DUNWOODY VILLAGE

ONE DUNWOODY

2021 ANNUAL REPORT

ABOUT DUNWOODY

Statement of Intentions

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

The LeadingAge Quality First Elements of Quality

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

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

LeadingAge™ Quality First

VILLAGE

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 room, woodworking shop, gift shop, hair salon, and game room.

5. Minimum Age for Admission
The minimum age for admission is 60.

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

7. The Current Resident Population
The current resident population is 414.

8. Sample 2022 Fees
One-bedroom apartment: *(Non-refundable option)*

	Single	*Double*
Entrance Fee	$ 152,000	$ 167,600
Monthly Fee	$ 4,162	$ 6,762

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

	Single	*Double*
Entrance Fee	$ 228,000	$ 251,400
Monthly Fee	$ 4,162	$ 6,762

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

Vanguard is a family of about 215 U.S. funds with more than $8.51 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.

ONE

DUNWOODY

Several years ago, the Dunwoody Village Board of Trustees adopted the concept of *"One Dunwoody"* to describe our community's culture. Through the collaborative efforts of Board members, residents and staff, *One Dunwoody* became the primary driving force to build a community that promotes inclusiveness and improves the quality of life of every resident.

What is One Dunwoody? It's residents feeling at home from the day they move here. It's camaraderie between residents and staff. It's an active, engaged Board of Trustees. It's the highest standards of care as residents' needs change.

What is One Dunwoody? It's a feeling. A culture. An awareness. An ideal that propels us forward, continually striving toward a standard of excellence to make Dunwoody even better than before.

What is One Dunwoody? It is our hope that, through the stories on the following pages, you will get a sense of what it is to be a part of *One Dunwoody*.

A LETTER FROM BOARD CHAIRMAN
EDWARD CHIOSSO

The past year has been a tremendous period of change at Dunwoody Village, but we have much to be proud of and many accomplishments to celebrate:

We successfully brought on our wonderful new president, Maureen Casey, and we've all been impressed with her leadership, communication and accessibility.

We completed Phase I of our campus construction project, including 3 of 5 new dining venues, a state-of-the-art auditorium, fitness center, library, arts and crafts studio, salon, history studio, woodshop and administrative space, which we could comfortably afford given our sound financial position.

We completed hallway and campus beautification projects.

Our recruiting and retention programs for clinical staff were a huge success, enabling us to seamlessly serve our current residents, welcome skilled nursing admissions and continue strong relationships with our hospital partners

Our staff achieved 100% vaccination status as well as booster status.

The Board, with input from residents and staff, previously developed a long-range strategic plan to assure our continued success. The plan is constantly evolving and adapting to meet the current and future needs of our community. The plan is comprised of four pillars:

- ***"One Dunwoody":*** This is an exciting initiative that is built on the successful collaboration between our key stakeholders: residents, employees and the Board. The concept of *One Dunwoody* creates an environment of unity, transparency and communication throughout the organization and is evident in our actions and values. *One Dunwoody* will continue to evolve with input from all key stakeholders.
- ***Healthcare Services***: We are engaged in evaluating the future of healthcare and how best to facilitate and support healthy aging across our continuum. We are proud of our 5-Star CMS rating, our preferred provider status and our high-quality healthcare services. Through a generous donation, we are embarking on a year-long educational process to incorporate Montessori into our culture. This process includes education and on-site training for our staff, residents and families resulting in individualized approaches and an environment that promotes respect and dignity and enables people to function at their highest levels. The Strategic Planning Committee of the Board was renamed the Healthcare and Strategic Planning Committee to reflect the importance of healthcare at Dunwoody.
- ***Technology Enablement***: We are enhancing our capabilities and our resident technology experience. We have implemented resident engagement technology which enables residents to access information about Dunwoody, including entertainment schedules, menus and directories at the touch of a button. Soon families, staff and potential residents will also be able to access select information. Additionally, we have completed an IT assessment and developed an IT roadmap which will guide us in achieving our technology and business-related goals as we strive to be a leader in this space.
- ***Leadership & Engagement:*** Our Board of Trustees is comprised of 17 volunteer professionals with skills and experience on a variety of topics, including but not limited to healthcare, marketing, finance, insurance and human resources. Our dedicated Board members also serve on at least one other committee of the Board, including Healthcare and Strategic Planning, Finance, Governance and Nominating, and Compliance. Our Board is engaged and continues to partner with our staff and residents to further our mission and cultivate a culture of *One Dunwoody*.

With so many talented professionals committed to the continuing success of Dunwoody Village, new leadership and expansion of our residential facilities and amenities, we remain excited about our future.

Sincerely,
Edward A. Chiosso
Chairman of the Board

A LETTER FROM PRESIDENT & CEO MAUREEN CASEY

Just over a year ago I began my role as President and CEO at Dunwoody Village and I was thrilled to accept *this* role in *this* community. Dunwoody has a stellar reputation in both the region and in the greater field of gerontology and senior living, but it's difficult to understand what makes the place so special until you're here among its residents and staff.

That became clear to me early on: The residents were warm, kind and engaged, and the leadership and staff were open, creative and nimble. Ed Chiosso, our chairman, and every member of the Board, was readily available with advice and enthusiasm.

The Board Search Committee clearly laid out the opportunities, challenges and expectations I would face. The job would entail leading a financially secure, not-for-profit, single-site Continuing Care Retirement Community (CCRC), but with the support of a strong Board, talented leadership team, dedicated staff, and a supportive, engaged community of residents and families.

During the interview process, I was introduced to the concept of *One Dunwoody*. *One Dunwoody* fosters collaboration among our 3 key stakeholders – Residents, Staff and Board. *One Dunwoody* nurtures the ongoing development, growth and success of our community. *One Dunwoody* encourages communication, supports relationships, facilitates change and promotes unity and cooperation. *One Dunwoody* is not defined by words but through living our values of respect, dignity, honesty and integrity through our actions. *One Dunwoody* continues to evolve and improve.

The big challenge in my first year was to oversee a return to normalcy, as Covid limited activities and the socializing of residents. In addition, Dunwoody's $24M construction project impacted dining, entertainment and many of the resident spaces on our suburban campus. Although it was a difficult time, we came together – I listened to the ideas of residents and staff, built new relationships, enhanced and improved our modes of communication, and developed partnerships, all to strengthen our community.

As we enter 2022, I want to thank the Board of Trustees, our leadership team and staff, and the residents and families of Dunwoody Village for their constant support. We look forward to opening our new venues and spaces and we are thrilled our residents can continue to pursue their passions and strengthen and build friendships in the comfort of their beautiful homes. We look forward to embracing the future with hope and excitement.

Sincerely,
Maureen Casey
President & CEO

A LETTER FROM 2022 PRESIDENT, RESIDENTS' ASSOCIATION / EX-OFFICIO MEMBER OF THE BOARD
DR. NANCY BLOOMFIELD

The Dunwoody Village Residents' Association gives voice to the needs of all residents here at Dunwoody, including those in Independent Living, Personal Care and Skilled Care. The Residents' Association works to satisfy the desires of our community through our elected officers, executive committee and 30 other committees that provide a full spectrum of activities and opportunities. We work closely with our Board of Trustees, our administration and the staff to offer the best possible retirement experience for all. We welcomed our new CEO, Maureen Casey, and bonded with her as she took over her varied and challenging responsibilities.

Now that we are finally emerging from two very difficult years, we are celebrating a return to a full and rewarding life here on campus. The combination of Covid restrictions and construction of our expanded facilities has been a real challenge for all of us, but our residents have demonstrated incredible resilience and good humor throughout. We expanded our entertainment programs, built a community garden, engaged in many outdoor activities despite the absence of our putting green and croquet course. We ate our dinners in a large tent during the warm months and then moved into our auditorium and gift shop space for winter. Those of us who ate in the dining spaces enjoyed the flexibility of seating, which allowed us to spend time with good friends and welcome new residents to our community. We are encouraging folks to return to group activities, including bridge, Mahjong, dominoes, programs in the auditorium, and men's and women's discussion groups. Although we were unable to have our holiday bazaar in 2021, we found many creative ways to earn some money for our treasury and create beautiful gifts for our residents.

We look forward to the completion of the construction project, the receding of Covid challenges and a resumption of the wonderful and varied experiences we can enjoy here. We anticipate a year of good times and renewed relationships as we bond together in our One Dunwoody Community.

Best,
Nancy Bloomfield

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.

2022 Residents' Association Executive Committee members:

Standing: Judy VanAllen, *Member at Large;* Lisa Twitmyer, *Member at Large;* Jim Carino, *Assistant Treasurer;* Joe VanderVeer, *Member at Large;* Steve Ruzansky, *Vice President*

Seated: Robin Spencer, *Recording Secretary;* Norma Winther, *Member at Large;* Cynthia Corboy, *Treasurer;* Nancy Bloomfield, *President*

Not Pictured: Ginni Condo, *Corresponding Secretary*

Welcome Home

Dunwoody Village is about carefree living, leaving time for great conversations with people from all walks of life. There is truly something for everyone at Dunwoody, whether it be a game of pickleball, a pottery class, or an afternoon spent relaxing outside with friends, sunshine, and a nice glass of wine.

The welcoming nature of Dunwoody has been a recurring theme as people move in, and that feeling of being welcomed is attributed to residents, staff and administration working as one to make new residents feel at home.

Diana Robison said that when she and her brother Ellis Wasson moved to Dunwoody Village, the hospitality committee organized a series of dinners, with different people. “We got to know a lot of people pretty quickly because of that.” It wasn’t long, Diana said, before somebody called and invited her to join a women's group, and somebody else called and invited her to a couple of bridge groups. “I've met a lot of really nice people. I think it's unusual at my age to make new friends, and that's been a real pleasure. We love it.”

Ellis and Diana moved into Dunwoody in 2021. They’re siblings who got used to living together as adults after Ellis retired five years ago as a history teacher and department chair at the Tower Hill School in Delaware and moved into Diana’s home in Radnor. She had retired as director of alumni and parent programs at the Shipley School in Bryn Mawr.

“It helped us to figure out if we could stand each other,” Diana said with a laugh.

They looked into Dunwoody soon thereafter. They originally looked at the larger homes, but then came back about two years ago to check out the apartments. “We thought they would probably be a better fit for us. I guess it was about a year later, we got a call. Also, our brother and his wife were considering Dunwoody and had previously signed up. As he was a banker,

Dunwoody Village residents Ellis Wasson and sister Diana Robison visit their sister-in-law, Suzy Wasson, in her East Country House. From meeting new people through women's groups and bridge games, to moderating current affairs lectures, to writing for the resident publication,* Inside Dunwoody*, all three have become active participants in community life at Dunwoody.

we put great trust in his financial judgment. We decided that if he decided Dunwoody was sound, it would probably be a good idea for us."

Now Ellis, who's still an adjunct history professor at the University of Delaware, makes presentations for Dunwoody's Current Affairs Committee. "There's a lot of interest in current events," he says. "All you have to do is walk along the corridor in the morning and you'll see either the New York Times or Wall Street Journal at many doors. There's a really serious interest in news and world affairs and the discussions have been excellent."

Longtime Agnes Irwin School first-grade teacher Suzy Wasson, Ellis and Diana's sister-in-law, moved into an East Country House at Dunwoody in October 2021, after nearly a decade on the waiting list. She and her husband, Sam, had never been ready to move when previous openings had come up. A week after Sam passed away in February 2021, Suzy got a call from Elaine Kaiser, Marketing Director, that a country house was available. "I did what you're not supposed to do: make a major decision to move so soon after losing one's spouse."

“If I stayed in my home, I would have been very isolated, and I think it would have been a very lonely environment. Here you really feel like you’re in a community.”

Suzy said that she’s glad she made the move: “If I stayed in my home,” she said, “I would have been very isolated, and I think it would have been a very lonely environment. Here you really feel like you're in a community. I don't think the grieving process ever goes away for my Sam, but it does help to have a community and know that there are other people that have gone through similar situations.”

With a scooter to help her get around, Suzy said she also is pleased that everything is connected indoors. “It's about a ten-minute ride for me to get to the main dining area,” she said, “but the hallways are very attractive. You don’t get that closed-in feeling. There are railings, it’s all carpeted, lots of glass atriums with little gardens. And you can go anywhere inside — to physical therapy, to the health center, to the library. But on a nice day, you can take lovely walks outside.”

Top of mind for Suzy was the continuum of care, and what made Dunwoody her first choice, she said, was the quality of its care center that includes personal care, memory care and skilled nursing. “I did it for my children as well. They can breathe a big sigh knowing that I'm taken care of.”

Healthcare Initiatives

Having a strong reputation for its healthcare means Dunwoody Village is continually exploring advances in senior living care services. Two exciting science-based initiatives are being implemented that will keep Dunwoody at the forefront of senior care:

Transitional Care Model. Fifteen team members are participating in an intensive course through the University of Pennsylvania that applies a research-based approach to transitions in care. The Transitional Care Model, in its original form, is designed to improve outcomes as patients return to their homes from hospital stays. Dunwoody Village is the first continuing care retirement community to work with UPenn to incorporate the Transitional Care Model to build best practices as residents transition from one level of care to another within a senior living setting.

Montessori for Aging and Dementia. Over fifty team members are participating in the initial training as Dunwoody introduces an innovative, person-centered approach that reinforces the sense of community and brings purpose and meaning to our residents’ lives every day.

Suzy happily busies herself with oil painting, working on the Village newsletter and enjoying her fellow residents. “People who live here have had such interesting lives,” she said. “You always have good conversation.”

Having interesting people to talk to is a hallmark of Dunwoody Village. But there’s lots more to do than chat. When the weather is nice, residents can practice their short game on the putting green, pet four-legged friends in the dog park, stroll along the walking trail, or get the body moving with a game of pickleball or croquet. Inside, there’s billiards and table tennis, a fitness center with instructor-led classes, and an indoor swimming pool with staff on duty. For residents who want to exercise their brains, there’s a well-stocked library with over 7,000 books and a catalogue that’s now also online, an arts & crafts studio, a floral studio and a woodworking shop.

Our fitness center, staffed by trained instructors, has all the equipment residents need to stay in shape — and group exercise classes, such as yoga, add a social element. Residents may also swim indoors or stay active outdoors playing croquet, pickleball, or work on their golf game on our putting green. Also invigorating are our walking trails, where you might see deer, turtles, foxes and numerous species of birds.

Living Well

Linda Walters' photography know-how became quickly popular with her fellow residents. She can be seen taking pictures around the campus and is often enlisted to take individual and group photos. Here, she is assisted by her husband, Floyd, as Rainee patiently poses with her owner, Jay Pennypacker.

Whether trying something new or simply continuing long-held pastimes, there truly is something for everyone. Take Floyd and Linda Walters, who moved in last year. The couple spent many years living abroad as Floyd was a prominent chemical engineer and Linda a photographer. For the last 25 years or so they lived on a goat farm in northern Chester County, and under the name of Iron Bridge Farm, made nationally award-winning goat cheese.

They chose Dunwoody Village, in part, to be close to their two daughters — a son who lives in Paris was the producer of "Finding Nemo" — and although they couldn't have picked a tougher time to move in, between the Covid restrictions and construction, they found staff and residents very welcoming. To pay it forward, the Walters have since joined the hospitality committee to welcome new residents themselves.

Floyd and Linda adjusted to their new surroundings quickly. "At first, when you move here," Linda said, "you see some of the residents with their walkers and scooters and you're thinking, oh, am I really that old now?" She's 83; Floyd is 95. "But that's the last time you ever notice, because you start to see people as individuals. And everybody has a story."

At Dunwoody, Linda has reconnected with photography and can be seen taking pictures around the campus. Another highlight has been with her writing.

"People who live here have had such interesting lives. You always have good conversation."

"Everyone has a part of them that wants to write poetry," she said. "Well, the resident newsletter, called *Inside Dunwoody*, has been publishing my poetry. Could you ask for anything more?"

You don't need to ask. There is more. Here's the Dunwoody Difference:

- Dunwoody Village is known for its 5-star healthcare, with on-site access to a doctor, nurse practitioner, medical specialists and a dentist/hygienist.
- Dunwoody is only 30 minutes from Philadelphia, Longwood Gardens, Chadds Ford, 20 minutes from the King of Prussia Mall to the north and 25 minutes from the Philadelphia International Airport to the south. Golf courses are close by in every direction.
- 24-hour security and an on-site generator means you should feel safe and you'll never lose electricity.
- Because Dunwoody Village is not-for-profit, it has the financial stability you would want in a CCRC — and money is invested back into the community.
- Mail is delivered and picked up at your door, unique to Dunwoody among the area CCRCs. That means no walks to the end of the driveway in the cold to get some unwanted ad circular.
- Pending availability, residents' guests can reserve an apartment for their visit.
- Signing up for the waiting list means you can visit, socialize and use amenities.
- Interior walkways throughout make it easy to get around, plus there are miles of outdoor walking trails.
- New 200-seat auditorium with ADA access and new lighting and audio controls.
- Pet friendly policies with no weight restrictions. Your St. Bernard is welcome here. Not your elephant.
- Free daily continental breakfast.

Help When You Need It

One thing that has always set Dunwoody Village apart is its healthcare, which provides residents with a continuum of quality care when needed. The Theurkauf Wellness Center, through its physicians, nurses and social workers, offers wellness programs and health services that promote independence. Activities such as fitness classes and strength training and preventative medicine initiatives can provide an important foundation to help residents mitigate future health issues. And, as residents age and require more assistance, personal care and skilled nursing in the Care Center become a valuable resource with comfortable private accommodations, rehabilitation services and memory support all in one place.

With the completion of Phase I of the expansion and renovation of the Community Building came the opening of new dining venues. By November, 2022, when Phase II is completed, residents will have five dining options from which to choose: Hearthside (casual), 1712 (waited), Reserve (private), Foxes' Den (lounge), and Trolley Stop (grab-n-go).

Making

"A number of amazing people have come forth who are truly rediscovering music in their lives. Other people come to listen because they love music, and live music has a whole different kind of ambience and feeling."

Steve Ruzansky, 74, is back playing bluegrass and quickly became part of the Dunwoody music scene after moving to a two-bedroom apartment in 2021.

"I was a teacher and a school counselor for almost forty years in Havertown, a Judge of Elections for many years and I'm now an amateur Bluegrass jammer," Ruzansky said.

"I'd hoped that years ago, my wife and I would move into a CCRC, but she resisted the idea. Last year, she passed away."

Ruzansky had done a lot of research on the different CCRCs in the Philadelphia suburbs because he wanted to stay in the area. What attracted him to Dunwoody was the energy of the residents. "It made the decision a no-brainer," he said.

"The staff and residents have been phenomenally supportive in terms of dealing with losing my wife, and there have been all sorts of opportunities to do things — I set up a weekly low-stakes poker game. People just jumped at that. And now that most of the construction is

Connections

“We have a player who used to play in a band as a teenager and then became a doctor. Now he’s looking at his old sheet music and getting back into it.”

done, the prospects are even more wonderful. It's a whole new era and it's nice to be here.”

It’s common for residents to want to give back to the community and Ruzansky chose to give back in the area of music. “I play a number of different instruments — banjo, fiddle, guitar, ukulele — and so I set up a time and place to play, and the marketing department was very supportive as far as putting it on the calendar, reserving the room and just calling it a Jamwich. It's more like a music sharing because we don't necessarily

At Dunwoody Village, 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. Here 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*

all play together. But I started and then people came. One resident had given his guitar away to his grandson thinking that he wouldn't play music anymore. Well, he came and heard me playing and . . . he got his guitar back from his grandson. He's got a wonderful voice, is wonderful with the guitar, and he's rediscovered music. And that's true with a number of different people who have joined in on the jam. We have a player who used to play in a band as a teenager and then became a doctor. Now he's looking at his old sheet music and getting back into it. A number of amazing people have come forth who are truly rediscovering music in their lives. Other people come to listen because they love music, and live music has a whole different kind of ambience and feeling. It's exciting. It's been very gratifying and it's kept me on my musical toes."

"The performers have various levels of musical ability," Ruzansky added with a chuckle, "and the people coming to listen understand this, and they've been very gracious. I have also been doing some music sharing with the residents in the care center. I don't know if it does any kind of healing, but my mother had Alzheimer's and she used to play piano all the time. She didn't know where she was, but she could sit down and play all these old tunes. It's an interesting phenomenon and I think it's a factor in terms of the health of the people here. I know it is for me. There's a magic in sharing music."

Ruzansky also praised the quality and variety of the food. "They have provisions for gluten-free, better opportunities for those who are vegetarians and anyone who is looking to watch that they're eating properly. There's a lot of variety. And the ambiance is great."

"I think of how I would have been on my own in the house alone," Ruzansky said, "and I probably would have gone batty. But here I get a chance to socialize with interesting, gracious, enthusiastic people and staff. And other than proposing to my wife years ago, choosing Dunwoody Village has been one of the best decisions that I've ever made."

A new brick oven in our Hearthside casual dining venue is cooking up fresh, delicious pizzas and flatbreads daily. Sometimes our clever chefs use it to make pasta dishes, salmon, and even desserts!

Hearthside, our largest dining area, is both vegetarian and gluten-friendly, and has something for just about every palate. Our residents enjoy fresh made-to-order salads, brick-oven pizza, and freshly carved meats. Also offered are many resident favorites, including grilled burgers, sandwiches and wraps, and a dessert station.

The Right Choice

When William and Nancy O'Toole considered ways to customize their East Country House, they chose to replicate the kitchen from their home, which they had remodeled several years prior. The apartments, country houses and Penrose carriage homes provide comfortable living settings, and residents have options to customize their home to suit their style.

Dunwoody offers a variety of sunny, spacious housing options in our community, nearly all with a patio or balcony and picturesque views. The apartments, country houses, and Penrose carriage homes provide comfortable living settings, and residents have options to customize their home to suit their style.

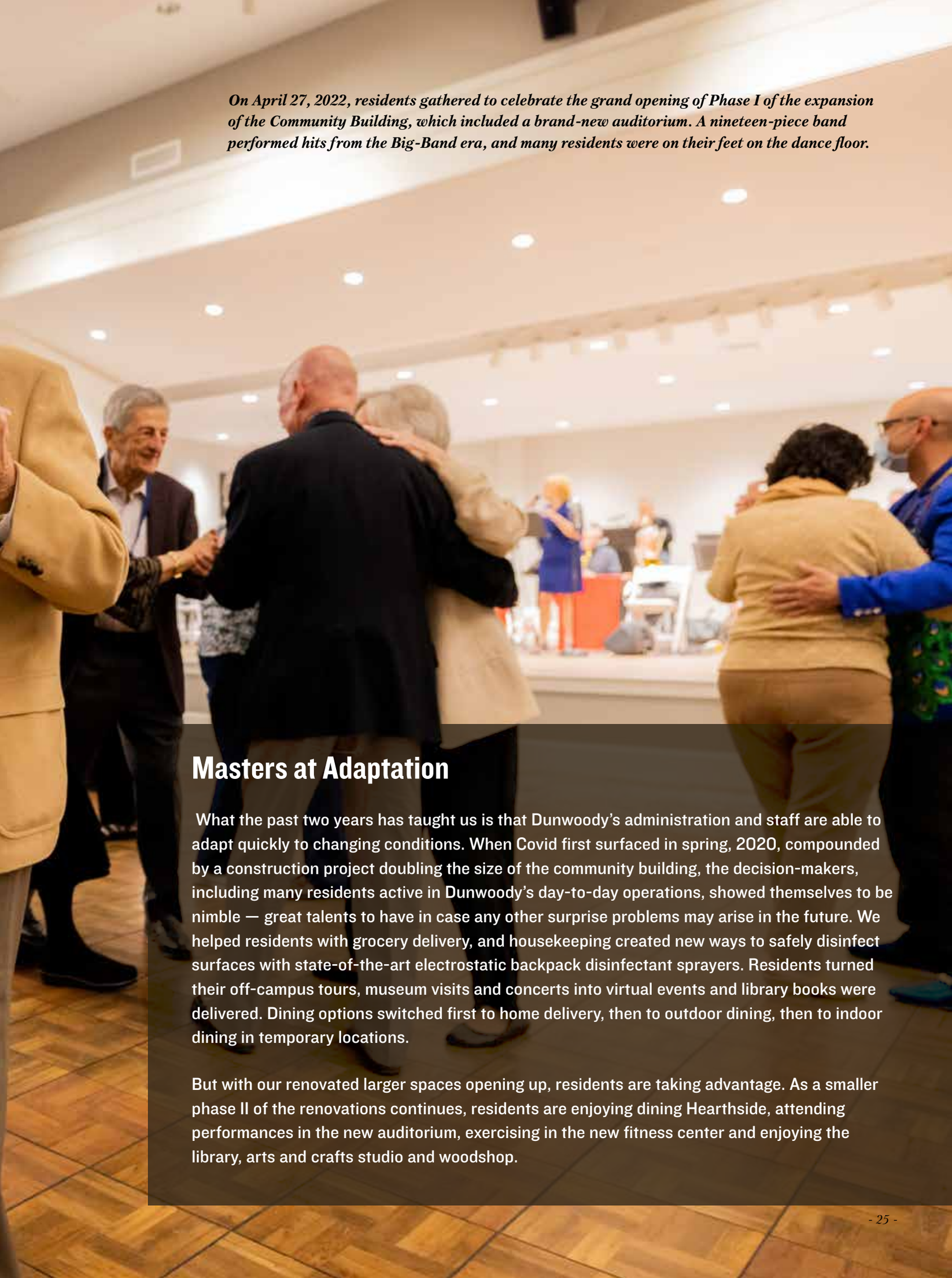
In the spring of 2022, William and Nancy O'Toole began packing to move from their home of 30 years to an East Country House, and even though moving can be among the most stressful of events, especially later in life, William and Nancy were eager to get into their new home.

"We are so excited to be able to walk to everything indoors," Nancy said, "all of the activity spaces and dining. A big plus is that if one of us needs to transition to care, it's right here."

"As we've taken part in some of the activities in anticipation of our move, we felt welcomed from the very beginning, like we were with old friends, or family," Nancy said.

Also making the Country House feel quickly like home was William and Nancy's new, customized kitchen. The couple had done an extensive kitchen remodel in their home a few years ago and were able to almost exactly replicate it in their new country house. "It's almost an identical duplicate," Nancy said, "except it's better because we learned from a few minor mistakes that we made the first time — like our countertops. We chose a different kind. So, it's like the old kitchen but even better."

"And I know where everything is," William laughed.



On April 27, 2022, residents gathered to celebrate the grand opening of Phase I of the expansion of the Community Building, which included a brand-new auditorium. A nineteen-piece band performed hits from the Big-Band era, and many residents were on their feet on the dance floor.

Masters at Adaptation

What the past two years has taught us is that Dunwoody's administration and staff are able to adapt quickly to changing conditions. When Covid first surfaced in spring, 2020, compounded by a construction project doubling the size of the community building, the decision-makers, including many residents active in Dunwoody's day-to-day operations, showed themselves to be nimble — great talents to have in case any other surprise problems may arise in the future. We helped residents with grocery delivery, and housekeeping created new ways to safely disinfect surfaces with state-of-the-art electrostatic backpack disinfectant sprayers. Residents turned their off-campus tours, museum visits and concerts into virtual events and library books were delivered. Dining options switched first to home delivery, then to outdoor dining, then to indoor dining in temporary locations.

But with our renovated larger spaces opening up, residents are taking advantage. As a smaller phase II of the renovations continues, residents are enjoying dining Hearthside, attending performances in the new auditorium, exercising in the new fitness center and enjoying the library, arts and crafts studio and woodshop.

2021 OFFICERS & BOARD OF TRUSTEES

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President / CEO
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Kennett Square, PA 19348

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

Trustees Emeriti
Sara Spedden Senior
Henderson Supplee, III

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

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

Peter E. Bort
First Vice Chairman

Theodore Bredikin

Patrick J. Burke

Constance Carino

Maureen P. Casey
President / CEO

Edward A. Chiosso
Chairman of the Board

Bert Dalby

Jason Darrach

Robert Edmiston

Linley Grandison

Richard L. Greene

Erin L. Haas
Treasurer

Garth Hoyt

Dr. David R. Jones

Charles L. Ladner

Anne S. Morse
Secretary

Reid Smith, CFA

Stephanie Strid-Davis

Dr. Connie Stuckert
2021 President,
Residents' Association

Stephen S. Young

2022 DUNWOODY VILLAGE LEADERSHIP TEAM

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.

Susan Bankert
Director of Nursing

Maureen Casey
President/CEO

Len Dachino
Controller

Brandon Jolly
Director of Health Services

Elaine Kaiser
Director of Marketing

Wes Kuehnle
Director of Facilities

Gary Ladeau
Director of Environmental Services

Julia McCartha
Director of Dining Services

Curt Sayers
Director of Human Resources

Brian Schroeder
Director of Homecare,
Dunwoody at Home

It was an exciting evening as the ribbon was cut and, for the first time, residents gathered in the expanded portion of the Community Building that added 15,000 square feet to each of the two levels. Symbolically, all three expressions of One Dunwoody *cut the ribbon: President/CEO Maureen Casey, Residents' Association President Nancy Bloomfield, and Trustee Pat Burke.*

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.

DUNWOODY *at* HOME

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 $815.00 in advance each month. In the event of a Co-Participant, a second person fee of $280.00 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, 2022, the daily rates start at $350/day for Personal Care; $415/day for Memory Care; and $480/day for Skilled Nursing care. All are subject to future increases.)

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, 2021 AND 2020 WITH REPORT OF INDEPENDENT AUDITORS

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64 2022 CONSOLIDATED OPERATING BUDGET

65 CONTRACTURAL ARRANGEMENTS

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

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Dunwoody Village
Newtown Square, Pennsylvania

Opinion

We have audited the accompanying consolidated financial statements of Dunwoody Village, which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dunwoody Village as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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Board of Trustees
Dunwoody Village

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dunwoody Village's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dunwoody Village 's ability to continue as a going concern for a reasonable period of time.

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

Board of Trustees
Dunwoody Village

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 27, 2022, on our consideration of Dunwoody Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Dunwoody Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dunwoody Village's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
April 27, 2022

CONSOLIDATED BALANCE SHEETS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 7,308,486	$ 4,741,165
Accounts Receivable	633,423	955,983
Accounts Receivable - Entrance Fees	–	216,205
Prepaid Expenses and Other Current Assets	922,079	808,778
Total Current Assets	8,863,988	6,722,131
ASSETS LIMITED AS TO USE		
Internally Designated by Board of Trustees	35,475,482	32,071,581
Statutory Minimum Liquid Reserve	3,408,010	3,349,205
Bond Project Fund	2,005,041	1,288,939
Externally Designated by Donors	1,157,457	1,155,999
Total Assets Limited as to Use	42,045,990	37,865,724
PROPERTY AND EQUIPMENT, NET	90,989,484	79,511,001
Total Assets	$ 141,899,462	$ 124,098,856
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	$ 1,073,230	$ 772,281
Accounts Payable and Accrued Expenses	6,843,180	4,371,026
Refundable Deposits from Prospective Residents	665,110	607,560
Total Current Liabilities	8,581,520	5,750,867
INTEREST RATE SWAP AGREEMENTS	353,915	607,651
LONG-TERM DEBT, NET	47,825,788	36,528,818
PAYCHECK PROTECTION PROGRAM LOAN	–	3,910,800
REFUNDABLE ADVANCE FEES	8,671,800	8,746,050
DEFERRED REVENUE FROM ADVANCE FEES	40,541,445	40,871,210
Total Liabilities	105,974,468	96,415,396
NET ASSETS		
Without Donor Restrictions	31,687,860	23,549,098
With Donor Restrictions	4,237,134	4,134,362
Total Net Assets	35,924,994	27,683,460
Total Liabilities and Net Assets	$ 141,899,462	$ 124,098,856

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
REVENUE, GAINS, AND OTHER SUPPORT		
Resident Care Fees	$ 20,736,539	$ 20,802,554
Medical Care Fees	8,308,776	7,790,261
Amortization of Deferred Entry Fees	6,905,939	6,519,167
Resident Services Fees	1,823,174	1,903,688
Government Stimulus	223,572	1,188,266
Investment Income, Net of Investment Fees	3,732,310	3,677,189
Other	101,849	114,803
Net Assets Released From Restrictions	33,528	37,844
Total Revenue, Gains, and Other Support	41,865,687	42,033,772
EXPENSES		
Medical and Personal Care	13,471,744	14,102,385
Resident Services	982,673	922,611
Food Service	4,505,378	4,330,291
General and Administrative	5,609,435	5,680,334
Maintenance	3,341,172	3,089,374
Housekeeping and Laundry	1,979,766	1,992,276
Utilities	1,121,187	1,100,789
Real Estate Taxes	1,086,892	1,139,363
Depreciation	5,266,958	5,159,181
Interest	568,623	787,376
Total Expenses	37,933,828	38,303,980
OPERATING INCOME BEFORE OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	3,931,859	3,729,792
CHANGE IN VALUE OF INTEREST RATE SWAP AGREEMENTS	253,736	301,677
FORGIVENESS OF PPP LOAN	3,953,167	–
LOSS ON EXTINGUISHMENT OF DEBT	–	(337,345)
OPERATING INCOME AND INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	8,138,762	3,694,124
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	136,300	16,575
Net Assets Released from Restrictions – Used for Operations	(33,528)	(37,844)
Total Increase (Decrease) in Net Assets with Donor Restrictions	102,772	(21,269)
INCREASE IN NET ASSETS	8,241,534	3,672,855
Net Assets - Beginning of Year	27,683,460	24,010,605
NET ASSETS - END OF YEAR	$ 35,924,994	$ 27,683,460

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 8,241,534	$ 3 ,672,855
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Change in Value of Interest Rate Swap Agreements	(253,736)	(301,677)
Restricted Contributions	(136,300)	(16,575)
Loss on Extinguishment of Debt	–	337,345
Depreciation	5,266,958	5,159,181
Amortization of Deferred Financing Costs	19,200	22,778
Net Realized and Unrealized Gain on Investments	(3,070,390)	(3,120,580)
Forgiveness of PPP Loan	(3,953,167)	–
Amortization of Deferred Entry Fees	(6,905,939)	(6,519,167)
Proceeds from Resident Deferred Entry Fees and Advance Deposits	6,300,750	4,002,772
Proceeds from Resident for Apartment Refurbishment	374,514	224,029
Refunds of Deposits and Refundable Fees	(115,790)	(86,280)
(Increase) Decrease in Assets:		
Accounts Receivable and Accounts Receivable - Entrance Fees	538,765	(12,280)
Prepaid Expenses and Other Current Assets	(113,301)	(206,656)
Increase in Liabilities:		
Accrued Construction in Progress	127,715	555,007
Accounts Payable and Accrued Expenses	2,386,806	301,084
Net Cash Provided by Operating Activities	8,707,619	4,011,836
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(1,114,255)	(2,521,126)
Sales of Investments	807,998	2,337,682
Acquisition of Property and Equipment	(16,745,441)	(8,626,510)
Net Cash Used by Investing Activities	(17,051,698)	(8,809,954)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(772,281)	(702,441)
Retirement of Long-Term Debt	–	(30,581,288)
Proceeds from Issuance of Long-Term Debt	12,425,000	38,116,633
Payment for Deferred Financing Costs	–	(571,545)
Payment for Swap Execution Costs	(74,000)	–
Proceeds from Paycheck Protection Program Loan	–	3,910,800
Restricted Contributions	136,300	16,575
Net Cash Provided by Financing Activities	11,715,019	10,188,734
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	3,370,940	5,390,616
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	13,474,000	8,083,384
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 16,844,940	$ 13,474,000
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	$ 697,631	$ 594,692

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

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

Dunwoody Allied Services is a separate Pennsylvania not-for-profit corporation that primarily provides private-duty companion 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.

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, 2021 and 2020, Dunwoody provided charity care of $1,385,059 and $899,645, 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, 2021 and 2020:

	2021	2020
Cash and Cash Equivalents	$ 7,308,486	$ 4,741,165
Cash and Cash Equivalents within Funds Internally Designated by Board of Trustees:		
Memorial Garden Fund	15,971	20,350
Dunwoody Trust - Emergency	58,121	49,690
Dunwoody Trust	27,478	49,949
Capital Projects	33,182	33,179
Health Care Fund	105,812	–
Entrance Fees Escrow	7,290,849	7,290,728
Externally Designated by Note Trustee - Project Fund	2,005,041	1,288,939
Total Cash, Cash Equivalents, and Restricted Cash Shown in the Statements of Cash Flows	$ 16,844,940	$ 13,474,000

Assets Limited as to Use

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Limited as to Use (Continued)

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

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

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near-term and that such changes could materially affect the amounts reported in the consolidated balance 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, 2021 and 2020.

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

Deferred Financing Costs

Deferred financing costs represent bond and associated swap issuance costs and are recorded as a direct deduction from the face amount of related borrowings. Deferred financing costs incurred in connection with the issuance of long-term debt are deferred and amortized using the straight-line method, a method which approximates the effective interest rate method, over the term of the related indebtedness. Amortization expense for the years ended December 31, 2021 and 2020 was $19,200 and $22,778, respectively, and is included as a component of interest expense on the consolidated statements of operations and changes in net assets.

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, 2021 and 2020, the portion of advance fees subject to refund provisions amounted to $19,632,936 and $20,111,853, respectively. Advance fees are recorded as deferred revenue and amortized into operating revenue over the actuarially determined life expectancy of each resident or resident couple, adjusted annually. Upon death of a sole surviving resident, any remaining unamortized portion of the entry fee is recognized as revenue.

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

	Deferred Revenue from Advance Fees
Balance as of January 1, 2020	$ 43,299,466
Balance as of December 31, 2020	40,871,210
Balance as of December 31, 2021	40,541,445

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, 2021 and 2020, the present value of the net cost of future services and use of facilities does not exceed the balance of deferred entry fees and as such, no liability for the obligation to provide future services is required to be recorded in the accompanying consolidated balance sheets.

Interest Rate Swap Agreements

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

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

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

Net assets with donor restrictions 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 statements of operations and changes in net assets as net assets released from restrictions. Certain net assets with donor restrictions have been restricted by donors to be maintained by Dunwoody in perpetuity.

Income Taxes

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

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

Fair Value Measurements

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

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

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

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

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

Resident and Member Services Revenue

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident and Member Services Revenue (Continued)

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

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

Medicare

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

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

Other

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

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and Dunwoody's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated 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 2021 or 2020.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident and Member Services Revenue (Continued)

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

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

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

	2021	2020
Private Pay	$ 26,108,362	$ 26,021,698
Medicare	3,959,806	3,688,955
Commercial Insurance and HMO	902,170	900,653
Total	$ 30,970,338	$ 30,611,306

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident and Member Services Revenue (Continued)

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

	2021	2020
Service Lines:		
Independent Living	$ 16,569,481	$ 16,723,629
Skilled Nursing Facility	8,317,863	7,758,614
Personal Care	3,502,587	3,302,930
Memory Care	754,503	909,626
Private Duty	1,583,165	1,633,971
Other Sales	242,739	282,536
Total	$ 30,970,338	$ 30,611,306
Method of Reimbursement:		
Fee for Services	$ 31,028,221	$ 30,448,821
Other, Net of Credits	(57,883)	162,485
Total	$ 30,970,338	$ 30,611,306
Timing of Revenue and Recognition:		
Services Transferred Over Time	$ 31,028,221	$ 30,448,821
Sales at a Point in Time, Net of Credits	(57,883)	162,485
Total	$ 30,970,338	$ 30,611,306

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

	Accounts Receivable
Balance as of January 1, 2020	$ 1,159,908
Balance as of December 31, 2020	955,983
Balance as of December 31, 2021	633,423

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contract Costs

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

Operating Indicator

For purposes of display, the operating income (loss) is the operating indicator for Dunwoody. Included in the operating indicator is the change in the fair values of the interest rate swap agreements since the interest rate swaps have not been designated as cash flow hedges, forgiveness of PPP loan, 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

ASU 2020-05

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 not-for-profit entities. For private companies and private not-for-profit companies, 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.

ASU 2020-07

In September 2020, the FASB issued ASU 2020-07 (Update), to clarify the presentation and disclosure of contributed nonfinancial assets, including land, buildings, and other items. The Update does not change existing recognition and measurement requirements for contributed nonfinancial assets. The amendments in this Update should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021, therefore Dunwoody will adopt the standard effective for the year ended December 31, 2022.

Reclassifications

Certain items in the 2020 consolidated financial statements have been reclassified to conform to the 2021 consolidated financial statement presentation. The reclassifications have no effect on the results of operations or the changes in net assets.

Subsequent Events

In preparing these consolidated financial statements, Dunwoody has evaluated events and transactions for potential recognition or disclosure through April 27, 2022, the date the consolidated financial statements were available for issuance. The results of this evaluation indicated that there are no subsequent events or transactions that are required to be disclosed in these consolidated financial statements.

NOTE 2 LIQUIDITY AND AVAILABILITY

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

	2021	2020
Financial Assets as of Year-End:		
Cash and Cash Equivalents	$ 7,308,486	$ 4,741,165
Accounts Receivable, Net	633,423	955,983
Accounts Receivable - Entrance Fees	–	216,205
Assets Limited as to Use		
Investments, Internally Designated	35,475,482	32,071,581
Statutory Minimum Liquid Reserve	3,408,010	3,349,205
Investments, Externally Designated	1,157,457	1,155,999
Total Financial Assets	47,982,858	42,490,138
Less Amounts not Available to be Used Within One Year:		
Investments, Internally Designated	35,475,482	32,071,581
Investments, Externally Designated	1,157,457	1,155,999
Total Financial Assets not Available to be Used Within One Year	36,632,939	33,227,580
Financial Assets Available to Meet General Expenditures Within One Year	$ 11,349,919	$ 9,262,558

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.

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:

	2021	2020
Internally Designated by the Board of Trustees:		
Board-Designated Funds	$ 19,301,495	$ 17,019,423
Residents' Reserve Fund	5,377,186	4,830,946
Trust Under Will	2,286,192	1,977,823
Dunwoody Allied Services Board-Designated Fund	487,363	436,098
Entrance Fees Escrow	7,290,849	7,290,728
Other Dunwoody Funds	732,397	516,563
Total	35,475,482	32,071,581
Statutory Minimum Liquid Reserve	3,408,010	3,349,205
Externally Designated by Note Trustee - Project Fund	2,005,041	1,288,939
Externally Designated by Donors:		
Trust Under Will and Bequest	1,107,457	1,105,999
Scholarship Fund	50,000	50,000
Total	$ 42,045,990	$ 37,865,724

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).

NOTE 3 ASSETS LIMITED AS TO USE (CONTINUED)

Under the provisions of the Pennsylvania Continuing Care Provider Registration and Disclosure Act (the Act), Dunwoody must maintain a statutory minimum liquid reserve that is equal to the greater of 10% of the total projected operating expenses for the next 12 months, exclusive of depreciation and amortization, or the total of all debt service (principal and interest) due during the upcoming 12 months' debt service requirements. The statutory minimum liquid reserve requirement as of December 31, 2021 and 2020 is $3,408,010 and $3,349,205, 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:

	2021	2020
Projected Annual Interest Expense	$ 791,418	$ 960,500
Principal Payments Due on Long-Term Debt	1,073,230	772,281
Liquid Reserve Requirement	$ 1,864,648	$ 1,732,781
Projected Annual Operating Expenses	$ 34,080,102	$ 33,492,046
Minimum Rate	10%	10%
Liquid Reserve Requirement	$ 3,408,010	$ 3,349,205
Statutory Minimum Liquid Reserve	$ 3,408,010	$ 3,349,205

Management believes that Dunwoody is in compliance with all other requirements of the Act as of December 31, 2021 and 2020.

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

	2021	2020
Assets Limited as to Use		
Cash and Cash Equivalents	$ 9,536,454	$ 8,732,835
Mutual Funds - Fixed Income	8,730,823	7,335,448
Mutual Funds - Domestic Equity	22,913,918	21,028,911
Mutual Funds - International Equity	864,795	768,530
Total Assets Limited as to Use	$ 42,045,990	$ 37,865,724

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:

	2021	2020
Investment Income:		
Dividends and Interest Income, Net of Investment Fees	$ 661,920	$ 556,609
Realized Gains on Sales of Securities	1,214,222	120,889
Net Unrealized Gains on Investments	1,856,168	2,999,691
Total Investment Income	$ 3,732,310	$ 3,677,189

Financial assets and liabilities carried at fair value as of December 31, 2021 and 2020 are classified in the table below in one of the three categories described in Note 1:

December 31, 2021	Total Fair Value	Level 1	Level 2	Level 3
Assets:				
Mutual Funds:				
Fixed Income	$ 8,730,823	$ 8,730,823	–	–
Domestic Equity	22,913,918	22,913,918	–	–
International Equity	864,795	864,795	–	–
Total Assets	$ 32,509,536	$ 32,509,536	$ –	$ –
Liabilities:				
Interest Rate Swap Agreements	$ 353,915	$ –	$ 353,915	$ –

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	$ 29,132,889	$ 29,132,889	$ –	$ –
Liabilities:				
Interest Rate Swap Agreements	$ 607,651	$ –	$ 607,651	$ –

Fair values for interest rate swap agreements are determined based upon good faith estimates of mid-market transactions using valuation models, such as bid-offer spreads and credit reserves and, accordingly, are classified as Level 2 inputs.

NOTE 4 PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31 follows:

	2021	2020
Property and equipment:		
Land Improvements	$ 1,308,795	$ 1,274,695
Buildings and Improvements	131,988,666	124,271,559
Furniture and Equipment	5,210,642	5,011,525
Vehicles	549,114	549,114
Construction in Progress	16,410,226	7,615,109
Total	155,467,443	138,722,002
Less: Accumulated Depreciation	(64,477,959)	(59,211,001)
Total Property and Equipment, Net	$ 90,989,484	$ 79,511,001

Dunwoody's Strategic and Master Plan included a Phase IV hallway renovation and beautification project. Dunwoody finalized Phase IV of the project in 2020. Dunwoody began preliminary work on Phase V at the end of 2019 and completed the final portion of the Phase in the Spring of 2021. Related costs of $-0- and approximately $4,847,000 are in Construction in Progress as of December 31, 2021 and 2020, respectively.

As of December 31, 2021 and 2020, respectively, Construction in Progress includes approximately $16,290,000 and $2,769,000 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, 2021 and 2020 was $5,266,958 and $5,159,181, respectively.

NOTE 5 LONG-TERM DEBT

Long-term debt consists of:

Description	2021	2020
Delaware County Industrial Development Authority Revenue Note, Series A of 2020, principal payments due monthly, commencing September 2022 through 2050, at variable interest rates	$ 19,698,633	$ 7,273,633
Delaware County Industrial Development Authority Revenue Note, Series B of 2020, principal payments due monthly through 2050 at variable interest rates	29,820,378	30,592,659
Total	49,519,011	37,866,292
Less: Unamortized Deferred Financing Costs	619,993	565,193
Less: Current Portion	1,073,230	772,281
Total Long-Term Debt, Net	$ 47,825,788	$ 36,528,818

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 was be applied to refund the outstanding balance of the Delaware County Authority's Revenue Bonds, Series 2006 and Series 2003; 2) $2,075,656 was 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 one-month 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. Proceeds of the Series 2020B revenue notes were used to refund all of the Series 2013 revenue bonds.

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). Interest payments on the 2020A Note commence on September 1, 2020.

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, 2021 and 2020, Dunwoody has drawn $19,698,633 and $7,273,633, respectively, on the 2020A Note in financing the Project. As of December 31, 2021, $13,853,367 is available to draw on the 2020A Note. Dunwoody expects that the Project will be completed in October 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 2021 or 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
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
2026	934,867	850,271	1,785,138
Thereafter	15,799,687	25,729,479	41,529,166
Total	$ 19,698,633	$ 29,820,378	$ 49,519,011

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.

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, 2021 and 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 interest rate swap agreement was terminated.

Dunwoody entered into an interest rate swap agreement with Truist Bank on July 30, 2020 in order to eliminate the exposure to interest rate fluctuations associated with the 2020B Note. The interest rate swap agreement effectively fixed the interest rate on the note at .914%. The initial notional amount of the interest rate swap agreement is $30,843,000 and it matures on August 1, 2035. The current notional amount of the interest rate swap agreement is $29,820,378. The fair value of this interest rate swap agreement represents an asset (liability) in the accompanying consolidated balance sheets of $659,720 and $(607,651), respectively, at December 31, 2021 and 2020. The interest rate swap agreement was not designated as a hedge for financial reporting purposes. As a result, the change in fair value is reported as a separate component of operating income (loss) in the consolidated statements of operations and changes in net assets.

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 the notes at 1.65%. The interest rate swap agreement has an effective date of August 1, 2022, an initial notional amount of $25,000,000 and matures on August 1, 2035. The fair value of this interest rate swap agreement represents a liability in the accompanying consolidated balance sheets of $1,013,635 at December 31, 2021. The interest rate swap agreement was not designated as a hedge for financial reporting purposes. As a result, the change in fair value is reported as a separate component of operating income (loss) in the consolidated statements of operations and changes in net assets.

NOTE 7 RETIREMENT PLAN BENEFITS

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

For the years ended December 31, 2021 and 2020, the annual discretionary contribution was 2.50%. Total retirement plan benefit expense for the years ended December 31, 2021 and 2020 was $570,811 and $676,645, 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:

	2021	2020
Medicare	15%	29%
Residents and Other	85%	71%
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:

	2021	2020
Resident Benevolence	$ 2,364,620	$ 2,425,112
Memorial Garden and Other	597,214	458,103
Howard Turner Lecture Fund	117,843	95,148
Total	$ 3,079,677	$ 2,978,363

Net Assets Restricted in Perpetuity

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

	2021	2020
Trust Under Will	$ 1,000,000	$ 1,000,000
Howard Turner Lecture Fund	107,457	105,999
Scholarship Fund	50,000	50,000
Total	$ 1,157,457	$ 1,155,999

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:

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

NOTE 10 FUNCTIONAL EXPENSES (CONTINUED)

	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	$ 31,603,801	$ 6,700,179	$ 38,303,980

NOTE 11 STIMULUS FUNDS

Paycheck Protection Program Loan

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

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

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 $179,091 in 2021. The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. At December 31, 2021, Dunwoody recognized $179,091 as operating revenue in the consolidated statements of operations and changes in net assets. Total grant funds approved and received by Dunwoody were $1,115,583 in 2020. 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 $1,115,583 as operating revenue in the consolidated statements of operations and changes in net assets.

Management believes the amounts have been recognized appropriately as of December 31, 2021 and 2020.

PA Act 24 of 2020 and 2021

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

In 2020, the Governor of the Commonwealth of Pennsylvania signed Act 24 of 2020 - Pennsylvania Emergency Coronavirus Relief Funds, which allocated funds received from the CARES Act. Act 24 included funding from the Office of Long-Term Living.

Total Act 24 of 2021 funds granted to Dunwoody from Act 24 of 2021 were $44,501. The funds are subject to certain restrictions on eligible expenses or uses and reporting requirements. At December 31, 2021, Dunwoody recognized $44,501 as operating revenue in the consolidated statements of operations and changes in net assets.

Total Act 24 of 2020 funds received by Dunwoody in 2020 were $72,683. The funds are subject to certain restrictions on eligible expenses or uses and reporting requirements. At December 31, 2020, Dunwoody recognized $72,683 as operating revenue in the consolidated statements of operations and changes in net assets.

Management believes the amounts have been recognized appropriately as of December 31, 2021 and 2020.

NOTE 12 COMMITMENTS AND CONTINGENCIES

Compliance

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

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 $173,044 and $121,322 has been recorded for incurred but not reported claims as of December 31, 2021 and 2020, respectively.

Project

As of December 31, 2021, Dunwoody is in the process of a capital project (the Project) that commenced in 2020. The Project encompasses renovations to existing buildings, additions, and new ground-up construction. The major spaces impacted by the 2020 Project are the Community Center (dining and campus amenities), Phase V of the campus hallways, and the renovation of existing apartments.

The total commitment related to the 2020 Project is $30,573,882. As of December 31, 2021, the remaining commitment is $12,365,767 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. As of December 31, 2021, the commitment for the 2020 Project is less than the remaining amounts available to be drawn on the 2020A Note. At the conclusion of the 2020 Project, any amounts not drawn may be drawn for additional approved projects.

Approximately $16,290,000 was included in Construction in Progress under Property and Equipment as outlined in Note 4. The final portion of the Phase V campus hallways was completed in the second quarter of 2021 and the renovation of existing apartments was completed in the fourth quarter of 2020. The expansion and renovations to the Community Center and common areas including Administration offices are expected to be completed by October 2022.

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Dunwoody Village
Newtown Square, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Dunwoody Village, which comprise the consolidated balance sheets as of December 31, 2021, and the related consolidated statements of operations and changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 27, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Dunwoody Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dunwoody Village's internal control. Accordingly, we do not express an opinion on the effectiveness of Dunwoody Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.tinue as a going concern for one year after the date the consolidated financial statements are available to be issued.

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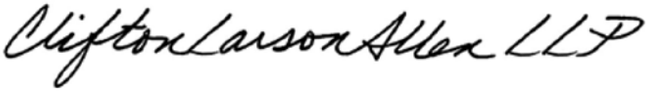
Board of Trustees
Dunwoody Village

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dunwoody Village's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
April 27, 2022

2022 CONSOLIDATED OPERATING BUDGET

	Total Budget *(000s omitted)*
Revenue, Gains, and other Support:	
Resident Care Fees	$ 17,206
Personal Care Fees	5,228
Medical Care Fees	9,229
Earned Entrance Fees	6,530
Resident Service Fees	2,173
Interest and Dividends	437
Other Revenue	122
Total Revenue	**$ 40,925**
Expenses:	
Medical and Personal Care	$ 13,634
Resident Services	669
Food Services	5,379
General and Administrative	5,987
Maintenance	3,501
Housekeeping and Laundry	2,161
Utilities	1,079
Real Estate Taxes	1,392
Depreciation & Amortization	5,519
Interest	791
Total Expenses	**$ 40,112**
Operating Income	**$ 813**

Note - All figures are in rounded thousand dollars.

SERVICES PROVIDED BY DUNWOODY

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

A.) Meals

Full Service Dining Choices Dunwoody dining services are available for three meals per day with a choice of standard menus. Our dining runs on a points system. As part of the Monthly Fee, the resident is given a designated number of points per month to use, any way that they wish, in our dining rooms or for take-out.

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.

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 any medical appointments within a 5-mile driving distance. Medical appointments between 5 and up to 10 miles will be done at a flat rate charge of $25. Transportation is provided to the local shopping centers periodically, at no charge. On Sundays, Dunwoody provides transportation to a limited number of nearby churches. A list of private drivers is available on a fee-for-service basis. All transportation is provided in accordance with Dunwoody policy, which is subject to change from time to time.

G.) Transportation Within Dunwoody

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

H.) Additional Services Provided by Dunwoody

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

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

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

J.) Changes in services

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

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.

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
2022	$ 152,000	$ 167,600	$ 4,162	$ 6,762
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

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

Medical Deduction

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

Notice Of Right To Rescind

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

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

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

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

Dunwoody Village Cancellation Form

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

_____
PROSPECTIVE RESIDENT'S SIGNATURE

_____ _____
PROSPECTIVE RESIDENT'S NAME (PRINT) DATE

DUNWOODY VILLAGE

A Continuing Care Retirement Community

★★★★★

Five-Star Rated Healthcare

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

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

BEST NURSING HOMES U.S.News & WORLD REPORT LONG-TERM CARE 2021-22

BEST NURSING HOMES U.S.News & WORLD REPORT SHORT-TERM REHABILITATION 2021-22

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