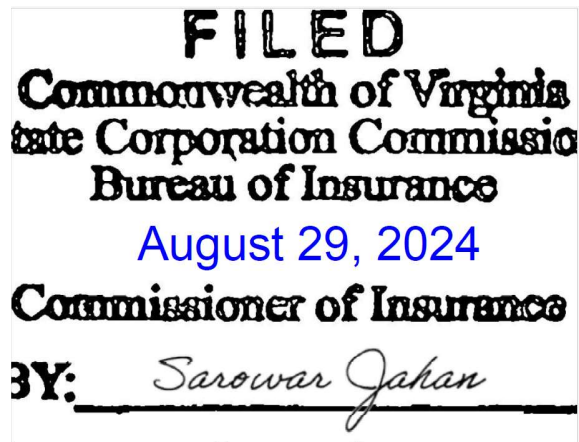


# DISCLOSURE STATEMENT

for

**Covenant Woods**  
Facility located in  
Hanover County, Virginia

Fiscal Year Ending March 31, 2024  
Submitted August 30, 2024



*The filing of this Disclosure Statement with the State Corporation Commission, Bureau of Insurance, does not constitute recommendation or endorsement of this facility by the State Corporation Commission.*

# Covenant Woods

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**Commonwealth of Virginia  
State Corporation Commission  
Bureau of Insurance**

**CONTINUING CARE PROVIDER REGISTRATION STATEMENT**

Legal Name of Provider: Covenant Woods

Recorded Trade Name(s): \_\_\_\_\_

Mailing Address of Provider: 7090 Covenant Woods Drive

Mechanicsville, VA 23111

Location of Provider: 7090 Covenant Woods Drive

Mechanicsville, VA 23111

Telephone Number: 804-569-8002

Contact Person: Juanita Parks, Chief Financial Officer

On what date (month/day) does your fiscal year end: March 31


Have all applicable certificate of need requirements imposed by the Health Department for existing and planned facilities been met? yes If no, attach an exhibit that described the nature of the certificate of need deficiency and how it affects your ability to serve current and future residents.

Have all other applicable licensure or certification requirements been met? yes If no, attach an exhibit that describes the nature of the deficiency and how it affects your ability to serve current and future residents.

Are you in compliance with all other state, federal, and municipal laws and regulations? yes If no, attach an exhibit that describes the nature of your noncompliance and how it affects your ability to serve current and future residents.

Are you bankrupt, insolvent, under reorganization pursuant to federal bankruptcy laws, or in imminent danger of becoming bankrupt or insolvent? no If yes, attach an exhibit that describes the nature of the bankruptcy, insolvency, reorganization, or imminent bankruptcy or insolvency and how it affects your ability to serve current and future residents.

I Thom Wright as a duly authorized officer, principal, general partner, or  
(Name)  
trustee of Covenant Woods hereby certify that the information contained  
(Continuing Care Provider)  
herein, in any attached exhibits, and in the attached disclosure statement is a true representation of said  
provider's operation, financial condition, and method of doing business.

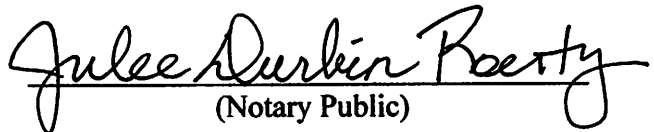
  
\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
President and CEO  
(Title)

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF Hanover

Subscribed and sworn to before me this 20<sup>th</sup> day of August, 2024.

  
(Notary Public)

My commission expires: August 31, 2026

(SEAL)



## DISCLOSURE STATEMENT

for

### COVENANT WOODS

### CONTINUING CARE PROVIDER

The provider is Covenant Woods (the "Corporation"). The Corporation currently owns and operates a facility for the aged located at 7090 Covenant Woods Drive, Mechanicsville, Virginia 23111 (the "Covenant Woods Facility") in Hanover County, Virginia. The Corporation is a Virginia non-stock corporation without members. The Corporation was established in 1883 to provide a home for elderly women in need. The amended and restated Articles of Incorporation, filed with the State Corporation Commission in 1999, provide that the purpose of the Corporation is the providing of services and facilities in the Commonwealth of Virginia to meet the special needs of the elderly, including without limitation, the services of providing a continuing care retirement community in which elderly men and women of responsible character may be provided a comfortable home and health care. The Corporation is also the sole member of Advance Care LLC, a home health agency; Advance Care Hospice LLC, a hospice agency, and Parker & Gregg LLC, a holding company whose purpose is to help fund strategic initiatives. The Corporation also started Woodhouse Catering, a for-profit catering business in 2021, this company was dissolved in 2022. Advance Care, Advance Care Hospice, and Parker & Gregg are disregarded entities for tax purposes with all revenues and activities flowing through Covenant Woods 990. Advance Care and Advance Care Hospice ceased operations in January 2024.

### OFFICERS, DIRECTORS, TRUSTEES, MANAGING AND GENERAL PARTNERS, AND CERTAIN PERSONS WHO HOLD EQUITY OR BENEFICIAL INTERESTS

The names and addresses of the current Officers and Directors of the Corporation are:

Kyle Russell – <i>Chairman</i> 8021 Strawhorn Drive Mechanicsville, VA 23116	Michele Satterlund 3600 Moss Side Avenue Richmond, VA 23222
Richard Adams – <i>Vice Chairman</i> 3624 Edenfield Road Midlothian, VA 23113	Nathan Kottkamp 200 S. 10 <sup>th</sup> Street, Ste 1600 Richmond, VA 23219
Roger Bowers - <i>Secretary</i> 8796 Roberta Road Mechanicsville, VA 23116	Marjorie Cooke 7090 Covenant Woods Drive, M106 Mechanicsville, VA 23111
Joe O'Connor 3551 Parsleys Mill Rd Mechanicsville, VA 23111	Richard Gibbons 7090 Covenant Woods Drive, F102 Mechanicsville, VA 23111
Marie Pisecki 3642 Caddington Terrace Midlothian, VA 23113	Ed Clingman 7371 Beulah Church Rd Mechanicsville, VA 23111

Charles Graves 5138 Keitt's Corner Rd Mechanicsville, VA 23111	Kelsey Beaulieu 8136 Greystone East Circle Richmond, VA 23229
Natalie Kent 5704 West Franklin St. Richmond, VA 23226	Linda Pearson 1231 Rothesy Circle Richmond, VA 23221

Additionally, there are two corporate officers:

President, Chief Executive Officer	Thom Wright 7090 Covenant Woods Drive Mechanicsville, Virginia 23111
CFO	Juanita Parks 7090 Covenant Woods Drive Mechanicsville, Virginia 23111

The Corporation has no trustees and no managing or general partners. No person has a ten percent (10%) or greater equity or beneficial interest in the Corporation. The Corporation has no members. The Corporation is a cooperative effort of the United Methodist Church and the Presbyterian Church (U.S.A.). Neither church, however, is responsible for the financial and contractual obligations of the Corporation.

The Governing Committee, appointed by the Board of Directors, nominates persons to stand for election to the Board of Directors. The sitting president of the Residents' Council serves as a non-voting member of the Board of Directors. The Board of Directors currently consists of 14 voting Board members plus the Resident Council Chair .

**BUSINESS EXPERIENCE OF; ACQUISITION OF GOODS AND SERVICES FROM; AND CRIMINAL, CIVIL AND REGULATORY PROCEEDINGS AGAINST THE PROVIDER; ITS OFFICERS, DIRECTORS, TRUSTEES, MANAGING AND GENERAL PARTNERS; CERTAIN PERSONS WHO HOLD EQUITY OR BENEFICIAL INTERESTS; AND THE MANAGEMENT**

**A. *Business Experience***

The Corporation operated the Richmond Home for Ladies in the City of Richmond, Virginia from 1914 to 2001. The Corporation has operated the Covenant Woods Facility since July 2001.

The experience in operation or management of the Corporation by the Directors and Officers is as follows:

Director	Member Since	Experience
Kelsey Beaulieu	2020	Financial planner, Morgan Stanley
Kyle Russell	2022	CEO, VHI
Linda Pearson	2020	Retired CPA
Michelle Satterlund	2020	Attorney, McGuire Woods
Ed Clingman	2020	Attorney & CPA, bankruptcy attorney
Nathan Kottkamp	2024	Attorney, Williams Mullen
Marjorie Cooke	2023	Retired Nurse
Richard Adams	2022	Financial Advisor
Richard Gibbons	2024	Resident, Landscaping
Marie Pisecki	2024	Retired Investment Analyst
Joe O'Connor	2021	Retired Project Manager
Charles Graves	2019	Director of Finance, Retired
Roger Bowers	2019	Attorney, Future Law
Natalie Kent	2019	Health care executive

Officers:	Member Since	Experience:
Kyle Russell, Chairman	2022	CEO, VHI
Richard Adams, Vice Chair	2022	Financial Advisor
Roger Bowers, Secretary	2019	Attorney, Future Law

## **B. Reserve Funding**

The investments of the Corporation are directed by the Finance Committee of the Corporation with the benefit of professional advice. An Investment Policy has been developed in consultation with our investment advisor and Board adopted with the intention to maximize returns, while seeking to limit risk through diversification. The policy and adherence to the policy, along with monitoring investment performance is reviewed not less than annually by The Finance Committee with retained investment consultant. The Finance Committee is appointed by the Board of Directors and is currently comprised of the following members with the following experiences:

<u>Members of Finance Committee</u>	<u>Experience</u>
Ed Clingman	Attorney & CPA, Bankruptcy Attorney
Marie Pisecki	Retired Investment Analyst

Richard Gibbons

Resident, Landscaping

Kelsey Beaulieu

Financial planner, Morgan Stanely

Charles Graves - Chairperson

Retired, Finance Director

As of April 1, 2024, Covenant Woods had approximately \$28,170,760 in unrestricted reserves, which include various financial instruments managed by third-party investment advisors. Additionally, it held \$2,168,543 in unrestricted cash and certificates of deposit in accounts at Atlantic Union and Truist Banks. The total market value of these reserves and cash was \$30,339,303. These unrestricted reserve funds are maintained to support special programs, projects, or specific capital needs.

According to the requirements of the Series 2018 Bonds and Series 2022 Bonds, Covenant Woods must maintain a Debt Service Reserve Fund equivalent to the maximum annual debt service for these bonds. As of April 1, 2024, the balance in the 2018 Bond Reserve Fund was \$1,768,446, while the balance for the 2022 series was \$3,993,405. Furthermore, in compliance with Covenant Woods' bond indentures, a trustee manages Bond Interest and Bond Principal Funds to cover the semi-annual interest payments and annual debt obligations, with balances as of April 1, 2024, of \$927,255 and \$1,222,221, respectively.

Covenant Woods believes in its ability to operate its facilities effectively and meet all designated debt obligations when they come due.

### ***C. Acquisition of Goods and Services***

Neither the Corporation nor any of its officers or directors have any interest, indirectly or directly in any professional services, firm, association, foundation, trust, partnership or corporation or any other business or legal entity which is intended to or will or may provide goods, leases or services to the Corporation of a value of \$500.00 or more within any year.

### ***D. Criminal and Civil Proceedings***

Neither the Corporation nor any of its officers or directors:

- (1) Has been convicted of a felony or pleaded nolo contendere to a criminal charge, or been held liable or enjoined in a civil action by final judgment where the crime or civil action involved fraud, embezzlement, fraudulent conversion, misappropriation of property, or moral turpitude; or
- (2) Is subject to an injunctive or restrictive order of a court of record, or within the past five years had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, arising out of or relating to business activity or healthcare, including, without limitation, actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged or facility registered under Chapter 49, Title 38.2 of the Code of Virginia of 1950, as amended, or similar laws in another state; or
- (3) Is currently the subject of any state or federal prosecution, or administrative investigation involving allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property.

### **OWNERSHIP OF REAL PROPERTY**

The real property on which the Covenant Woods facility is located (approximately 90 acres on the east line State Route 643, Lee-Davis Road, Hanover County, VA) is titled in the name of the Corporation. The Economic Development Authority of the County of Hanover has issued, for the benefit of the Corporation, Series 2012A bonds, the proceeds of which were used to finance in part the expansion of Covenant Woods and refund the Series 1999 Bonds. Series A of the 2012 Bonds was a



fixed rate bond issue, issued under a master trust indenture with U.S. Bank for \$64,495,000 with final maturity in 2047. Series B of the 2012 Bonds was a variable rate bond issue held by First Tennessee Bank under a non-qualified bank loan for \$37,000,000, that was repaid in full in July of 2015. The Corporation's obligations to make such payments are secured by a mortgage (deed of trust) on the Covenant Woods facility, a security interest in the equipment at such facility, an assignment of leases and rents and a security interest in rents and monthly service fees. In July 2018, The Corporation issued \$30,200,000 of series 2018 bonds, through the County of Hanover, for the refunding of the 2016 bonds held by Union Bank & Trust and completion of the Health Care Center expansion. In April of 2022, The Corporation issued \$54,540,000 of series 2022 bonds, through the County of Hanover, for the call and refunding of series 2012 series bonds.

## **LOCATION AND DESCRIPTION OF REAL ESTATE**

The Covenant Woods facility is located at 7090 Covenant Woods Drive, Mechanicsville, Virginia 23111 in Hanover County.

The Covenant Woods facility consists of a main building of steel frame construction with an exterior of brick and vinyl siding. Behind the main building are 43 cottages of style and construction compatible with the main building. The architecture and design of the main building and the cottages attempt to create a natural residential environment and "campus" setting. The site plan retains as many trees and natural features as possible. The property includes a pond with a paved walking trail.

The 43 cottages are for Independent Living. All consist of 2 bedrooms with 2 full baths. The cottages are fully equipped with such amenities as full eat-in kitchens, separate dining areas, emergency alert systems, window coverings (blinds), wall-to-wall carpeting, exterior patios, refrigerators, microwaves, and dishwashers.

The main building has a central area and 13 wings. The main building is 2 and 3 stories in height. Located in the main building are 188 fully equipped independent living apartments. The apartments are of the following configurations: (i) one bedroom, one bath; (ii) one bedroom, den, one and one-half baths; and (iii) two bedrooms, two baths. The main building also contains the Assisted Living Center of 39 private rooms, the Memory Support Assisted Living Center of 21 private rooms, and the Health Care Center with 62 licensed nursing care beds in all private rooms

The main building includes an indoor pool, a lobby area, mailboxes, parlor, 2 dining rooms, pub, private dining room, game room, conference room, chapel/cultural activity center, bistro, and administrative offices. In addition, the main building has a clinic, wellness center, exercise room, therapeutic pool, activities area, barber/beauty salon, which includes nail and massage studio, arts and crafts room and employee lounge. In various portions of the main building, there are numerous social areas and activity spaces. The design of the main building is intended both to provide for the best possible care and to create the most pleasant residential environment for the Residents of the Covenant Woods Facility.

Advance Care LLC and Advance Care Hospice are located and operated from rental office space at 7501 Boulders View Dr Richmond, VA 23225. The space is under a 5 year lease that started in September 2021. These companies ceased operations in January 2024, and Covenant Woods assumed the lease on the office space.

Woodhouse Catering is a catering division operating under The Corporation at 7090 Covenant Woods Dr Mechanicsville, VA 23111.

## **AFFILIATIONS WITH RELIGIOUS, CHARITABLE OR OTHER NONPROFIT ORGANIZATIONS; TAX STATUS OF PROVIDER**

A. The Corporation is not subject to the control of the United Methodist Church or the Presbyterian Church (U.S.A.). Neither church is or will be responsible for the financial and contractual obligations of the Corporation. The Corporation, correspondingly, is not and will not be responsible for the financial and contractual obligations of either church.

The Board of Directors currently consists of 14 members, however, there may be up to 15 voting members. The sitting Chair of the Residents' Council is a non-voting member of the Board of Directors.

B. The Corporation is exempt from the payment of Federal Income Tax under the provisions of Section 501(c)(3) of the Internal Revenue Code.

C. As previously discussed, The Corporation is also sole member of Advance Care LLC, a home health agency, Advance Care Hospice LLC, a hospice agency, and Parker & Gregg LLC, a holding company whose purpose is to help fund strategic initiatives. Advance Care and Advance Care Hospice ceased operations in January 2024.

## **RESIDENCY AGREEMENTS**

The Corporation currently offers two types of continuing care contracts: (1) Lifecare Residency Agreement, (2) Fee For Service. The form of these contracts are attached hereto as Appendix C and are collectively referred to herein as the "Residency Agreements." The main difference between the Life Care Residency Agreement and the Fee For Service Residency Agreement are the fees payable by the resident upon transfer to the Health and Wellness Center.

In 2020, The Corporation added a rental contract option that is available for only the Primrose/Rowan 1 bedroom unit. This contract is for one year with renewal option but does not guarantee or imply any access to higher levels of care.

## **SERVICES PROVIDED UNDER RESIDENCY AGREEMENTS**

Services provided to Residents are listed in Section H of the Residency Agreements in Appendix C. Section H.2 lists services available at extra charge. See also Section D.3 in the Residency Agreements attached as Appendix C:2 and C:3, with respect to the fees payable by Residents under such agreements with respect to healthcare.

## **FEES REQUIRED OF RESIDENTS**

### **A. *Residency Agreements***

An Entrance Fee is charged as more particularly set forth in Section D.1 of the Residency Agreements. Deposits received prior to the date a resident may take possession are placed in a bank escrow account in accordance with Va. Code 38.2-4904.1. See Sections D and G of the Residency Agreements for more information concerning Entrance Fees, including refunds of Entrance Fees.

The Entrance Fees for admission to the Covenant Woods facility are shown on the following pages. Entrance Fees are expected to increase from time to time. An Administrative Fee equal to 4% of the Entrance Fee is assessed against the Entrance Fee. As set forth in Section G of the Agreement, the full amount of the Entrance Fee, including the Administrative Fee, is refunded when required prior to the Occupancy Date of a Resident. The Administrative Fee is not subject to refund after the Occupancy Date of a Resident as set forth in Section G.4 of the of the Residency Agreement.

Residents must pay a Monthly Service Fee, the amount of which is dependent upon the living unit or residence selected. See Sections D.2 and G of the Residency Agreements for other information concerning Monthly Service Fees, including refunds of Monthly Service Fees.

The Corporation reserves the right to increase Monthly Fees periodically so as to cause the fees from time to time to reflect increases in the cost of care as more particularly set forth in Section D.2.e of the Residency Agreements. However, there are no limitations on the amount, or frequency, of increases in the Monthly Service Fees. The corporation is required, legally and contractually, to provide at least 30-days' notice of any increase in fees.

Residents under the Fee For Service Agreements pay a Daily Fee for care in the Assisted Living Center, the Memory Support Center and the Nursing Facility. See Section D.3 in the Residency Agreement attached as Appendix C:2. The Daily Fee is subject to adjustment from time to time.

Rates are reviewed annually by the Finance Committee and approved by the Board of Directors. Increases generally are based on cost of operational expense increases. The charts that follow show the periodic increases of Monthly Service Fees and Daily Fees.

Residents may reserve their living units by making a deposit equal to ten percent (10%) of the Entrance Fee applicable to their respective Living Units at the time of application as more particularly set forth in Section D.1.b of the Residency Agreements. The balance of the Entrance Fee is due prior to Residents moving in to their Living Units.

For information regarding costs associated with the transfer by a Resident to another Living Unit within the facility, refer to Sections J and N.1. of the Residency Agreements. For information regarding potential costs in the event a Resident marries a non-Resident and the spouse desires accommodations at the Covenant Woods facility, refer to Section N of the Residency Agreements.

Residents are required to carry Medicare Insurance Parts A and B and a Medicare Supplement, or the equivalent of such coverages, as provided in Section H.7 or H.5 of the applicable Residency Agreement. Residents are encouraged to maintain insurance coverage on their personal property, as provided in Section R.1 of the Residency Agreements.

### Covenant Woods - Current Entrance Fees by Contract Type

Effective April 1, 2024

	Option I - Lifecare 50 Month Declining Balance	Option II - Lifecare 50% Guaranteed Refund	Option III - Lifecare 90% Guaranteed Refund	Fee for Service
Apartments:				
Primrose/Rowan/Bayberry	265,000	371,000	490,250	212,000
Hawthorn	338,829	474,361	626,834	271,063
Laurel	378,696	530,175	700,588	302,957
Laurel Deluxe	417,943	585,120	773,195	334,354
Aster	389,369	545,116	720,332	311,495
Camellia	447,206	626,088	827,331	357,765
Cypress	454,091	635,728	840,069	363,273
Holly	453,403	634,764	838,795	362,722
Holly II	453,403	634,764	838,795	362,722
Willow	458,567	641,994	848,349	366,854
Iris	350,570	490,798	648,555	280,456
Azaelea	423,451	592,832	783,385	338,761
Violet	459,944	643,922	850,896	367,955
Sage	512,819	717,946	948,714	410,255
Wisteria	554,910	776,875	1,026,584	443,928
Heather	559,438	783,213	1,035,960	447,550
Hyacinth	565,311	791,435	1,045,825	452,249

Cottages:	Garden Hyacinth	518,125	725,376	958,532	414,500
	Bartlett	531,304	743,826	982,913	425,043
	Cortland	572,823	801,953	1,059,723	458,259
	York	619,972	867,961	1,145,948	495,978
	Magnolia	678,777	950,287	1,255,737	543,021
	Mulberry	534,823	748,752	989,422	427,858
	Spruce	601,676	842,346	1,113,100	481,340
	Poplar	628,065	879,291	1,161,920	502,452
	Hickory	652,695	913,773	1,207,485	522,156
	Second Person Entrance Fee	83,000	114,000	158,000	54,000

#### Covenant Woods Monthly Fee Rate History

Apartments:	Effective 4/1/2020	Effective 4/1/2021	Effective 4/1/2022	Effective 4/1/2023	All Contracts Except Fee For Service Effective	Fee For Service Effective
					4/1/2024	4/1/2024
Bayberry	3,538	3,645	3,790	4,046	4,289	3,035
Primrose/Rowan	3,046	3,137	3,790	4,046	4,289	3,035
Hawthorn	3,927	4,044	4,206	4,490	4,759	3,569
Laurel	4,429	4,562	4,745	5,065	5,369	4,027
Laurel Deluxe	4,701	4,842	5,036	5,376	5,699	4,274
Aster	4,379	4,510	4,691	5,007	5,307	3,981
Camellia	4,828	4,973	5,172	5,521	5,852	4,389
Cypress	4,902	5,049	5,251	5,606	5,942	4,457
Holly	4,895	5,042	5,244	5,598	5,934	4,450
Holly II	4,895	5,042	5,244	5,598	5,934	4,450
Willow	4,951	5,099	5,303	5,661	6,001	4,501

Iris	4,139	4,263	4,434	4,733	5,017	3,763
Azaelea	4,763	4,906	5,102	5,446	5,773	4,330
Violet	5,173	5,328	5,541	5,915	6,270	4,703
Sage	5,661	5,831	6,064	6,474	6,862	5,147
Wisteria	5,880	6,056	6,299	6,724	7,127	5,345
Heather	6,040	6,221	6,470	6,907	7,321	5,491
Hyacinth	6,170	6,355	6,610	7,056	7,479	5,609
Garden Hyacinth	5,050	5,201	5,410	5,775	6,122	4,592
Cottages:						
*Bradford	5,482	5,647	5,873	6,269	6,645	
*Bradford Expanded	5,640	5,809	6,041	6,449	6,836	
*Bradford Deluxe	5,731	5,903	6,139	6,553	6,946	
Bartlett	4,739	4,881	5,077	5,419	5,744	4,308
Cortland	5,110	5,263	5,474	5,843	6,194	4,646
York	5,530	5,696	5,924	6,324	6,703	5,027
Magnolia	6,236	6,423	6,680	7,131	7,559	5,669
Mulberry	4,771	4,914	5,111	5,456	5,783	4,337
Spruce	5,367	5,528	5,749	6,137	6,505	4,879
Poplar	5,602	5,770	6,001	6,406	6,790	5,093
Hickory	5,822	5,997	6,237	6,658	7,057	5,293
Second Person Monthly Fee	1,610	1,650	1,725	1,840	1,950	1,950
Health & Wellness Per Diem:						
Assisted Living	218	229	236	236	247	247
Memory Support	265	278	287	287	287	287
Nursing - Private	348	365	376	376	402	402

*\*Bradford cottages are no longer being marketed*

**SERVICE FEES**  
**Effective April 1, 2023**

**Various Services**

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Dry Cleaning	Price list located at concierge desk + admin fee
Facility Work Order Request	<i>Varies*</i>
<i>Internal Move to a New Unit</i>	<i>\$50/Hour/Staff Member</i>
Housekeeping (additional)	\$25 / Hour
Comforters/Oversized Bedding/Laundry	\$35/per item
IT Work Order Request for non-covered services	\$50 / Hour, billed in 15-min increments
Key/FOB/Door Badge Replacement	\$15.00
Windshield Reader Replacement	\$15.00
Name Badge Replacement	\$17.50
SARA Replacement – Double Button	\$200.00
SARA Replacement – Single Button	\$175.00
CATIE Tablet Replacement	\$500.00
CATIE Tablet Magnetic Case	\$130.00
CATIE Tablet Charging Base	\$175.00
Package delivery and handling	\$5.00 / per item
Bounced check or auto draft	\$25 per occurrence
Photo Copies & Faxes (B/W & Color)	\$0.10 every B&W copy/page \$0.50 every color copy/page <i>(Two-sided copies equal 2 copies)</i>

**Monthly Services** *(billed monthly)*

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Laundry (Assisted Living)	\$65.00 per resident
CW Telephone	\$14.00 per room
CW Telephone w/Voice Mail	\$18.00 per room
Comcast Internet, Premium Channels, Phone	Charge list provided by Comcast**

*\*\*Covenant Woods provides complimentary basic Comcast cable to residents*

**Guest Room** \$135.00/night (includes breakfast for each guest, Wi-Fi and use of gym)

**Beauty Shop / Barber Services** Charge list is posted in Beauty Salon & Spa

**Fitness Personal Training Sessions:**  
**\$45/one hour**  
**\$25/thirty minutes**  
**\$225 for six 1-hour sessions**  
**\$125 for six 30-minute sessions**

## **Dining**

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Catering - Must give 72 hours' notice for catering orders.

### Meal Credit Plan (Independent living only for contracts dating before July 2012):

Additional 15 meals	\$75
Additional 30 meals	\$150
Meal Delivery in Independent Living	\$5 per entree

## **Dining – Manor East Only**

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### *Health & Wellness Meals (as per contract):*

Health & Wellness meal charge	\$390 / Per Month
Health & Wellness meal charge (temp stay)	\$13 / Per Day

### *Guest Meals in Manor East (must pre-purchase at Bistro & present ticket to dining staff):*

	<u>Adults</u>	<u>Children (12 &amp; under)</u>
Breakfast	\$8.00	\$6.00
Lunch/Dinner	\$12.00	\$6.00

## **Clinic Services**

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	<u>Regular Hours</u>	<u>After Hours</u>
<i>Assistance Scheduling Appointments/RX Refills</i>	<i>25.00/request</i>	<i>not available</i>
Vital Sign Check	complimentary	not available
Weight Check	complimentary	not available
VIP Pack Review	complimentary	not available
Review of Services	complimentary	not available
Glucose Check (finger stick only) - <i>device &amp; supplies provided by the resident</i>	complimentary	\$35
Injections - <i>medication provided by resident</i>	complimentary	\$35
Lab Draw & Specimen Collection	\$20	\$40
Wound Care - <i>Dressing Change</i>	\$50 & cost of supplies	\$55 & cost of supplies
Wound Care - <i>Suture/Staple Removal</i>	\$50 & pplies	\$55 & cost of supplies

*Medical Ancillary Supply fees are reflective of then current expenses. A complete list may be requested through the Clinic. Any new services made available will be announced to residents along with any associated cost.*

## **Transportation Services**

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<u>Type of Trip</u>	<u>Distance<sup>^^</sup></u>
Medical – less than 5 miles round trip	complimentary
Medical – over 5 miles round trip	\$1.25 per mile
Personal+	\$1.25 per mile plus driver fee (\$25 per hour) with a minimum driver fee of \$10

Recreation

\$0.66 per mile round trip when using the  
Covenant Woods bus

*^^Distance is calculated on a round trip basis for each occurrence, with a maximum of 40 miles round trip. For example, if the driver takes you to the airport, you will be charge the mileage for both the driver taking you from Covenant Woods to the airport as well as the driver's mileage back to Covenant Woods.*

*+Personal services are subject to availability. Priority will be given to medical transportation services for both Manor East and Independent Living residents.*

No-Shows or Cancellations

Medical

Personal

Charge

\$5 fee per occurrence

Less than 24 hour notice will be assessed the full mileage of the scheduled trip plus the minimum \$10 driver fee

**AUDITED Financial Statements**

Attached as Appendix A are audited Financial Statements of the Corporation including the balance sheets, statements of operations, and changes in unrestricted net assets and statement of cash flows for the two most recent fiscal years.

**Pro forma Income Statements**

Attached as Appendix B is a Pro Forma Income Statement for the year ending March 31, 2024. The statement conforms to generally accepted accounting principles and includes specific descriptions of the major assumptions used in developing these pro forma statements.

**Admission of New Residents**

A minimum age of 62 is required at the time of application. In the case of Joint Residents, with administrative approval, only one must meet the minimum age requirement. Applicants must also demonstrate the ability to meet the cost of care.

Please refer to the Residency Agreements, specifically the Premise and Section A, for additional admission requirements and procedures.

**Access to Community and Services by Non-Residents**

Guests of Residents do not receive the benefit of services afforded Residents. However, arrangements may be made to accommodate overnight guests in two guest rooms.



Direct entry into the Assisted Living Center, the Memory Support Center and the Nursing Facility is permitted in some circumstances depending on anticipated needs for Residents of the Covenant Woods Facility as determined from time to time by the Corporation.

**Procedure by Which a Resident May File a Complaint or Disclose Any Concern**

A Resident may file a complaint or disclose any concern, in writing, as follows:

- 1) The complaint or concern should first be submitted in writing to the appropriate Department Head who will provide a written response within 15 days.
- 2) In the event the Resident's complaint or concern is not resolved to the Resident's satisfaction by the Department Head within such 15 day period, the Resident may submit the complaint or concern to the Administrator who will provide a written response within 15 days.

**FINANCIAL STATEMENTS**

**COVENANT WOODS**

Fiscal Years ended March 31, 2024 and 2023 with Report of Independent Auditors

**PRO FORMA INCOME STATEMENTS**

Following is a discussion of the actual results of operations for the fiscal year ended March 31, 2024, as compared to the budget for the same period. In addition, there is a schedule showing not only the actual and budgeted information for fiscal year 2024, but also the budget adopted for the fiscal year that will end on March 31, 2025.

The pro forma schedule is presented in the same format as the audited financial statements for consistency purposes.

In total, revenues were more than budgeted by approximately \$2.2 million. This represents a 6.5% variance from budget. The primary reasons for this variance were due to higher than expected activity in outpatient therapy and amortization of entrance fees, lower than expected contractual adjustments due to payor mixes in Assisted Living and Nursing Care, significant income from interest and dividend activity, and the newly implemented 4% administrative fee on new entrance fees which is the reason for the other income overage since it was not budgeted for FY 2024.

In total, expenses were higher than expected, finishing 1.9% over budget. The primary drivers behind this variance were overtime and agency staff in Assisted Living and Nursing Care, legal fees and consulting fees, and bad debt accruals in the other expenses line.

Covenant Woods made the decision to close Advance Care (Home Health agency), and Advance Care Hospice effective January 2024, and that activity is shown in the Loss from Discontinued Operations line.

The unrealized gain or loss on investments is a difficult figure to budget due to its relationship to the performance of the stock market. Further, any gain or loss reported on this line is only a “paper” gain or loss, since the Organization still owns the investments on which it is based. For FY24 we had an unrealized gain of \$3.4 million vs a budgeted gain of \$528,000.

FY25 budgeted revenues are forecasted to be approximately 9.8% higher than FY24 budgeted and 3.1% more than audited FY24 revenues. The expectation for FY25 is to increase the census in all levels of care. FY25 expenses are forecasted to be 4.4% higher than FY24 budgeted and 2.5% more than FY24 audited expenses. The majority of increase in expenses is due to rising costs of salaries/benefits, and overall higher than normal rates of inflation on supplies and subscription services.

	<u>FY25 Pro</u> <u>Forma</u>	<u>FY24 Audited</u>	<u>FY24 Pro</u> <u>Forma</u>
Unrestricted revenue, gains, and other support:			
Residential Services - Independent	16,350,115	15,147,846	15,273,410
Residential Services - Assisted Living	5,065,543	4,586,329	4,691,514
Residential Services - Nursing	8,350,359	8,024,665	8,046,060
Outpatient Therapy, net	483,042	467,575	245,781
Earned Entrance fees	7,379,987	7,791,947	7,119,308
Covenant Program	(420,000)	(434,371)	(480,000)
Contractual Adjustment	(3,564,021)	(3,389,047)	(4,037,982)
Catering Revenue	612,899	382,005	241,648
Gifts and donations	330,000	237,480	330,000
Interest and dividend income	1,117,151	1,840,749	834,871
Net realized gain (loss) on sale of investments	250,000	(194,281)	330,000
Other	1,078,525	1,466,869	1,140,444
Total revenues	37,033,600	35,927,766	33,735,054
Expenses:			
Salaries	16,176,079	16,273,037	15,472,840
Benefits	1,755,653	1,283,577	1,952,858
Supplies and materials	1,040,975	944,141	871,325
Depreciation and amortization	6,074,824	6,222,004	6,054,345
Repairs and maintenance	1,037,301	1,004,778	936,633
Professional fees	413,817	599,307	494,820
Food	1,865,105	1,787,755	1,838,009
Occupancy costs	1,857,464	1,828,702	1,781,715
Taxes	1,014,281	1,060,452	972,738
Insurance	602,941	571,212	665,045
Interest	4,077,360	3,865,948	3,862,668
Other	2,135,110	1,691,967	1,543,145
Total Expenses	38,050,910	37,132,880	36,446,141
Operating Income (Loss)	(1,017,310)	(1,205,114)	(2,711,087)
Loss on disposal of assets	-	(191,788)	-
Excess of revenues, gains and other support over expenses	(1,017,310)	(1,396,902)	(2,711,087)
Other changes in unrestricted net assets:			
Net unrealized gain (loss) on investments	528,000	3,432,785	528,000
Loss from Discontinued Operations (Home Health and Hospice)		(5,882,234)	(470,568)
Increase (decrease) in unrestricted net assets	(489,310)	(3,846,351)	(2,653,655)