12 months' debt service requirements. The statutory minimum liquid reserve requirement as of December 31, 2022 and 2021 is \$3,671,019 and \$3,408,010, respectively, and is based on 10% of the total projected operating expenses, exclusive of depreciation and amortization, for the next 12 months. Under the provisions and related amendments of the Act, cash and cash equivalents and investments of Dunwoody satisfy this requirement.

The statutory minimum liquid reserve requirement as of December 31 is as follows:

	<u>2022</u>	<u>2021</u>
Projected Annual Interest Expense	\$ 1,092,218	\$ 791,418
Principal Payments Due on Long-Term Debt	1,675,721	1,073,230
Liquid Reserve Requirement	<u>\$ 2,767,939</u>	<u>\$ 1,864,648</u>
Projected Annual Operating Expenses	\$ 36,710,191	\$ 34,080,102
Minimum Rate	10%	10%
Liquid Reserve Requirement	<u>\$ 3,671,019</u>	<u>\$ 3,408,010</u>
Statutory Minimum Liquid Reserve	<u>\$ 3,671,019</u>	<u>\$ 3,408,010</u>

Management believes that Dunwoody is in compliance with all other requirements of the Act as of December 31, 2022 and 2021.

The composition of assets limited as to use at December 31 is set forth in the following table. Investments are stated at fair value.

	<u>2022</u>	<u>2021</u>
Assets Limited as to Use		
Cash and Cash Equivalents	\$ 10,076,952	\$ 9,536,454
Mutual Funds - Fixed Income	7,422,133	8,730,823
Mutual Funds - Domestic Equity	18,479,962	22,913,918
Mutual Funds - International Equity	704,479	864,795
Total Assets Limited as to Use	<u>\$ 36,683,526</u>	<u>\$ 42,045,990</u>

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 3 ASSETS LIMITED AS TO USE (CONTINUED)

Investment income and gains (losses) on assets limited as to use and cash equivalents are comprised of the following for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Investment Income (Loss):		
Dividends and Interest Income, Net of Investment Fees	\$ 546,420	\$ 661,920
Realized Gains on Sales of Securities	154,434	1,214,222
Net Unrealized Gains (Losses) on Investments	<u>(6,170,083)</u>	<u>1,856,168</u>
Total Investment Income (Loss)	<u>\$ (5,469,229)</u>	<u>\$ 3,732,310</u>

Financial assets and liabilities carried at fair value as of December 31 are classified in the table below in one of the three categories described in Note 1:

<u>December 31, 2022</u>	<u>Total Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Mutual Funds:				
Fixed Income	\$ 7,422,133	\$ 7,422,133	-	-
Domestic Equity	18,479,962	18,479,962	-	-
International Equity	704,479	704,479	-	-
Interest Rate Swap Agreements	<u>6,707,393</u>	<u>-</u>	<u>6,707,393</u>	<u>-</u>
Total Assets	<u>\$ 33,313,967</u>	<u>\$ 26,606,574</u>	<u>\$ 6,707,393</u>	<u>\$ -</u>

<u>December 31, 2021</u>	<u>Total Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Mutual Funds:				
Fixed Income	\$ 8,730,823	\$ 8,730,823	-	-
Domestic Equity	22,913,918	22,913,918	-	-
International Equity	<u>864,795</u>	<u>864,795</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 32,509,536</u>	<u>\$ 32,509,536</u>	<u>\$ -</u>	<u>\$ -</u>

Liabilities:

Interest Rate Swap Agreements	<u>\$ 353,915</u>	<u>\$ -</u>	<u>\$ 353,915</u>	<u>\$ -</u>
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Fair values for interest rate swap agreements are determined based upon good faith estimates of mid-market transactions using valuation models, such as bid-offer spreads and credit reserves and, accordingly, are classified as Level 2 inputs.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 4 PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31 follows:

	<u>2022</u>	<u>2021</u>
Property and equipment:		
Land Improvements	\$ 1,326,595	\$ 1,308,795
Buildings and Improvements	135,092,036	131,988,666
Furniture and Equipment	5,473,787	5,210,642
Vehicles	569,331	549,114
Construction in Progress	<u>25,277,651</u>	<u>16,410,226</u>
Total	167,739,400	155,467,443
Less: Accumulated Depreciation	<u>(69,840,383)</u>	<u>(64,477,959)</u>
Total Property and Equipment, Net	<u>\$ 97,899,017</u>	<u>\$ 90,989,484</u>

Dunwoody's Strategic and Master Plan included a Phase IV hallway renovation and beautification project. Dunwoody finalized Phase IV of the project in 2020. Dunwoody began preliminary work on Phase V at the end of 2019 and completed the final portion of the Phase V in the Spring of 2021. No related costs remain in Construction in Progress as of December 31, 2022 and 2021.

As of December 31, 2022 and 2021, Construction in Progress includes approximately \$24,723,000 and \$16,290,000, respectively, of costs expended in relation to the common and dining area renovation and expansion (see Note 5 and Note 12).

Depreciation expense for the years ended December 31, 2022 and 2021 was \$5,378,924 and \$5,266,958, respectively.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 5 LONG-TERM DEBT

Long-term debt consists of:

Description	2022	2021
Delaware County Industrial Development Authority Revenue Note, Series A of 2020, principal payments due monthly, commencing September 2020 through 2050, at variable interest rates.	\$ 30,637,693	\$ 19,698,633
Delaware County Industrial Development Authority Revenue Note, Series B of 2020, principal payments due monthly through 2050 at variable interest rates.	29,033,087	29,820,378
Total	59,670,780	49,519,011
Less: Unamortized Deferred Financing Costs	600,793	619,993
Less: Current Portion	1,675,721	1,073,230
Total Long-Term Debt, Net	<u>\$ 57,394,266</u>	<u>\$ 47,825,788</u>

In July 2020, Dunwoody entered into a note purchase and loan agreement with the Delaware County Industrial Development Authority (the Authority) pursuant to which the Authority agreed to issue \$30,843,000 in a Series 2020B Revenue Note and up to \$33,552,000 in a Series 2020A Revenue Note (the Notes) for the purposes of 1) the current refunding of the outstanding Series 2013 Revenue Bonds; 2) the design, development, construction and equipping of an approximately 62,000 square foot area including an addition related to support areas including food services, dining facilities, auditorium relocation, and other common space improvements; 3) improvements to hallways of Dunwoody; 4) renovations to approximately 32 existing apartments and country house interiors; 5) the payment of the costs of the acquisition, construction and equipping of certain capital additions and improvements to Dunwoody's existing facilities (clauses 2-4 are referred to as the "Project"); and 6) the payment of certain costs of issuance relating to the Notes. The interest on the Notes is payable at variable rates (see Note 6). Interest payments on the 2020A Revenue Note commenced on September 1, 2020.

The 2020B Revenue Note was used to refund the 2013 Bonds. The 2020A Revenue Note is being used to fund the Project and will be drawn down through the construction period. As of December 31, 2022 and 2021, Dunwoody has drawn \$30,923,633 and \$19,698,633, respectively, on the 2020A Revenue Note in financing the Project. As of December 31, 2022, \$2,628,367 is available to draw on the 2020A Revenue Note.

Pursuant to the 2020 note purchase and loan agreement, Dunwoody entered into a revolving credit agreement with Truist Bank on July 30, 2020. The bank makes available to Dunwoody a revolving credit facility in the maximum principal amount of \$1,000,000. The proceeds of any draws shall be used to finance the working capital needs of Dunwoody. Aggregate outstanding principal balance of draws shall bear interest at the Adjusted LIBOR Rate. There were no draws made in 2022 or 2021 on the revolving credit agreement.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 5 LONG-TERM DEBT (CONTINUED)

Aggregate annual principal maturities for the Notes for each of the next five years and thereafter are as follows:

Year Ending December 31,	2020A Revenue Note	2020B Revenue Note	Total
2023	\$ 873,130	\$ 802,591	\$ 1,675,721
2024	891,207	816,685	1,707,892
2025	913,802	834,062	1,747,864
2026	934,867	850,271	1,785,138
2027	956,418	866,796	1,823,214
Thereafter	26,068,269	24,862,682	50,930,951
Total	\$ 30,637,693	\$ 29,033,087	\$ 59,670,780

As required by the 2020 Note agreement, Dunwoody established a Project Fund with the Escrow Agent (Truist Bank). Truist shall distribute amounts into the Project Fund for Dunwoody to be used to pay costs of the Project upon receipt of fully executed requisitions.

Under the Series 2020 note purchase and loan agreement, Dunwoody must comply with certain restrictive covenants relating to liquidity and debt service coverage computed quarterly. As defined by the agreements, Dunwoody is required, among other things, to maintain a debt service coverage ratio of at least 1.20 and a liquidity requirement equal to 150 days' cash on hand. Management has represented that Dunwoody was in compliance with the debt service coverage and liquidity requirements at December 31, 2022 and 2021.

The bonds are secured by real property, operating, nonoperating revenues, receipts, income, and other funds.

NOTE 6 DERIVATIVE FINANCIAL INSTRUMENTS

Dunwoody entered into an interest rate swap agreement with Truist Bank on July 30, 2020, in order to eliminate the exposure to interest rate fluctuations associated with the 2020B Revenue Note. The interest rate swap agreement effectively fixed the interest rate on the note at .914%. The initial notional amount of the interest rate swap agreement is \$30,843,000 and it matures on August 1, 2035. The current notional amount of the interest rate swap agreement is \$29,033,087. The fair value of this interest rate swap agreement represents an asset in the accompanying consolidated balance sheets of \$4,360,823 and \$659,720 at December 31, 2022 and 2021, respectively. The interest rate swap agreement was not designated as a hedge for financial reporting purposes. As a result, the change in fair value is reported as a separate component of operating income (loss) in the consolidated statements of operations and changes in net assets.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 6 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Dunwoody entered into an interest rate swap agreement with Truist Bank on March 22, 2021, in order to eliminate the exposure to interest rate fluctuations associated with a portion of the 2020A Revenue Note. The interest rate swap agreement effectively fixed the interest rate on the notes at 1.65%. The interest rate swap agreement has an effective date of August 1, 2022, an initial notional amount of \$25,000,000 and matures on August 1, 2035. The current notional amount of the interest rate swap agreement is \$24,786,943. The fair value of this interest rate swap agreement represents an asset (liability) in the accompanying consolidated balance sheets of \$2,346,570 and (\$1,013,635) at December 31, 2022 and 2021, respectively. The interest rate swap agreement was not designated as a hedge for financial reporting purposes. As a result, the change in fair value is reported as a separate component of operating income (loss) in the consolidated statements of operations and changes in net assets.

NOTE 7 RETIREMENT PLAN BENEFITS

Dunwoody sponsored a defined contribution plan under Section 403(b) of the Internal Revenue Code, in which all employees, as defined, are eligible to participate. Participants may make voluntary contributions subject to plan limitations. Dunwoody provides all eligible employees a 50% match of employee contributions up to a maximum of 6% of annual compensation subject to plan limitations and also an annual discretionary contribution subject to plan limitations. The plan also offers auto enrollment for all new employees at the time of hire, with investment into a Target fund closest to their estimated retirement age.

For the years ended December 31, 2022 and 2021, the annual discretionary contribution was 2.75% and 2.50%, respectively. Total retirement plan benefit expense for the years ended December 31, 2022 and 2021 was \$586,478 and \$570,811, respectively.

NOTE 8 CONCENTRATION OF CREDIT RISK

Dunwoody grants credit without collateral to their residents, most of who are local residents and are insured under third-party payor agreements. The mix of Dunwoody's net receivables from residents and third-party payors as of December 31 was as follows:

	<u>2022</u>	<u>2021</u>
Medicare	54%	15%
Residents and Other	46%	85%
Total	<u>100%</u>	<u>100%</u>

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net Assets Subject to Donor or Time Restrictions

Net assets with donor restrictions (subject to donor or time restrictions that are of a temporary nature) as of December 31 are as follows:

	<u>2022</u>	<u>2021</u>
Resident Benevolence	\$ 2,360,820	\$ 2,364,620
Memorial Garden and Other	623,714	597,214
Howard Turner Lecture Fund	70,310	117,843
Total	<u>\$ 3,054,844</u>	<u>\$ 3,079,677</u>

Net Assets Restricted in Perpetuity

Net assets with donor restrictions held in perpetuity as of December 31 are restricted to the following:

	<u>2022</u>	<u>2021</u>
Trust Under Will	\$ 1,000,000	\$ 1,000,000
Howard Turner Lecture Fund	107,457	107,457
Scholarship Fund	50,000	50,000
Total	<u>\$ 1,157,457</u>	<u>\$ 1,157,457</u>

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 10 FUNCTIONAL EXPENSES

Dunwoody Village provides skilled nursing, personal care, and independent living services to its residents and provides similar personal and medical care to members living outside of the retirement community operating under the trade name of Dunwoody Long Term Care Services. Dunwoody Allied Services provides home care services for the residents of Dunwoody Village and the greater community. The Trust provides funding for a portion of Dunwoody's charitable rates to community residents in financial need. All natural classes of expenses that are not directly related to the entity's programs are allocated to one or more management and supporting functions on a basis of square-foot or meal counts. Expenses related to providing these services for the years ended December 31 are as follows:

	2022		
	Care and Service to Community Members	Management and General	Total Expenses
Salaries	\$ 15,238,164	\$ 2,918,685	\$ 18,156,849
Payroll Taxes and Fringe Benefits	2,998,944	1,840,143	4,839,087
Contract Labor	1,217,596	152,783	1,370,379
Professional Fees	-	290,846	290,846
Occupancy	2,768,970	304,307	3,073,277
Dues and Subscriptions	1,766	32,121	33,887
Education	26,132	23,417	49,549
Medical Supplies	1,060,749	-	1,060,749
Office Supplies	49,145	34,102	83,247
Printing and Advertising	15,387	397,808	413,195
Equipment Lease and Maintenance	1,386,496	180,486	1,566,982
Postage	-	11,596	11,596
Telephone and IT Services	120,328	298,927	419,255
Insurance	9,216	-	9,216
Interest and Banking Fees	416,092	-	416,092
Utilities	1,170,552	-	1,170,552
Property Taxes	1,152,598	-	1,152,598
Depreciation and Amortization	5,398,124	-	5,398,124
Miscellaneous	253,105	453,873	706,978
Total Expenses	<u>\$ 33,283,364</u>	<u>\$ 6,939,094</u>	<u>\$ 40,222,458</u>

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 10 FUNCTIONAL EXPENSES (CONTINUED)

	2021		
	Care and Service to Community Members	Management and General	Total Expenses
Salaries	\$ 14,013,085	\$ 3,071,589	\$ 17,084,674
Payroll Taxes and Fringe Benefits	2,483,725	1,692,537	4,176,262
Contract Labor	1,129,702	167,058	1,296,760
Professional Fees	2,129	288,463	290,592
Occupancy	2,187,769	360,091	2,547,860
Dues and Subscriptions	1,713	31,054	32,767
Education	21,203	20,172	41,375
Medical Supplies	1,502,512	-	1,502,512
Office Supplies	41,121	33,606	74,727
Printing and Advertising	18,917	369,777	388,694
Equipment Lease and Maintenance	1,343,553	163,487	1,507,040
Postage	330	14,183	14,513
Telephone and IT Services	86,784	251,859	338,643
Insurance	11,070	-	11,070
Interest and Banking Fees	542,187	-	542,187
Utilities	1,094,659	-	1,094,659
Property Taxes	1,086,892	-	1,086,892
Depreciation and Amortization	5,286,158	-	5,286,158
Miscellaneous	198,153	418,290	616,443
Total Expenses	<u>\$ 31,051,662</u>	<u>\$ 6,882,166</u>	<u>\$ 37,933,828</u>

NOTE 11 STIMULUS FUNDS

Paycheck Protection Program Loan

In May 2020, Dunwoody obtained a loan totaling \$3,910,800 pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the CARES Act of March 27, 2020. The loan was set to mature in May 2022, with an interest rate of 1% per annum. Proceeds from the loan were only used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The original loan agreement was written prior to the PPP Flexibility Act of 2020 and was due over 24 months; deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations superseded the loan agreement. Payment of principal and interest were deferred until the date on which the amount of forgiveness was remitted to the lender.

Management applied for loan forgiveness in February 2021. On June 22, 2021, Dunwoody received forgiveness of the loan principal of \$3,910,800 along with accrued interest of \$42,367 from the Small Business Administration (SBA). This amount is recognized as revenue in the consolidated statements of operations and changes in net assets in the operating indicator as of December 31, 2021.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 11 STIMULUS FUNDS (CONTINUED)

Paycheck Protection Program Loan (Continued)

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on Dunwoody's financial position.

Provider Relief Funds

Due to the Coronavirus pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF).

Total grant funds approved and received by Dunwoody were \$179,071 in 2021. The PRFs are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. At December 31, 2021, Dunwoody recognized \$179,071 as operating revenue in the consolidated statements of operations and changes in net assets. No funds were received during the year ended December 31, 2022.

Management believes the amounts have been recognized appropriately as of December 31, 2022 and 2021.

PA Act 24 of 2021

In 2021, The Governor of the commonwealth of Pennsylvania signed Act 24 of 2021, which allocated federal funding from the American Rescue Plan Act for payments to nursing facilities, personal care homes, and assisted living residences.

Total Act 24 of 2021 funds granted to Dunwoody from Act 24 of 2021 were \$44,501. The funds are subject to certain restrictions on eligible expenses or uses and reporting requirements. At December 31, 2021, Dunwoody recognized \$44,501 as operating revenue in the consolidated statements of operations and changes in net assets. No funds were received during the year ended December 31, 2022.

Management believes the amounts have been recognized appropriately as of December 31, 2022 and 2021.

NOTE 12 COMMITMENTS AND CONTINGENCIES

Compliance

Laws and regulations governing the Medicare program are complex and subject to interpretation. Dunwoody believes it is compliant with all other applicable laws and regulations and is not aware of any other current pending or threatened investigations involving allegations of potential wrongdoing. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare program.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

NOTE 12 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Other

There are various legal actions that can occur in the ordinary course of business and management is not aware of any such matters that would have a material effect on the financial condition or results of operations of Dunwoody. In the opinion of management, after consultation with legal counsel, these matters are expected to be resolved without material adverse effect to the Community's financial position.

Self-Insurance Insurance Plan

Dunwoody currently has a self-insured health care plan. With this plan, Dunwoody assumes the risk for paying the health care claim costs up to \$100,000 per participant per year. Claims in excess of \$100,000 would be reimbursed by the stop-loss insurance, which was purchased by Dunwoody at the time of inception.

A liability of \$129,015 and \$173,044 has been recorded for incurred but not reported claims as of December 31, 2022 and 2021, respectively.

Project

As of December 31, 2022, Dunwoody is in the process of a capital project (the Project) that commenced in 2020. The Project encompasses renovations to existing buildings, additions, and new ground-up construction. The major spaces impacted by the 2020 Project are the Community Center (dining and campus amenities), Phase V of the campus hallways, and the renovation of existing apartments.

The total commitment related to the 2020 Project is \$30,923,633. As of December 31, 2022, the remaining commitment is \$729,225 including retainage. The commitment will be funded primarily from future draws from the Project Fund, which is included in Assets Limited as to Use on the consolidated balance sheets. As of December 31, 2022, the commitment for the 2020 Project is less than the remaining amounts available to be drawn from the Project Fund. At the conclusion of the 2020 Project, any amounts not drawn will be used to pay off debt from the 2020A and 2020B Revenue Notes.

Approximately \$24,723,000 was included in Construction in Progress under Property and Equipment on the consolidated balance sheets as outlined in Note 4. The final portion of the Phase V campus hallways was completed in the second quarter of 2021 and the renovation of existing apartments was completed in the fourth quarter of 2020. The expansion and renovations to the Community Center and common areas including administration offices was completed and placed in service in February 2023.

2023 Consolidated Operating Budget

	<u>Total Budget</u> <i>(000s omitted)</i>
Revenue, Gains, and other Support:	
Resident Care Fees	\$ 18,243
Personal Care Fees	4,714
Medical Care Fees	10,284
Earned Entrance Fees	6,244
Resident Service Fees	2,035
Interest and Dividends	459
Other Revenue	113
Total Revenue	\$ 42,092
Expenses:	
Medical and Personal Care	\$ 14,277
Resident Services	730
Food Services	5,978
General and Administrative	6,109
Facilities	3,540
Environmental Services	2,601
Utilities	1,304
Real Estate Taxes	1,303
Depreciation & Amortization	5,519
Interest	1,092
Total Expenses	\$ 42,453
Operating Income (Loss)	\$ (361)

Note - All figures are in rounded thousand dollars.

Contractual Arrangements

Services Provided by Dunwoody

From and after the Designated Occupancy Date, Dunwoody will provide for the Resident the amenities and services set forth below, for and during the balance of the Resident's life.

A.) Meals

Dining points per month are allotted to each resident on a quarterly basis, with all quarterly points available on the first day of the quarter through the last day of the quarter. Unused points expire at the end of the quarter and no credit is given for unused points. Residents living in the same household may share points. Exclusions: points cannot be used to purchase alcohol, and points cannot be used for residents to schedule catered events through Dining Services. Residents can add additional points to their quarterly allotment for a fee. Residents under contract as of January 31, 2023 can opt out for a maximum of four months per year, with a credit per month.

Guest Meals Residents may use dining points for guests with a maximum of four guests per seating. A point surcharge will be allocated for guests. As an alternative to using points, residents can have their guests' meals charged to the resident's monthly bill or pay via credit card at the guest rate. One resident cannot use points to host another resident as a guest.

B.) Housekeeping Services

The Resident agrees to maintain his or her Residential Home in a clean, sanitary and orderly condition, and to be responsible for all usual light

housekeeping tasks. Once a week, Dunwoody will furnish cleaning services, bed linens and bath towels.

Should the Resident be unable or unwilling to maintain his or her Residential Home in a clean and orderly condition, or is unable to assume light housekeeping responsibilities, Dunwoody shall, after notice to the Resident, arrange for the provision of such services and the cost will be charged to the Resident. The Resident agrees to maintain his or her Residential Home free of safety and health hazards as determined by Dunwoody. Should the Resident fail to do so, Dunwoody, upon notice to Resident, will make necessary arrangements to make the Residential Home free of safety and health hazards and such costs will be charged to the Resident.

C.) Maintenance and Repair Services

Repair Responsibility Dunwoody will repair, maintain and replace property and equipment owned by Dunwoody. The Resident is responsible for repairs, maintenance and replacement of the Resident's personal property and improvements.

Painting and Recarpeting The Resident may request to have his or her Residential Home repainted or recarpeted at the expense of the Resident and will be charged according to the current Schedule of Charges. Subject to the

Contractual Arrangements

approval of Dunwoody, after eight years of Occupancy in the same Residential Home, the cost of painting and carpeting will be paid by Dunwoody.

D.) Grounds Services

Dunwoody will furnish basic groundskeeping care including lawn service and snow removal as part of the Monthly Fee. If Resident occupies a ground-level Residential Home, then Resident may plant and must maintain areas approved by Dunwoody adjacent to the Residential Home in accordance with Dunwoody policy, which is subject to change from time to time. If the Resident fails to maintain his or her garden area, Dunwoody may maintain this area and charge the Resident an hourly fee for this service.

E.) Utilities

Dunwoody will furnish hot and cold water, electricity, heating and air conditioning, sewer, trash removal, community-wide generator, campus-wide WiFi connectivity, basic cable service, and one basic cable TV hook-up. Premium channel service charges are not included in the Monthly Fee and shall be paid by the Resident. Telephone wiring is available to each apartment; however, installation of telephones and monthly service costs are not part of the Monthly Fee and shall be the Resident's financial responsibility.

F.) Transportation Outside Dunwoody

Dunwoody will provide transportation, at no charge, to any medical appointments within a 5-mile driving distance. Medical appointments between 5 and up to 10 miles will be done at a flat rate charge of \$28. Transportation is provided to the local shopping centers periodically, at no charge. On Sundays, Dunwoody provides transportation to a limited number of nearby churches. A list of private drivers is available on a fee-for-service basis. All transportation is provided in accordance with Dunwoody policy, which is subject to change from time to time.

G.) Transportation Within Dunwoody

Transportation by wheelchair within Dunwoody may be provided according to Dunwoody policy, which may be changed from time to time.

H.) Additional Services Provided by Dunwoody

Other miscellaneous services provided by Dunwoody: use of a living accommodation; use of community facilities such as lobbies, dining rooms, auditorium, lounges, library, game room, art studio, wood shop, swimming pool and Jacuzzi, social and recreational amenities, and other public facilities; campus-wide WiFi connectivity; open parking spaces; washers and dryers for personal use; property insurance for Dunwoody's buildings, improvements, equipment, furniture, and liability; Township, County and School taxes; community-wide generator.

I.) Additional Miscellaneous Services not included in the Monthly Fee

Miscellaneous services available but not included in the monthly fee: Beauty and Barbershop services; personal laundry; carports; telephone service, and premium channel service. Campus-wide WiFi connectivity is provided by Dunwoody Village, however, resident may retain his/her own additional internet service at their expense.

J.) Changes in services

Dunwoody reserves the right, in its sole and absolute discretion, to provide additional services or delete existing services from those services included in the Monthly Fee. Thirty (30) days advance notice of any such changes in services shall be provided.

Contractual Arrangements

Healthcare

A.) Role of Dunwoody's Medical Director

Dunwoody will appoint a Physician licensed to practice medicine in the Commonwealth of Pennsylvania as Dunwoody's Medical Director, to oversee the medical affairs of Dunwoody and to coordinate the provision of Personal Care services and Routine Nursing Care services to the Resident.

B.) Physicians

It is recommended that the Resident choose a Dunwoody Physician as his/her primary physician, however Resident may retain his/her own physician. Non-Dunwoody physicians will agree to the rules and regulations of Dunwoody Village established by Dunwoody's Medical Director.

C.) Response Call System

Dunwoody provides a Response Call System used to alert staff of medical and non-medical situations and emergencies. Residents have access to devices in their home that, when activated, will alert nursing and security staff of an event. Nursing personnel will respond to urgent matters within a reasonable timeframe as defined by Dunwoody Village. Calling 911 for medical assistance may expedite emergency treatment. *Dunwoody does not provide Emergency Medical Services (EMS) or Emergency Medical Technicians (EMT).*

Dunwoody disclaims any and all responsibility for responding to medical emergencies and for any liability for any injury or damages resulting from the mechanical failure of the Response Call System.

D.) Prescription Drugs

Resident is responsible for all prescription drug charges.

E.) The Care Center

Dunwoody shall provide Routine Nursing Care and/or Personal Care services in the Care Center for temporary and permanent illnesses. Upon transfer to the Care Center, Resident shall sign a separate admission agreement. In the event that any payment provisions of the admission agreement for the Care Center are in conflict or inconsistent with any of the terms or provisions of the Agreement, then the Agreement shall control and govern the relationship between Resident and Dunwoody.

F.) Costs in the Care Center

Single Occupancy The Monthly Fee covers Routine Nursing Care or Personal Care services in the Care Center but it will be adjusted for the cost of meals in accordance with the Residence Agreement and with the rules and regulations promulgated for the operation of the Care Center. The licensure regulations of the Commonwealth of Pennsylvania require a Care Center Resident to be served three meals a day.

Double Occupancy Upon transfer of one or both Co-Residents to the Care Center, the obligation to pay the Monthly Fee shall continue. The Monthly Fee covers Routine Nursing Care or Personal Care services, and may be adjusted, if necessary, for the cost of meals in accordance with the Residence Agreement and with the rules and regulations promulgated for the operation of the Care Center.

If one of two Co-Residents occupying a Residential Home has been permanently transferred to the Care Center, the Co-Resident in the Care Center will be billed one-half (1/2) of the Monthly Fee for Double Occupancy of the Residential Home occupied prior to the time of

Contractual Arrangements

the permanent transfer. The other Co-Resident shall be billed one-half (1/2) of the Monthly Fee for Occupancy of the Residential Home then being occupied. Both Co-Residents remain jointly and severally obligated to pay for these separately billed amounts. If the Co-Resident remaining in the Residential Home transfers to a smaller Residential Home, the charge for the Co-Resident in the Care Center will not be adjusted, but will remain at one-half (1/2) of the Monthly Fee for Double Occupancy of the Residential Home occupied at the time of the permanent transfer. The Co-Resident remaining in the Residential Home may move to a smaller Residential Home, if available, and shall be obligated to pay one-half (1/2) of the Monthly Fee for Double Occupancy for the Residential Home into which the Co-Resident transfers or the Studio rate if the Co-Resident transfers to a Studio. In the event the Co-Resident remaining in the Residential Home transfers to a smaller Residential Home, then no refund of any portion of the Entry Fee shall be paid. After the death of one Co-Resident, the surviving Resident will pay the Single Occupancy rate and the contract remains enforce.

Monthly Fee Coverage and Ancillary Charges The Monthly Fee covers only Routine Nursing Care and Personal Care services. All miscellaneous charges and fees for Ancillary Services not included in Routine Nursing Care or Personal Care services are an additional charge and shall be paid by Resident. A description of Ancillary Services not covered by or included in Routine Nursing Care or Personal Care services is provided to Resident upon admission to the Care Center and upon any change in such charges or upon request.

Exclusions The following items are not covered by the Monthly Fee: prescription drugs, over-the-counter drugs, hospitalization, ambulance services, therapy or rehabilitation services, physician services, Medicare deductibles and co-payments, medical or diagnostic tests, psychotherapy and psychiatric consultations or services, diagnostic services, dental services,

dental surgery, chiropractic services, massage therapy, transplants, private duty nurses or companions, podiatry, refractions, eyeglasses, contact lenses, hearing aids, orthopedic devices and appliances such as walkers, braces, wheelchairs, special beds or chairs, incontinence supplies, personal care supplies such as disposable under-pads, toiletries, digestive aids and over-the-counter pharmaceutical and other health supplies, medical equipment and supplies, such as respirators, ventilators, intravenous equipment, catheterization materials, specialized treatment including ventilator dependent treatment, dialysis, and all services such as chemotherapy, blood transfusions, special rehabilitation services, or services in the Care Center in excess of Routine Nursing Care, and any other health or medical service not specifically set forth in this Agreement. Dunwoody at its discretion may provide any or all of the services not covered by the Monthly Fee at an additional charge, or refer Resident to another provider capable of providing higher acuity services.

G.) Other Health Care Services

Nursing or Companion Services Resident may utilize the services of private duty nurses or companions providing personal or health care services in the Residential Home. Such services must be approved in advance and in writing by Dunwoody. Resident is responsible to pay for all such services.

Dunwoody employees, voluntarily or involuntarily separated from Dunwoody Village may not be engaged as private duty nurses or companions without the approval of Dunwoody Village. Dunwoody reserves the right to interview and approve all nurses and companions and are required to abide by Dunwoody policies.

Resident is required, at Dunwoody's sole discretion, to provide proof that use of private funds to pay for such services will not imperil the financial resources of Resident. In exchange for Dunwoody's consent to Resident's request for the services of a private duty nurse, companion, or other assistant, Resident releases Dunwoody from any liability for the acts

Contractual Arrangements

or omissions of any such individual providing services to Resident in the Living Accommodation. Furthermore, Resident is responsible to pay for any damages or injuries caused to Resident, other persons, Residents or staff by any private duty nurses, companions or individuals providing companion, personal or nursing care services to the Resident in the Living Accommodation, and shall indemnify and hold Dunwoody harmless from any claims, actions, proceedings or damages of any kind, including attorneys' fees and legal costs, resulting from any of the actions or omissions of the private duty nurse or companion services utilized by Resident. Dunwoody Village does not permit live-in companions.

Hospitalization or Special Service Facility Care Resident shall continue to pay the Dunwoody Monthly Fee while residing at another facility unless this Agreement is terminated.

Accident or Illness Away From Dunwoody In the event Resident suffers an accident or illness while away from Dunwoody, and Resident relies on health care and support services available in the area where the accident or illness occurred, Resident's health insurance or other personal resources available must be used for payment for such services. Resident shall make every reasonable effort to notify Dunwoody of the accident or illness, and upon Resident's return to Dunwoody, Resident shall be entitled to all benefits under the Residence Agreement.

Limitations on Care The Care Center is not designed to care for persons who are afflicted with uncontrolled or untreated mental illness

resulting in behavior contrary to the Conditions of Occupancy, active alcohol or drug abuse or who require specialized psychiatric care or services not authorized or permitted under the applicable licensure regulations. If Dunwoody determines that Resident's mental or physical condition is such that Resident's, or in the case of Double Occupancy, one Co-Resident's continued presence in Dunwoody is either dangerous or detrimental to the life, health, or safety of Resident, Co-Resident, or other residents or staff or the peaceful enjoyment of Dunwoody by other residents, Dunwoody may transfer Resident to an appropriate outside care facility. If the transfer is for a temporary period, then the Resident shall continue to pay the applicable Monthly Fee and also shall be responsible to pay for the cost of Resident's, or in the case of Double Occupancy, Co-Resident's care in such other facility. If the transfer is to be permanent, then the Termination provisions of this Agreement shall apply, except that only such notice of Termination as is reasonable under the circumstances shall be given in any situation where the Resident is a danger to self or others, or to the health, safety or peace of Dunwoody.

Limitation on Resident's Liability If a health care provider seeks payment from Resident for health care services which are the responsibility of Dunwoody to pay under this Agreement, then Dunwoody shall hold Resident harmless from all loss or liability arising from such claims for payment.

Contractual Arrangements

Springton Lake Village

Beginning in November 2003, Dunwoody Village offered a Long Term Care Service Program to residents of Springton Lake Village (“Springton”), a housing community for individuals over the age of 62, located nearby in Media, Pennsylvania. Residents of Springton who elected to participate in the Long Term Care Service Program have access to Dunwoody’s Nursing and Personal Care services on a priority basis before individuals who do not reside at Dunwoody Village. The Residents of Springton who elected to participate in the program are required to pay monthly fees and certain additional fees on admission to the Health Care Center operated by Dunwoody Village. Springton participants also have access to companion services provided by Dunwoody at Home, a subsidiary of Dunwoody Village.

The two remaining residents* of Springton participating in this program had to meet certain financial and health eligibility requirements in order to participate in the Long Term Care Service Program. The fees charged to participants are in an amount sufficient to ensure that the program is financially self-sufficient. The amount of the fees charged to participants has been established in reliance on the opinion of an actuary. Dunwoody Village residents will continue to have priority access to the Dunwoody Village Care Center over the Springton residents who participate in the Long Term Care Service Program. Dunwoody Village is responsible for the maintenance, operation, financial solvency

and liabilities which may arise from the Long Term Care Service Program. Dunwoody Village believes that it has adequate insurance to cover any potential liabilities and sufficient financial resources to cover any operational losses, which losses are not anticipated, which may arise from the Long Term Care Service Program.

Financial Provisions

The two remaining Springton participants* are responsible to pay Dunwoody Village a Monthly Fee of \$880.00 in advance each month. In the event of a Co-Participant, a second person fee of \$300.00 shall also be paid in addition to the Monthly Fee. Statements are issued monthly and contain applicable Monthly Fees, Second Person Fees when necessary, and all other miscellaneous charges incurred by Participant.

The Following additional fees associated with in-patient care are as follows:

<i>Years</i>	<i>Payment by Participant</i>	<i>Daily Rate Charged</i>
0 to 5 years	95% of Daily Rate	5% Discount
5+ to 10 years	75% of Daily Rate	25% Discount
After 10 years	0% of Daily Rate	100% Discount

(As of January 1, 2022, the daily rates start at \$360/day for Personal Care; \$425/day for Memory Care; and \$500/day for Skilled Nursing care. All are subject to future increases.)

** Dunwoody Village no longer offers the long-term care service program to residents of Springton Lake.*

General Information

Pricing History

The 5-year History of Entrance and Monthly Fees for a One-Bedroom Apartment (Non-refundable option):

	ENTRANCE FEE		MONTHLY FEE	
	<i>Single</i>	<i>Double</i>	<i>Single</i>	<i>Double</i>
<i>2023</i>	\$ 192,400	\$ 223,600	\$ 3,790	\$ 6,790
<i>2022</i>	\$ 152,000	\$ 167,600	\$ 4,012	\$ 6,518
<i>2021</i>	\$ 152,000	\$ 167,600	\$ 4,012	\$ 6,518
<i>2020</i>	\$ 152,000	\$ 167,300	\$ 3,933	\$ 6,390
<i>2019</i>	\$ 152,000	\$ 167,000	\$ 3,800	\$ 6,170

The entrance fee is a one-time fee paid by new residents upon completion of the admission process and is not subject to any change or increase during the duration of the agreed upon care. Entrance fees are adjusted annually based on market conditions. Monthly fees are adjusted annually based on operating costs.

Medical Deduction

A portion of the Entrance Fee and Monthly Fee paid to Dunwoody Village may be tax deductible depending on the contract type you select and your personal financial situation. You need to consult your tax preparer to see how this may affect your tax liability.

Notice Of Right To Rescind

Date rescission period begins _____. You may rescind and terminate your Residence Agreement without penalty or forfeiture within seven (7) days of the above date. You are not required to move into the continuing care facility (i.e. Dunwoody) before the expiration of this seven (7) day period. No other agreement or statement you sign shall constitute a waiver of your right to rescind your Agreement within this seven (7) day period.

To rescind your Residence Agreement, mail or deliver a signed and dated copy of this notice, or any other dated written notice, letter or telegram, stating your desire to rescind to the following address:

Dunwoody Village
3500 West Chester Pike
Newtown Square, Pennsylvania 19073-4168
Attention: President/CEO

Not later than midnight of _____ (last day for rescission).

Dunwoody Village Cancellation Form

Pursuant to this notice, I hereby cancel my Residence Agreement.

PROSPECTIVE RESIDENT'S SIGNATURE

PROSPECTIVE RESIDENT'S NAME (PRINT)

DATE



DUNWOODY VILLAGE

A Continuing Care Retirement Community



Five-Star Rated Healthcare



OUR MISSION To provide a welcoming and compassionate community with distinctive residential and healthcare services that promote wellness, dignity, and respect for our residents and home-based clients.

OUR CORE PURPOSE To enable residents of the Delaware Valley to enjoy exceptional services in an intimate environment as they age.

3500 West Chester Pike - Newtown Square, PA 19073-4168
(610) 359-4400 - www.dunwoody.org

INDEPENDENT LIVING • REHABILITATION • PERSONAL CARE
SKILLED NURSING • MEMORY SUPPORT • HOME CARE

 Pet Friendly



LeadingAge PA
an association of local, state and national senior services