

We're CHANGING OUR STRIPES



2020 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 ongoing 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
website: www.dunwoody.org
*Hearing and Speech impaired may reach us by dialing 711
or via the PA Relay Center: 1-800-654-5984*

4. Community Description

The community is located in a suburban setting on 83 acres and contains a three-story apartment building with studio, junior, one and two bedroom apartments; one-story country houses with one and two bedrooms; one-story country houses with two bedrooms and a den; and 40 Carriage Homes. There are 81 private Personal Care rooms (20 of which are a Secure Memory Unit) and 81 private Skilled Nursing rooms on the campus. The community is masonry construction with enclosed heated and air conditioned walkways. Common areas include an auditorium, board room, several dining areas, arts and crafts studio, library, a swimming pool and Jacuzzi, fitness center, club room, 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). 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 489.

8. Sample 2021 Fees

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

	<i>Single</i>	<i>Double</i>
Entrance Fee	\$ 152,000	\$ 167,600
Monthly Fee	\$ 4,012	\$ 6,518

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

	<i>Single</i>	<i>Double</i>
Entrance Fee	\$ 228,000	\$ 251,400
Monthly Fee	\$ 4,012	\$ 6,518

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 31.



We're CHANGING OUR STRIPES!

Our 2020 annual report theme speaks to the changes currently underway at Dunwoody Village. Things are starting to look a little different here!

We've changed our leadership. In 2020, President/CEO Sherry Smyth announced her retirement, effective in March 2021. As we say goodbye to Sherry and thank her for sixteen years of dedicated service to Dunwoody, we welcome Maureen Casey as new President and CEO.

And we're changing our property, with both aesthetic and functional upgrades. In 2020, Dunwoody's Board of Trustees approved a \$24 million expansion of the community building—a long-anticipated project that will nearly double the size of the community center, with a larger auditorium and expanded spaces for dining, fitness and gathering.

Yet amidst these exciting changes, there's a lot inherent to Dunwoody Village that will remain the same. Resident-driven programs and initiatives. A friendly, inviting atmosphere. Our commitment to wellness and quality care across the continuum. All those things that residents and staff have come to expect, that make Dunwoody Village Decidedly Different and Dunwoody Strong!

LETTER *from* BOARD CHAIRMAN EDWARD CHIOSSO



Edward A. Chiosso
Chairman of the Board

The past year was unlike any we've seen in our lifetime, but notwithstanding all the confusion, uncertainties, and difficulties, Dunwoody Village evolved in 2020; and now that we are on the other side of a challenging year, we are beginning to recognize just how much stronger we are for it.

Our residents faced very difficult circumstances in being isolated from loved ones, yet they time and again showed their resilience—by making homemade masks; by finding ways to gather outside or online; by creating new socially distant pastimes. Our staff reinvented everything they do with new protocols practically overnight—from dining to healthcare—gracefully transitioning to ensure safe conditions for all while demonstrating the bravery of true essential workers.

Meanwhile, Dunwoody made great strides in our path to the future. We refinanced our debt at today's very low interest rates which continues our long tradition of sound financial planning. We have almost completed our hallway and campus beautification projects while launching our major expansion of the main building. This renovation will nearly double our dining area, auditorium and fitness center as well as many of the other recreational spaces on the lower level, which will enhance quality of life for all residents.

Last year, working with the residents and staff, the Board developed a long-range strategic plan to assure our continued success. The plan includes four pillars:

- “One Dunwoody,” an initiative to define the Dunwoody model of healthy aging across the continuum.
- Healthcare Services, to determine the future of healthcare offerings, ensure preferred provider status and evaluate market opportunities.
- Technology Enablement, to better align care technologies and expand in-house capabilities for resident technology use.
- Leadership & Engagement, to evaluate the approach to board participation and engagement and promote improved engagement among board, staff and residents.

With this articulated vision in mind, we have hired new President/CEO Maureen Casey, whose experience and character truly align with the four pillars of our strategic plan. Among the many reasons the Board was exceptionally impressed with Maureen was her previous experience not only in executive leadership positions in CCRCs, but her background in leading large teams with strategic planning and major construction and improvement projects. She is the ideal leader to usher Dunwoody into its next phase as we eagerly embrace what the future brings.

For my part, and on behalf of the Board, I want to warmly thank outgoing President/CEO Sherry Smyth for her leadership. She served the community for sixteen years, tirelessly guiding it through transformative changes that renewed the entire campus. We wish her all the best in her retirement.

And we wish you all an easier and brighter year ahead.

Sincerely,

Edward Chiosso

A TRANSITION *in* LEADERSHIP

In March, 2021, we said a fond farewell to our outgoing President/CEO, **Sherry Smyth**, after 16 years of leadership. Recruited by a business colleague, she sunk her teeth into updating the infrastructure, followed by a seemingly biblical list of challenges that included fire, flooding, spotted lantern fly infestation, and finally the COVID-19 pandemic. Through it all, Sherry worked tirelessly to improve Village facilities while maintaining the essence of Dunwoody—its warmth, vitality and inclusiveness. She plans to return as a resident herself, and she will be welcomed back with open arms...



... And we say a friendly hello to Sherry's successor, Dunwoody Village's new President/CEO, **Maureen Casey**. Maureen joins Dunwoody with a wealth of retirement community leadership experience, having served as the executive director of Wesley Enhanced Living's Doylestown, Main Line, Burholme and Upper Moreland's campuses. She holds a BS in Biology from Philadelphia College of Pharmacy and Science, and an MA in Gerontology from the University of Pennsylvania. She lives with her husband and three children in Bucks County. We look forward to working with Maureen and to watching her vision for Dunwoody develop in the coming months.



Dunwoody residents and staff board the new bus, a convenient means of transport for errands, special events, church visits and other outings.

**Resident Luz Diaz observes
the latest progress on the new
construction to the community
center building.**



A TRANSFORMATIVE YEAR

Here we are, having arrived full circle from where we were a year ago. Among the familiar sweet scents of spring on the Dunwoody Village grounds, there's a new air of hope and anticipation. While the COVID-19 pandemic has not completely abated, the miracle of vaccines has arrived. After months of challenges and self-sacrifices, we are finally, *finally* seeing signs of renewal.

Yet 2020 was not all hardship. The year we leave behind brought us positive growth and change on many fronts. There's the planned construction at Dunwoody Village's main building that's now fully underway, disrupting daily life for residents and staff but promising huge returns in modernized upgrades in the not distant future.

There are, of course, the many adaptations Dunwoody had to make in the face of the virus in order to assure safety for all. This required flexibility and a willingness to shake up routines—not easy to do at any stage of the game, but our continuing care retirement community met the challenge at every turn.

We also saw unexpected blessings amidst the adversity: ingenuity, grit, and caring when it was most needed. Through the necessity of social distancing, we found new ways to practice familiar activities. Or we found new activities altogether. We bound together, making a commitment to take care of one another. We made the best of a difficult situation and in the process demonstrated the very best of ourselves.

A SOCIALLY DISTANT RELOCATION

For most of us, moving is a stressful process—and moving long distance under pandemic conditions would be an almost heroic undertaking. But that is exactly what Barry and Judy Kaufman did, relocating from Big Canoe in the North Georgia mountains to Newtown Square at the height of COVID-19's third wave.

Judy, who grew up in the area, always knew that she wanted to return to Pennsylvania. She loved the land and all that grew in it. Then with family, including their grandchild, within a three-hour drive, the dream needed to be a reality. Before Judy and Barry moved to Newtown Square, they paid a deposit to be included on Dunwoody Village's Priority List. At first, they would check in on an annual basis, guessing the move would be within five to ten years or so.

Then the pandemic hit. Next came the realization that it had been more than a year since they had seen their family. They were ready for the move north sooner than they had anticipated. In the fall, they reached out to the Dunwoody marketing office and inquired about their position on the waiting list.



Having moved sooner than expected into their Dunwoody apartment under less than easy circumstances, Judy and Barry Kaufman are thrilled with their decision—and their two bedroom and den apartment which boasts two terraces and a private setting.

“We saw that COVID could be a long haul and we wanted to be here sooner rather than later,” Barry explained.

Within days, the marketing team sent the couple photos, locations and pricing on apartment types. They had originally hoped for a Penrose Carriage Home, but there were none available. However, by mid-September a large custom two-bedroom apartment opened up. The Kaufmans were interested and sent a list of questions to the Dunwoody team.

Conducted over email and the phone, the entire process was unlike the typical move-in.

Given that Georgia was considered a “hot state” and Pennsylvania was still requiring visitors from Georgia to quarantine for two weeks before entry, a physical visit to the property was not possible. Barry and Judy had to make their apartment selection from a distance.

By early October, the couple had completed their required documentation and medical assessments. In mid-November, all admissions paperwork was submitted and they were approved for residency. Ten days later, after a bidding war, their Georgia house was under contract.

Some small updates were made to their chosen unit, such as removing the bifold doors and adding an electric fireplace to the smaller second bedroom closet, which required the addition of an electrical outlet. Now, the space is office, den, or second bedroom with a convertible sofa. They also requested the removal of the bifold doors from the living room closet to make a wonderful display of family treasures. Dunwoody Village installed new carpet and painted the apartment in the Kaufmans' chosen colors.

Meanwhile, back in Big Canoe, moving in a pandemic continued to be "interesting." "COVID-19 has disrupted how all business is done," Barry says. "We had to get an estimate with the movers using our cell phone video, walking around our house. Everything is different when you have to do it from a distance."

On a snowy January 28th, the Kaufmans and their vaccinated cat Sooty arrived at Dunwoody. The Kaufmans themselves had already received their first COVID-19 vaccine shot in Georgia. They moved into a guest apartment to begin the required 14-day quarantine and Dunwoody provided meal delivery. In the meantime, Judy's car was shipped to Newtown Square and their moving truck arrived a few days later with their belongings. When it came time for their second vaccine dose, Dunwoody was able to arrange that for them. Barry and Judy said they were very appreciative of Dunwoody's efforts to facilitate this accommodation, per CDC emergency guidelines.

In the first few weeks out of quarantine the couple were still settling in and getting to know their neighbors' faces in masks.

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/air conditioned 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



Judy and Barry Kaufman pose with their cat Sooty in their new apartment, spacious enough to accommodate all of their possessions and with a few modifications and updates, customized to their lifestyle, even from afar.





In normal times they might have had several dinners with new neighbors but for now they're sticking with safer interactions. Nevertheless, they're looking forward to warmer weather and the opportunity to get involved with activities such as helping to attack invasive plants on Dunwoody's grounds or trying out an area golf course.

"We're confident we made the right decision," Judy says. "This is a wonderful place. Dunwoody went out of their way to help us get here and they, as well as residents, have done a marvelous job of making us feel at home."

REBUILDING *for* THE FUTURE

Dunwoody Village residents were already primed for big change in 2020 with the ongoing and new planned construction projects. In May 2021 the East Country House Hallway project, a five-phase \$6.5 million renovation will be completed, with heating and air conditioning, sprinklers, dry wall, painting and new carpet among the additions.

As of November 2020, the \$24 million expansion and renovation of the community building got underway. Residents can look forward to increased dining space with a second kitchen and newly casual and formal dining areas with a new area for grab and go eating options. The addition will include a 200-seat auditorium with ADA access and new lighting and audio controls, main floor renovations with new flooring and finishes and an updated reception area. The previous auditorium is being converted into a new lounge and bar area for resident gathering.

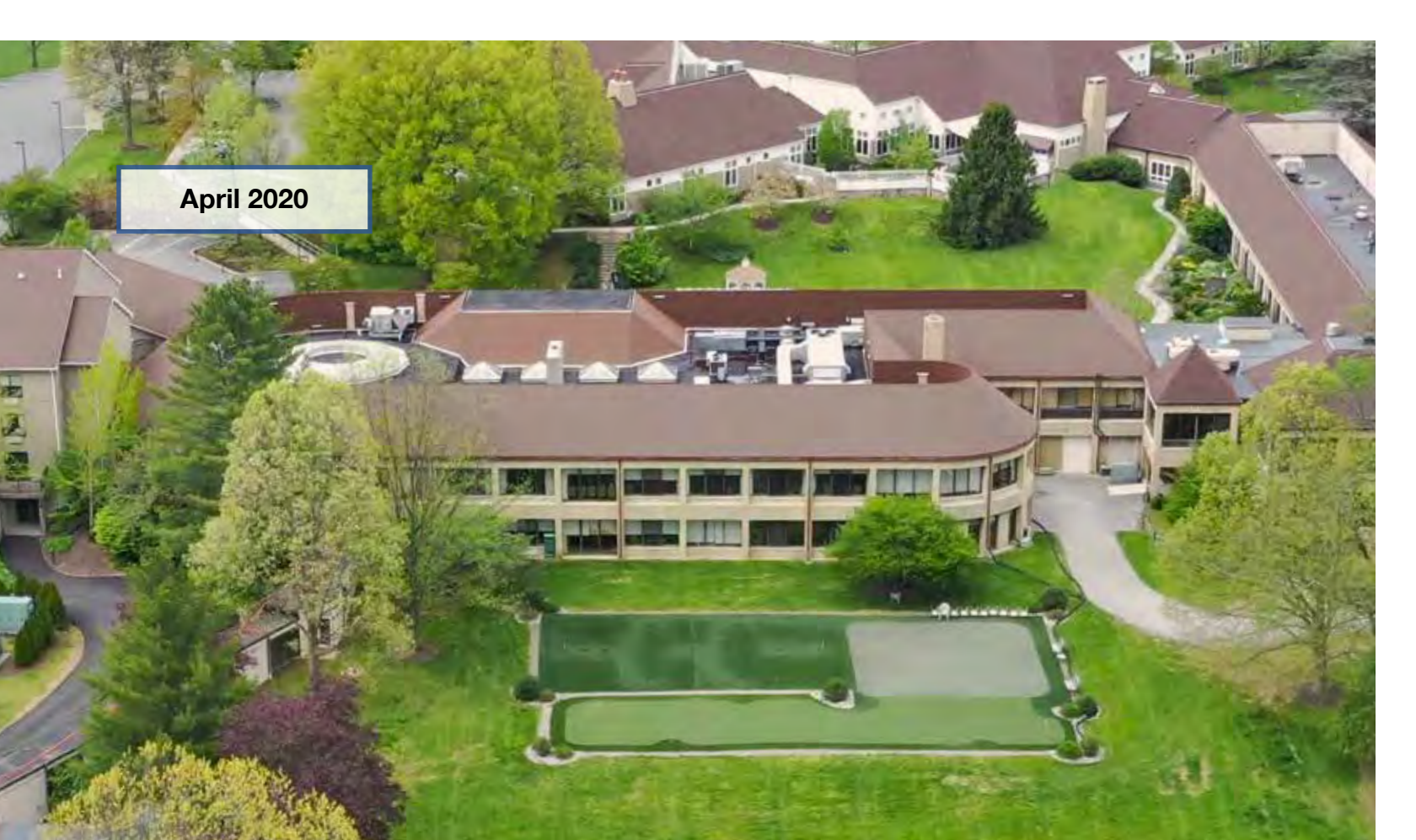
On the building's lower level, the fitness center will include more windows with dedicated areas for fitness classes and exercise equipment. Additional upgrades will improve the art studio, game room, hair salon, wood shop and resale shop, and will expand the library with an added history studio.

Along with the physical updates, the library will be brought into the digital age with an online catalogue that residents can conveniently access from their homes—a boon in the post-pandemic age.

Resident and professional librarian Marjorie Smink has


Two of Dunwoody's essential workers shown here made sure that residents had their meals delivered to their door during the COVID-19 lockdown.



An aerial photograph showing a large, multi-story community center building with a brown roof and many windows. The building is surrounded by green lawns and trees. A paved path leads to the building. In the foreground, there is a rectangular pool or pond. The overall scene is peaceful and well-maintained.

April 2020

Construction is well underway at Dunwoody Village's community center building. The new wing and renovations will add 30,000 square feet and feature improvements to group spaces, including the dining rooms, auditorium, library, fitness center and meeting rooms, while adding two state-of-the-art kitchens and a brand new pub.

An aerial photograph showing the same community center building as in the previous image, but now under construction. The building's structure is visible, with a large section of the roof removed, revealing the interior framework. A large white tent is set up on the lawn in front of the building. Construction equipment, including excavators and cranes, is visible on the site. The surrounding area is still green, but the construction activity is evident.

April 2021



“You'll be able to search by title or subject, just as you would at a public library,” resident Marjorie Smink says about the extensive library cataloging system she's developed during renovations. “You can put a hold on items without having to leave your apartment.”

spearheaded this massive effort, cataloguing every item with barcodes. She started in November and has completed about one third of the 8,000 items to date.

“You will be able to search by title or subject, just as you would at a public library,” she says. “You can put a hold on items without having to leave your apartment.”

With all of this construction, residents have had to make some adjustments. “Routines had already been altered due to COVID-19, including meals being delivered to residents’ homes. Soon meals will be provided in the auditorium or the terrace until the new venue is opened. This will limit seating, but we are looking to have two seatings to accommodate everyone,” says Director of Operations Kathy Barton. “The West Country House residents have been the most affected [with the connection to the main building temporarily closed]. We have rented scooters that are kept at the main building for any of the West Country House residents to use. We provide a car service for residents that need a ride to the main building for activities. We provide a continental breakfast in the West Country House hallway. We also created a small library in the hallway for them to use. The hallway connection should be reopened this summer.”

The entire project should be finished by August 2022.

“To date they’ve completed the two stair towers, demolished the back of the building and are now laying the foundation for construction,” Barton says. “Phase one should be complete at the end of this year or beginning of 2022. We’re very excited to see the new Dunwoody in the months and years to come.”

ADAPTING *and* UPDATING

It wasn’t just the construction that altered traditional Dunwoody life. COVID-19 safety policies and social distancing meant that a community normally bustling with activity and social interactions suddenly had to rewrite the rules of engagement.

Responding quickly to national and regional news of the outbreak, Dunwoody’s dining services closed down public gathering spaces and pivoted to a home delivery service. Residents were sent menus in advance and could select their choices. On special occasions, such as Valentine’s Day, the meal might come with wine splits, a luxe dessert like chocolate lava cake and flowers for the table. Fun theme meals included a Great Gatsby era menu that was timed when the

Wine splits and fresh flowers were added to home delivered meals on special occasions.





Wes Kuehnle, director of Facilities at Dunwoody Village, was instrumental in overseeing the extensive renovations at Dunwoody Village.

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 operation of Dunwoody Village. In addition, the Dunwoody Leadership Team holds quarterly town meetings with the residents to present current information and future plans of interest.

2020 Dunwoody Village Leadership Team:

President/CEO: Sherry Smyth

Director of Operations: Kathy Barton

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

Controller: Len Dachino

Director of Human Resources: Curt Sayers

Director of Marketing: Elaine Kaiser

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

movie was shown on the community closed circuit cable TV channel and a summer style picnic served in conjunction with a Beach Boys concert screening. Meanwhile, the accounting and social services departments helped residents with grocery delivery services where needed.

The environmental services department adapted a new set of protocols for housekeeping to ensure safety for residents and staff. Key among the plan was the purchase of electrostatic spray guns and an electrostatic backpack disinfectant sprayer. The state-of-the-art zone cleaning program that was established in April 2020 has resulted in less cross-contamination and better time management for staff.

It took a bit of creativity, but Dunwoody residents quickly learned how to hold committee meetings and social gatherings online. The annual holiday bazaar with resident crafts was presented via the community TV channel, as were cultural “excursions” such as tours of the Constitution Center in Philadelphia, concerts and documentaries. Another resident, a longtime volunteer at the Philadelphia Museum of Art, shared a virtual Museum tour with fellow residents.

Led by trainers, exercises classes were held in the empty auditorium and also broadcast live over the community TV channel—an innovation that was so popular that it will continue in some form for the near future. When the weather got warm, Tai Chi and yoga classes were moved outside, and residents made use of the 83 acres of walking and biking trails. The putting greens were reworked to allow two people to practice simultaneously. Library books were distributed via home delivery. The administration also put together a digital newsletter with puzzles and coloring contests for entertainment.



Gary Ladeau (right), Director of Environmental Services, and Ken Matsinger, Assistant Director, are seen here spraying and sanitizing facilities using Dunwoody's new state-of-the-art equipment.





Outdoor yoga, led by fitness trainer Patricia McManus, gave residents a healthy and invigorating fitness option during the warmer months of the pandemic—one that many are likely to continue going forward.



Diane Mankin (second from left) turns greeting cards into boxes with fellow resident crafters. It's just one of many activities that she's helped organize and lead at Dunwoody.

Some residents took their own initiative. Diane Mankin, a born leader, helped to ensure that the community still had plenty of activities so that no one would be stuck in isolation.

"I'm the kind of a person that if you could see my calendar, you'd see that I have four to six things to do every single day. And then March [2020] came, and activities were cancelled. I thought, well, I've got to do things, I need people and that's why I'm here at Dunwoody, because it's a people place. So I guess I took it as an opportunity to do some things in life that I was always too busy to do."

Diane gathered music for the courtyard singers, an ensemble of eight people who gathered weekly to sit on their respective

balconies and patios to sing old standards. When it was safe, she met a friend to play masked ping-pong. Then she started a Yahtzee club, where participants sat at socially distant tables with their own set of dice. Another effort involved making craft boxes out of greeting cards and holiday cards and selling them in the lobby over the holidays.

When she wasn't busy with these activities, she made sure to entertain passersby in front of her apartment with a changing display of figurines. Her whimsical arrangements have been a big hit with her neighbors. Diane plans to continue the tradition going forward.

Some residents even discovered new opportunities for volunteer work. Residents

joined together to sew masks and create thank you bags for staff. In March, when they started receiving their dining room meals at their door, Mary and Leonard Beck noticed that the delivery bags were of high quality, made from high density polyethylene.

“They’re just too good to throw out. They’re labeled to be reused or recycled,” says Mary, who used to work for the Environmental Protection Agency and has lived at Dunwoody for eight years.

Mary put up a sign outside her door inviting others to donate their bags. She found a use for them right away at St. James Church in Havertown which runs a food pantry.

“We started taking over our bags. And then because the pastor who runs that food pantry was eventually donating his extra food and bags to the Upper Darby Community Outreach Corporation, we started taking them there.”

As interest built, marketing director Elaine Kaiser placed a notice about the effort to the Dunwoody newsletter and added two bins in central locations where people could leave bags. In December alone, the Becks delivered 1500 bags, packing a station wagon full. Both their fellow residents and the recipients at the food banks, who reuse the bags to deliver food, have been grateful for the initiative.

“I just realized it was a good thing to do,” Mary says.

For her part, Diane Mankin believes that all of this making the best of the situation is simply the Dunwoody way.

“A lot of people have done different things in different ways—bigger things, littler things,” she says. “You see it everywhere... we are all just working together and trying to make it easier for everyone else.”

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.

2020 Residents’ Association Executive Committee members:

President: Connie Stuckert

1st Vice President: Trevor Weiss

2nd Vice President: Connie Carino

Treasurer: Cynthia Corboy

Assistant Treasurer: Joy Stoughton

Recording Secretary: Robin Spencer

Corresponding Secretary: Jorie Nailor

Members at Large: Stella Gabuzda, Len Magargee, Ann Miller



Dr. Connie Stuckert (2nd from left) is the current president of the Residents’ Association. Her presence has been felt at Dunwoody Village for years, most notably because of her work on the outdoor spaces.

OUR HIGH-TECH VILLAGE

When the pandemic broke out last spring, people everywhere came to rely more heavily on technology for shopping, for socializing and for work. Dunwoody Village's first priority was infection control and mitigating the spread of COVID-19. As visitation among residents and families came to a halt, the next greatest challenge was to find ways to keep people connected.

Almost immediately, activities staff in the care center began facilitating video calls between residents and their families, both near and far. Additional iPads were purchased as FaceTime, GoogleDuo and Zoom conferences became more and more popular.

Recreation Manager Carolyn Treadway and her staff facilitated an average of 65 video calls each week. "It was fun for us to see the expressions on the residents' faces when they saw their family members on the iPads," said Carolyn. "While it certainly didn't completely replace an in-person visit, it provided an added level of comfort and assurance to the families and a bright spot for our residents."

Meanwhile, residents in residential living found themselves relying more heavily on their computers. Dunwoody Village already had a strong infrastructure with a campus-wide generator, access to high-speed internet and closed-circuit cable TV. While most residents

already owned some internet-facing devices, whether they were phones and iPads or laptops and desktop computers, maintenance staff assisted with the sudden increase in online life.

Not only were residents seeking new ways to connect, but staff found innovative ways to stay connected. Leadership held meetings via Zoom and the marketing office began offering virtual tours to prospective residents. Zoom accounts were established for resident use, both through the Residents' Association and through the marketing office for everything from committee meetings to monthly book discussions.



Community Relations Coordinator Monica Knauss quickly adapted when COVID-19 struck and developed a virtual tour program for prospective residents.



Personal care resident Roberta Taylor gets some help from Recreation Manager Carolyn Treadway to FaceTime with her beloved family members during the months when visitation was restricted.

In August, 2020, Kayla McFadden was hired as Resident Services Associate. As someone who grew up with technology, she has a natural affinity for the subject though she never studied it formally. Nevertheless, she was only at Dunwoody for a few days when word of her prowess spread.

It wasn't long before she became known as the in-house support guru of the Village—the official Tech Help desk. High among Kayla's functions has been helping residents set up their Zoom meetings

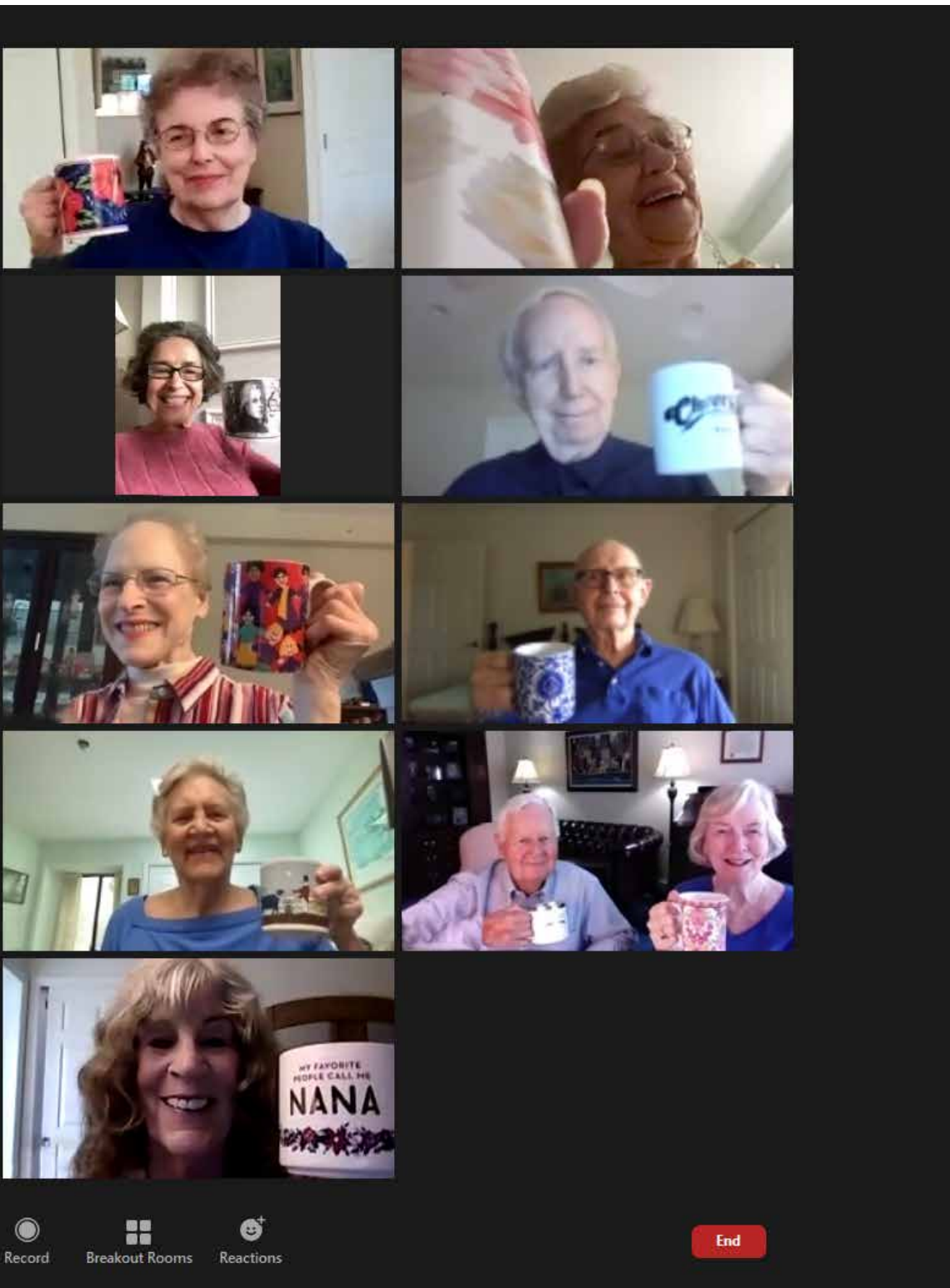
and FaceTimes—whether for activities, meetings or social events, as well as private communication and events with families.

“It has been fun to watch residents who were initially apprehensive about Zoom gain confidence and embrace the possibilities it holds,” said Kayla.

In November, Kayla collaborated with the floral studio to produce a live, QVC-style holiday sale that was broadcast over Channel 1970, Dunwoody's closed-circuit television. For



Kayla McFadden (second frame from top left), Resident Services Associate, has found the Dunwoody population to be eager technology adopters—using video conferencing for family communications, Dunwoody happy hours, club and committee meetings and many other applications when face-to-face gatherings were not safe.




four weeks in February, she assisted with an interactive presentation by the Constitution Center that was simultaneously attended by residents via Zoom and also broadcast for residents to view on Channel 1970.

Kayla has also started a regular Zoom Happy Hour for residents to gather socially and play games and chat as well as a weekly gathering called Coffee with Kayla, where she highlights residents and staff sharing anything from origami to a cooking demonstration by Dunwoody's chef.

Months later, it appears that those who have embraced the convenience of Zoom see it as something that's here to stay—even when the pandemic has passed. That's why Kayla continues to offer guidance to those who want it.

"This is something I think we will continue to offer. Most residents seem to like having online options even as we return to in-person events," she says. "[Technology] makes everyone's life easier."

A full-page photograph of an elderly couple, Jay Pennypacker and Bobbie Fischer, walking outdoors on a paved path. Jay, on the left, is wearing a dark purple patterned button-down shirt, khaki pants, and sunglasses. Bobbie, on the right, is wearing a navy blue and white striped long-sleeved shirt with a red heart graphic, white pants, and dark sneakers. They are both smiling. A large, fluffy golden retriever named Rainee is walking in front of them on a leash. The background shows a stone building and trees with light-colored blossoms. A wooden bench is visible on the right.

Jay Pennypacker and Bobbie Fischer enjoy walking the grounds with Rainee. Residents have been grateful for the chance to explore Dunwoody's 83 outdoor acres during moments when indoor gatherings were restricted.

HEALTHY *and* SAFE AT HOME

The number one priority on everyone's mind—every day, of course, but even more so since March 2020, is the health and safety of Dunwoody Village residents. Facing down a once in a lifetime global pandemic, it's critical to act with sound judgment, integrated and consistent policy and access to the latest science.

From day one, Dr. Thomas Lawrence, System Medical Director of Geriatric Medicine and Long Term Care at Main Line Health and the current Medical Director for Dunwoody Village and four other retirement communities in Pennsylvania, has worked assiduously to protect Dunwoody Village from COVID-19.

"We had a centralized approach to reviewing all the guidance from the CDC, the Pennsylvania Department of Health, our regional health system—Main Line Health—and other health systems in the area," he says. "About halfway through the pandemic, the State Department of Health launched a regional response initiative, which our health system was part of."

This multilayered approach ensured that Dunwoody Village was in line with the best practices and emerging research from federal and state agencies as well as local experts from Main Line Health.

"Dunwoody has been able to tap into a highly unique regional expert panel to guide its policies and practices throughout the pandemic," he says.

Based on this growing body of knowledge, Dr. Lawrence guided the development of a detailed policy for Dunwoody's three levels of care: independent living, personal care and skilled nursing.

"We've been extremely thorough and managing all the risks as they became evident, he says. "We literally did not take any chances. We've been very conservative and because of that, we've been successful."

In order to assure community participation in social distancing policies and vaccine participation, Dr. Lawrence and the administration have each instituted staff and resident health education sessions, whether virtual or in person.

"The leadership and the staff education coordinator have been great. You don't see that kind of staff education everywhere promoting consistency in maintaining all of the infection control standards. I recorded a couple of question-and-answer sessions,

Environmental Services employee Klarita Gega was one of many Dunwoody staff members trained in protective health measures to ensure that weekly housekeeping services and flat linen service could resume when it was safe to do so.





Dunwoody's mailman, Mike Basciano, pictured here with Marjorie and Robert Smink, has a new joke for the residents every day, which he delivers along with their letters and parcels.

taking all of the residents' most frequently asked questions and addressing them, explaining what we're doing, why we're doing it, what the federal guidance is, what state guidance is, what the best practices are, and so forth," he says.

Keeping a coordinated response at all levels of Dunwoody's health care has been critical.

"Every other day or so I have discussions with leaders at Dunwoody — the health care administrator, director of nursing, director of our outpatient clinic, our infection control nurse and others. We have Zoom conferences with the full leadership team about what's happening and why and what's changed with guidance and recommendations."

From a social-emotional perspective Dunwoody's team, including wellness manager Kim LaFountain and social worker Erin Price, have worked hard to keep residents engaged in activities despite the constraints of social distancing while providing important mental health resources for coping with isolation. Price organized men's and women's support groups that met with safe protocols to share their feelings during lockdown.

On the medical side, Dr. Lawrence has maintained a hands-on approach with reviewing any cases that emerged at Dunwoody, whether with staff or residents.

"And of course, with every case in the community, I'm involved with what's happening. If a staff member has been out sick, I review every case with the infection control nurse to determine when it's safe for them to come back to work, when it's safe for a resident who's either been exposed or has been diagnosed with COVID-19 infection to come out of isolation. So, we have had strong day-to-day management of all these issues."

An exciting aspect of Dunwoody's COVID-19 response is that the community has been part of a monoclonal antibody infusion program at the University of Pennsylvania since fall 2020.

"This program has allowed us to offer this treatment to anyone who has been diagnosed with a difficult case of COVID. This is a highly unique opportunity that we were very fortunate to be part of."

Dunwoody has also offered comprehensive vaccination to staff and residents from the time vaccines were made available. High participation rates mean that the community has reduced the risk of community transmission substantially.

“We enrolled in the government-sponsored vaccine clinic program with CVS so our residents at all levels of care were vaccinated very early. With nearly 100 percent of residents vaccinated, that has changed things dramatically.”

Having all private rooms in nursing and personal care, Dunwoody is intrinsically safer than many similar communities. Another reason Dunwoody has fared well, Dr. Lawrence says, is that its people-centered culture prioritizes safety for staff while also ensuring that Dunwoody continues to be

a great place to work—even during these challenging times.

“Dunwoody Village has always been an environment where the staff are like family,” Dr. Lawrence says. “That’s key because in facilities where that doesn’t exist, there’s high turnover and staff absenteeism, which has been terrible during the pandemic. It’s just been great to see how everybody—staff, leadership, residents—have all pulled together and made personal sacrifices for the greater good of the whole community. We are healthier today because of that.” 🏠

Kim LaFountain, Dr. Tom Lawrence, Erin Price, and Pat Richardson are all part of the Health and Wellness efforts at Dunwoody. A well coordinated and integrated effort has insured that residents continue to be safe and their needs have been met amid the COVID-19 pandemic.





Peter E. Bort, JD
First Vice Chairman



Theodore Bredikin



Patrick J. Burke



Constance Carino



Richard L. Greene



Erin L. Haas
Treasurer



Dr. David R. Jones, DO



Charles Ladner



Dr. Connie Stuckert
2020 President,
Residents' Association



Stephen S. Young

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

Trustees Emeriti
Sara Spedden Senior
Henderson Supplee, III

2020 OFFICERS *and* BOARD OF TRUSTEES

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

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



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Chairman of the Board



Bert Dalby



Jason Darrach



Robert Edmiston



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Genesis Healthcare, Inc.
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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. Some of our private duty services include personal care, medication reminders, light housekeeping, meal preparation, doctor appointment assistance and much more. Due to our close affiliation with Dunwoody Village, you have the peace of mind knowing your care is being provided by experienced



and compassionate professionals who are passionate about your wellbeing. We strive to provide the highest standard of care, exceeding your expectations and allowing you to remain independent and enjoy life to the fullest. Our goal is to get to know everything we can about you, your health and your needs so that we can provide personalized care that fits your lifestyle. For more information on Dunwoody at Home, call (610) 359-4503 or visit our website at www.dunwoodyhomecare.org.

Springton Lake

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

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

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

Financial Provisions

Current participants are responsible to pay Dunwoody Village a Monthly Fee of \$755.00 in advance each month. In the event of a Co-Participant, a second person fee of \$260.00 shall also be paid in addition to the Monthly Fee. Statements are issued monthly and contain applicable Monthly Fees, Second Person Fees when necessary, and all other miscellaneous charges incurred by Participant.

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

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

(As of January 1, 2021, the daily rates start at \$350/day for Personal Care; \$415/day for Memory Care; and \$460/day for Skilled Nursing care. All are subject to future increases.)

As of January 1, 2021, Dunwoody Village no longer offers the long-term care service program to new residents of Springton Lake.



AUDITED CONSOLIDATED

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019
WITH REPORT OF INDEPENDENT AUDITORS

- 33** Independent Auditors' Report
- 35** Consolidated Balance Sheets
- 36** Consolidated Statements of Operations and
Changes in Net Assets
- 37** Consolidated Statements of Cash Flows
- 38** Notes to Consolidated Financial Statements
- 60** 2021 Consolidated Operating Budget
- 61** Contractual Arrangements

2020 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, 2020 and 2019, 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.

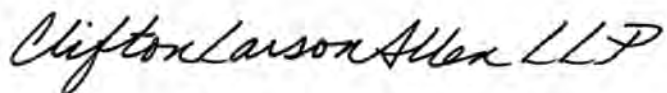
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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, 2020 and 2019, 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.

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

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
April 21, 2021

DUNWOODY VILLAGE
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 4,741,165	\$ 1,340,598
Accounts Receivable	955,983	1,159,908
Accounts Receivable - Entrance Fees	216,205	-
Prepaid Expenses and Other Current Assets	808,778	602,122
Total Current Assets	6,722,131	3,102,628
ASSETS LIMITED AS TO USE		
Internally Designated by Board of Trustees	32,071,581	28,038,483
Statutory Minimum Liquid Reserve	3,349,205	3,380,497
Bond Project Fund	1,288,939	-
Externally Designated by Donors	1,155,999	1,152,671
Total Assets Limited as to Use	37,865,724	32,571,651
PROPERTY AND EQUIPMENT, NET	79,511,001	76,043,672
Total Assets	\$ 124,098,856	\$ 111,717,951
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$ 772,281	\$ 778,725
Accounts Payable and Accrued Expenses	4,371,026	3,514,935
Refundable Deposits from Prospective Residents	607,560	557,950
Total Current Liabilities	5,750,867	4,851,610
INTEREST RATE SWAP AGREEMENT	607,651	909,328
LONG-TERM DEBT, NET	36,528,818	29,900,892
PAYCHECK PROTECTION PROGRAM LOAN	3,910,800	-
REFUNDABLE ADVANCE FEES	8,746,050	8,746,050
DEFERRED REVENUE FROM ADVANCE FEES	40,871,210	43,299,466
Total Liabilities	96,415,396	87,707,346
NET ASSETS		
Without Donor Restrictions	23,549,098	19,854,974
With Donor Restrictions	4,134,362	4,155,631
Total Net Assets	27,683,460	24,010,605
Total Liabilities and Net Assets	\$ 124,098,856	\$ 111,717,951

See accompanying Notes to Consolidated Financial Statements.

DUNWOODY VILLAGE

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
REVENUE, GAINS, AND OTHER SUPPORT		
Resident Care Fees	\$ 20,802,554	\$ 20,470,498
Medical Care Fees	7,790,261	9,114,028
Amortization of Deferred Entry Fees	6,519,167	6,592,516
Resident Services Fees	1,805,961	2,033,229
Provider Relief Funds - HHS	1,285,993	–
Investment Income, Net of Investment Fees	3,677,189	4,677,607
Other	114,803	203,894
Contributions	–	50,612
Net Assets Released From Restrictions	37,844	43,685
Total Revenue, Gains, and Other Support	42,033,772	43,186,069
EXPENSES		
Medical and Personal Care	14,102,385	13,678,453
Resident Services	922,611	772,069
Food Service	4,330,291	4,538,926
General and Administrative	5,680,334	5,139,856
Maintenance	3,089,374	3,178,037
Housekeeping and Laundry	1,992,276	1,921,872
Utilities	1,100,789	1,118,935
Real Estate Taxes	1,139,363	1,120,064
Depreciation	5,159,181	4,978,028
Interest	787,376	1,200,676
Total Expenses	38,303,980	37,646,916
OPERATING INCOME BEFORE OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	3,729,792	5,539,153
CHANGE IN VALUE OF INTEREST RATE SWAP	301,677	(129,732)
LOSS ON EXTINGUISHMENT OF DEBT	(337,345)	–
OPERATING INCOME AND INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	3,694,124	5,409,421
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	16,575	65,350
Net Assets Released from Restrictions – Used for Operations	(37,844)	(43,685)
Total Increase (Decrease) in Net Assets with Donor Restrictions	(21,269)	21,665
INCREASE IN NET ASSETS	3,672,855	5,431,086
Net Assets - Beginning of Year	24,010,605	18,579,519
NET ASSETS - END OF YEAR	\$ 27,683,460	\$ 24,010,605

See accompanying Notes to Consolidated Financial Statements.

DUNWOODY VILLAGE

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 3,672,855	\$ 5,431,086
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Change in Value of Interest Rate Swap	(301,677)	129,732
Restricted Contributions	(16,575)	(65,350)
Loss on Extinguishment of Debt	337,345	–
Depreciation	5,159,181	4,978,028
Amortization of Deferred Financing Costs	22,778	14,740
Net Realized and Unrealized Gain on Investments	(3,120,580)	(3,966,200)
Amortization of Deferred Entry Fees	(6,519,167)	(6,592,516)
Proceeds from Resident Deferred Entry Fees and		
Advance Deposits	4,002,772	7,639,575
Proceeds from Resident for Apartment Refurbishment	224,029	246,753
Refunds of Deposits and Refundable Fees	(86,280)	(1,000,359)
(Increase) Decrease in Assets:		
Accounts Receivable and Accounts Receivable -		
Entrance Fees	(12,280)	177,273
Prepaid Expenses and Other Current Assets	(206,656)	(8,491)
Increase (Decrease) in Liabilities:		
Accrued Construction in Progress	555,007	–
Accounts Payable and Accrued Expenses	301,084	(182,597)
Net Cash Provided by Operating Activities	4,011,836	6,801,674
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(2,521,126)	(2,196,053)
Sales of Investments	2,337,682	1,822,715
Acquisition of Property and Equipment	(8,626,510)	(6,777,400)
Net Cash Used by Investing Activities	(8,809,954)	(7,150,738)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(702,441)	(750,751)
Retirement of Long-Term Debt	(30,581,288)	–
Proceeds from Issuance of Long-Term Debt	38,116,633	–
Payment for Deferred Financing Costs	(571,545)	–
Proceeds from Paycheck Protection Program Loan	3,910,800	–
Restricted Contributions	16,575	65,350
Net Cash Provided (Used) by Financing Activities	10,188,734	(685,401)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	5,390,616	(1,034,465)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	8,083,384	9,117,849
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 13,474,000	\$ 8,083,384
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 594,692	\$ 1,193,980

See accompanying Notes to Consolidated Financial Statements.

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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 266 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. In the third quarter of 2020, Dunwoody Allied Services discontinued its home health line of services.

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

Principles of Consolidation

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

Mission Statement

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

Use of Estimates

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

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Charity Care

Dunwoody provides charity care to residents in the Trust program who meet certain criteria under the provisions of the William Hood Dunwoody Trust Under Will, provides financial assistance to residents in need through the Resident Reserve Fund, and provides financial assistance to residents in need that have depleted their funds in the Care Center. For the years ended December 31, 2020 and 2019, Dunwoody provided charity care of \$899,645 and \$769,276, respectively. These amounts represent the costs associated with providing this care. This charity care was funded by transfers from net assets with donor restrictions, contributions, and investment income and operations.

Cash, Cash Equivalents, and Restricted Cash

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

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 4,741,165	\$ 1,340,598
Cash and Cash Equivalents within Funds Internally		
Designated by Board of Trustees:		
Memorial Garden Fund	20,350	26,236
Dunwoody Trust - Emergency	49,690	28,343
Dunwoody Trust	49,949	34,018
Capital Projects	33,179	33,030
Project Escrow Fund	7,290,728	6,621,159
Externally Designated by Note Trustee - Project Fund	<u>1,288,939</u>	<u>—</u>
Total Cash, Cash Equivalents, and Restricted Cash		
Shown in the Statements of Cash Flows	<u><u>\$ 13,474,000</u></u>	<u><u>\$ 8,083,384</u></u>

Assets Limited as to Use

Assets limited as to use include assets set aside by the board of trustees for future capital improvements and other purposes over which the board retains control and donor-restricted assets under will. Assets limited as to use also include restricted assets externally designated by the Note Trustee for the Project Fund (see Note 5).

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Limited as to Use (Continued)

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.

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, 2020 and 2019.

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 the years ended December 31, 2020 and 2019 was \$22,778 and \$14,740, respectively, and is included as a component of interest expense on the consolidated statements of operations and changes in net assets.

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue from Advance Fees

Advance fees are initially refundable upon receipt, but become nonrefundable at the rate of 2% per month until becoming fully nonrefundable after 50 months. There are also advance fees that are either 50% or 100% refundable depending on the type of agreement signed by the resident. At December 31, 2020 and 2019, the portion of advance fees subject to refund provisions amounted to \$20,111,853 and \$24,557,340, respectively. Advance fees are recorded as deferred revenue and amortized into operating revenue over the actuarially determined life expectancy of each resident or resident couple, adjusted annually. Upon death of a sole surviving resident, any remaining unamortized portion of the entry fee is recognized as revenue.

Refundable Deposits from Prospective Residents

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

Obligation to Provide Future Services

Dunwoody calculates the present value of the cost of future services and use of facilities to be provided to current residents and compares that amount with the balance of deferred entry fees to determine if a liability and corresponding charge to income need to be recorded. As of December 31, 2020 and 2019, 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.

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

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.

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.

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

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.

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.

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident and Member Services Revenue (Continued)

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

Medicare

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

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

Other

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

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and Dunwoody's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated 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 2020 or 2019.

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 VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident and Member Services Revenue (Continued)

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

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

	2020	2019
Private Pay	\$ 25,923,971	\$ 25,328,752
Medicare	3,688,955	5,656,647
Commercial Insurance and HMO	900,653	836,250
Total	<u>\$ 30,513,579</u>	<u>\$ 31,821,649</u>

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

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:

	2020	2019
Service Lines:		
Independent Living	\$ 16,723,629	\$ 16,236,613
Skilled Nursing Facility	7,758,614	9,091,511
Personal Care	3,302,930	3,063,050
Memory Care	909,626	1,330,959
Private Duty	1,635,090	1,760,820
Other Sales	183,690	327,696
Total	<u>\$ 30,513,579</u>	<u>\$ 31,810,649</u>
Method of Reimbursement:		
Fee for Services	\$ 30,449,940	\$ 31,576,216
Other	63,639	245,433
Total	<u>\$ 30,513,579</u>	<u>\$ 31,821,649</u>
Timing of Revenue and Recognition:		
Services Transferred Over Time	\$ 30,449,940	\$ 31,576,216
Sales at a Point in Time	63,639	245,433
Total	<u>\$ 30,513,579</u>	<u>\$ 31,821,649</u>

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and the loss on extinguishment of debt. There are no other changes in net assets without donor restrictions that are excluded from the operating indicator.

Future Change in Accounting Policies – Leases

In June 2020, the FASB issued ASU 2020-05 which provided a one-year deferral of the effective dates of ASC 842, Leases, for all private companies and certain nonprofit entities. For private companies and private nonprofits, the leasing standard is effective for fiscal years beginning after December 15, 2021 therefore Dunwoody will adopt the standard effective for the year ended December 31, 2022.

Subsequent Events

In preparing these consolidated financial statements, Dunwoody has evaluated events and transactions for potential recognition or disclosure through April 21, 2021, 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 13).

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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>2020</u>	<u>2019</u>
Financial Assets as of Year-End:		
Cash and Cash Equivalents	\$ 4,741,165	\$ 1,340,598
Accounts Receivable, Net	955,983	1,159,908
Accounts Receivable - Entrance Fees	216,205	-
Assets Limited as to Use		
Investments, Internally Designated	32,071,581	28,038,483
Statutory Minimum Liquid Reserve	3,349,205	3,380,497
Investments, Externally Designated	<u>1,155,999</u>	<u>1,152,671</u>
Total Financial Assets	42,490,138	35,072,157
Less Amounts not Available to be Used Within One Year:		
Investments, Internally Designated	32,071,581	28,038,483
Investments, Externally Designated	<u>1,155,999</u>	<u>1,152,671</u>
Total Financial Assets not Available to be Used Within One Year	<u>33,227,580</u>	<u>29,191,154</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 9,262,558</u>	<u>\$ 5,881,003</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.

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 3 ASSETS LIMITED AS TO USE

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

	<u>2020</u>	<u>2019</u>
Internally Designated by the Board of Trustees:		
Board-Designated Funds	\$ 17,019,423	\$ 13,524,818
Residents' Reserve Fund	4,830,946	4,296,282
Trust Under Will	1,977,823	1,702,650
Dunwoody Allied Services Board-Designated Fund	436,098	1,464,311
Entrance Fees Escrow	7,290,728	6,621,159
Other Dunwoody Funds	<u>516,563</u>	<u>429,263</u>
Total	32,071,581	28,038,483
Statutory Minimum Liquid Reserve	3,349,205	3,380,497
Externally Designated by Note Trustee - Project Fund	1,288,939	-
Externally Designated by Donors:		
Trust Under Will and Bequest	1,105,999	1,102,671
Scholarship Fund	<u>50,000</u>	<u>50,000</u>
Total	<u>\$ 37,865,724</u>	<u>\$ 32,571,651</u>

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

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

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

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

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

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 3 ASSETS LIMITED AS TO USE (CONTINUED)

Under the provisions of the Pennsylvania Continuing Care Provider Registration and Disclosure Act (the Act), Dunwoody must maintain a statutory minimum liquid reserve that is equal to the greater of 10% of the total projected operating expenses for the next 12 months, exclusive of depreciation and amortization, or the total of all debt service (principal and interest) due during the upcoming 12 months 2019 debt service requirements. The statutory minimum liquid reserve requirement as of December 31, 2020 and 2019 is \$3,349,205 and \$3,380,497, respectively, and is based on 10% of the total projected operating expenses, exclusive of depreciation and amortization, for the next 12 months. Under the provisions and related amendments of the Act, cash and cash equivalents and investments of Dunwoody satisfy this requirement.

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

	<u>2020</u>	<u>2019</u>
Projected Annual Interest Expense	\$ 960,500	\$ 1,100,500
Principal Payments Due on Long-Term Debt	772,281	778,725
Liquid Reserve Requirement	<u>\$ 1,732,781</u>	<u>\$ 1,879,225</u>
 Projected Annual Operating Expenses	 \$ 33,492,046	 \$ 33,804,974
Minimum Rate	10%	10%
Liquid Reserve Requirement	<u>\$ 3,349,205</u>	<u>\$ 3,380,497</u>
 Statutory Minimum Liquid Reserve	 <u>\$ 3,349,205</u>	 <u>\$ 3,380,497</u>

Management believes that Dunwoody is in compliance with all other requirements of the Act as of December 31, 2020 and 2019.

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

	<u>2020</u>	<u>2019</u>
Assets Limited as to Use		
Cash and Cash Equivalents	\$ 8,732,835	\$ 6,742,786
Mutual Funds - Fixed Income	7,335,448	6,975,933
Mutual Funds - Domestic Equity	21,028,911	11,350,502
Mutual Funds - International Equity	768,530	7,502,430
Total Assets Limited as to Use	<u>\$ 37,865,724</u>	<u>\$ 32,571,651</u>

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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:

	2020	2019
Investment Income:		
Dividends and Interest Income, Net of Investment Fees	\$ 556,609	\$ 711,407
Realized Gains on Sales of Securities	120,889	396,794
Net Unrealized Gains (Losses) on Investments	2,999,691	3,569,406
Total Investment Income (Loss)	<u>\$ 3,677,189</u>	<u>\$ 4,677,607</u>

Financial assets and liabilities carried at fair value as of December 31, 2020 and 2019 are classified in the table below in one of the three categories described in Note 1:

December 31, 2020	Total Fair Value	Level 1	Level 2	Level 3
Assets:				
Mutual Funds:				
Fixed Income	\$ 7,335,448	\$ 7,335,448	-	-
Domestic Equity	21,028,911	21,028,911	-	-
International Equity	768,530	768,530	-	-
Total Assets	<u>\$ 29,132,889</u>	<u>\$ 29,132,889</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities:				
Interest Rate Swap	<u>\$ 607,651</u>	<u>\$ -</u>	<u>\$ 607,651</u>	<u>\$ -</u>

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

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 4 PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31 follows:

	2020	2019
Property and equipment:		
Land Improvements	\$ 1,274,695	\$ 1,214,695
Buildings and Improvements	124,271,559	122,362,158
Furniture and Equipment	5,011,525	4,718,333
Vehicles	549,114	473,152
Construction in Progress	7,615,109	1,350,754
Total	138,722,002	130,119,092
Less: Accumulated Depreciation	(59,211,001)	(54,075,420)
Total Property and Equipment, Net	<u>\$ 79,511,001</u>	<u>\$ 76,043,672</u>

Dunwoody's Strategic and Master Plan included a hallway renovation and beautification project. Related costs of \$-0- and approximately \$61,000 are in Construction in Progress as of December 31, 2020 and 2019, respectively. Dunwoody finalized Phase IV of the project and began preliminary work on Phase V at the end of 2019. \$4,847,000 of Phase V costs are in Construction in Progress as of December 31, 2020. Management estimates the total costs for Phase V to be approximately \$6,500,000. Phase V is expected to be completed in Spring of 2021. As of December 31, 2020 and 2019, respectively, Construction in Progress also includes approximately \$2,769,000 and \$1,235,000 of costs expended in relation to the common and dining area renovation and expansion (see Note 5 and Note 12).

Depreciation expense for the years ended December 31, 2020 and 2019 was \$5,159,181 and \$4,978,028, respectively.

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 5 LONG-TERM DEBT

Long-term debt consists of:

<u>Description</u>	<u>2020</u>	<u>2019</u>
Delaware County Industrial Development Authority Revenue Note, Series A of 2020, principal payments due monthly through 2050 at variable interest rates	\$ 7,273,633	\$ —
Delaware County Industrial Development Authority Revenue Note, Series B of 2020, principal payments due monthly through 2050 at variable interest rates	30,592,659	—
Delaware County Authority Revenue Bonds, Series 2013 Bonds, principal payments due monthly through 2043 at variable interest rates	<u>—</u>	<u>31,033,388</u>
Total	37,866,292	31,033,388
Less: Unamortized Deferred Financing Costs	565,193	353,771
Less: Current Portion	<u>772,281</u>	<u>778,725</u>
Total Long-Term Debt, Net	<u>\$ 36,528,818</u>	<u>\$ 29,900,892</u>

On December 20, 2013, Dunwoody entered into a bond purchase and loan agreement with the Delaware County Authority (the Authority) pursuant to which the Authority authorized \$35,000,000 of the Series 2013 revenue bonds. From the proceeds of this issuance, the Authority advanced a total of \$22,165,157 at closing which was 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 was to be used to fund the Carriage Home Project. The remaining amounts from the proceeds of issuance would 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 was a variable rate equal to 70% applied to onemonth LIBOR plus 2.15%. Since the inception of the agreement, \$12,338,222 was drawn down as of December 31, 2019. The remaining \$496,621 was used to pay off the debt in 2019.

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 5 LONG-TERM DEBT (CONTINUED)

In July 2020, Dunwoody entered into a note purchase and loan agreement with the Delaware County Industrial Development Authority (the Authority) pursuant to which the Authority agreed to issue \$30,843,000 a Series 2020B Revenue Note and up to \$33,552,000 in a Series 2020A Revenue Note for the purposes of 1) the current refunding of the outstanding Series 2013 Revenue Bonds; 2) the design, development, construction and equipping of an approximately 62,000 square foot area including an addition related to support areas including food services, dining facilities, auditorium relocation, and other common space improvements; 3) improvements to hallways of Dunwoody; 4) renovations to approximately 32 existing apartments and country house interiors; 5) the payment of the costs of the acquisition, construction and equipping of certain capital additions and improvements to Dunwoody's existing facilities; (clauses 2) – 4) are referred to as the "Project"); and 6) the payment of certain costs of issuance relating to the Notes. The interest on the Series 2020 notes is payable at variable rates (see Note 6 and Note 13). The 2020A Note is interest only until September 2020 (the Project period).

The 2020B Note was used to refund the 2013 Bonds. The 2020A Note is being used to fund the Project and will be drawn down through the construction period. As of December 31, 2020, Dunwoody has drawn \$7,273,633 on the 2020A Note in financing the Project. As of December 31, 2020, \$26,278,367 is available to draw on the 2020A Note. Dunwoody expects that the Project will be completed in August 2022.

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

Aggregate annual principal maturities for the Series 2020 notes for each of the next five years and thereafter are as follows:

Year Ending December 31,	2020A Note	2020B Note	Total
2021	\$ –	\$ 772,281	\$ 772,281
2022	285,940	787,290	1,073,230
2023	873,130	802,591	1,675,721
2024	891,207	816,685	1,707,892
2025	913,802	834,062	1,747,864
Thereafter	4,309,554	26,579,750	30,889,304
Total	<u>\$ 7,273,633</u>	<u>\$ 30,592,659</u>	<u>\$ 37,866,292</u>

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

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 5 LONG-TERM DEBT (CONTINUED)

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

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

NOTE 6 DERIVATIVE FINANCIAL INSTRUMENTS

Dunwoody entered into an interest rate swap agreement with 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 was \$13,875,000 and it was set to mature on April 1, 2024. Pursuant to the 2020 note purchase and loan agreement, the swap was terminated. At December 31, 2020 and 2019, the fair value of this interest rate swap agreement represented a liability in the accompanying consolidated balance sheets of \$-0- and \$909,328, 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.

Dunwoody entered into an interest rate swap agreement with Truist Bank on July 30, 2020 in order to eliminate the exposure to interest rate fluctuations associated with the 2020 B Note. The interest rate swap agreement effectively fixed the interest rate on these notes at 1.744%. The notional amount of the interest rate swap agreement is \$30,843,000 and it matures on August 1, 2035. At December 31, 2020, the fair value of this interest rate swap agreement represented a liability in the accompanying consolidated balance sheet of \$607,651. 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.

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 7 RETIREMENT PLAN BENEFITS (CONTINUED)

For the years ended December 31, 2020 and 2019, the annual discretionary contribution was 2.50%. Total retirement plan benefit expense for the years ended December 31, 2020 and 2019 was \$676,645 and \$577,804, 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:

	2020	2019
Medicare	29%	44%
Residents and Other	71%	56%
Total	100%	100%

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:

	2020	2019
Resident Benevolence	\$ 2,425,112	\$ 2,496,062
Memorial Garden and Other	458,103	438,113
Howard Turner Lecture Fund	95,148	68,785
Total	\$ 2,978,363	\$ 3,002,960

Net Assets Restricted in Perpetuity

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

	2020	2019
Trust Under Will	\$ 1,000,000	\$ 1,000,000
Howard Turner Lecture Fund	105,999	102,671
Scholarship Fund	50,000	50,000
	\$ 1,155,999	\$ 1,152,671

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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:

	2020		
	Care and Service to Community Members	Management and General	Total Expenses
Salaries	\$ 14,304,568	\$ 2,830,335	\$ 17,134,903
Payroll Taxes and Fringe Benefits	2,276,879	1,380,425	3,657,304
Contract Labor	913,393	54,082	967,475
Professional Fees	557,532	333,625	891,157
Occupancy	2,062,164	481,329	2,543,493
Dues and Subscriptions	125,031	32,979	158,010
Education	46,795	19,973	66,768
Medical Supplies	1,490,803	-	1,490,803
Office Supplies	49,911	28,890	78,801
Printing and Advertising	33,450	355,206	388,656
Equipment Lease and Maintenance	1,121,836	188,046	1,309,882
Postage	231	13,240	13,471
Telephone and IT Services	62,994	243,623	306,617
Insurance	36,525	320,756	357,281
Interest and Banking Fees	773,926	-	773,926
Utilities	1,069,130	-	1,069,130
Property Taxes	1,139,363	-	1,139,363
Depreciation and Amortization	5,175,359	-	5,175,359
Miscellaneous	363,911	417,670	781,581
Total Expenses	<u>\$ 31,603,801</u>	<u>\$ 6,700,179</u>	<u>\$ 38,303,980</u>

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 10 FUNCTIONAL EXPENSES (CONTINUED)

	2019		
	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	<u>\$ 31,582,119</u>	<u>\$ 6,064,797</u>	<u>\$ 37,646,916</u>

NOTE 11 STIMULUS FUNDS

Paycheck Protection Program Loan

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

Management applied for loan forgiveness in February 2021 and expects that loan will be fully forgiven. If all or a portion of the loan is forgiven, that amount would be recognized as revenue on the 2021 statement of operations in the operating indicator.

DUNWOODY VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 11 STIMULUS FUNDS (CONTINUED)

Provider Relief Funds

Due to the Coronavirus pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF). Total grant funds approved and received by Dunwoody were \$1,285,993. The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. At December 31, 2020, Dunwoody recognized \$1,285,993 as operating revenue in the statement of operations. Management believes the amounts have been recognized appropriately as of December 31, 2020.

NOTE 12 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 \$121,322 and \$192,913 has been recorded for incurred but not reported claims as of December 31, 2020 and 2019, respectively.

Project

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

DUNWOODY VILLAGE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 12 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Project (Continued)

The commitment related to the 2020 Project is \$30,573,882. As of December 31, 2020, the remaining commitment is \$23,514,441 including retainage. The commitment will be funded primarily from future draws on the 2020A Note and amounts from the Project Fund, which is included in the Assets Limited as to Use.

\$7,615,109 was included in Construction in Progress under Property and Equipment as outlined in Note 4. Phase V of campus hallways is expected to be completed in the second quarter of 2022. The expansion and renovations to the Community Center and common areas including Administration offices are expected to be completed by the third quarter of 2022.

NOTE 13 SUBSEQUENT EVENTS

As of December 31, 2020, current liabilities associated with the 2020 Project totaled \$555,007, which includes requisitions payable for December (\$326,288), and retainage payable (\$228,719). The December requisition was funded in January 2021.

Dunwoody entered into an interest rate swap agreement with Truist Bank on March 22, 2021 in order to eliminate the exposure to interest rate fluctuations associated with a portion of the 2020A Note. The interest rate swap agreement effectively fixed the interest rate on these notes at 2.48%. The interest rate swap agreement has an effective date of August 1, 2022, an initial notional amount of \$25,000,000 and matures on August 1, 2035. The interest rate swap was not designated as a hedge for financial reporting purposes. As a result, the change in fair value will be reported as a separate component of operating income (loss) in the consolidated statement of operations and changes in net assets.

DUNWOODY VILLAGE

2021 CONSOLIDATED OPERATING BUDGET

	Total Budget <i>(000s omitted)</i>
Revenue, Gains, and other Support:	
Resident Care Fees	\$ 16,680
Medical Care Fees	14,168
Earned Entrance Fees	6,075
Resident Service Fees	1,939
Interest and Dividends	427
Other Revenue	122
Total Revenue	\$ 39,411
Expenses:	
Medical and Personal Care	\$ 13,893
Resident Services	738
Food Services	4,741
General and Administrative	5,674
Maintenance	3,286
Housekeeping and Laundry	2,129
Utilities	1,161
Real Estate Taxes	1,380
Depreciation & Amortization	5,269
Interest	960
Total Expenses	\$ 39,231
Operating Income	\$ 180

Note - All figures are in rounded thousand dollars.

DUNWOODY VILLAGE
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 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.

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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
2021	\$ 152,000	\$ 167,600	\$ 4,012	\$ 6,518
2020	\$ 152,000	\$ 167,300	\$ 3,933	\$ 6,390
2019	\$ 152,000	\$ 167,000	\$ 3,800	\$ 6,170
2018	\$ 152,000	\$ 167,000	\$ 3,475	\$ 5,960
2017	\$ 150,000	\$ 165,000	\$ 3,375	\$ 5,790

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



In appreciation for the dedicated, hard-working Dunwoody Village staff during the pandemic, residents joined forces to create gift bags with personalized thank you notes that were delivered to employees in all departments.



DUNWOODY VILLAGE

A Continuing Care Retirement Community



Five-Star Rated Healthcare

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

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



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

 **Pet Friendly**

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

