



Our Mission

Our mission is to provide a welcoming and compassionate community that promotes quality of life, choices, dignity and respect.

Our Core Purpose

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



**A Non-Denominational,
Nonprofit
Continuing Care
Retirement Community**

3500 West Chester Pike • Newtown Square, PA 19073 • 1-800-DUNWOODY • www.dunwoody.org



DECIDEDLY DIFFERENT



A Place Like No Other.

DUNWOODY VILLAGE IS A DECIDEDLY DIFFERENT KIND OF LIFECARE COMMUNITY.

Drive onto our Newtown Square campus and find a village in the truest sense—a friendly, warm atmosphere welcoming prospective residents and their families.

It's a lifestyle you can tailor to your own needs, with our diverse array of housing choices and convenient access to Philadelphia and its countryside—not to mention our flexible dining services.

It's a neighborhood that residents continue to reinvent with new programs and amenities. A wildlife refuge. A floral studio. A pickleball league. An onsite farmer's market. And these are just a few of the most recently added activities and offerings.

It's a safe place where you can be assured of unparalleled healthcare, either in your own home or in our state-of-the-art Care Center. Where dedicated staff focus on keeping residents healthy and independent with creative wellness initiatives. Where beautiful grounds, a dog park and a full-service fitness center inspire you to stay active and energized.

It's an organization with a tremendous sense of history and view to the future for ways to grow, change, and evolve.

There's no other place quite like Dunwoody. Visit today and see for yourself.

About Dunwoody Village



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

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 or 1-800-DUNWOODY
email: marketing@dunwoody.org
website: www.dunwoody.org
Hearing and Speech impaired may reach us 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 and 81 private Skilled Nursing rooms on the campus. The community is masonry construction with heated and enclosed walkways. Common areas include an auditorium, board room, several dining areas, art studio, library, a swimming pool and Jacuzzi, fitness center, club room, computer station, 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 nonprofit organizations except for Dunwoody Allied Services (d.b.a. Dunwoody Homecare) a private duty companion services provider. Dunwoody Village is the sole member of Dunwoody Homecare. Both organizations are Pennsylvania nonprofit corporations and tax exempt under IRS Code 501 (c) (3).

7. The Current Resident Population

The current resident population is 448.

8. Sample 2017 Fees

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

	<i>Single</i>	<i>Double</i>
Entrance Fee	\$150,000	\$165,000
Monthly Fee	\$ 3,375	\$ 5,790

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

	<i>Single</i>	<i>Double</i>
Entrance Fee	\$225,000	\$247,500
Monthly Fee	\$ 3,375	\$ 5,790

Investment Consultant

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

Vanguard is a family of more than 176 member mutual funds with more than \$4.2 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 in the *Services for Non-Residents* section on page 25.

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.



"FRIENDLINESS, OPENNESS AND INCLUSIVITY ARE AN
INTRINSIC PART OF THE **DUNWOODY CULTURE**."



Peggy Bodkin (center) boards the Dunwoody bus with friends. Dunwoody Village provides transport to museums, the orchestra and other cultural happenings in Philadelphia, and it can also be used for errands in the neighborhood.

Friends You Can Only Find Here

On tours of Dunwoody Village, visitors often remark that it just “feels different” from other communities. That’s because our residents are warm and welcoming and our employees are gracious and helpful. And it’s not just for show—the more time residents spend here, the more they come to see that friendliness, openness and inclusivity are an intrinsic part of the Dunwoody culture.

That starts the moment people walk through the front door. Often, the first person they’ll encounter is Peggy Bodkin, who has worked at Dunwoody for 37 years, most recently at the reception desk. “Dunwoody Village is a wonderful, pleasant place to work. Everybody is kind and has a story to tell,” she says. In fact, Peggy feels so at

home that she herself will be moving in over the coming year as she downsizes from a 6-acre farm.

Once prospective residents sign on, a 29-member Hospitality Committee greets them as soon as they arrive. “I was impressed with the work of the Hospitality Committee when I first arrived. It meant so much to me that I offered to join and ended up becoming committee chair,” says Anne Harrison. “I make an initial welcoming visit to new residents in their homes and then introduce newcomers at the resident meeting. Committee members reach out over the course of the first year to invite the new residents to dinner and we have a lovely meal for all the newcomers at the end of the year. Never in my life have I enjoyed a volunteer job quite so much—the committee is

Anne Harrison (in pink) and Diane Ladner (left, in purple) gather with new residents the Magargees to help them acclimate to their new home. Anne and Diane are members of the Hospitality Committee, which ensures that new residents are given every opportunity to meet and socialize with their fellow neighbors.



“THERE ARE NO CLIQUES HERE AT ALL,
WHICH IS EXTRAORDINARY.”

great to work with, and I love that we are continuing this important tradition of making people feel at home.”

While some residents arrive, already knowing friends or connections in the Village and feeling a sense of familiarity, many find that Dunwoody offers a refreshing sense of change—their new friends bring an array of diverse backgrounds and experiences that make the daily social exchange richly rewarding.

“Almost every evening we dine with different people,” says Diane Ladner, who moved into a Penrose Carriage Home last year. “Or we call up someone to come attend one of the excellent programs, such as recently when we had

David Kim, the Philadelphia Orchestra’s Concert Master here, giving a concert. It’s a fascinating mix of people who have done very interesting things with their lives.”

The convivial atmosphere is apparent to everyone who lives at Dunwoody, including resident Fran Northrup who visited 14 communities before choosing Dunwoody Village as her new home. “There are no cliques here at all, which is extraordinary,” she says. “Because of the camaraderie and support at Dunwoody, people in the art studio encouraged me to learn oil painting. That camaraderie and support makes Dunwoody Village a very rewarding place to be.”



Resident Association president Pat McCarter (center) enjoys an al fresco lunch with new friends on the terrace. Dunwoody’s range of dining options—two dining rooms, plus catering and takeout—ensures that residents can dine at their own leisure and in their own style.



Norma Winther (left), Dunwoody employee Gary Ladeau and Susan Bell are active members of Dunwoody Village's History Committee. The Committee maintains an archive about the site and its storied founder, inviting residents for open house events in the History Studio and other activities. Ladeau often dresses up as William Hood Dunwoody for events.

Dunwoody Past:

A Q&A with Norma Winther, Dunwoody resident history buff

How did you become interested in Dunwoody's past?

I moved here in 2009 and just started asking questions. I discovered that this property can be traced back to a land grant from William Penn. After going through boxes of documents in the basement, I and others have been able to trace the thread through William Hood Dunwoody, our founder, whose ancestors lived here from 1712 when it was a working dairy farm.

How did Dunwoody become the community it is today?

William Hood Dunwoody eventually moved to Minnesota and made his money in the flour milling industry; he was a prime mover in what became General Mills. When he died in 1914, he donated a million dollars to start a home for convalescents on his parents' property. The Dunwoody Home for Convalescents opened in 1924. In 1974, the Dunwoody Village Retirement Community welcomed its first residents, thus becoming the third retirement community in the Delaware Valley.

How did your interest grow into a bigger project?

When I came here, I realized this as a way I could contribute to the community. We created a committee of about 10 people who helped start the archival process in 2010. We collect and organize materials and put together oral histories and interviews with residents and staff. I have presented PowerPoint presentations to residents to share what we've found. We also maintain a small History Museum in a studio apartment where people can come during open hours or by appointment to explore our materials and view the current exhibit. We also have a staff member who dresses as William Hood Dunwoody for our events, and we write articles for our newspaper about our village history. Our goal is to help our community stay connected to the past and to archive the past and present for future generations.

Care is available around the clock onsite at Dunwoody Village. Residents can visit doctors and nurse practitioners by appointment, or by visiting open office hours. Specialists including dentists, dermatologists, 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 transport for their appointments.



Healthcare Beyond Compare

So many of our residents choose Dunwoody Village because of its outstanding healthcare. The accolades speak for themselves: Our program is Five-Star Quality Rated by the Centers for Medicare and Medicaid. We were recently named a preferred provider for skilled nursing and short-term rehabilitation by Main Line Health Systems. Year after year, Dunwoody Village has been recognized by national and state associations for our unmatched healthcare. In fact, nurse Kristina Sandy won the Caregiver of the Year award from LeadingAge PA, the second time a Dunwoody Village employee has been awarded this honor in the last two years.

"Our priority is to help people heal and get back to their lives quickly and stay out of the hospital in the future," says Frank Beech, NHA, executive director of Dunwoody Village. "Our outcomes show that people who come through our Care Center are less likely to be readmitted than those who are treated in the average hospital setting."

"OUR OUTCOMES SHOW THAT PEOPLE WHO COME THROUGH **OUR CARE CENTER** ARE LESS LIKELY TO BE READMITTED THAN THOSE WHO ARE TREATED IN THE AVERAGE HOSPITAL SETTING."



Dunwoody Village nurse Kristina Sandy received the 2016 Distinguished Service Award from LeadingAge PA and was also named Caregiver of the Year.

What are some of the reasons our healthcare stands out from the pack? Nurse ratios. Twenty-four hour care, seven days a week. Physical therapy seven days a week. Truly exceptional professional attention. Employees who have committed the bulk of their careers to caring for Dunwoody residents. "It speaks to the strength of our culture that our rate of tenure here is very high, with some staff who have been here for over 30 years," Frank says.

“DUNWOODY COVERS THE FULL CONTINUUM OF CARE NEEDS WITH SPA-LIKE ATTENTION TO CUSTOMER EXPERIENCE.”

Both residents and non-residents can access rehabilitation services. Each individual is cared for by a team of specialists with a doctor-approved, personalized exercise and therapy program.



Dunwoody also offers healthcare through the Dunwoody Homecare program, a convenient service offered to residents and people in the greater community. “The benefit of this program is that anyone who comes to our Care Center can go home and continue to use the same great services with the same great staff, but in the comfort of their own home,” Frank says.

Dunwoody is also looking ahead to the future, piloting a telehealth program and examining other ways to use technology to stay on the cusp of care delivery and make its services even more flexible and accessible.

With additional offerings that include Personal Care, Skilled Nursing and Memory Support accommodations and Onsite Rehabilitation, all available to both residents and nonresidents alike, Dunwoody covers the full continuum of care needs with spa-like attention to customer experience, Frank says. “Our philosophy is about taking care of the whole person—we create an individualized plan for each person, and then we make sure that their needs are always met so we can help them feel their best.”

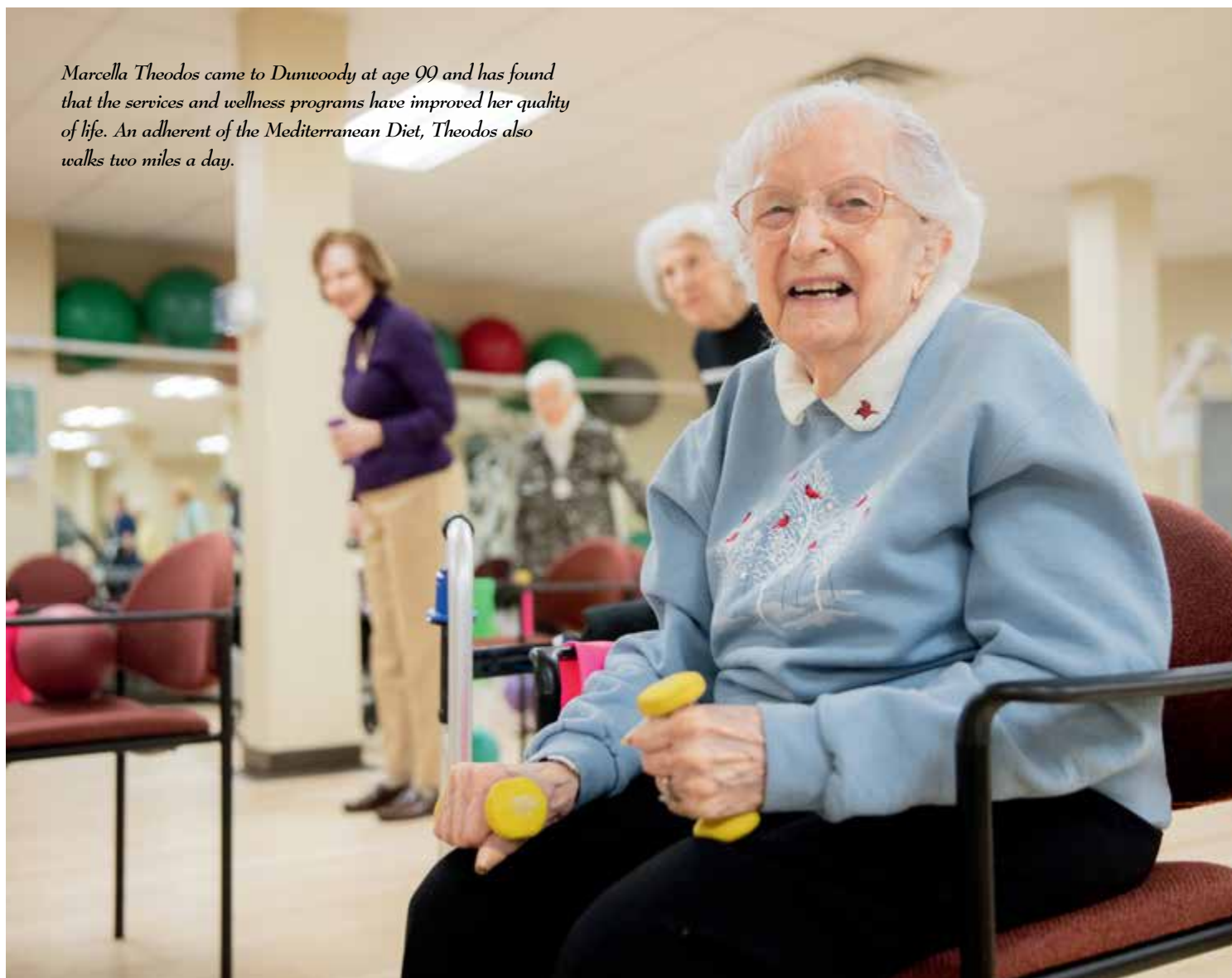
Innovative Approaches to Wellness

The good life is also a well life. At Dunwoody, we make sure residents have access to tools, practices and ongoing inspiration to stay healthy, fit and energetic. “Our focus on wellness is very important in helping to keep our residents independent with the quality of life

they enjoy,” says Kim LaFountain, RN, BSN, Health and Wellness Manager.

Wellness takes many forms at Dunwoody, such as information sessions from experts in the field. A recent talk from the Macula Vision Research Foundation informed

Marcella Theodos came to Dunwoody at age 99 and has found that the services and wellness programs have improved her quality of life. An adherent of the Mediterranean Diet, Theodos also walks two miles a day.





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residents about macular degeneration and emerging treatment options. The regular Healthy Living Speaker Series might focus on topics such as dizziness and imbalance, home safety and memory changes. Our Wellness Center provides free flu shots, annual wellness exams, blood pressure screening, and wellness information. An annual Health Fair brings in health providers and vendors from the community at large.

Then there are the supplemental amenities that make each day a little more fun. "On Fresh Fruit Friday we offer a selected fruit to residents and employees, along with a card about its health benefits," Kim says. "On Mondays we invite residents and staff to sign up for 10-minute massages in the Club Room."

The pool and fitness center offer an array of classes for strength, cardiovascular health, and balance. While the group fitness classes are all adaptable to individual experience and comfort levels and welcome newcomers, personal trainers are also available for those residents that want one-on-one instruction and guidance.

For many residents, the Wellness Program is a gateway to a more active lifestyle at Dunwoody, encouraging them to get and stay involved in fun activities, Kim says. "I've personally seen what a difference it makes to residents who take advantage of these offerings. They're active, social and excited to see what they can do."

Dunwoody Village offers a full slate of fitness programs, including yoga, pilates, tai chi, and personal training. In addition, there are aquatic classes in the pool and a well-equipped gym with fitness equipment and flat screen TVs.



Residents can choose from a variety of housing models, ranging from a studio apartment to a 2-bedroom 2.5-bath Penrose Carriage Home (pictured).

Every Dumwoody Village resident enjoys the same day-to-day services. Here is a partial list of services and amenities open to you.

Included Services and Amenities:

- 83 Beautifully Landscaped Acres
- Convenient to shopping and the Main Line
- Heated walkways connect Country Houses and Apartments to the Dunwoody community
- Weekly housekeeping
- Weekly flat linen service
- Door-to-door mail delivery and pickup
- Three dining options (formal, casual, and take-out)
- Private dining room for guests
- Special dietary service
- Three meals available daily, one included
- Flexible meal plans
- Cable TV
- Emergency Call System
- Security System available*
- 24 hour security
- All-campus generator
- Meeting rooms
- Art Studio
- Woodshop
- Gift Shop
- ReSale shop
- Hair Salon*
- Post Office
- UPS station
- Notary Public
- Library
- Lounges
- Heated indoor pool with lifeguard
- Jacuzzi
- Fitness Center with trainer
- Planned activities and entertainment
- Scheduled trips*
- Private transportation*
- Public transportation at Village entrance
- Wellness programs
- On-site, round-the-clock healthcare
- Doctors and Specialists on site
- Physical, Occupational, Speech and Respiratory Therapies on site
- Rehabilitation Services on site
- Medical appointment transportation
- Personal care on site
- Skilled Nursing on site
- Memory Support on site

** Additional cost may be associated*

A Home to Make Your Own

Before coming to Dunwoody Village, residents have spent decades cultivating their personal lifestyle—that's why we make sure to offer an array of housing accommodations that suit people of all tastes, budgets and walks of life. And because needs change over time, the Dunwoody continuing care community allows residents to be supported, no matter what, in the comfort of their residences or in the Care Center.

Apartment living makes a good option for those who are downsizing and want to simplify day-to-day life yet stay close to the action. Margaret and Brooks Harris chose a two-bedroom apartment to move into last year. They, along with their turtle Terrance Shelley, have found that the layout is just right for their needs—and Terrance has become something of a local celebrity in his own right. "We knew Terrance was coming with us, so we had to have a place that was pet-friendly," Margaret says. "The apartment was just the right size and the location is perfect for us."

For Marcella Theodos, who came to Dunwoody two years ago at the spry age of 99, her one-bedroom apartment is an ideal home where she can enjoy her privacy and the view from her patio but it's still close enough to neighbors that she can reach out and connect with others. "I take walks five times a day and stop to meet with people. I also enjoy going to the programs like the lectures and book reviews," she says. "Having a nurse come to me when I press my emergency pendent is convenient, and I always know I'm being looked after which gives my children peace of mind, too."

Country Houses come in a variety of layouts, affording more room, yet are still connected to the central building by a heated, enclosed walkway. Dr. Thomas Devlin and his wife have lived in a Country House for four years. "We love it because of the location. We have a beautiful patio and a view out onto the woods and lawn," he says. "What first drew us was the superb medical care—and I taught at a medical school for many years so I was well aware of what we were looking for—but once we saw the

WE OFFER AN ARRAY OF HOUSING ACCOMMODATIONS THAT
SUIT PEOPLE OF ALL TASTES, BUDGETS AND WALKS OF LIFE.

World travelers Jack and Randy Smith customized their Penrose Carriage Home with built-ins that showcase their collections.



“WE WERE LOOKING FOR A PLACE THAT WAS INTERESTING WHERE WE COULD BE **MORE ACTIVE** AND NOT LESS.”

Country House and the friendly and welcoming environment, we knew it would be a comfortable place to live.”

The newest addition to Dunwoody Village, the villa-style Penrose Carriage Homes, feature two-car garages, great rooms, fireplaces and plenty of space. “We were looking for a place that was interesting where we could be more active and not less,” says Jack Smith, a writer who moved to Penrose from Wayne with his wife Randy a year ago. “We really liked the handsome and spacious style of

architecture in the Carriage Homes. This is very much like resort living, and the food is quite good, too.”

For her part, Randy was drawn to the grounds and the possibility that she could continue to garden without having to worry about roof maintenance or shoveling the walk. “This was really the ideal place for us, and we’re enjoying every minute.”

Enriching, Inspiring, Improving Everyday Living

Dunwoody has always provided residents with comforts and services to elevate daily life. But we are never content to rest on our laurels and each year we continue to improve our offerings.

On the culinary side, for instance, Dunwoody now employs its own in-house pastry chef and the kitchen has added a farm-to-table program. In the warmer months, residents can also take advantage of the farmer's market onsite which makes fresh produce and farm products available for their personal kitchens.

For intellectual, cultural, physical and spiritual enrichment, there's a constant stream of new activities and initiatives, many started by residents themselves. "All sorts of things are always taking off here and it's very interesting to see," says Pat McCarter, who serves as President of the Residents' Association.

The Residents' Association has overseen the creation of a new education program, held once a month, which calls on Dunwoody residents to discuss issues that relate to their professional experience. "The idea came out of our Current Affairs Committee, which has been very

As a pet-friendly community, Dunwoody Village welcomes residents and animal companions (including big dogs), even in the Care Center—an unusual benefit. Some of the most popular animal neighbors include Dr. Carl Zweben's cat Ookie and Mr. and Mrs. Harris' turtle Terrance Shelley.



Jack Smith, one of the founders of the new pickleball league, demonstrates some of his skills.



Fran Northrup (right) assists residents making their own floral arrangements to adorn their doors or give as gifts. Her classes have become quite popular and the work from them can be seen throughout the hallways.



Anne Mowatt enjoys a morning stroll with her dog Bailly. With the new dog park added to the grounds, dogs and their owners lead a charmed life at Dunwoody Village.

"I'VE FOUND THAT PEOPLE JUST GRAB ONTO IDEAS HERE AND ITS PART OF WHAT MAKES IT SUCH AN INVIGORATING ENVIRONMENT."

successful. This lets us draw on the vast amount of knowledge we have right here in our community," Pat says.

In 2016, the community added the "Dogs of Dunwoody" Dog Park, a boon for residents with animal companions, and which has now become a social gathering place. "We love having a dog friendly place to live," says Fran

Northrup, who helped start it. "I've found that people just grab onto ideas here and it's part of what makes it such an invigorating environment."

A floral enthusiast, Fran has also started a flower arranging class and studio. "I approached our President/CEO Sherry Smyth and asked her (CONTINUED ON PAGE 18)



A mahjong enthusiast, new resident Dr. Pen-ming Ming started a club at Dunwoody—a welcome addition to the wide-ranging list of hobbies residents can take up here.

The new lecture series at Dunwoody Village invites residents to share their professional expertise. Dr. Devlin (left) has spoken about CRISPR technology and related ethical issues. Dr. Connie Stuckert (middle) gave a talk on her anthropological research called “Sex and the Single Skeleton.” And Charles Ladner (right), former chairman of the board, spoke about reading and understanding financial statements.



if we could have a space for floral work. She agreed and we've been having classes once a month. We can have ten people in here per session and we bring in instructors to help." The studio itself acts as a lending library of tools for residents who want to do flower arranging at home. Floral students have also been taking "jobs," making arrangements for the auditorium and other venues around the Village.

As residents expressed an interest in preserving the Village's open land, a committee has begun work to create the Dunwoody Village Wildlife Refuge. Headed by Dr. Connie Stuckert, the group spent much of 2016 planning. "We have been very busy with a lot of people working on this," she says. Plans include building nesting boxes, labeling trees, developing meadows to attract birds and other species and putting in new benches and walking trails for resident use.

For Jorie Nailor, who moved to Dunwoody last year, it has been an exciting opportunity to put her landscape design/architecture background to good use. "I have been working on signage for native and non-native trees," she says. "It was a natural way for me to get involved." Jorie has also been asked to help add more native plants to Dunwoody's gardens and has given an educational lecture on the topic.

On the athleisure front, pickleball—initiated by Jack Smith and his neighbor Pete Hubbard—has become the latest rage with about a dozen or so participants in the Village league.

Dr. Pen-ming Ming, a retired pathologist who came to Dunwoody from her longtime residence in Bryn Mawr just a few months ago, has already introduced another activity to her new neighbors: a mahjong club. "I was surprised that twenty people signed up—there was quite a lot of interest. For me, it was a great way to find my way here and meet people," Pen-ming says. "There's so much to do but there are always people who want to get involved."

Giving Every Resident a Voice

Upon entry to Dunwoody Village, every resident automatically becomes a member of the Residents' Association. An independent, self-governing body, the Residents' Association holds monthly meetings, except during the summer. 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.

Our 2016 Residents' Association Executive Committee members proudly welcome you.

Top row: Fran Northrup, Member-at-Large; Cynthia Bredikin, Member-at-Large; Doug Curley, Assistant Treasurer; Connie Stuckert, Second Vice President; Larry Pethick, Treasurer.

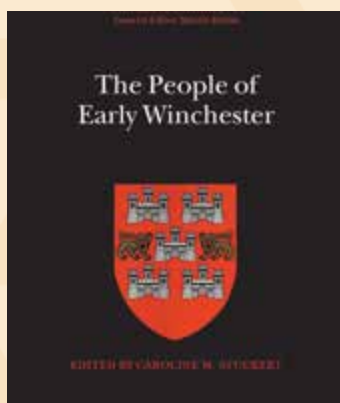
Bottom row: Ellen Jackson, Member-at-Large; Chuck Ladner, First Vice President; Pat McCarter, President; Norma Winther, Corresponding Secretary.

Not pictured: Jerry Kinhead, Recording Secretary.



An Expert in Our Midst

Among their many accomplished neighbors, Dunwoody residents can count a highly regarded anthropologist who is rewriting the history of England. Dr. Connie Stuckert's book *The People of Early Winchester*,



was released in England in late 2016 and here in the United States in February 2017. The volume examines the skeletal remains of Winchester inhabitants from the mid-third century through the mid-16th century to reveal the changes and continuities in many aspects of their lives and health over time. "It was a tremendous period of history and transformation and this book tries to tie it all together," she says.



Connie, who has lived at Dunwoody Village for eight years, has seen a remarkable amount of media and academic interest in her latest work. "I was trained as an archaeologist and physical anthropologist but I spent most of my working career in museum management and consulting. I retired about ten

Lankhills Grave 291, male, age ca. 30. Coffined burial surrounded by stone packing. Date 390 - 410 A.D.



Dr. Connie Stuckert, an anthropologist and archaeologist who worked in museum management, shares her findings about the early people of England.

years ago, which enabled me to get back to research I'd started in the 1970s. One of the assets about living at Dunwoody—and this is just one of them—is that there are a number of people here who are continuing to stay involved intellectually with whatever their prior interests were, and it's a very active, exciting place to be."



(L-R) Barbara Bryant, Chairman of the Winchester Excavations Committee; Jane Rutter, Mayor of the City of Winchester; Dr. Connie Stuckert; Professor Martin Biddle, Director of the Winchester Research Unit; and Steve Brine, Member of Parliament for Winchester and Chandler's Ford.



While most of the decision-making about Dunwoody Village's management is handled by the Board of Trustees, the leadership team serves as a liaison between the Board and the Residents Association.



Patrick J. Burke, CFA, CFP, CPA

Dunwoody Present and Future: *A Q&A with Patrick Burke, Chairman of the Board of Trustees*

What are some priorities for the coming year?

We want to continue to renovate the hallways, which is important from a functional and aesthetic perspective for both current and prospective residents. There's an initiative to put WiFi in throughout the whole Village, and we want to enhance our dining facilities and possibly add a pub. We will continue to invest in the infrastructure and keeping Dunwoody beautiful.

How about for the longer-term?

We are really excited about Penrose, which has given us more revenue and a better financial position to think about our future. We can start to think about what else we can do in the community that goes beyond the borders of the Village. One question we're asking is whether there are ways we can continue to help people stay in their homes and provide services to make that possible—how we can think beyond our existing model to do more. Both telehealth and Dunwoody Homecare will be important to our future.

What do you want people to know about Dunwoody?

I think many people still think of retirement communities in terms of "nursing homes." But we have a diverse array of housing options, active, healthy residents and access to so many resources and opportunities. Dunwoody has a vibrant community that gives our residents a variety of educational and social opportunities to learn, grow, and have fun.

What sets Dunwoody apart from other communities?

What makes me excited to be a part of this place is that it's so beautiful, the people are genuinely nice and wonderful relationships thrive here. Many prospective residents focus on the quality of health care, which will always be important, but they are surprised by Dunwoody's engaging and friendly staff and residents. Life at Dunwoody is vibrant, enriching, and full of possibilities.

Looking Ahead

On the heels of the Penrose Carriage Homes project, Dunwoody Village and its leadership is now reassessing the next steps to maintain the existing buildings while thinking ahead to future development. The addition of the Penrose Carriage Homes both expands the footprint of the Village and creates more housing options while also improving the bottom line. "We have just completed a major economic transformation of Dunwoody in the sense that we have added significantly higher revenues with the new living spaces," says Charles Ladner, resident and former Chairman of the Board of Trustees. "That cash flow will help support the ongoing maintenance of our buildings."

The board is at the beginning stages of initiating a new strategic planning process. "We've hired an architectural

firm and planning consultant to work with us to think through some long-range ideas," Chuck says.

Within the shorter term, this will likely include the expansion of the existing dining area or the plan to build a new one. Expanding meeting space for resident organizations is another top priority. The planning will also cover an assessment of the fitness and care centers and potential long-term plans for their renovation and/or expansion as needed.

"We're always looking at how we can deal with our current needs but also continue to respond to inevitable but not always predictable changes in the marketplace," Ladner says. "Our approach is to keep being innovative and to keep thinking outside the box." 🍷



Top row: Frank Beech, Executive Director; Kathy Barton, Director of Finance; Glenn Stephenson, Director of Housekeeping; Maryanne Leonard, Director of Dunwoody Homecare; John Alberici, Director of Dining Services; Wendy Hix, Director of Nursing; Curt Sayers, Director of Human Resources.

Seated: Brandon Jolly, Director of Health Services; Elaine Kaiser, Director of Marketing; Sherry Smyth, President/CEO; Wes Kuehnle, Director of Facilities.



Peter E. Bort, JD
Second Vice Chairman



Theodore Bredikin



Patrick J. Burke
Chairman



Edward A. Chiosso



Kenneth T. Engle



Christopher R. Getman



Jane Gulick, Ph.D.



Erin L. Haas



Caswell F. Holloway, III



Charles Ladner



John W. Lear
Secretary



Timothy Malarkey



Patricia P. McCarter
2017 President of the
Residents' Association



Charles E. Rammel



Sherry L. Smyth
President / CEO



Stephanie Strid-Davis

*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.*



Elizabeth K. Unger
First Vice Chairman



Massy Williams, CFA

2016 Officers and Board of Trustees

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Phoenixville, PA 19460

Theodore Bredikin

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Insurance Solutions Division
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Horsham, PA 19044

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Massy Williams, CFA

The Vanguard Group
100 Vanguard Boulevard
Malvern, PA 19355

Chairman Emeritus

Joseph Neff Ewing, Jr.**In Memoriam**

Dunwoody Village
3500 West Chester Pike
Newtown Square, PA 19073

Trustees Emeriti

Sara Spedden Senior

54 Merbrook Lane
Merion, PA 19066

Henderson Supplee, III

180 Highland Lane
Bryn Mawr, PA 19010

Services for Non-Residents

YOU DON'T HAVE TO LIVE AT DUNWOODY VILLAGE TO TAKE ADVANTAGE OF OUR FIVE-STAR RATED HEALTH CARE. PROGRAMS FOR NON-RESIDENTS INCLUDE THE FOLLOWING:



Skilled Nursing, Personal Care, and Memory Support

Dunwoody Village's 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) 723-4787.

Dunwoody Homecare



Dunwoody Homecare 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 Homecare offers a variety of services that allows you to manage all of your in-home health needs. Our services range from skilled home health care such as nursing and therapy, to private duty services such as personal care, medication reminders, and light housekeeping/shopping. 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 Homecare, call (610) 359-4503 or visit our website at www.dunwoody.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, speech, and respiratory therapy as well as nutrition management, recreation, and Skilled Nursing care. For more information on Short-Term Rehabilitation Services, contact us at (610) 723-4787.



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Dunwoody Village
Newtown Square, Pennsylvania

We have audited the accompanying consolidated financial statements of Dunwoody Village, which comprise the consolidated balance sheets as of December 31, 2016 and 2015, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

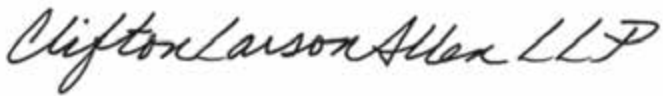
Board of Trustees
Dunwoody Village

Opinion

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, 2016 and 2015, and the results of its operations, changes in net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter Regarding a Change in Accounting Principle

As discussed in Note 1 to the financial statements, Dunwoody Village adopted a recently issued accounting standard related to accounting for debt issuance costs. The new standard requires entities to present debt issuance costs as a direct deduction from the face amount of the related borrowings, amortize debt issuance costs using the effective interest method over the life of the debt, and record the amortization as a component of interest expense. Our opinion is not modified with respect to this matter.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
April 12, 2017

Consolidated Balance Sheets

DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,525,217	\$ 2,536,418
Accounts Receivable, Net	801,373	1,935,214
Accounts Receivable – Entrance Fees	350,950	240,641
Prepaid Expenses and Other Current Assets	<u>360,054</u>	<u>460,879</u>
Total Current Assets	3,037,594	5,173,152
ASSETS LIMITED AS TO USE		
Internally Designated by Board of Trustees	21,925,690	19,379,837
Statutory Minimum Liquid Reserve	3,153,382	3,050,910
Externally Designated by Donors	<u>1,100,000</u>	<u>1,100,000</u>
Total Assets Limited as to Use	26,179,072	23,530,747
PROPERTY AND EQUIPMENT, NET	66,337,960	52,366,550
OTHER ASSETS	<u>163,140</u>	<u>163,140</u>
Total Assets	<u><u>\$ 95,717,766</u></u>	<u><u>\$ 81,646,321</u></u>

See accompanying Notes to Consolidated Financial Statements.

	<u>2016</u>	<u>2015</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$ 691,280	\$ 659,492
Accounts Payable and Accrued Expenses	3,711,531	4,817,186
Retainage Payable	–	638,207
Refundable Deposits from Prospective Residents	2,501,300	3,657,100
Total Current Liabilities	<u>6,904,111</u>	<u>9,771,985</u>
INTEREST RATE SWAP AGREEMENT	1,406,937	1,722,180
LONG-TERM DEBT, NET	31,874,164	30,407,586
DEFERRED REVENUE FROM ADVANCE FEES	<u>40,465,308</u>	<u>27,065,928</u>
Total Liabilities	80,650,520	68,967,679
NET ASSETS		
Unrestricted	10,877,862	8,203,420
Temporarily Restricted	3,089,384	2,962,490
Permanently Restricted	1,100,000	1,100,000
Total Net Assets	<u>15,067,246</u>	<u>12,265,910</u>
Total Liabilities and Net Assets	<u><u>\$ 95,717,766</u></u>	<u><u>\$ 81,233,589</u></u>

Consolidated Statements of Operations and Changes in Net Assets

DECEMBER 31, 2016 AND 2015

	2016	2015
REVENUE, GAINS, AND OTHER SUPPORT		
Resident Care Fees	\$ 17,350,662	\$ 15,855,163
Medical Care Fees	9,209,694	9,795,433
Amortization of Deferred Entry Fees	5,188,186	4,249,589
Resident Services Fees	1,686,887	1,513,466
Investment Income (Loss)	1,378,581	(253,798)
Other	163,476	613,439
Net Assets Released From Restrictions	59,084	103,188
Total Revenue, Gains, and Other Support	35,036,570	31,876,480
EXPENSES		
Medical and Personal Care	12,298,492	12,848,181
Resident Services	1,070,791	972,760
Food Service	4,039,012	3,899,197
General and Administrative	4,492,330	4,244,461
Maintenance	2,514,713	2,831,699
Housekeeping and Laundry	1,722,446	1,643,051
Utilities	1,214,550	1,165,962
Real Estate Taxes	806,823	799,780
Depreciation	3,529,908	2,900,196
Interest	988,306	719,331
Total Expenses	32,677,371	32,024,618
OPERATING INCOME (LOSS) BEFORE CHANGE IN VALUE OF INTEREST RATE SWAP	2,359,199	(148,138)
Change in Value of Interest Rate Swap	315,243	85,461
OPERATING INCOME (LOSS) AND INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	2,674,442	(62,677)
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	185,978	2,581
Net Assets Released from Restrictions – Used for Operations	(59,084)	(103,188)
Total Increase (Decrease) in Temporarily Restricted Net Assets	126,894	(100,607)
INCREASE (DECREASE) IN NET ASSETS	2,801,336	(163,284)
Net Assets - Beginning of Year	12,265,910	12,429,194
NET ASSETS - END OF YEAR	\$ 15,067,246	\$ 12,265,910

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 2,801,336	\$ (163,284)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Change in Value of Interest Rate Swap	(315,243)	(85,461)
Restricted Contributions	(185,978)	(2,581)
Depreciation	3,529,908	2,900,196
Amortization of Deferred Financing Costs	14,740	14,740
Net Realized and Unrealized (Gain) Loss on Investments	(943,953)	723,093
Amortization of Deferred Entry Fees	(5,188,186)	(4,249,589)
Proceeds from Resident Deferred Entry Fees and Advance Deposits - Preexisting Units	18,928,000	6,741,680
Proceeds from Resident Deferred Entry Fees and Advance Deposits - Penrose Carriage Homes	12,450,000	4,409,800
Proceeds from Resident for Apartment Refurbishment	282,118	514,339
Refunds of Deposits and Refundable Fees	(14,228,352)	(2,781,339)
Decrease in Assets:		
Accounts Receivable and Accounts Receivable - Entrance Fees	1,023,532	532,417
Prepaid Expenses and Other Current Assets	100,825	72,977
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(1,105,655)	1,330,903
Net Cash Provided by Operating Activities	<u>17,163,092</u>	<u>9,957,891</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(2,155,571)	(6,468,010)
Sales of Investments	451,199	5,138,360
Acquisition of Property and Equipment	(18,139,525)	(16,954,109)
Deposit of Other Assets	—	441
Net Cash Used by Investing Activities	<u>(19,843,897)</u>	<u>(18,283,318)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(659,522)	(295,091)
Proceeds from Long-Term Debt	2,143,148	8,445,018
Restricted Contributions	185,978	2,581
Net Cash Provided by Financing Activities	<u>1,669,604</u>	<u>8,152,508</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,011,201)</u>	<u>(172,918)</u>
Cash and Cash Equivalents - Beginning of Year	<u>2,536,418</u>	<u>2,709,337</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,525,217</u></u>	<u><u>\$ 2,536,418</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest, Net of Capitalized Interest	<u><u>\$ 1,007,185</u></u>	<u><u>\$ 871,672</u></u>

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

DECEMBER 31, 2016 AND 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Dunwoody is a Pennsylvania nonprofit 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 275 independent living units, 81 skilled nursing beds, and 81 personal care beds, which includes a 20 bed memory care unit.

Dunwoody Homecare is a separate Pennsylvania nonprofit corporation that primarily provides private-duty companion services to Dunwoody residents.

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 Homecare, 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 that promotes quality of life, choices, dignity and respect.

New Accounting Pronouncements

Dunwoody Village has adopted the accounting guidance in FASB Accounting Standards Update (ASU) No. 2015-03, *Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. ASU 2015-03 requires organizations to present debt issuance costs as a direct deduction from the face amount of the related borrowings, amortize debt issuance costs using the effective interest method over the life of the debt, and record the amortization as a component of interest expense. The effect of adopting the new standard decreased the debt issuance costs asset to zero and decreased the debt liability by \$412,732 as of January 1, 2016. The adoption of the standard had no effect on previously reported net assets. The ASU is effective for fiscal years beginning after December 15, 2015. The ASU is retrospectively applied.

Notes to Consolidated Financial Statements

DECEMBER 31, 2016 AND 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**New Accounting Pronouncements (Continued)**

In May 2014, the Financial Accounting Standards Board (FASB) issued amended guidance to clarify the principles of recognizing revenue from contracts with customers as discussed within ASU No. 2014-09 – *Revenue from Contracts with Customers*. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an account that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosure relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customers contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The guidance will initially be applied retrospectively using one of two methods. The standard will be effective for the entity for annuals reporting periods beginning after December 15, 2017. Management is evaluating the impact of the amended revenue recognition guidance on the entity's consolidated financial statements.

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.

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, 2016 and 2015, Dunwoody Village provided charity care of \$462,032 and \$392,934, respectively. These amounts represent the costs associated with providing this care. This charity care was funded by transfers from temporarily restricted net assets, contributions, and investment income and operations.

Cash and Cash Equivalents

Dunwoody considers cash and cash equivalents to include cash in bank accounts and other liquid investments with original maturities of three months or less. 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.

Notes to Consolidated Financial Statements

DECEMBER 31, 2016 AND 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Allowance for Doubtful Accounts**

Dunwoody provides an allowance for uncollectible accounts using management's estimate about the collectability of past due accounts. Residents are not required to provide collateral for services rendered. Payment for services is required upon receipt of invoice or claim submitted. Accounts more than 30 days past due are individually analyzed for collectability. When all collection efforts have been exhausted, the accounts are written off against the related allowance. Management believes that the allowance for doubtful accounts is adequate to provide for estimated uncollectible accounts associated with the accounts receivable balances. The allowance for doubtful accounts at December 31, 2016 and 2015 was approximately \$445,700 and \$539,000, respectively.

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.

Investments in mutual funds, complementary strategies, and real assets 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) 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, complementary strategies and real assets 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 balance sheet.

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 is 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.

Notes to Consolidated Financial Statements

DECEMBER 31, 2016 AND 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Property and Equipment (Continued)**

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, 2016 and 2015.

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 issuance costs and are recorded as a direct deduction from the face amount of related borrowings. Amortization expense for both years ended December 31, 2016 and 2015 was \$14,740 and is included as a component of interest expense on the statements of operations and changes in net assets.

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, 2016 and 2015, the portion of advance fees subject to refund provisions amounted to \$23,917,002 and \$12,245,774, 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.

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, 2016 and 2015, 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.

Notes to Consolidated Financial Statements

DECEMBER 31, 2016 AND 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest Rate Swap Agreement

Pursuant to the accounting guidance for derivative instruments, Dunwoody recognizes the derivative financial instrument in the balance sheets at fair value. The interest rate swap 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 in the consolidated statement of operations and changes in net assets.

Net Assets

Dunwoody reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted (subject to donor or time restrictions), and permanently restricted (principal maintained in perpetuity).

Temporarily restricted net assets are net assets whose use has been limited by donors to a specific purpose. These amounts are principally restricted to resident care. Gifts are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of operations and changes in net assets as other revenue.

Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Income Taxes

Dunwoody, Dunwoody Homecare, 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 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.

Notes to Consolidated Financial Statements

DECEMBER 31, 2016 AND 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Fair Value Measurements (Continued)**

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.

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 2.

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 interest rate swap, since the swap has not been designated as a cash flow hedge. There are no other changes in unrestricted net assets that are excluded from the operating indicator.

Reclassification

Certain items in the 2015 consolidated financial statements have been reclassified to conform with the 2016 consolidated financial statement presentation.

Subsequent Events

In preparing these consolidated financial statements, Dunwoody has evaluated events and transactions for potential recognition or disclosure through April 12, 2017, the date the consolidated financial statements were issued. 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, 2016 AND 2015

NOTE 2 ASSETS LIMITED AS TO USE

The functional composition of assets limited as to use internally designated by the board and externally designated by donors at December 31, 2016 and 2015, is set forth below:

	2016	2015
Internally Designated by the Board of Trustees:		
Board-Designated Funds	\$ 10,068,892	\$ 9,379,627
Residents' Reserve Fund	3,352,591	3,152,011
Trust under Will	1,331,112	1,316,224
Dunwoody Homecare Board-Designated Fund	1,135,503	1,066,093
Entrance Fees Escrow	5,739,547	4,187,725
Other Dunwoody Funds	298,045	278,157
Total	21,925,690	19,379,837
Statutory Minimum Liquid Reserve	3,153,382	3,050,910
Externally Designated by Donors:		
Trust Under Will and Bequest	1,100,000	1,100,000
Total	<u>\$ 26,179,072</u>	<u>\$ 23,530,747</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 Village 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 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 unrestricted and available for use as designated by the board of trustees.

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 twelve months, exclusive of depreciation and amortization, or the total of all debt service (principal and interest) due during the upcoming twelve months 2017 debt service requirements. The statutory minimum liquid reserve requirement as of December 31, 2016 and 2015 is \$3,153,382 and \$3,050,910, respectively, and is based on 10% of the total projected operating expenses, exclusive of depreciation and amortization, for the next twelve months. Under the provisions and related amendments of the Act, cash and cash equivalents and investments of Dunwoody satisfy this requirement.

Notes to Consolidated Financial Statements

DECEMBER 31, 2016 AND 2015

NOTE 2 ASSETS LIMITED AS TO USE (CONTINUED)

The statutory minimum liquid reserve requirement as of December 31, 2016 and 2015 is as follows:

	2016	2015
Projected Annual Interest Expense	\$ 1,389,043	\$ 1,453,533
Principal Payments Due on Long-Term Debt	691,280	659,492
Liquid Reserve Requirement	<u>\$ 2,080,323</u>	<u>\$ 2,113,025</u>
Projected Annual Operating Expenses	\$ 31,533,815	\$ 30,509,097
Minimum Rate	10%	10%
Liquid Reserve Requirement	<u>\$ 3,153,382</u>	<u>\$ 3,050,910</u>
Statutory Minimum Liquid Reserve	<u>\$ 3,153,382</u>	<u>\$ 3,050,910</u>

Management believes that Dunwoody is in compliance with all other requirements of the Act as of December 31, 2016 and 2015.

The composition of assets limited as to use at December 31, 2016 and 2015 is set forth in the following table. Investments are stated at fair value.

	2016	2015
Assets Limited as to Use		
Cash and Cash Equivalents	\$ 5,846,783	\$ 4,347,875
Mutual Funds - Fixed Income	7,551,023	7,440,221
Mutual Funds - Domestic Equity	7,833,361	7,034,790
Mutual Funds - International Equity	4,472,937	4,221,372
Complementary Strategies	233,645	227,812
Real Assets	241,323	258,677
Total Assets Limited as to Use	<u>\$ 26,179,072</u>	<u>\$ 23,530,747</u>

Investment income (loss) and gains (losses) on assets limited as to use and cash equivalents are comprised of the following for the years ended December 31, 2016 and 2015:

	2016	2015
Investment Income (Loss)		
Dividends and Interest Income	\$ 434,628	\$ 469,295
Realized Gains on Sales of Securities	8,692	1,868,761
Net Unrealized Gains (Losses) on Investments	935,261	(2,591,854)
Total Investment Income (Loss)	<u>\$ 1,378,581</u>	<u>\$ (253,798)</u>

Notes to Consolidated Financial Statements

DECEMBER 31, 2016 AND 2015

NOTE 2 ASSETS LIMITED AS TO USE (CONTINUED)

Financial assets and liabilities carried at fair value as of December 31, 2016 and 2015 are classified in the table below in one of the three categories described in Note 1:

December 31, 2016	Total Fair Value	Level 1	Level 2	Level 3
Assets:				
Cash and Cash Equivalents	\$ 7,372,000	\$ 7,372,000	\$ –	\$ –
Mutual Funds:				
Fixed Income	7,551,023	7,551,023	–	–
Domestic Equity	7,833,361	7,833,361	–	–
International Equity	4,472,937	4,472,937	–	–
Complementary Strategies	233,645	233,645	–	–
Real Assets	241,323	241,323	–	–
Total Assets	<u>\$ 27,704,289</u>	<u>\$ 27,704,289</u>	<u>\$ –</u>	<u>\$ –</u>
Liabilities:				
Interest Rate Swap	<u>\$ 1,406,937</u>	<u>\$ –</u>	<u>\$ 1,406,937</u>	<u>\$ –</u>
December 31, 2015	Total Fair Value	Level 1	Level 2	Level 3
Assets:				
Cash and Cash Equivalents	\$ 6,884,293	\$ 6,884,293	\$ –	\$ –
Mutual Funds:				
Fixed Income	7,440,221	7,440,221	–	–
Domestic Equity	7,034,790	7,034,790	–	–
International Equity	4,221,372	4,221,372	–	–
Complementary Strategies	227,812	227,812	–	–
Real Assets	258,677	258,677	–	–
Total Assets	<u>\$ 26,067,165</u>	<u>\$ 26,067,165</u>	<u>\$ –</u>	<u>\$ –</u>
Liabilities:				
Interest Rate Swap	<u>\$ 1,722,180</u>	<u>\$ –</u>	<u>\$ 1,722,180</u>	<u>\$ –</u>

Fair values for interest rate swap contracts 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, 2016 AND 2015

NOTE 3 PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2016 and 2015 follows:

	2016	2015
Property and equipment:		
Land Improvements	\$ 1,440,321	\$ 1,435,106
Buildings and Improvements	81,836,569	74,478,341
Furniture and Equipment	11,927,585	11,246,186
Vehicles	574,138	541,138
Construction in Progress	23,246,174	13,822,698
Total	119,024,787	101,523,469
Less Accumulated Depreciation	(52,686,827)	(49,156,919)
Total Property and Equipment, Net	<u>\$ 66,337,960</u>	<u>\$ 52,366,550</u>

Depreciation expense for the years ended December 31, 2016 and 2015 was \$3,529,908 and \$2,900,196, respectively.

NOTE 4 LONG-TERM DEBT

Long-term debt consists of:

Description	2016	2015
Delaware County Authority Revenue Bonds, Series 2013 Bonds, principal payments due monthly through 2043 at variable interest rates	\$ 32,963,435	\$ 31,479,810
Less: Unamortized Debt Issuance Costs	397,991	412,732
Less: Current Portion	691,280	659,492
Total Long-Term Debt	<u>\$ 31,874,164</u>	<u>\$ 30,407,586</u>

On December 20, 2013, Dunwoody entered into a bond purchase and loan agreement with the Delaware County Authority (the Authority) pursuant to which the Authority authorized \$35,000,000 of the Series 2013 revenue bonds. From the proceeds of this issuance, the Authority advanced a total of \$22,165,157 at closing to be used as follows: 1) \$19,272,220 will be applied to refund the outstanding balance of the Delaware County Authority's Revenue Bonds, Series 2006 and Series 2003; 2) \$2,075,656 will be used to fund the Campus Project; and 3) \$817,281 will be used to fund the Carriage Home Project. The remaining amounts from the proceeds of issuance will be loaned and advanced to Dunwoody as a draw-down loan, to be used for the Campus Project and the Carriage Home Project. The interest rate is a variable rate equal to 70% applied to one month LIBOR plus 2.15% (2.02% and 1.79% at December 31, 2016 and 2015, respectively). Of the remaining \$12,834,843 from the proceeds at closing, an additional \$2,143,148 and \$8,445,018 was drawn down during the years ended December 31, 2016 and 2015, respectively. Since the inception of the agreement, \$12,105,843 has been drawn down, with \$729,000 left to be drawn down.

Notes to Consolidated Financial Statements

DECEMBER 31, 2016 AND 2015

NOTE 4 LONG-TERM DEBT (CONTINUED)

Interest capitalized during the years ended December 31, 2016 and 2015 was \$45,802 and \$214,902, respectively.

Aggregate annual principal maturities for the Series 2013 bonds for each of the next five years and thereafter are as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2017	\$ 691,280
2018	720,394
2019	750,751
2020	778,725
2021	815,251
Thereafter	<u>29,207,034</u>
Total	<u>\$ 32,963,435</u>

Under the Series 2013 bond 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 175 days' budgeted cash operating expenses. Management has represented that Dunwoody was in compliance with the debt service coverage and liquidity requirements at December 31, 2016.

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

NOTE 5 DERIVATIVE FINANCIAL INSTRUMENTS

Dunwoody entered into an interest rate swap agreement with Citizens/RBS in March 2009 in order to eliminate the exposure to interest rate fluctuations associated with the 2006 Bonds. The interest rate swap agreement effectively fixed the interest rate on these bonds at 3.65%. The notional amount of the interest rate swap agreement is \$13,875,000 and it matures on April 1, 2024. At December 31, 2016 and 2015, the fair value of this interest rate swap agreement represented a liability in the accompanying consolidated balance sheets of \$1,406,937 and \$1,722,180, respectively. The interest rate swap 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 statement of operations and changes in net assets.

NOTE 6 PENSION PLAN

Dunwoody sponsored a 403(b) pension plan which provides a 50% match of employee contributions up to a maximum of 6% of annual compensation and also an annual discretionary contribution. 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.

Notes to Consolidated Financial Statements

DECEMBER 31, 2016 AND 2015

NOTE 6 PENSION PLAN (CONTINUED)

For the years ended December 31, 2016 and 2015, the annual contribution was 2%. Total pension expense for the years ended December 31, 2016 and 2015 related to this plan was \$356,063 and \$434,404, respectively.

NOTE 7 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:

	2016	2015
Medicare	22%	23%
Residents and Other	78%	77%
Total	100%	100%

NOTE 8 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at December 31, 2016 and 2015:

	2016	2015
Resident Benevolence	\$ 2,781,644	\$ 2,755,720
Memorial Garden and Other	307,740	206,770
Total	\$ 3,089,384	\$ 2,962,490

NOTE 9 FUNCTIONAL EXPENSES

Dunwoody and Dunwoody Homecare provide services for the elderly. Expenses related to providing these services were as follows:

	2016	2015
Continuing and Long-Term Care	\$ 28,078,236	\$ 28,036,591
General and Administrative	4,599,135	3,988,027
Total	\$ 32,677,371	\$ 32,024,618

Notes to Consolidated Financial Statements

DECEMBER 31, 2016 AND 2015

NOTE 10 COMMITMENTS AND CONTINGENCIES

Compliance

Laws and regulations governing the Medicare program are complex and subject to interpretation. Dunwoody believes it is in compliance 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.

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.

Captive and Self-Insurance Insurance Plans

In August 2013, Dunwoody elected to participate in a captive insurance plan for medical and pharmacy claims and has recorded a subscriber interest of \$163,140 in other assets. Dunwoody assumes the risk for paying the health care claim costs up to \$35,000 per participant per year. Claims in excess of \$35,000 and less than \$250,000 are reimbursed by the captive. Claims in excess of \$250,000 would be reimbursed by stop-loss insurance, which was purchased by Dunwoody as condition of entering the plan. The plan is based on a shared-risk pool plan.

In October 2015, Dunwoody decided not to renew with the captive insurance plan for medical and pharmacy claims. Dunwoody decided to go with a self-insured health care plan. This plan works similar to the captive, in that Dunwoody assumes the risk for paying the health care claim costs up to \$75,000 per participant per year. Claims in excess of \$75,000 would be reimbursed by the stop-loss insurance, which was purchased by Dunwoody at the time of inception. Dunwoody expects to receive the subscriber interest back from the captive insurance after all obligations under the agreement have been met.

A liability of approximately \$128,144 and \$91,922 has been recorded for incurred but not reported claims as of December 31, 2016 and 2015, respectively.

Expansion and Renovation

In 2014, Dunwoody Village received all regulatory approvals to move ahead on the strategic plan for 40 new carriage homes, of which 20 will have bank financing. The carriage homes offer larger living spaces and other amenities not currently available in Dunwoody. The construction was completed in the 4th quarter of 2016. The renovation of the Farmhouse was completed and Dunwoody Homecare relocated in February 2016. The historic barn was also completed in 2016 and is being used by the grounds department.

2017 Consolidated Operating Budget

	Total Budget (000s omitted)
REVENUE, GAINS, AND OTHER SUPPORT:	
Resident Care Fees	\$ 15,300
Medical Care Fees	14,498
Earned Entrance Fees	4,378
Resident Service Fees	1,655
Interest and Dividends	401
Other Revenue	136
Total Revenue	\$ 36,368
EXPENSES:	
Medical and Personal Care	\$ 13,387
Resident Services	477
Food Services	4,184
General and Administrative	5,026
Maintenance	2,985
Housekeeping and Laundry	1,820
Utilities	1,305
Real Estate Taxes	1,182
Depreciation & Amortization	3,338
Interest	1,389
Total Expenses	\$ 35,063
Operating Income (Loss)	\$ <u>1,305</u>

Note - All figures are in rounded thousand dollars.

SUMMARY OF 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

Full Service Dining Choices

Dunwoody dining services are available for three meals per day with a choice of standard menus. The Monthly Fee includes the cost of one daily meal. Residents desiring additional meals may arrange for such meals at the charges currently in effect.

Guest Meals

Provisions are available for guest meals; reservations are preferred. The charge for guest meals is subject to change from time to time. Guests are expected to observe the dress code in effect for the selected dining room.

Missed Meals and Meal Options

If you choose to forego a meal at Dunwoody Village on a given day, you are entitled to a coupon called a "meal option." The option may be redeemed within thirty days for another meal including a guest meal. To receive the benefit of this arrangement, you must notify the reception desk prior to the meal time on the day that you will skip dinner. Options are not provided if advanced notification is not given. There are some limitations on the use of the options. Please consult the Dining Room Manager or refer to the option policy which is available in the Lincoln Dining Room.

Meal Allowance

If Resident will be away from Dunwoody for thirty (30) or more consecutive days, the Resident will be credited with a Meal Allowance at a rate to be set by Dunwoody. Arrangements for the Meal Allowance must be made in advance, as set forth in the Meal Allowance policy, which is subject to change from time to time.

Tray Service

When ordered by a Dunwoody Physician or the Theurkauf Wellness Center, tray service will be provided to Resident during minor short term illnesses. A fee will be charged to the Resident for tray service not ordered by a Dunwoody Physician or the Theurkauf Wellness Center.

Care Center Meals

When a Resident transfers to the Care Center on a temporary or permanent basis, Residents are required to be served three meals a day to comply with the applicable Commonwealth of Pennsylvania licensure regulations. Resident will be charged the rate currently in effect for additional meals unless reimbursed under the Medicare program.

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 Re-carpeting

The Resident may request to have his or her Residential Home repainted or re-carpeted at the expense of the Resident and will be charged according to the current Schedule of Charges. Subject to the 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 grounds-keeping 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, basic cable service and one basic cable TV hook-up. Premium channel service charges and internet access 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 limited transportation for medical appointments to Physicians in the Newtown Square, Paoli, and Bryn Mawr areas in accordance with Dunwoody policy, which is subject to change from time to time. Transportation is provided to the

local shopping centers periodically, at no charge. On Sundays, Dunwoody provides transportation to a limited number of nearby churches. Private drivers are 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; 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, internet and premium channel service.

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.

SUMMARY OF 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

Resident may choose a Dunwoody Physician as his/her primary physician or 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 this Agreement, then this 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 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 DV may not be engaged as private duty nurses or companions without the approval of DV. 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 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.

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	
	SINGLE	DOUBLE	SINGLE	DOUBLE
2017	\$ 150,000	\$ 165,000	\$ 3,375	\$ 5,790
2016	\$ 150,000	\$ 165,000	\$ 3,180	\$ 5,450
2015	\$ 150,000	\$ 165,000	\$ 3,180	\$ 5,450
2014	\$ 147,000	\$ 162,000	\$ 3,089	\$ 5,292
2013	\$ 147,500	\$ 162,500	\$ 2,999	\$ 5,138

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

DATE