



# DECIDEDLY DIFFERENT.®

2019 ANNUAL REPORT

## Statement of Intentions

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



### The LeadingAge Quality First Elements of Quality

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

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

# ABOUT Dunwoody Village

## 1. Community

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

## 2. Licensed Provider

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

## 3. To Discuss Admissions Call or Write:

Elaine Kaiser, CASP  
*Director of Marketing and Admissions*  
Dunwoody Village  
3500 West Chester Pike  
Newtown Square, PA 19073-4168  
(610) 359-4400  
*email:* [marketing@dunwoody.org](mailto:marketing@dunwoody.org)  
*website:* [www.dunwoody.org](http://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 (20 of which are a Secure Memory Unit) 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, arts and crafts 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 not-for-profit organizations except for Dunwoody Allied Services (d.b.a. Dunwoody at Home). Dunwoody Village is the sole member of Dunwoody at Home ([www.dunwoodyhomecare.org](http://www.dunwoodyhomecare.org)). Both organizations are Pennsylvania not-for-profit corporations and tax exempt under IRS Code 501 (c) (3).

## 7. The Current Resident Population

The current resident population is 473.

## 8. Sample 2020 Fees

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

	<i>Single</i>	<i>Double</i>
Entrance Fee	\$ 152,000	\$ 167,300
Monthly Fee	\$ 3,933	\$ 6,390

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

	<i>Single</i>	<i>Double</i>
Entrance Fee	\$ 228,000	\$ 251,000
Monthly Fee	\$ 3,933	\$ 6,390

## Investment Consultant

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

Vanguard is a family of about 190 U.S. funds with more than \$5.6 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 30.



TERRACE  
8' x 16'

# DECIDEDLY DIFFERENT.®



BATH

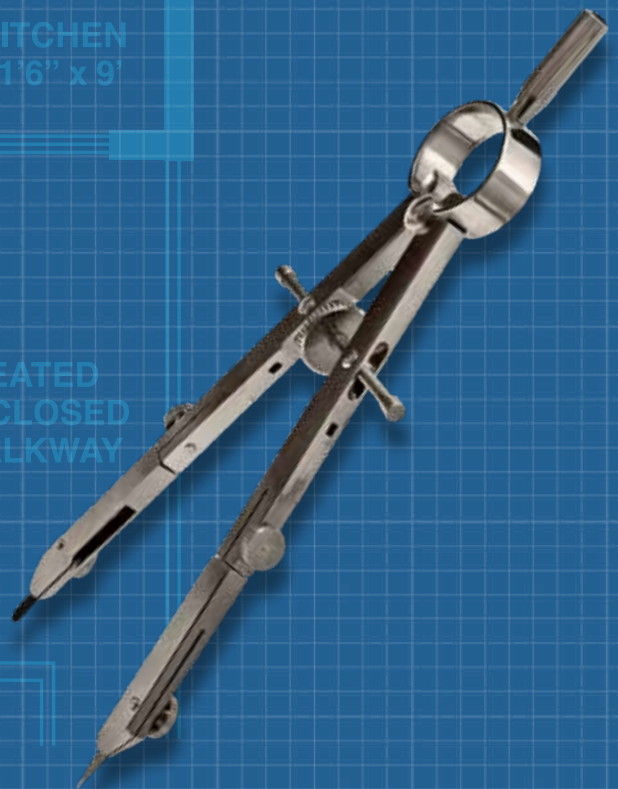
BATH

BEDROOM  
16'11" x 13'

ENTRY

KITCHEN  
11'6" x 9'

HEATED  
ENCLOSED  
WALKWAY



# DECIDEDLY PERSONALIZED.



NOW MORE THAN EVER, our homes have become our havens. In Dunwoody Village's welcoming, vibrant community, there's room for everyone, and that includes a place that truly feels like home. With our wide range of residences from apartments to country houses to carriage homes, we accommodate people looking to downsize as well as those who are still living large. Before you move in, we'll make necessary updates and renovations as well as any custom changes that will tailor your new home to your needs and desires.

We know it can be challenging to envision yourself in an unfamiliar setting, which is why we do everything we can to encourage residents to put their personal stamp on Dunwoody Village. We celebrate your individuality, personal tastes, lifestyle, and hobbies— all of which make you extraordinary.

Take a look inside these pages to see how our residents have made Dunwoody their own, from an enthusiastic home cook that opened up her kitchen floorplan to an artist who turned a spare room into an in-home art studio. Whether it's an unexpected kitchen tile or enclosing a previously open atrium, the possibilities at our not-for-profit continuing care community are as infinite as your imagination. You'll find your place here, too.





**Patrick J. Burke**  
*Chairman of the Strategic  
Planning Committee*

*Patrick Burke joined the Dunwoody Village Board of Trustees more than 10 years ago and has served one term as Chairman of the Board. He is pictured above (on the right) with Wes Kuehnle, Director of Facilities, in front of the campus-wide generator which was installed in 2011 thanks to the strategic planning efforts of our Board.*

## A LETTER OF **VISION**

In his book *The Greatest Generation*, Tom Brokaw pays tribute to the everyday heroes of the World War II generation and the sacrifices they made to protect Americans' freedom and way of life. As the current COVID-19 pandemic has unfolded, I've observed the same kind of everyday heroism—both in Dunwoody's employees and frontline workers across the world. I'm moved by the willingness of these heroes to sacrifice their own health to provide medical care and ancillary services that provide comfort to those in need.

The current crisis has reinforced our strategic plan and the need to continue investing in Dunwoody's infrastructure. As life returns to normal—and I am optimistic it will—we will initiate our plans to enhance our dining venues, expand our auditorium and fitness center, and enrich the Dunwoody community. These plans have been carefully created over several years with critical input from residents, staff, and experts in architecture and construction. We are fortunate to be able to refinance our existing debt and borrow the necessary funds to invest in Dunwoody's future during a period of historically low interest rates.

Dunwoody has enjoyed a strong period of growth and development over the last decade, and I am excited about our future together. Many of our residents were part of the greatest generation, and it is inspiring to see their needs served by a newer generation of employees who demonstrate similar values and the same commitment to the greater good. This is what makes Dunwoody a truly special place.

Sincerely,

*Pat Burke*  
Chairman of the Strategic Planning Committee

# A LETTER OF THANKS

In a short time, the COVID-19 outbreak has rearranged life as we knew it. As I write, both our independent and Care Center residents are still sheltering in place, deeply entrenched in our respective homes. For the time being, our usual group activities and dining room gatherings are on hold. Yet we find we have so many reasons to feel grateful for Dunwoody, especially now.

For one thing, our 83-acre campus sprawls with miles of woodland trails and paved roads. So, when we can, we go for walks and much needed socialization—always wearing our masks and maintaining social distance. In fact, at the outset of all this, about a dozen of our fellow residents got out their sewing machines so we have a steady supply of colorful masks. Even though the dining room is closed, our staff delivers terrific meals to us—more than we can possibly eat in a sitting. And although the Care Center is closed to visitors, Dunwoody's clever staff came up with a solution: they now use iPads to conduct visits over FaceTime.

Over and over, I have heard from my fellow residents how lucky we are to be living at Dunwoody. Almost five hundred employees continue to care for us and our community: cleaning, housekeeping, laundry, making and delivering meals, mowing lawns, trimming trees and bushes, maintaining the facilities with details such as changing our light bulbs and mulching our gardens. That's to say nothing of the administration overseeing everything down to the daily delivery of the morning newspapers. (I bet they didn't bargain for that when they came on board!)

Well, it's a difficult moment for our nation and our friends, but we're thankful we're not in our former houses or apartments where we would have been truly isolated. Even if we have to socialize from a distance, we are part of this community, and that is what sees us through times like these. Life at Dunwoody, through good times and bad, is always better.

Best,

*Chuck Ladner*

2019 President of the Residents' Association

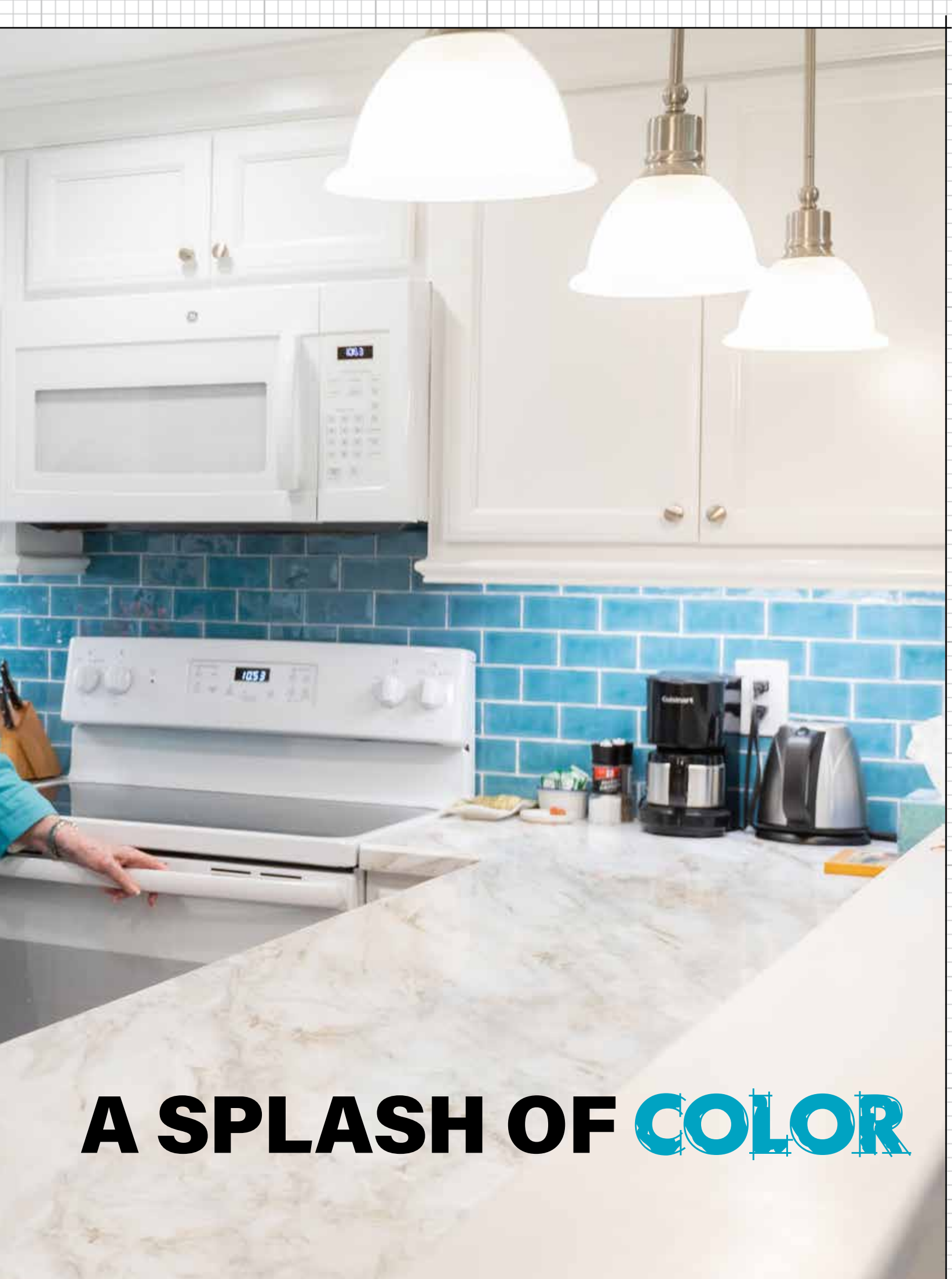


**Charles L. Ladner**  
*2019 President of the  
Residents' Association*

*Charles "Chuck" Ladner has been working with Dunwoody Village for the better part of 30 years — serving 20 years on the Board of Trustees and two 5-year terms as Chairman of the Board. Chuck liked Dunwoody so much he became a resident in 2016 and served as President of the Residents' Association for two one-year terms, in 2018 and 2019. He is pictured above in his Penrose Carriage Home with his wife Diane.*







**A SPLASH OF COLOR**



**“I’m a very practical person and the finances of a community were important to me. I did my research and I saw Dunwoody’s audited statements. I knew it would be a stable place to live.”**

**T**hough she’s a longtime resident of the Philadelphia area, Cynthia Corboy has always been fond of warm weather and the relaxing feel and look of tropical islands.

“I used to go on Caribbean cruises every winter and I love the colors of sand and sky. I find them very restful,” she says.

Before she moved to Dunwoody this past winter, Cynthia’s one-bedroom apartment was completely gutted and renovated, allowing her to add her own touches at every turn. When Cynthia imagined her new place, she pictured a home that was bright and comforting, warm and sunny, and full of convenience.

It starts in her kitchen, with a turquoise subway tile backsplash. This small but clever addition makes a beautiful contrast to the white cabinetry and appliances and sand-colored walls. To build on the summery effect, Cynthia requested that plenty of overhead recessed lighting be installed, ensuring that her apartment would be bright all year round.



As she was downsizing from a much larger home, Cynthia knew she'd need smart and efficient storage space. For one thing, she still works part time as a financial consultant, drawing on her expertise from a long career as a bank executive. For another, as a financially savvy person, she's meticulous about paperwork.

"I needed a place to store my own records and files as well as a dedicated area to do work for my clients," she says.

The solution, developed with Dunwoody's contractors, was a built-in workspace along the wall adjoining her bedroom and across from her kitchen. The custom unit contains shelving, closed cabinets and drawers, along with her desk, with room for both her computer and printer.

Cynthia's especially pleased that even with this addition she still has ample space to entertain and host her discussion group. She was also able to keep her favorite furniture from her previous home.

"I used the Moving Solutions service to help me transfer my things, and while it's a bit tight, I was able to make just about everything fit," she says.

Given her choice of careers, it's not surprising that Cynthia planned well ahead for her move to

Dunwoody Village. She actually put her deposit down over a decade ago after researching several area communities.

"I'm a very practical person and the finances of a community were important to me," she says.

"I did my research and I saw Dunwoody's audited statements. I knew it would be a stable place to live."

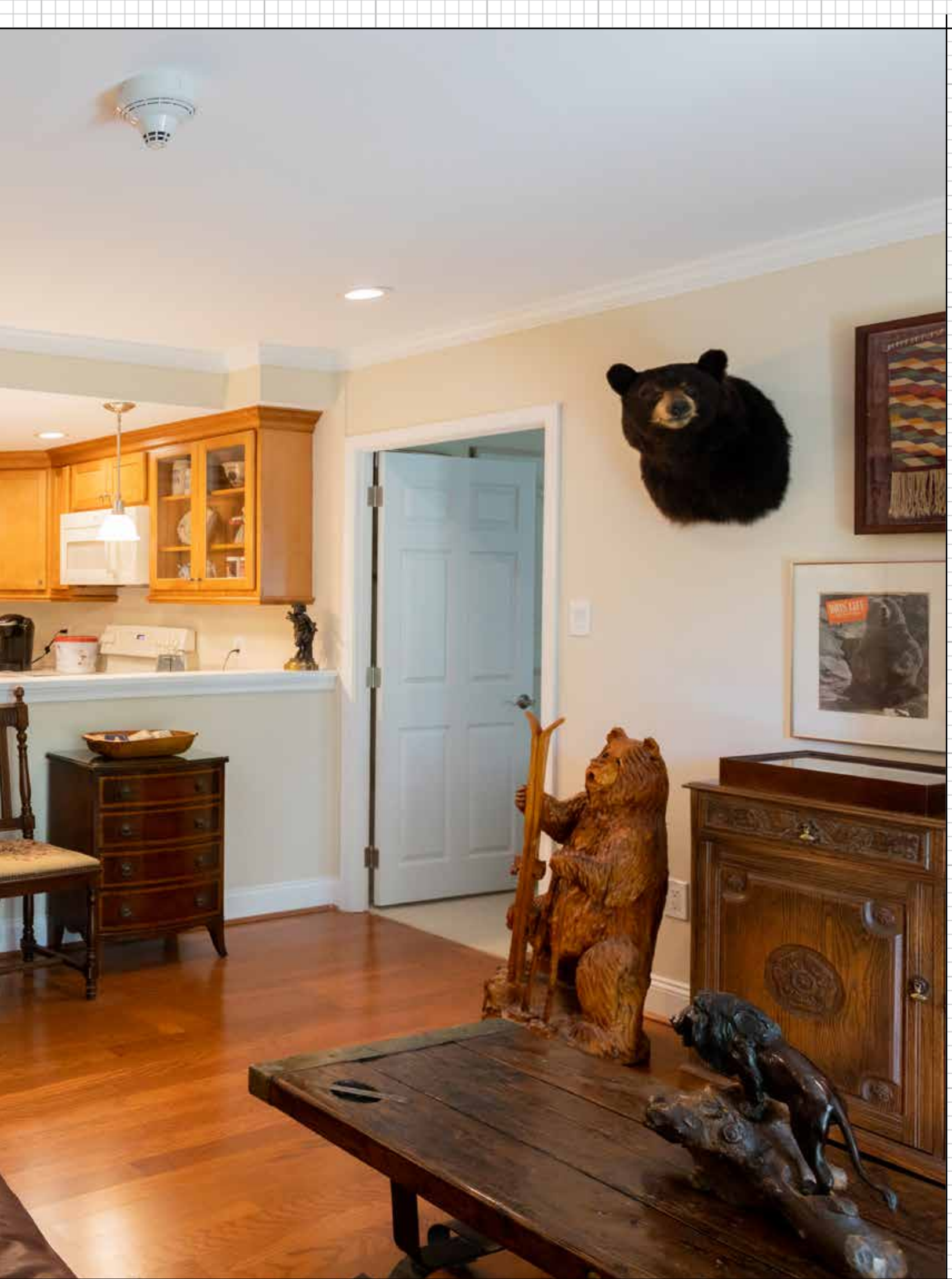
It was simply a matter of time — of feeling ready to make the change — and since then, there's been no looking back. As a new resident, Cynthia already enjoys the carefree lifestyle at Dunwoody. She's embraced the fact that there's no housekeeping to worry about, no need to cook, and endless activities to try out—in particular, she's eager to get involved with the swimming and fitness classes.

In many ways, Cynthia's Dunwoody life is not unlike those wintertime cruises she used to take in February. But when your home looks this cheerful and daily life is this fun and easy, there's no need for a getaway.



# OUTSIDE ~~IN~~









**“Thankfully, we have very good neighbors who love dogs as much as I do. We’ve both made friends and we’re both quite happy here.”**

**M**

oving to Dunwoody  
in 2019 was a

homecoming of sorts for Susan Moore, who’d grown up on the Main Line. For many years, starting in the 1990s, she and her husband lived in a cabin in the woods in Idaho, which is not where the mother of two expected to end up. Susan detailed this transformative experience in her memoir, *A North Idaho Adventure*.

When she relocated to a two-bedroom apartment at Dunwoody, Susan brought her acquired taste for the outdoors with her. Her walls are covered with her astounding photographs of wildlife—shots of a bald eagle, a bull moose, a buck deer and a bear—all taken within feet of her former home. There are also images of the log cabin itself, as well as a prescient watercolor Susan made in kindergarten.

“I painted a cabin in Valley Forge National Park after a trip there, but the funny thing is that it’s just about identical to the place we later came to live in,” she says.







At Dunwoody, Susan continues to write and occasionally take photographs. She's made it her mission to learn more about digital technology in recent years. She has also dedicated space in her apartment to display memorabilia from her father's service in World War II, including his pins, badges and dog tags.

"He was a first lieutenant in the Navy and a member of the Construction Battalion, and I have many of his things here—including the *Philadelphia Inquirer* issue announcing the end of the war," she says. "I like to think of my home as a kind of museum, because everything in here is connected to a memory of some sort."

Susan didn't make many custom changes to her home when she moved in. Instead, she took advantage of standard updates such as a new all-tile bath and frameless shower, new vanity and vanity top, new outlets, switches, fixtures and hardware, and a completely renovated kitchen with pendant lights and new cabinets. She's found the space quite comfortable and well-suited to her needs.

Susan's bichon Timothy, at one time a bit reluctant about the change, has also come to enjoy Dunwoody life and its pet-friendly culture.

"Thankfully, we have very good neighbors who love dogs as much as I do," she says. "We've both made friends and we're both quite happy here."

**Decidedly different living starts with comfort and ease. First and foremost, that includes safety—round-the clock healthcare, onsite doctors and 24-hour monitored security. It also includes services to simplify your daily routine; count on us to take care of the housekeeping, linens, snow removal, and cooking—so you can focus on doing what you love. The following is just a partial list of our ever-evolving array of amenities and features.**

- ▶ 83 Beautifully Landscaped Acres
- ▶ Convenient to shopping, the Main Line, King of Prussia, and Philadelphia
- ▶ Heated walkways connect Country Houses and Apartments to the Dunwoody complex
- ▶ 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 services
- ▶ Three meals available daily, one included
- ▶ Flexible meal plans
- ▶ Cable TV and campus-wide WiFi
- ▶ Emergency Call System
- ▶ 24 hour security
- ▶ All-campus generator
- ▶ Meeting rooms
- ▶ Art Studio
- ▶ Woodshop
- ▶ Floral Studio
- ▶ Wildlife Refuge and Nature Trails
- ▶ Dog Park
- ▶ 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
- ▶ Rehabilitation Services on site include Physical, Occupational, and Speech Therapies
- ▶ Medical appointment transportation
- ▶ Personal care on site
- ▶ Skilled Nursing on site
- ▶ Memory Support on site
- ▶ Home Care\*

\* Additional cost may be associated



# HOME AGAIN











**“It’s very open and not cliquey, not fussy or pretentious... Dunwoody just feels like me, and I know this was the best decision I could have made.”**

W

hen her longtime friends and family visit Barbara Gord in her sunny corner country house at Dunwoody Village, they remark that it’s not all that different from her previous residence.

“The first time my ten-year-old grandson came to visit me three years ago, he said, ‘Granny, this looks like your old house,’” she recalls.

This familiarity has helped her beloved grandchildren adapt to the change. (It also didn’t hurt when they discovered the ping-pong table in the game room and that there was plenty of space to race toy cars.)

But Barbara also made some conscious design choices to make the new place feel like hers. For starters, Barbara opened up her kitchen by knocking down a wall and relocating the laundry area. She requested that the contracting team install custom closets, composite hardwood flooring to showcase her oriental rugs, and an electric fireplace. She especially enjoys the floorplan that includes a patio accessible from the kitchen.



“It’s a lot like the flow of my other house, where the kitchen opened to a backyard,” she says. “I love being able to go right outside.”

Barbara still has plenty of room for her bridge group, a total of eight people, with whom she meets weekly. She seats them around the two tables she brought from her last home.

Having lived in the region for forty years, Barbara was familiar with Dunwoody and knew many people in the community, including some whose children and grandchildren she taught when she was working as a kindergarten teacher. It wasn’t until she visited for herself, though, that she learned how inviting the atmosphere was.

It’s not just the familiar furniture, floorplan or light, that gives Barbara a sense of ease. It’s the social environment at Dunwoody that makes her truly feel at home.

“When I first walked into Dunwoody, I felt a comfortable friendliness I didn’t get in the other places I visited. It wasn’t just the residents but the staff I met at the front desk and in the hallways,” she says.

When she actually moved in, Barbara was pleased to learn that that her first impression held up. Indeed, the longer she’s been at Dunwoody, the more she treasures its congenial culture.

“It’s very open and not cliquey, not fussy or pretentious,” she says. “I meet my friends in the dining room for dinner or they come here for cheese and wine first. I’ve joined the floral committee. Dunwoody just feels like me, and I know this was the best decision I could have made.”



*John Alberici, Director of Dining Services, discusses happenings in his department at a Leadership Meeting. Pictured left to right: Sherry Smyth, John Alberici, Kathy Barton, Brandon Jolly, and Wendy Hicks.*



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

### **2019 Dunwoody Village Leadership Team:**

*President/CEO: Sherry Smyth*

*Director of Operations: Kathy Barton*

*Controller: Len Dachino*

*Director of Health Services: Brandon Jolly*

*Director of Nursing: Wendy Hicks*

*Director of Dining Services: John Alberici*

*Director of Environmental Services: Gary Ladeau*

*Director of Facilities: Wes Kuehnle*

*Director of Human Resources: Curt Sayers*

*Director of Marketing: Elaine Kaiser*

*Director of Homecare, Dunwoody at Home:  
Brian Schroeder*

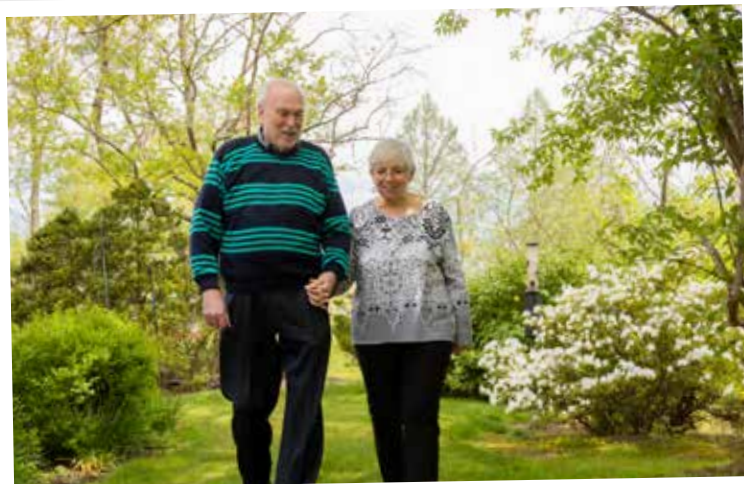


# TOTAL TRANSFORMATION









**“We really love it here... All the people are highly educated and interesting and well traveled. We have dinner and entertainment every night. We couldn’t ask for a better life.”**

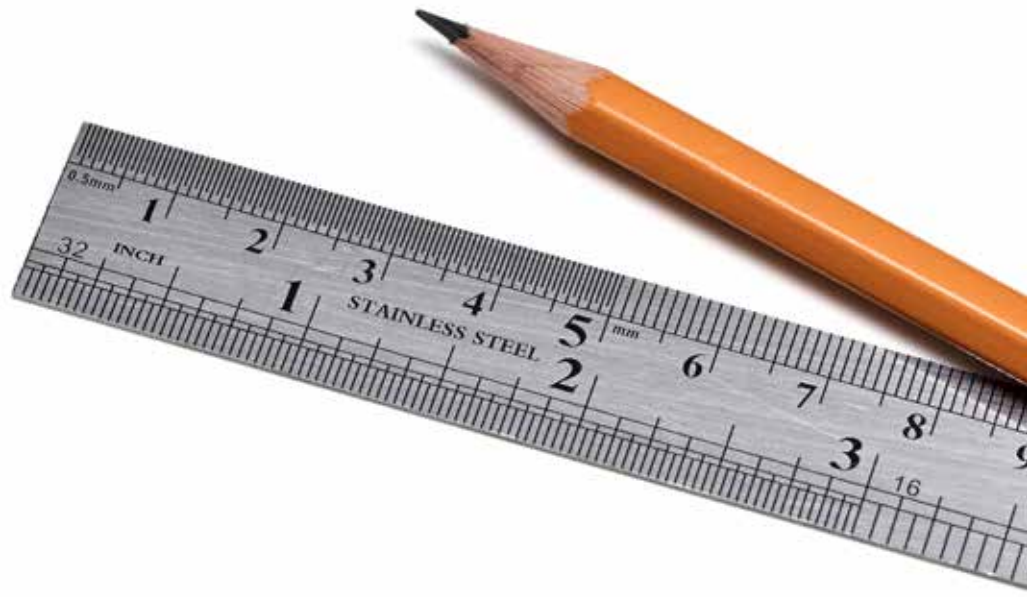
**J**an and John Smink were only on Dunwoody Village’s waiting list for about a year when, to their surprise, they got the call that there was a two-bedroom west country house available.

“We’d been expecting to wait for a few years, but we saw that as a sign that it was time for us to make the move,” John says.

Jan, who enjoys home renovation and design, immediately got involved with the updating process. She knew she wanted a more open floor plan, similar to the one in the home where they’d been living in Hershey’s Mill in West Chester. Taking out the wall between the kitchen and the living room opened up the area for relaxed entertaining. They also removed a wall between the two bedrooms, giving John more room to stretch out in his study where the retired mechanical engineer likes to look at financial news. The overall effect of these changes is stunning and truly sets their home apart.







“It just feels more open and spacious. Now you can see right through what I call the great room to the outside through the sliding glass doors,” Jan says. “When Dunwoody friends have come in to see our place, they remark about what a difference it made to remove the walls.”

The standard Dunwoody model features wall-to-wall carpeting, but the Sminks preferred plank flooring in place of the carpet, except for in the bedrooms. Jan also requested the use of Benjamin Moore paints, an upgrade that enabled her to choose her preferred colors: an ivory shade in the kitchen and great room, gray in one bathroom and a cherry color in the second bathroom. In the kitchen, they largely stuck with the basic choices, but opted for a larger refrigerator and white cabinetry.

Jan particularly enjoys the atrium area in her new house. “I like to garden and I’m always digging around in there. I look forward to spring and summer to see what comes back.”

When she’s not outside gardening, Jan is using the gym or hosting bridge games at home. For his part, John stays involved in his country club in Hershey’s Mill where he plays cards and runs a trivia game. Together, they volunteer in Dunwoody’s care center, visiting a friend regularly. It helped that the couple knew people at Dunwoody before they arrived, but John says that the “good vibrations” mean it’s not necessary to come in with connections—anyone will find their niche.

“The staff is very helpful and everyone is friendly,” he says. “This is the kind of place that if you don’t like it, you’re probably not going to be happy anywhere.”

“We really love it here,” Jan agrees. “All the people are highly educated and interesting and well traveled. We have dinner and entertainment every night. We couldn’t ask for a better life.”







# CUSTOM COZINESS





**“ I love having my friends over for dinner, and I was able to keep my big table where I can squeeze in a maximum of twelve guests. ”**

J

erry Kinkead moved to Dunwoody in December 2015, bringing with

her a stellar art collection, a Chester County design aesthetic, and a love of entertaining. All three informed her choices in renovating and customizing her two-bedroom east country house.

The first item on her checklist was enclosing the atrium in the country house. “The space branching off the atrium is long and skinny and was open to the sky. I’m not a gardener and I wasn’t going to use it as an open-air space. It’s important for the light, though, so I added two big skylights.”

Other renovations allowed Jerry to keep up with her passion for entertaining friends and loved ones at home. In the kitchen, Jerry took down a wall to create more of an open concept floor plan. Now she can prepare meals in the kitchen while looking out and conversing with guests in her living and dining room areas during her dinner parties. She also created a





bar area, opposite where the wall once was, another area for people to gather.

"I love having my friends over for dinner, and I was able to keep my big table where I can squeeze in a maximum of twelve guests," she says.

In the living room, she added built-in bookshelves on either side of the fireplace for style and storage. An avid crafter and Co-chair of the Arts and Crafts committee, Jerry has designated space in her home for her supplies. When she's not in Dunwoody's arts and crafts room overseeing activities, she's doing her own handiwork here.

"I love to sew, so I have a large closet that now functions as a sewing room," she says.

All over the walls of her home are the watercolors she's diligently collected over the years, largely from local artists. This at-home gallery reflects her immense support of creative talent, and she continues to buy new art when inspired.

"I've hung the paintings up into great collages everywhere, which is the way I have always liked to look at them," she says. "These are the things that are dear to me, and now they're with me here."



*Jerry Kinhead has been a very active resident of Dunwoody Village, and has enjoyed having a plethora of activities available at her fingertips, including the Art Studio and the annual Holiday Bazaar. She has also served in the past on the Executive Committee of the Residents' Association.*



**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 September through May. It gives collective voice to the needs and desires of Dunwoody Village residents, and through its numerous committees and initiatives, Association volunteers help organize activities to further enhance life at Dunwoody. Officers and the Association's Executive Committee are elected annually.**

### **2019 Residents' Association Executive Committee members:**

*President:* Charles Ladner

*First Vice President:* Connie Stuckert

*Second Vice President:* Trevor Weiss

*Recording Secretary:* Arline Lieberman

*Corresponding Secretary:* Ginni Condo

*Treasurer:* Larry Pethick

*Assistant Treasurer:* Diane VanderVeer

*Members-at-Large:* Stella Gabuzda, Jorie Nailor, and Didi Rieger

# ROOM FOR ART











**“We’re thrilled we made the move to Dunwoody. The community is bright and lively, and the people here are a joy to be with. We couldn’t have chosen a better place for us.”**

**A**

rline and Warren

Lieberman moved into a

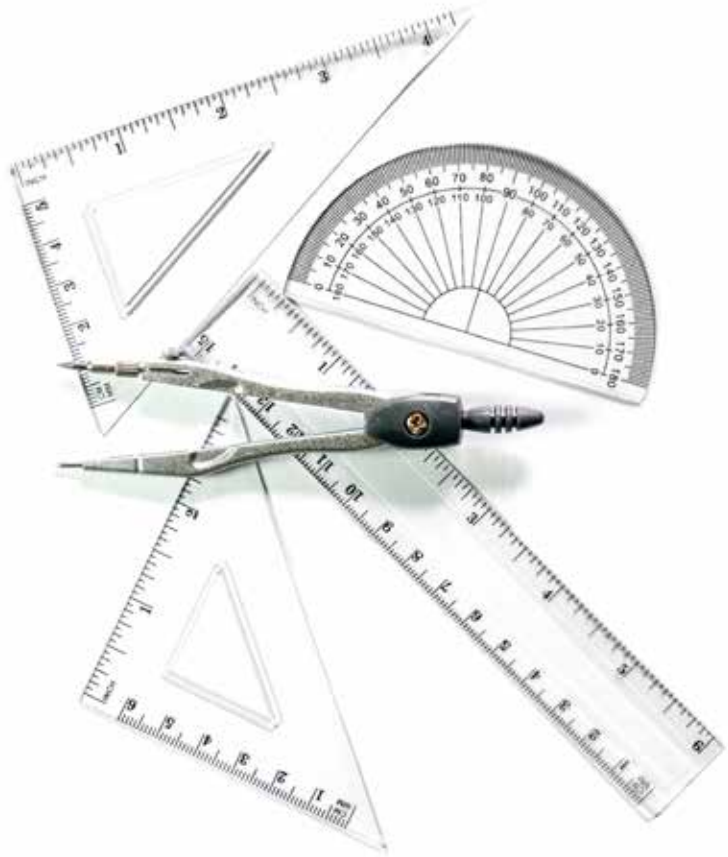
brand new Penrose Carriage Home in 2017. In fact, one of the things they loved most about Dunwoody Village was the opportunity to choose a larger home, and the 4,000 square-foot space meant they would not have to downsize significantly.

Moving in on an early wave to the new home meant there was little work to be done on it, other than the personal touches.

“We were able to select all the finishes before we moved in,” Arline says. “We also loved having a two-car garage because we both still drive, and it opens into the main level of the house, which is very convenient.”

One of the things Arline knew she wanted was a studio for watercolor painting, which they decided to put in the downstairs area. That required the installation of a sink nearby.





“It has a huge window with a beautiful view of the property. I’m still learning but I’m having a lot of fun in the process,” she says. “I keep my work hanging in the studio for now.”

The lower level of their home also houses a ping-pong table which Arline and her neighbors have been using. A fitness enthusiast, Arline also takes advantage of the classes Dunwoody offers.

The couple has numerous other endeavors to keep them both busy. Warren, a metallurgical engineer, continues to consult for law firms. At Dunwoody, he heads up the audio-visual committee, ensuring that residents can access entertainment, and he continues to pursue his lifetime passion of photography, sharing slides with fellow residents.

For her part, Arline has surprised herself by the number of activities she has taken up at Dunwoody: she’s the copy editor of *Inside Dunwoody*, secretary of the Residents’ Association, and she’s joined a book

club, writers group and a bridge group. When they’re not visiting museums or seeking out art events in Philadelphia and New York, the couple travels to further flung locations like Japan.

With all of their activities and a beautiful new residence, the Liebermans have seamlessly merged their old life with their new one.

“We’re thrilled we made the move to Dunwoody,” she says. “The community is bright and lively, and the people here are a joy to be with. We couldn’t have chosen a better place for us.”





**Peter E. Bort, JD**  
*First Vice Chairman*



**Theodore Bredikin**



**Patrick J. Burke**



**Constance Carino**



**Edward A. Chiosso**  
*Chairman*



**Bert Dalby**



**Jason Darrach**



**Robert Edmiston**



**Kenneth T. Engle**



**Richard L. Greene**



**Erin L. Haas**  
*Second Vice Chairman*



**Dr. David R. Jones, DO**



**Charles Ladner**  
*2019 President,  
Residents' Association*



**Anne S. Morse**  
*Secretary*



**Reid Smith, CFA**



**Sherry L. Smyth**  
*President/CEO*



**Stephanie Strid-Davis**



**Stephen S. Young**

*Chairman Emeriti*  
**Patricia P. McCarter**  
**Charles L. Ladner**  
**Patrick J. Burke**

*Trustees Emeriti*  
**Sara Spedden Senior**  
**Henderson Supplee, III**



*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.*

# 2019 Officers & Board of Trustees

**Peter E. Bort, JD**

*First Vice Chairman*

Bort Law  
1260 Valley Forge Road, Suite 104  
Phoenixville, PA 19460

**Theodore Bredikin**

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

**Patrick J. Burke**

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

**Constance Carino**

Dunwoody Village  
3500 West Chester Pike  
Newtown Square, PA 19073

**Edward A. Chiosso**

*Chairman*

KPMG LLP  
1601 Market Street  
Philadelphia, PA 19103

**Bert Dalby**

Vantage Advisors, LLC  
203 Country Gate Rd  
Wayne, PA 19087

**Jason Darrach**

Archer Tax & Financial Group, P.C.  
252 N. Radnor Chester Road  
St. Davids, PA 19087

**Robert Edmiston**

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

**Kenneth T. Engle**

DFC Global Corporation  
1436 Lancaster Avenue, Suite 300  
Berwyn, PA 19312

**Richard L. Greene**

Dunwoody Village  
3500 West Chester Pike  
Newtown Square, PA 19073

**Erin L. Haas**

*Second Vice Chairman*

Airgas, an Air Liquide Company  
259 N. Radnor Chester Road  
Radnor, PA 19087

**Dr. David R. Jones, DO**

Dunwoody Village  
3500 West Chester Pike  
Newtown Square, PA 19073

**Charles Ladner**

*2019 President, Residents' Association*

Dunwoody Village  
3500 West Chester Pike  
Newtown Square, PA 19073

**Anne S. Morse**

*Secretary*

First River Advisory  
3553 West Chester Pike #328  
Newtown Square, PA 19073

**Reid Smith, CFA**

Ziegler Capital Management, LLC  
BPG Group  
3 Bryant Park  
New York, NY 10036

**Sherry L. Smyth**

*President / CEO*

Dunwoody Village  
3500 West Chester Pike  
Newtown Square, PA 19073

**Stephanie Strid-Davis**

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

**Stephen S. Young**

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

# Services for Non-Residents

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



## Short-Term Rehabilitation

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

## Skilled Nursing, Personal Care, and Memory Support

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

## Dunwoody at Home

Dunwoody at Home is a proud subsidiary of Dunwoody Village. We provide individualized care that allows you to safely enjoy the comfort of home in whichever place you call home. Dunwoody at Home offers a variety of services that allows you to manage all of your 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 at Home, call (610) 359-4503 or visit our website at [www.dunwoodyhomecare.org](http://www.dunwoodyhomecare.org).

## Springton Lake

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

Residents of Springton have to meet certain financial and health eligibility requirements in order to participate in the Long Term Care Service Program. The fees charged to participants will be in an amount sufficient to ensure that the program is financially self-sufficient. The amount of the fees charged

to participants has been established in reliance on the opinion of an actuary. Dunwoody Village residents will continue to have priority access to the Dunwoody Village Care Center over the Springton residents who participate in the Long Term Care Service Program. Dunwoody Village is responsible for the maintenance, operation, financial solvency and liabilities which may arise from the Long Term Care Service Program. Dunwoody Village believes that it has adequate insurance to cover any potential liabilities and sufficient financial resources to cover any operational losses, which losses are not anticipated, which may arise from the Long Term Care Service Program.

### **Financial Provisions**

Participant will be responsible to pay Dunwoody Village a Monthly Fee of \$700.00 in advance each month. In the event of a Co-Participant, a second person fee of \$240.00 shall also be paid in addition to the Monthly Fee. Statements will be issued monthly and will contain applicable Monthly Fee, Second Person Fee when necessary and all other miscellaneous charges incurred by Participant.

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

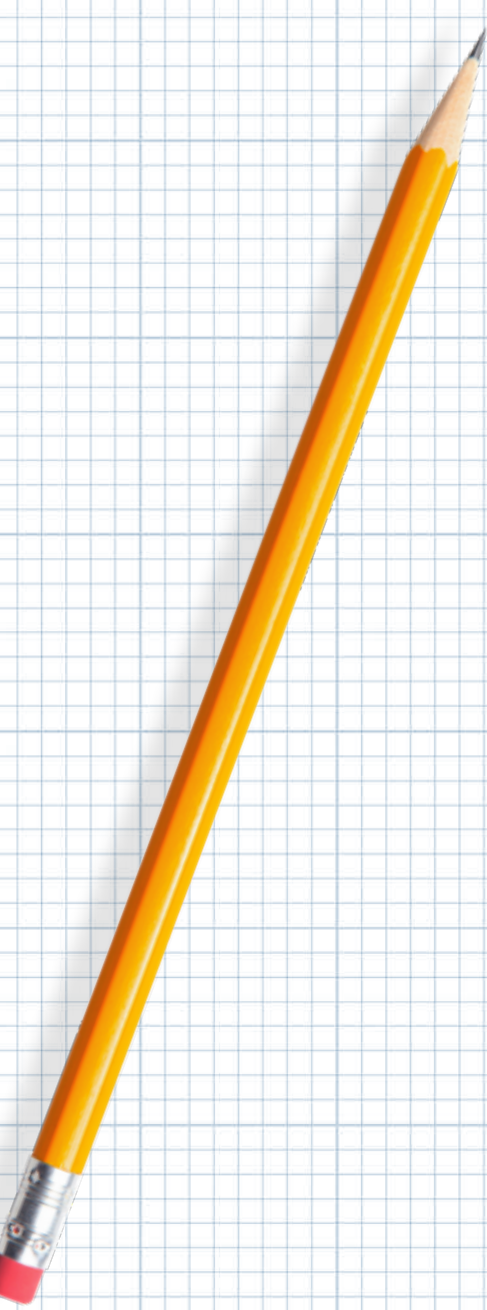
Years	Payment by Participant	Daily Rate Credit
0 to 5 years	95% of Daily Rate	5% of Daily Rate
5+ to 10 years	75% of Daily Rate	25% of Daily Rate
After 10 years	0% of Daily Rate	100% of Daily Rate

(As of January 1, 2020, the daily rates start at \$350 for Personal Care; \$415 for Memory Care; and \$440 for Skilled Nursing care. All are subject to future increases.)

AUDITED CONSOLIDATED

# Financial Statements

YEARS ENDED DECEMBER 31, 2019 AND 2018 WITH REPORT OF INDEPENDENT AUDITORS



<b>33</b>	<b>Independent Auditors' Report</b>
<b>35</b>	<b>Consolidated Balance Sheets</b>
<b>36</b>	<b>Consolidated Statements of Operations and Changes in Net Assets</b>
<b>37</b>	<b>Consolidated Statements of Cash Flows</b>
<b>38</b>	<b>Notes to Consolidated Financial Statements</b>
<b>57</b>	<b>2020 Consolidated Operating Budget</b>
<b>58</b>	<b>Contractual Arrangements</b>

## **2019 DISCLOSURE STATEMENT AND ANNUAL REPORT**

Dunwoody Village is a not-for-profit Continuing Care Retirement Community consisting of 163 apartments, 65 country houses, and 40 Penrose carriage homes. These are all clustered on a beautiful 83 acre tract of fields, woods, lawns and gardens in the center of Newtown Square, Pennsylvania. There are 81 private Personal Care rooms and 81 private Skilled Nursing rooms in the Care Center. Amenities include fully enclosed and heated walkways for apartments and country houses, two dining rooms, casual dining and "take-out" meals, lounges, an auditorium, a library, a board room, a swimming pool, a fitness center, a gift shop, a game room, a wood shop, a club room, an arts and crafts studio, a hair salon, weekly housekeeping and linen service, transportation, door-to-door mail delivery, and an all-campus generator.





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, 2019 and 2018, 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, 2019 and 2018, and the results of its operations, changes in its 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 Principles***

As discussed in Note 1 to the consolidated financial statements, Dunwoody Village adopted provisions of Financial Accounting Standards Board Accounting Standards Updates 2016-18, *Statement of Cash Flows*. The new accounting standard clarifies how restricted cash is to be classified and presented in the consolidated statement of cash flows. Our opinion is not modified with respect to that matter.

As discussed in Note 1 to the consolidated financial statements, Dunwoody Village adopted Financial Accounting Standards Board Accounting Standards 2014-09, *Revenue from Contracts with Customers*. The new accounting standard clarifies how revenue is to be recognized and requires expanded disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Our opinion is not modified with respect to that matter.

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

Plymouth Meeting, Pennsylvania  
April 8, 2020



DUNWOODY VILLAGE

# CONSOLIDATED BALANCE SHEETS

YEARS ENDED DECEMBER 31, 2019 AND 2018

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,340,598	\$ 2,176,425
Accounts Receivable	1,159,908	1,335,881
Accounts Receivable - Entrance Fees	-	1,300
Prepaid Expenses and Other Current Assets	602,122	593,631
Total Current Assets	3,102,628	4,107,237
<b>ASSETS LIMITED AS TO USE</b>		
Internally Designated by Board of Trustees	28,038,483	24,047,688
Statutory Minimum Liquid Reserve	3,380,497	3,280,392
Externally Designated by Donors	1,152,671	1,102,671
Total Assets Limited as to Use	32,571,651	28,430,751
<b>PROPERTY AND EQUIPMENT, NET</b>	76,043,672	74,244,300
Total Assets	\$ 111,717,951	\$ 106,782,288
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long-Term Debt	\$ 778,725	\$ 750,751
Accounts Payable and Accrued Expenses	3,514,935	3,697,532
Refundable Deposits from Prospective Residents	557,950	1,087,925
Total Current Liabilities	4,851,610	5,536,208
<b>INTEREST RATE SWAP AGREEMENT</b>	909,328	779,596
<b>LONG-TERM DEBT, NET</b>	29,900,892	30,664,877
<b>REFUNDABLE ADVANCE FEES</b>	8,746,050	8,399,300
<b>DEFERRED REVENUE FROM ADVANCE FEES</b>	43,299,466	42,822,788
Total Liabilities	87,707,346	88,202,769
<b>NET ASSETS</b>		
Without Donor Restrictions	19,854,974	14,445,553
With Donor Restrictions	4,155,631	4,133,966
Total Net Assets	24,010,605	18,579,519
Total Liabilities and Net Assets	\$ 111,717,951	\$ 106,782,288

See accompanying Notes to Consolidated Financial Statements.

# CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>		
Resident Care Fees	\$ 20,470,498	\$ 20,085,077
Medical Care Fees	9,114,028	9,278,301
Amortization of Deferred Entry Fees	6,592,516	5,463,209
Resident Services Fees	2,033,229	2,289,527
Investment Income (Loss), Net of Investment Fees	4,677,607	(1,438,253)
Other	203,894	186,089
Contributions	50,612	-
Net Assets Released From Restrictions	43,685	47,572
Total Revenue, Gains, and Other Support	43,186,069	35,911,522
<b>EXPENSES</b>		
Medical and Personal Care	13,678,453	13,199,889
Resident Services	772,069	977,783
Food Service	4,538,926	4,249,569
General and Administrative	5,139,856	4,790,493
Maintenance	3,178,037	3,091,438
Housekeeping and Laundry	1,921,872	1,822,237
Utilities	1,118,935	1,099,253
Real Estate Taxes	1,120,064	1,089,271
Depreciation	4,978,028	4,740,863
Interest	1,200,676	1,197,745
Total Expenses	37,646,916	36,258,541
<b>OPERATING INCOME (LOSS) BEFORE CHANGE IN VALUE OF INTEREST RATE SWAP</b>	5,539,153	(347,019)
<b>CHANGE IN VALUE OF INTEREST RATE SWAP</b>	(129,732)	330,011
<b>OPERATING INCOME (LOSS) AND INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	5,409,421	(17,008)
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	65,350	9,920
Net Assets Released from Restrictions – Used for Operations	(43,685)	(47,572)
Total Increase (Decrease) in Net Assets with Donor Restrictions	21,665	(37,652)
<b>INCREASE (DECREASE) IN NET ASSETS</b>	5,431,086	(54,660)
Net Assets - Beginning of Year	18,579,519	18,634,179
<b>NET ASSETS - END OF YEAR</b>	\$ 24,010,605	\$ 18,579,519

See accompanying Notes to Consolidated Financial Statements.



**CONSOLIDATED STATEMENTS OF CASH FLOWS**

YEARS ENDED DECEMBER 31, 2019 AND 2018

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 5,431,086	\$ (54,660)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Change in Value of Interest Rate Swap	129,732	(330,011)
Restricted Contributions	(65,350)	(9,920)
Depreciation	4,978,028	4,740,863
Amortization of Deferred Financing Costs	14,740	14,740
Net Realized and Unrealized (Gain) Loss on Investments	(3,966,200)	1,959,015
Amortization of Deferred Entry Fees	(6,592,516)	(5,463,209)
Proceeds from Resident Deferred Entry Fees and		
Advance Deposits	7,639,575	8,791,000
Proceeds from Resident for Apartment Refurbishment	246,753	180,568
Refunds of Deposits and Refundable Fees	(1,000,359)	(2,067,760)
(Increase) Decrease in Assets:		
Accounts Receivable and Accounts Receivable -		
Entrance Fees	177,273	(106,176)
Prepaid Expenses and Other Current Assets	(8,491)	(4,751)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(182,597)	221,403
Net Cash Provided by Operating Activities	<u>6,801,674</u>	<u>7,871,102</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(2,196,053)	(4,551,629)
Sales of Investments	1,822,715	4,269,301
Acquisition of Property and Equipment	(6,777,400)	(9,601,584)
Net Cash Used by Investing Activities	<u>(7,150,738)</u>	<u>(9,883,912)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Long-Term Debt	(750,751)	(720,395)
Restricted Contributions	65,350	9,920
Net Cash Used by Financing Activities	<u>(685,401)</u>	<u>(710,475)</u>
<b>NET INCREASE IN CASH, CASH EQUIVALENTS,</b>		
<b>AND RESTRICTED CASH</b>	(1,034,465)	(2,723,285)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>9,117,849</u>	<u>11,841,134</u>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH -</b>		
<b>END OF YEAR</b>	<u>\$ 8,083,384</u>	<u>\$ 9,117,849</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest	<u>\$ 1,193,980</u>	<u>\$ 1,178,426</u>

See accompanying Notes to Consolidated Financial Statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2019 AND 2018

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Basis of Presentation**

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

Dunwoody is a Pennsylvania 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 269 independent living units, 81 skilled nursing beds, and 81 personal care beds, which includes a 20-bed memory care unit.

Dunwoody Allied Services is a separate Pennsylvania nonprofit corporation that primarily provides private-duty companion and home health services to Dunwoody residents and the greater community.

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

**Principles of Consolidation**

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

**Mission Statement**

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

**Use of Estimates**

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

**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, 2019 and 2018, Dunwoody provided charity care of \$769,276 and \$627,044, respectively. These amounts represent the costs associated with providing this care. This charity care was funded by transfers from net assets with donor restrictions, contributions, and investment income and operations.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2019 AND 2018

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Cash, Cash Equivalents, and Restricted Cash**

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

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows at December 31, 2019 and 2018:

	<b>2019</b>	<b>2018</b>
Cash and Cash Equivalents	\$ 1,340,598	\$ 2,176,425
Cash and Cash Equivalents within Funds Internally		
Designated by Board of Trustees:		
Memorial Garden Fund	26,236	30,162
Dunwoody Trust - Emergency	28,343	15,070
Dunwoody Trust	34,018	47,566
Capital Projects	33,030	32,337
Project Escrow Fund	6,621,159	6,816,289
Total Cash, Cash Equivalents, and Restricted Cash		
Shown in the Statements of Cash Flows	<u>\$ 8,083,384</u>	<u>\$ 9,117,849</u>

**Assets Limited as to Use**

Assets limited as to use include assets set aside by the board of trustees for future capital improvements and other purposes over which the board retains control and donor-restricted assets under will.

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), net of investment fees, is included in operating income unless the income or loss is restricted by donor or law.

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2019 AND 2018

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****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.

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, 2019 and 2018.

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. Deferred financing costs incurred in connection with the issuance of long-term debt are deferred and amortized using the straight-line method, a method which approximates the effective interest rate method, over the term of the related indebtedness. Amortization expense for both years ended December 31, 2019 and 2018 was \$14,740 and is included as a component of interest expense on the consolidated 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, 2019 and 2018, the portion of advance fees subject to refund provisions amounted to \$24,557,340 and \$26,898,600, 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2019 AND 2018

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****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, 2019 and 2018, the present value of the net cost of future services and use of facilities does not exceed the balance of deferred entry fees and as such, no liability for the obligation to provide future services is required to be recorded in the accompanying consolidated balance sheets.

**Interest Rate Swap Agreement**

Pursuant to the accounting guidance for derivative instruments, Dunwoody recognizes the derivative financial instrument in the consolidated 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 two classes of net assets: net assets without donor restrictions and net assets with donor restrictions (subject to donor or time restrictions with certain assets maintaining a principal amount in perpetuity).

Net assets without donor restrictions include net assets available for use in general operations and not subject to donor restrictions. The Board of Trustees has designated, from net assets without donor restrictions, certain amounts for purposes described in Note 3.

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

**Income Taxes**

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

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



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2019 AND 2018

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

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

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

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

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

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

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

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

**Resident and Member Services Revenue**

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2019 AND 2018

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

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

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

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

**Medicare**

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

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

**Other**

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2019 AND 2018

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

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and Dunwoody's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlement are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price, were not significant in 2019 or 2018.

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

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

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

	<b>2019</b>	<b>2018</b>
Private Pay	\$ 25,328,752	\$ 24,971,420
Medicare	5,656,647	5,841,102
Commercial Insurance and HMO	836,250	1,026,472
Total	<u>\$ 31,821,649</u>	<u>\$ 31,838,994</u>

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



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Resident and Member Services Revenue (Continued)

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

	<u>2019</u>	<u>2018</u>
Service Lines:		
Independent Living	\$ 16,236,613	\$ 15,887,043
Skilled Nursing Facility	9,091,511	9,247,421
Personal Care	3,063,050	3,059,047
Memory Care	1,330,959	1,295,554
Private Duty	1,760,820	1,993,091
Other Sales	327,696	356,838
Total	<u>\$ 31,810,649</u>	<u>\$ 31,838,994</u>
Method of Reimbursement:		
Fee for Services	\$ 31,576,216	\$ 31,593,172
Other	245,433	245,822
Total	<u>\$ 31,821,649</u>	<u>\$ 31,838,994</u>
Timing of Revenue and Recognition:		
Services Transferred Over Time	\$ 31,576,216	\$ 31,593,172
Sales at a Point in Time	245,433	245,822
Total	<u>\$ 31,821,649</u>	<u>\$ 31,838,994</u>

### Financing Component

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

### Contract Costs

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

### Operating Indicator

For purposes of display, the operating income (loss) is the operating indicator for Dunwoody. Included in the operating indicator is the change in the interest rate swap since the swap has not been designated as a cash flow hedge. There are no other changes in net assets without donor restrictions that are excluded from the operating indicator.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2019 AND 2018

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****New Accounting Pronouncements – ASU 2016-18**

In November 2016, FASB issued Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230) Restricted Cash*. This ASU was issued to clarify guidance on the classification and presentation of restricted cash in the statement of cash flows and reduce diversity in practice. The amendments to this ASU require that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and restricted cash. Therefore, restricted cash is included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the consolidated statement of cash flows. The consolidated financial statements reflect the application of ASU 2016-18 using a retrospective approach to each period presented.

**New Accounting Pronouncements – ASU 2014-09**

During the year ended December 31, 2019, Dunwoody adopted ASU 2014-09, *Revenue from Contracts with Customers*. The guidance requires Dunwoody to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which Dunwoody expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures 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 customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The standard was adopted using the modified retrospective method and applied to the consolidated financial statements ended December 31, 2019. The adoption did not have an impact on Dunwoody's financial position or changes in its net assets.

**Future Change in Accounting Policies – ASU 2016-02**

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*. ASU No. 2016-02 was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under the provisions of ASU No. 2016-02, a lessee is required to recognize a right-to-use asset and lease liability, initially measured at the present value of the lease payments, in the balance sheet. In addition, lessees are required to provide qualitative and quantitative disclosures that enable users to understand more about the nature of the Dunwoody's leasing activities. Dunwoody will be required to retrospectively adopt the guidance in ASU No. 2016-02 for the year ended December 31, 2021. Management expects that the effect of the adoption of this standard will not be material.

**Subsequent Events**

In preparing these consolidated financial statements, Dunwoody has evaluated events and transactions for potential recognition or disclosure through April 8, 2020, the date the consolidated financial statements were available for issuance. The results of this evaluation indicated that there are subsequent events or transactions that are required to be disclosed in these consolidated financial statements (see Note 12).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2019 AND 2018

**NOTE 2 LIQUIDITY AND AVAILABILITY**

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

	<u>2019</u>	<u>2018</u>
Financial Assets as of Year-End:		
Cash and Cash Equivalents	\$ 1,340,598	\$ 2,176,425
Accounts Receivable, Net	1,159,908	1,335,881
Accounts Receivable - Entrance Fees	-	1,300
Assets Limited as to Use		
Investments, Internally Designated	28,038,483	24,047,688
Statutory Minimum Liquid Reserve	3,380,497	3,280,392
Investments, Externally Designated	<u>1,152,671</u>	<u>1,102,671</u>
Total Financial Assets	<u>\$ 35,072,157</u>	<u>\$ 31,944,357</u>
Less Amounts not Available to be Used Within One Year:		
Investments, Internally Designated	28,038,483	24,047,688
Investments, Externally Designated	<u>1,152,671</u>	<u>1,102,671</u>
Total Financial Assets not Available to be Used Within One Year	<u>\$ 29,191,154</u>	<u>\$ 25,150,359</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u><u>\$ 5,881,003</u></u>	<u><u>\$ 6,793,998</u></u>

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



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2019 AND 2018

**NOTE 3 ASSETS LIMITED AS TO USE**

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

	<b>2019</b>	<b>2018</b>
Internally Designated by the Board of Trustees:		
Board-Designated Funds	\$ 13,524,818	\$ 10,919,595
Residents' Reserve Fund	4,296,282	3,466,696
Trust Under Will	1,702,650	1,307,192
Dunwoody Allied Services Board-Designated Fund	1,464,311	1,221,625
Entrance Fees Escrow	6,621,159	6,816,289
Other Dunwoody Funds	429,263	316,291
Total	28,038,483	24,047,688
Statutory Minimum Liquid Reserve	3,380,497	3,280,392
Externally Designated by Donors:		
Trust Under Will and Bequest	1,102,671	1,102,671
Scholarship Fund	50,000	-
Total	\$ 32,571,651	\$ 28,430,751

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

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

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2019 AND 2018

**NOTE 3 ASSETS LIMITED AS TO USE (CONTINUED)**

Under the provisions of the Pennsylvania Continuing Care Provider Registration and Disclosure Act (the Act), Dunwoody must maintain a statutory minimum liquid reserve that is equal to the greater of 10% of the total projected operating expenses for the next twelve months, exclusive of depreciation and amortization, or the total of all debt service (principal and interest) due during the upcoming twelve months 2019 debt service requirements. The statutory minimum liquid reserve requirement as of December 31, 2019 and 2018 is \$3,380,497 and \$3,280,392, 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.

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

	<b>2019</b>	<b>2018</b>
Projected Annual Interest Expense	\$ 1,100,500	\$ 1,330,571
Principal Payments Due on Long-Term Debt	778,725	750,751
Liquid Reserve Requirement	<u>\$ 1,879,225</u>	<u>\$ 2,081,322</u>
 Projected Annual Operating Expenses	 \$ 33,804,974	 \$ 32,803,917
Minimum Rate	10%	10%
Liquid Reserve Requirement	<u>\$ 3,380,497</u>	<u>\$ 3,280,392</u>
 Statutory Minimum Liquid Reserve	 <u>\$ 3,380,497</u>	 <u>\$ 3,280,392</u>

Management believes that Dunwoody is in compliance with all other requirements of the Act as of December 31, 2019 and 2018.

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

	<b>2019</b>	<b>2018</b>
Assets Limited as to Use		
Cash and Cash Equivalents	\$ 6,742,786	\$ 6,941,424
Mutual Funds - Fixed Income	6,975,933	6,909,643
Mutual Funds - Domestic Equity	11,350,502	9,125,909
Mutual Funds - International Equity	7,502,430	5,453,775
Total Assets Limited as to Use	<u>\$ 32,571,651</u>	<u>\$ 28,430,751</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2019 AND 2018

**NOTE 3 ASSETS LIMITED AS TO USE (CONTINUED)**

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

	<u>2019</u>	<u>2018</u>
Investment Income:		
Dividends and Interest Income, Net of Investment Fees	\$ 711,407	\$ 520,762
Realized Gains on Sales of Securities	396,794	42,0188
Net Unrealized Gains (Losses) on Investments	<u>3,569,406</u>	<u>(2,001,033)</u>
Total Investment Income (Loss)	<u>\$ 4,677,607</u>	<u>\$ (1,438,253)</u>

Financial assets and liabilities carried at fair value as of December 31, 2019 and 2018 are classified in the table below in one of the three categories described in Note 1:

<u>December 31, 2019</u>	<u>Total Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Assets:</b>				
Mutual Funds:				
Fixed Income	\$ 6,975,933	\$ 6,975,933	-	-
Domestic Equity	11,350,502	11,350,502	-	-
International Equity	<u>7,502,430</u>	<u>7,502,430</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 25,828,865</u>	<u>\$ 25,828,865</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities:</b>				
Interest Rate Swap	<u>\$ 909,328</u>	<u>\$ -</u>	<u>\$ 909,328</u>	<u>\$ -</u>

<u>December 31, 2018</u>	<u>Total Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Assets:</b>				
Mutual Funds:				
Fixed Income	\$ 6,909,643	\$ 6,909,643	-	-
Domestic Equity	9,125,909	9,125,909	-	-
International Equity	<u>5,453,775</u>	<u>5,453,775</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 21,489,327</u>	<u>\$ 21,489,327</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities:</b>				
Interest Rate Swap	<u>\$ 779,596</u>	<u>\$ -</u>	<u>\$ 779,596</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, 2019 AND 2018

**NOTE 4 PROPERTY AND EQUIPMENT**

A summary of property and equipment at December 31 follows:

	<u>2019</u>	<u>2018</u>
Property and equipment:		
Land Improvements	\$ 1,214,695	\$ 1,623,584
Buildings and Improvements	122,362,158	113,581,216
Furniture and Equipment	4,718,333	5,653,012
Vehicles	473,152	496,944
Construction in Progress	1,350,754	6,050,818
Total	130,119,092	127,405,574
Less: Accumulated Depreciation	(54,075,420)	(53,161,274)
Total Property and Equipment, Net	<u>\$ 76,043,672</u>	<u>\$ 74,244,300</u>

Dunwoody's Strategic and Master Plan includes a hallway renovation and beautification project. Related costs of approximately \$61,000 and \$5,600,000 are in Construction in Progress as of December 31, 2019 and 2018, respectively. Dunwoody finalized Phase IV of the project and began preliminary work on Phase V at the end of 2019. Management estimates the costs for Phase V to be approximately \$6,500,000 through 2021. Construction in Progress also includes approximately \$1,200,000 of design related costs expended in relation to the common and dining area renovation and expansion (see Note 12).

Depreciation expense for the years ended December 31, 2019 and 2018 was \$4,978,028 and \$4,740,863, respectively.

**NOTE 5 LONG-TERM DEBT**

Long-term debt consists of:

<u>Description</u>	<u>2019</u>	<u>2018</u>
Delaware County Authority Revenue Bonds, Series 2013 Bonds, principal payments due monthly through 2043 at variable interest rates	\$ 31,033,388	\$ 31,784,139
Total	31,033,388	31,784,139
Less: Unamortized Deferred Financing Costs	353,771	368,511
Less: Current Portion	<u>778,725</u>	<u>750,751</u>
Total Long-Term Debt, Net	<u>\$ 29,900,892</u>	<u>\$ 30,664,877</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2019 AND 2018

**NOTE 5 LONG-TERM DEBT (CONTINUED)**

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 drawdown 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% (2.75% and 3.26% at December 31, 2019 and 2018, respectively). Since the inception of the agreement, \$12,338,222 has been drawn down. The remaining \$496,621 was used to pay off the debt.

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

<b>Year Ending December 31,</b>	<b>Total</b>
2020	\$ 778,725
2021	815,251
2022	849,661
2023	885,542
2024	919,653
Thereafter	26,784,556
Total	<u>\$ 31,033,388</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, 2019.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2019 AND 2018

**NOTE 6 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, 2019 and 2018, the fair value of this interest rate swap agreement represented a liability in the accompanying consolidated balance sheets of \$909,328 and \$779,596, 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 7 RETIREMENT PLAN BENEFITS**

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

For the years ended December 31, 2019 and 2018, the annual discretionary contribution was 2.25% and 2.5%, respectively. Total retirement plan benefit expense for the years ended December 31, 2019 and 2018 was \$577,804 and \$575,086, respectively.

**NOTE 8 CONCENTRATION OF CREDIT RISK**

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

	<u>2019</u>	<u>2018</u>
Medicare	44%	50%
Residents and Other	56%	50%
Total	<u>100%</u>	<u>100%</u>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2019 AND 2018

**NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS****Net Assets Subject to Donor or Time Restrictions**

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

	<u>2019</u>	<u>2018</u>
Resident Benevolence	\$ 2,564,847	\$ 2,707,994
Memorial Garden and Other	438,113	323,301
Total	<u>\$ 3,002,960</u>	<u>\$ 3,031,295</u>

**Net Assets Restricted in Perpetuity**

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

	<u>2019</u>	<u>2018</u>
Trust Under Will and Bequest	\$ 1,102,671	\$ 1,102,671
Scholarship Fund	50,000	-
	<u>\$ 1,152,671</u>	<u>\$ 1,102,671</u>

**NOTE 10 FUNCTIONAL EXPENSES**

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2019 AND 2018

**NOTE 10 FUNCTIONAL EXPENSES (CONTINUED)**

		<b>2019</b>	
	Care and Service to Community Members	Management and General	Total Expenses
Salaries	\$ 13,593,969	\$ 2,726,906	\$ 16,320,875
Payroll Taxes and Fringe Benefits	2,619,339	1,293,845	3,913,184
Contract Labor	1,634,540	48,174	1,682,714
Professional Fees	62,595	248,619	311,214
Occupancy	2,193,563	309,479	2,503,042
Dues and Subscriptions	4,914	35,186	40,100
Education	32,759	44,016	76,775
Medical Supplies	1,230,558	-	1,230,558
Office Supplies	60,933	35,789	96,722
Printing and Advertising	43,000	392,965	435,965
Equipment Lease and Maintenance	1,252,694	175,834	1,428,528
Postage	370	14,778	15,148
Telephone and IT Services	68,595	150,814	219,409
Insurance	39,403	301,835	341,238
Interest and Banking Fees	1,189,498	11,178	1,200,676
Utilities	1,069,803	-	1,069,803
Property Taxes	1,120,064	-	1,120,064
Depreciation and Amortization	4,992,768	-	4,992,768
Miscellaneous	372,754	275,379	648,133
Total Expenses	\$ 31,582,119	\$ 6,064,797	\$ 37,646,916

		<b>2018</b>	
	Care and Service to Community Members	Management and General	Total Expenses
Salaries	\$ 13,107,676	\$ 2,558,785	\$ 15,666,461
Payroll Taxes and Fringe Benefits	2,497,933	1,283,130	3,781,063
Contract Labor	1,720,965	49,066	1,770,031
Professional Fees	86,100	253,052	339,152
Occupancy	2,100,964	163,778	2,264,742
Dues and Subscriptions	4,382	34,336	38,718
Education	44,783	33,012	77,795
Medical Supplies	1,163,652	-	1,163,652
Office Supplies	48,670	20,121	68,791
Printing and Advertising	31,265	372,784	404,049
Equipment Lease and Maintenance	995,733	131,342	1,127,075
Postage	555	14,019	14,574
Telephone and IT Services	125,066	89,456	214,522
Insurance	43,688	238,880	282,568
Interest and Banking Fees	1,186,924	10,821	1,197,745
Utilities	1,038,147	-	1,038,147
Property Taxes	1,089,271	-	1,089,271
Depreciation and Amortization	4,755,603	-	4,755,603
Miscellaneous	348,790	615,792	964,582
Total Expenses	\$ 30,390,167	\$ 5,868,374	\$ 36,258,541

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2019 AND 2018

**NOTE 11 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.

**Self-Insurance Insurance Plan**

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

A liability of approximately \$192,913 and \$108,206 has been recorded for incurred but not reported claims as of December 31, 2019 and 2018, respectively.

**NOTE 12 SUBSEQUENT EVENTS****Coronavirus Disease (COVID-19)**

Subsequent to year end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to Dunwoody, COVID-19 may impact various parts of its 2020 operations and financial results including but not limited to additional costs for emergency preparedness, disease control and containment, potential shortages of healthcare personnel, or loss of revenue due to reductions in certain revenue streams. Management believes that Dunwoody is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of December 31, 2019.

During the period from January 1, 2020 through April 8, 2020, both domestic and international equity markets have experienced significant declines. These losses are not reflected in the consolidated financial statements as of and for the year ended December 31, 2019.

**Project and Financing Plans**

Subsequent to year-end, Dunwoody's board of trustees approved plans to finance a new capital project and to refinance all outstanding debt. The capital project will consist of expansion and renovation of dining, kitchen, and common use areas.

DUNWOODY VILLAGE

## 2020 CONSOLIDATED OPERATING BUDGET

DECEMBER 31, 2019 AND 2018

	<b>Total Budget</b> <i>(000s omitted)</i>
<b>Revenue, Gains, and other Support:</b>	
Resident Care Fees	\$ 16,544
Medical Care Fees	15,534
Earned Entrance Fees	5,961
Resident Service Fees	1,672
Interest and Dividends	644
Other Revenue	149
<b>Total Revenue</b>	<b>\$ 40,504</b>
<b>Expenses:</b>	
Medical and Personal Care	\$ 14,323
Resident Services	542
Food Services	4,595
General and Administrative	5,839
Maintenance	3,363
Housekeeping and Laundry	2,105
Utilities	1,153
Real Estate Taxes	1,138
Depreciation & Amortization	5,015
Interest	1,101
<b>Total Expenses</b>	<b>\$ 39,174</b>
<b>Operating Income</b>	<b>\$ 1,330</b>

*Note - All figures are in rounded thousand dollars.*



## 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 call the Resident Check-In System each morning between 5am and noon to check in. 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 meal 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 Recarpeting** The Resident may request to have his or her Residential Home repainted or recarpeted at the expense of the Resident and will be charged according to the current Schedule of Charges. Subject to the approval of Dunwoody, after eight years of Occupancy in the same Residential Home, the cost of painting and carpeting will be paid by Dunwoody.

## **D.) Grounds Services**

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

## **E.) Utilities**

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

## **F.) Transportation Outside Dunwoody**

Dunwoody will provide transportation at no charge to the following locations: Newtown Square Physicians; Bryn Mawr Hospital; Lankenau Medical Center; Paoli Hospital; Riddle Hospital and doctor's offices in the Newtown Square and Bryn Mawr areas; all other transportation will be done on a fee-for-service basis. 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; campus-wide WiFi connectivity; open parking spaces; washers and dryers for personal use; property insurance for Dunwoody's buildings, improvements, equipment, furniture, and liability; Township, County and School taxes; community-wide generator.

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

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

### **J.) Changes in services**

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

DUNWOODY VILLAGE

---

## HEALTHCARE

---

### **A.) Role of Dunwoody's Medical Director**

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

### **B.) Physicians**

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

### **C.) Response Call System**

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

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

### **D.) Prescription Drugs**

Resident is responsible for all prescription drug charges.

### **E.) The Care Center**

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

### **F.) Costs in the Care Center**

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

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



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

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

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

## **G.) Other Health Care Services**

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

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

Resident is required, at Dunwoody's sole discretion, to provide proof that use of private funds to pay for such services will not imperil the financial resources of Resident. In exchange for Dunwoody's consent to Resident's request for the services of a

private duty nurse, companion, or other assistant, Resident releases Dunwoody from any liability for the acts 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.

DUNWOODY VILLAGE

---

## 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
<b>2020</b>	\$ 152,000	\$ 167,300	\$ 3,933	\$ 6,390
<b>2019</b>	\$ 152,000	\$ 167,000	\$ 3,800	\$ 6,170
<b>2018</b>	\$ 152,000	\$ 167,000	\$ 3,475	\$ 5,960
<b>2017</b>	\$ 150,000	\$ 165,000	\$ 3,375	\$ 5,790
<b>2016</b>	\$ 150,000	\$ 165,000	\$ 3,290	\$ 5,640

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

### Medical Deduction

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

### Notice Of Right To Rescind

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

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

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

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

### Dunwoody Village Cancellation Form

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

---

PROSPECTIVE RESIDENT'S SIGNATURE

---

PROSPECTIVE RESIDENT'S NAME (PRINT)

---

DATE





## OUR MISSION

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

## OUR CORE PURPOSE

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



**DUNWOODY  
VILLAGE**

**A Continuing Care  
Retirement Community**

Dunwoody Village  
3500 West Chester Pike  
Newtown Square, PA 19073-4168  
(610) 359-4400

[www.dunwoody.org](http://www.dunwoody.org)

 Pet Friendly

Independent Living • Rehabilitation • Personal Care • Skilled Nursing • Memory Support • Home Care



LeadingAge PA  
an association of non-profit senior service