

WESTMINSTER CANTERBURY RICHMOND

2024 DISCLOSURE STATEMENT

1600 WESTBROOK AVENUE · RICHMOND, VA 23227 · 804.264.6000

This filing of this disclosure statement with the State Corporation Commission does not constitute approval, recommendation or endorsement of the facility by the State Corporation Commission.

DISCLOSURE STATEMENT

Westminster Canterbury Richmond

Richmond, Virginia

2024

NOTE: Prospective residents are strongly encouraged to review this disclosure statement with their families and other trusted advisors.

A copy of this disclosure statement has been filed with the State Corporation Commission, Bureau of Insurance; however, this does not constitute approval, recommendation or endorsement of the facility by the Commission.

2024 NARRATIVE DISCLOSURE STATEMENT

This disclosure statement is being filed with the State Corporation Commission of Virginia as required by the Continuing Care Provider Registration and Disclosure Act (Chapter 49, Title 38.2, Code of Virginia of 1950, as amended) (the “Act”) and by the Commission's Bureau of Insurance Continuing Care Providers Registration and Disclosure Filing Guidelines dated April 2000. This statement has been prepared in accordance with requirements of the Act and the guidelines.

CONTINUING CARE PROVIDER

Westminster-Canterbury Corporation (“Westminster-Canterbury” or the “Corporation”) is a non-stock, nonprofit corporation organized under the laws of the Commonwealth of Virginia in 1971. It operates Westminster-Canterbury Richmond, a continuing care facility located at 1600 Westbrook Avenue, Richmond, Virginia 23227. It is sponsored by the Episcopal Diocese of Virginia and the Presbyterian Synod of the Mid-Atlantic. The Corporation was organized to operate a continuum of independent living, assisted living and health care services, sometimes referred to as a continuing care retirement community or life-care community. The Corporation is totally independent of facilities in Virginia and other states that are similarly organized and operated and may use the same or a similar name because of this church relationship.

The business of the Corporation is managed by a Board of Trustees composed of eighteen (18) volunteer, unpaid members. Trustees are elected or appointed for staggered three-year terms by the Corporation's sole member, Westminster-Canterbury Management Corporation (the Management Corporation). Trustees may serve a total of six consecutive years (two 3 year terms). At all times (a) at least fourteen (14) Trustees shall be communicants in good standing of the Protestant Episcopal Church in the Diocese of Virginia (the “Diocese”) or the Presbyterian Church (U.S.A.) in the Synod of the Mid-Atlantic (the “Synod”), and (b) the number of communicants of the Diocese and the Synod serving as Trustees shall be equal (except as temporarily affected by the death, resignation or removal of a Trustee and with any vacancy so created filled by a successor Trustee from the same denominational group). There are no denominational/faith restrictions for the remaining Trustees.

Westminster-Canterbury Management Corporation (the “Management Corporation”) is a non-stock, nonprofit corporation organized under the laws of the Commonwealth of Virginia in 1990. Members of the Management Corporation are Virginia Diocesan Homes, Inc., P. O. Box 7715, Richmond, Virginia 23231, and Westminster Presbyterian Homes, Inc., Synod of the Mid-Atlantic, 3218 Chamberlayne Avenue, Richmond, VA 23227. Seven of the trustees of the Management Corporation are elected or appointed by Virginia Diocesan Homes, Inc. and seven by Westminster Presbyterian Homes, Inc.

The Management Corporation was created as a result of a reorganization of Westminster-Canterbury to create a parent, which is the Management Corporation, and five not-for-profit subsidiary corporations and one limited liability corporation, as follows:

- Westminster-Canterbury Corporation operates the independent living, assisted living and skilled and intermediate care nursing residences for the persons age 62 and older;

- The Glebe of Richmond (“The Glebe”) provides independent living residences separate from the main facility at 1600 Westbrook Avenue; and
- The Westminster-Canterbury Child Development Center (“Child Care”) provides child care services mainly to support the activities of the Corporation.
- The Westminster-Canterbury Foundation (the “Foundation”) was formed in 1980 to solicit and administer gifts that support Fellowship financial aid and other activities at Westminster Canterbury. The members of the Board of Trustees of the Management Corporation appoint the Trustees of the Foundation.
- The Westminster-Canterbury Development Corporation was formed in 2017 to support the mission and the organization’s strategic growth plans.
- The Westminster Canterbury Corporation DBA Westminster Canterbury Richmond at Home LLC was formed in 2017 to provide Home Health and Hospice services.

The Management Corporation provides administrative and management support services to the five subsidiaries and Westminster Canterbury Richmond at Home LLC .

The Westminster-Canterbury Foundation and the Westminster-Canterbury Development Corporation are not included in the Obligated Group.

The Management Corporation is the sole member of each of the subsidiary corporations. As such, the Management Corporation elects the trustees or directors of each. Further, the Management Corporation must approve all amendments to the articles of incorporation of each subsidiary that affect the voting rights of the subsidiary’s member. All other voting power, including the power to vote on amending other provisions of the articles of incorporation, is vested in the Board of Trustees or directors of the respective subsidiary corporations.

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

The names and business addresses of the officers of the Corporation are as follows:

Chairman of the Board of Trustees	Angela P. Phelon 5716 Shady Mill Way Glen Allen, VA 23059
Vice Chairman of the Board of Trustees	James M. Kresge 2511 East Broad Street, Unit #7 Richmond, VA 23223
President & CEO	John D. Burns 1600 Westbrook Avenue Richmond, VA 23227

Secretary

Haley H. Wolford
1600 Westbrook Avenue
Richmond, VA 23227

Treasurer, Vice President &
Chief Financial Officer

W. Russell Gardner
1600 Westbrook Avenue
Richmond, VA 23227

Vice Presidents

Chelsea Naylor, Robert Mann,
Stacey W. Nannery, Jason Collins,
John Loop
1600 Westbrook Avenue
Richmond, VA 23227

The names and business addresses of the trustees of the Corporation are as follows:

Class Expiring in 2025

Jennifer D. Britton
8332 Reeds Grove Lane
Mechanicsville, VA 23116

Greta B. Peters
6107 Robin Road
Richmond, VA 23226

Mary D. Ellison
202 Hollyport Road
Richmond, VA 23229

H. B. Thomson
2455 W. River Road
Scottsville, VA 24590

Thomas G. Hardy III
107 Branchview Circle
Richmond, VA 23229

Thomas H. Tullidge, Jr.
104 Thomashire Court
Richmond, VA 23229

Class Expiring in 2026

Peter S. Alcorn
1607 Ownby Lane
Richmond, VA 23220

George C. Howell III
202 Banbury Road
Richmond, VA 23221

Dr. Brian K. Blount
3107 Hawthorne Avenue
Richmond, VA 23222

Anne H. McDonnell
7146 Cherokee Road
Richmond, VA 23225

Thomas L. Bowden, Jr.
6312 Bear Trace Way
Moseley, VA 23120

Class Expiring in 2027

Peter H. Bowles
6212 Three Chopt Road
Richmond, VA 23226

James M. Kresge
2511 East Broad Street, Unit #7
Richmond, VA 23223

Taylan Bozkurt
3216 Hawthorne Avenue
Richmond, VA 23222

Angela P. Phelon
5716 Shady Mill Way
Glen Allen, VA 23059

L. Birck Turnbull
15 Robin Road
Richmond, VA 23226

P. Frederick Duckworth Jr., M.D.
3156 Floyd Avenue
Richmond, VA 23221

Jennifer M. Ferguson, M.D.
5410 Country Hills Lane
Glen Allen, VA 23059

The names and business addresses of the officers and trustees of the Management Corporation, which is the sole member of Westminster-Canterbury, is the same as for Westminster-Canterbury.

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. **Management** of the day-to-day operations of Westminster-Canterbury is the responsibility of the administrative staff whose principal members are listed below. The business address of all is 1600 Westbrook Avenue, Richmond, Virginia 23227.

John D. Burns, *President and Chief Executive Officer* joined Westminster-Canterbury in September 2015. Mr. Burns received a degree in business administration from Colorado State University and a master's degree in business administration from the University of Colorado. Additionally, Mr. Burns holds an associate degree in occupational therapy. His experience includes Chief Operating Officer of Presbyterian Homes in Evanston, Illinois, Vice President and Executive Director of Westminster Place, a Presbyterian Homes community, Chief Operating Officer at Columbia County Health System in Dayton, WA and various positions at Centura Health in Denver, CO. Mr. Burns is a Fellow in the American College of Health Care Executives and a licensed Nursing Home Administrator.

W. Russell Gardner, *Vice President and Chief Financial Officer* joined Westminster-Canterbury in June 2006. Prior to coming to Westminster-Canterbury, Mr. Gardner served as Senior Vice President and Chief Financial Officer for Diamond Healthcare Corporation and prior to that, as Director of Financial Services for Carilion Health System. Mr. Gardner holds a bachelor's degree in accounting from Milligan College. He is a Certified Public Accountant and a member of the American Institute of

Certified Public Accountants, Virginia Society of Certified Public Accountants and the Healthcare Financial Management Association. Mr. Gardner is licensed as a Nursing Home Administrator in Virginia.

Chelsea Naylor, *Vice President Workforce Services* joined Westminster Canterbury in 2012 as the Manager of Human Resources. In 2017 she was promoted to Director of Human Resources. Chelsea brings years of progressive human resources and dynamic leadership experience in hospitality and business services, including at The Country Club of Virginia. Chelsea earned a Bachelor of Science in Biology with a minor in Business from Samford University. She holds the human resources certifications of Professional in Human Resources and SHRM Certified Professional.

Robert Mann, *Vice President Information Technology & Privacy / Security Officer* joined Westminster Canterbury in December 2001, as the Local Area Network Administrator. He moved on to Systems Engineer, then Manager Information Technology. He has also served as Director Information Technology. Robert earned a bachelor's degree in Information Technology from Western Governors University and a MBA from Fitchburg State University. He holds more than a dozen industry technology certifications including Microsoft Certified Systems Engineer, Certified Information Systems Security Professional, and Certified Information Security Manager.

Stacey W. Nannery, *Vice President Sales and Marketing* joined Westminster Canterbury in May 1987. She started in the Child Development Center as a teacher's aide. Stacey was the Manager of our Community Services Department (Canterbury Club). Stacey also worked in Human Resources as the Recruitment Manager. Stacey later served as Manager Assisted Living, Avalon and Pavilion. Stacey joined the Sales and Marketing Department in 2011 as a Sales Counselor and was promoted to the Director in 2012. Stacey earned a bachelor's degree in Psychology from Virginia Commonwealth University. She is a licensed Assisted Living Facility Administrator and is a certified Professional in Human Resources.

Jason Collins, *Vice President Facilities Management* joined Westminster Canterbury in August 2021. Previously, Jason served as the Director of Facilities at Bon Secours St. Mary's Hospital in Richmond. In this role, Jason managed all aspects of St. Mary's campus and Short Pump Medical Pavilion, building and grounds maintenance, construction and renovations, security, valet and safety. Prior to St. Mary's, Mr. Collins worked for large manufacturing organizations such as International Paper, Nabisco and Honeywell. Jason grew up in eastern Oklahoma and attended Oklahoma State University where he received a B.S. in Fire Protection Engineering & Safety. He is a Certified Safety Professional (CSP) and is a member of ASSE and NFPA.

John Loop, *Vice President Health and Wellness* joined Westminster Canterbury in November 2023. John is a seasoned healthcare professional, having held various leadership roles within the senior living industry including extensive experience as an Executive Director and Skilled Nursing Facility Administrator. John holds a Bachelor of Science in Hospitality and Operations Management from Ohio State University. He also earned a Master of Science in Healthcare Administration from Valparaiso University.

- b. Neither the Corporation, its members, administrative staff, nor any Trustee has a 10% or greater direct or indirect interest in any professional service, firm, association, foundation, trust, partnership or corporation or any other business or legal entity from which it is presently intended will or may provide goods, leases or services to the Corporation of a value of \$500 or more within a year.
- c. Neither the Corporation, its members, nor any member of the Board of Trustees or administrative staff has ever been convicted of a felony or pled *nolo contendere*, or been held liable or enjoined in a civil action by final judgment, where the felony or civil action involved fraud, embezzlement, fraudulent conversion or misappropriation of property; or

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 health care, 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 this chapter or similar laws in another state; or

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 Corporation owns all of the real estate constituting part of Westminster-Canterbury Richmond except for certain residential units that are owned [and operated] by [The Glebe].

LOCATION AND DESCRIPTION OF REAL PROPERTY

Westminster-Canterbury Richmond is located at 1600 Westbrook Avenue on a tract of approximately 60 acres. The complex includes a nine-story structure, a five-story structure and a three-story structure that total 456 independent living apartments. Other major operational components include a three-story 65 apartment assisted living facility (Avalon); a two-story dementia care facility with 72 apartments (The Gables and Monticello); the four-story 158-bed Parsons Health Center; a one-story theater that seats 335; and a one-story therapeutic swimming pool and fitness center building. All buildings are connected to each other. Also located on the property are 22 separate single-family homes, while The Glebe of Richmond has 7 houses on adjacent property. The Pavilion which consisted of 25 assisted living apartments were taken offline in October 2020 to accommodate residents with COVID-19 and are currently used for staff office space.

The high-rise building was completed and initially occupied in 1975. All units, except for studio apartments, are or can be modified to accommodate couples. The original Health Care Center, constructed in 1975, was converted to assisted living in 1984 at the time the Mary Morton Parsons Health Center was completed and became operational. All apartments

and rooms of the Health Center are private.

In June 2010, Westminster-Canterbury Richmond completed renovation of the Parsons Health Center and Pavilion Assisted Living Apartments. Effective January 1, 2014 all Parsons Health Care Center beds are dually certified (Medicare and Medicaid).

Construction for Westminster Canterbury's Vibrancy! Project began in December 2021. The Vibrancy! Project includes a new Vital Living Center (Wellness and Aquatics facilities) with 42 new IL Vitality Apartments on floors 2-7, 76 new IL Village Apartments (18-20 apartments in four new apartment buildings). The Village Apartments will be constructed on the land adjacent and on the 10-acre tract of land acquired in 2018. The Vibrancy! Project includes a maintenance building, parking deck with 425 spaces (completed in March 2022) and a new access road off Dumbarton Avenue on the north side of our campus.

In August 2021 Westminster-Canterbury Richmond began accepting 10% deposits for the new units.

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

- a. As described under **CONTINUING CARE PROVIDER**, Westminster-Canterbury is affiliated with the Management Corporation, which is also a nonprofit charitable organization. Through the Management Corporation, Westminster-Canterbury is affiliated with the Episcopal Diocese of Virginia, through Virginia Diocesan Homes, Inc., and with the Presbyterian Synod of the Mid-Atlantic, through Westminster Presbyterian Homes, Inc. Both are charitable or religious nonprofit organizations. None of these affiliated organizations is or will be responsible in any way for the financial or contractual obligations of Westminster-Canterbury.
- b. In a letter dated February 7, 1972, from the United States Department of the Treasury, Westminster-Canterbury was determined to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. This was last reconfirmed on January 7, 1991. Contributions to Westminster-Canterbury therefore are deductible from the taxable income of donors.

SERVICES PROVIDED UNDER CONTINUING CARE CONTRACTS

A description of the services provided is contained in pages 1, 2 and 3 of the RESIDENCE AND CARE AGREEMENT, which is attached hereto as Addendum #1.0 and is made a part of this disclosure statement. The following is a brief synopsis of the accommodations and services offered:

- Occupancy of a residence, with ordinary utilities included
- Wi-Fi in common areas
- Use of all facilities and grounds, which include but are not limited to:
 - Arts and crafts studio
 - Recreational facilities (therapeutic swimming pool and exercise facilities)

- Personal garden plot and greenhouses
- Woodworking shop
- Libraries, lounges and game rooms
- Light housekeeping service
- Linens and linen service
- Access to medical clinic
- All utilities
- Parking space for one automobile
- Transfer to assisted living, if necessary
- Temporary or permanent transfer to the Mary Morton Parsons Health Center

Other services and facilities made available by Westminster-Canterbury for an extra charge are: meals purchased individually or as part of an optional plan, personal laundry, beauty shop services, sundries from the gift shop, trips to nearby recreational or entertainment events, certain arts and crafts activities, guest meals, internet and guest lodging.

FEES REQUIRED OF RESIDENTS

Each resident is required to pay two types of fees. These fees are outlined in Addendum #2.0 and Addendum #2.1 and are effective October 1, 2023.

A one-time entrance fee is payable at the beginning of residency and is not subject to later change. This fee is not refundable except under the limited circumstances described in (ii) below.

A monthly fee, covering the services noted above, is payable at the beginning of each month. For Type A contracts, no additional monthly fee is payable if the resident is transferred temporarily or permanently to Assisted Living or the Health Center. Type B contracts incur additional per diem charges if the resident is transferred temporarily or permanently to Assisted Living or the Health Center. The monthly fee and per diem rates may be adjusted with thirty days notice by the Board of Trustees to reflect changes in operating costs.

(i) A deposit of \$1,000 (\$1,500 for couples) as an advance on the entrance fee is required at the time of application for residency. This deposit shall be refunded without interest in the event the application is denied or withdrawn for any reason. A deposit of 10% of the entrance fee is required when the contract for residency is signed. The balance of the entrance fee, less the amount of both deposits, is payable at the beginning of residency.

(ii) Resident Agreements with Entrance Fee (life-care):

For the standard Independent Living contracts, Type A and Type B (Addendum #1.0 and Addendum #1.1), the entrance fee is refundable as follows: on termination of the resident's contract for any reason, Westminster-Canterbury shall refund to the resident or estate the full amount of the entrance fee less a 10% administrative fee paid by the resident less 2% thereof for each calendar month beginning with the effective date of the resident's contract and ending with the date the residence is vacated. No refund of any part of the entrance fee will be made if the resident's contract is terminated more than 50 months following its effective date. For the

standard Assisted Living contract (Addendum #1.2), the entrance fee is refundable as follows: on termination of the resident's contract for any reason, Westminster-Canterbury shall refund to the resident or estate the full amount of the entrance fee less a 10% administrative fee paid by the resident less 4% thereof for each calendar month beginning with the effective date of the resident's contract and ending with the date the residence is vacated. No refund of any part of the entrance fee will be made if the resident's contract is terminated more than 25 months following its effective date.

In addition to the standard contracts, Westminster-Canterbury offers a Type A and Type B 50% guaranteed refund option contract for independent living residences. Under this contract, the refund for the first 25 months of residence will be an amount equal to the entrance fee less a 10% administrative fee, less 2% per month. From that point on, the plan guarantees that 50% of the entrance fee will be refunded after termination of the agreement.

Similarly, a Type A and Type B 70% guaranteed refund option contract is available for residents of independent living units. Under this contract, the refund for the first 15 months of residence will be an amount equal to the entrance fee less a 10% administrative fee, less 2% per month. From that point on, the plan promises that 70% of the entrance fee will be refunded after termination of the agreement.

Also available is a 90% guaranteed refund option for Type A and Type B contracts, likewise limited to independent living residents, where the refund for the first five months of residence will be an amount equal to the entrance fee less 2% per month. From that point on, the plan promises that 90% of the entrance fee will be refunded after termination of the agreement. The increased refundable amounts that come with the Type A and Type B 50%, 70% and 90% refund plans require larger up-front fees. These refund options are only available to those 85 years and younger.

Glebe Contracts:

Original residents of The Glebe have a contract generally similar to the one used for the independent living residences of Westminster-Canterbury with the following exceptions:

- Glebe residents do not receive housekeeping or linen services as part of the monthly fee;
- Residents do not receive meals as part of their monthly fee (upon transferring to an assisted or nursing unit, the monthly fee is increased by an amount equal to the then current meal service charged for meals provided to the resident); and
- On termination of the resident contract, the resident is entitled to a refund equal to 80% of the entry fee received on resale, less the Healthcare portion, minus the cost of any repair for damages or alterations to the living unit.

As of October 1, 2004, all Glebe homes that become available are resold under the standard Life Care Contract.

Westminster-Canterbury escrows entrance fees collected prior to occupancy in accordance with Section 38.2-4904.1 of the Code of Virginia. As permitted by that section, the \$1,000 deposit paid by each applicant (\$1,500 for couples) is not escrowed.

(iii) (See above, "A one-time entrance fee" et seq)

**WEIGHTED AVERAGE APARTMENT FEE CHANGES
DURING THE PAST FIVE YEARS ***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Entrance Fee					
- Single	\$398,559	\$371,049	\$357,903	\$341,206	\$325,894
- Double	\$551,230	\$514,750	\$495,250	\$478,029	\$459,509
Increase (%)					
- Single	7.41%	3.67%	4.89%	4.70%	3.42%
- Double	7.09%	3.94%	3.60%	4.03%	3.39%
Monthly Fee					
- Single	\$5,079	\$4,899	\$4,662	\$4,534	\$4,413
- Double	\$7,301	\$7,152	\$6,709	\$6,542	\$6,361
Increase (%)					
- Single	3.69%	5.08%	2.81%	2.74%	3.17%
- Double	2.08%	6.60%	2.56%	2.84%	2.77%

***Average fees calculated by taking the rates in effect as of the respective fiscal year end multiplied by the unit type inventory count and divided by the total number of units for single and double. This calculation is not based on actual fees paid or units occupied by residents and will represent the combined effect of price increases as well as unit inventory changes (i.e. the combining & de-combining of units).**

The Corporation is accounting for amortization of entrance fees in compliance with the American Institute of Certified Public Accountant's Audit and Accounting Guide for Health Care Entities. This method requires that nonrefundable entrance fees be amortized to revenue over the estimated life expectancy on an individual resident basis at 75% of the straight-line amortization until the resident transfers to the Health Center, at which time the remaining unamortized balance is amortized using 125% of straight-line amortization. Any unamortized portion is brought into revenue at the time of termination or death. For any refundable contracts, the amortization stops at the refundable amount.

This method of accounting for entrance agreement contracts was adopted in order to provide an industry-wide, uniform accounting treatment for the amortization of entrance agreement contracts.

RESERVE FUNDING

All operating reserve and trust funds are described in Notes 1, 4, 5, 6, 13, of the 2023 Audited Financial Statement (Addendum #5.0) and it is these or proceeds there from that will enable Westminster-Canterbury to perform its obligations. All investments are made under policies established by the Finance Committee of the Board of Trustees. A copy of the investment

policy is appended (Addendum #4.0).

The operating fund investments, Fellowship Fund investments and investments of the Protestant Episcopal Church Home (PECH) are unitized and held in custody by SunTrust Bank, Richmond, Virginia. The diversified investment managers who handle these unitized funds are as follows:

Large/Mid Cap Equity:

Vanguard 500 Index Fund
FPR
HS Management
Heard High Conviction Long Only

Small Cap Equity:

Vanguard S&P Small Cap 600 Value
Jackson Square Small Cap Growth
First Light Focus Fund

International Equity:

Brown International Small Company Fund
Wellington International Contrarian Value
Vanguard Developed Markets Index Fund

Emerging Markets:

WGI Emerging Markets
Himalaya Capital

Real Estate:

FTSE NAREIT Equity REIT Index

High Yield:

OHA Diversified Credit

Hedge Fund Composite

Wellington Pagosa
Owl Creek SRI
The Childrens Investment Fund

Non-US Bonds

Colchester Global Bond Fund

Global Equities

Shawspring Partners Fund
BLS Global Equities
Barker Partnership Fund
Lone Cascade

Short Term Bonds

FPA New Income Fund

US Core Fixed

Garcia Hamilton

Private Equity

S&P 500 Index

Fixed Income

Blmbg. U.S. Aggregate Index

The funds for each of these managers are held in custody by Truist, Atlanta, GA effective December 2017.

All investment managers have agreed to follow the objectives, guidelines and restrictions established by the Investment Committee shown as Addendum #4.0. An investment consultant and the Investment Committee monitor performance on a quarterly basis. The day-by-day investments of the other funds are handled by the Chief Financial Officer under the policies mentioned above (Addendum #3.0).

CERTIFIED FINANCIAL STATEMENTS

Financial statements for the fiscal years ended September 30, 2023 and 2022 were audited by CliftonLarsonAllen, independent certified public accountants, and are included as Addendum #5.0.

ACTUAL VS PRO FORMA INCOME STATEMENT

A narrative on the comparative analysis fiscal year ended September 30, 2023 actual versus pro forma is shown as Addendum #5.2

PRO FORMA STATEMENTS

The estimated cash flow statement of financial position for Westminster-Canterbury for fiscal year 2023 is presented as Addendum #11.0.

A pro forma revenue and expense statement for the Corporation for fiscal year 2024 is shown as Addendum #5.1.

Key Assumptions for projected Statement of Operations:

Monthly Fees:

- 7.0% increase

Entrance Fees:

- 7.0% increase in single person rate
- 7.0% increase in double person rate
- Entrance fee receipts and refunds based on data supplied by the Actuary
- Entrance fees are offered on a declining refund basis

Expenses:

- Operating expenses are based on historical trends
- Projected assumption utilized to establish cost categories such as:
 - Raw food
 - Supplies
 - Utilities
 - Wages
 - FTE's

- Variable operating costs are projected based on the experience of Westminster Canterbury
- Three-percent annual pay increases beginning in 2024
- Depreciation and amortization

CRITERIA FOR ADMISSION OF NEW RESIDENTS

Independent Living: All applicants for these residences must be able to perform independently all normal activities of daily living. They must be able to negotiate all necessary areas of the campus, including evacuation in the event of fire or other disaster. They should function compatibly with other residents and staff, and generally contribute to and benefit from the community. Criteria for Admission to Independent Living are described in more detail in Addendum #6.0. Residency Criteria for Sustained Independent Living are described in more detail in Addendum #7.0.

Assisted Living: Applicants for these apartments may be assisted in the activities of daily living but should not be totally dependent in any of these activities. Behavior must be acceptable within the limitations of disability and the applicant must be able to recognize an emergency situation. Smoking is prohibited in all public and private areas. Criteria for Admission to and Sustained Residency in Avalon Assisted Living are described in more detail in Addendum #8.0. Criteria – Couples Admission to Avalon or Pavilion are described in more detail in Addendum #8.1. Within the Assisted Living areas, there exists a 72-bed special care unit (The Gables (secured) and Monticello (non-secured)), consisting of six households with 12 residents each, programmatically designed for cognitively impaired residents. Criteria for Monticello Non-secure Memory Support are described in more detail in Addendum #9.0. Criteria for Gables – Secure Memory Support are described in more detail in Addendum #9.1.

ACCESS TO FACILITY BY NON-RESIDENTS

Residents of **The Glebe**, a cluster of seven independent homes, have equal priority with residents of Westminster-Canterbury for admission to the Mary Morton Parsons Health Center.

Residents of The Glebe are welcome to use any Westminster-Canterbury facilities. Charges will apply for meals and for any additional services such as beauty and barber shop, Galleria gift shop, outpatient clinic, pharmacy, Sidewalk cafe, transportation and rehabilitation services.

If space is available in the Health Center, non-residents, including persons discharged from hospitals or other nursing facilities, may be admitted directly without first paying an entrance fee. Payment for such service is based on a daily Health Center rate established by the Board of Trustees.

Other services, such as hospice care, meals-at-home, physical therapy, etc., may be offered to non-residents at rates established by the Board of Trustees.

Child Development Center provides childcare for infants, toddlers and preschool children on the Westminster-Canterbury premises during two shifts, five days a week, on the basis of per diem rates. The Child Development Center operates as a separate not-for-profit corporation. The Child Development Center pays rent to the Corporation and its operations are financially independent of the Corporation. A discount is given to children of employees of Westminster-

Canterbury and its affiliated organizations.

PROCEDURE FOR RESIDENT TO FILE A COMPLAINT OR DISCLOSE A CONCERN

Westminster-Canterbury fully endorses the right of residents to voice complaints or concerns without fear of retaliation. In accordance with Virginia Code Section 38.2-4902.A.16, the procedure by which a resident may file a complaint or disclose a concern is published in this disclosure statement. (See Addendum #10.0)

All residents on admission automatically become members of the Westminster-Canterbury Residents' Association (the Association). The Board of Trustees and the Administration encourage all residents to participate actively in the Association and its Residents' Board. The Board is composed of officers and floor representatives elected by the membership of the Association and of the committee chairmen. **No retaliatory conduct shall be permitted against any resident for membership or participation in the Association or the Residents' Board.**

Direct and continuing communication is ensured through the Corporation's Resident Relations Committee, which is composed of representatives from the Residents' Board, Board of Trustees, and Administration. This Committee normally meets bimonthly, but may meet on call at the request of any of the members. The Administration also meets on a regular bimonthly basis with the Residents' Board, at which time Resident Board members are encouraged to question the Administration on matters of general interest. An open resident forum is led monthly by the President of Westminster-Canterbury and Management staff. All residents are invited to attend this open discussion on current activities, coming events and facility plans for the future. All residents likewise are encouraged to use the suggestion box for suggestions, questions or complaints.

Communications also are facilitated through the Westminster-Canterbury Tales, a weekly publication for the residents; programming on in-house closed circuit television; the Lamp, a quarterly publication addressing topics of interest from the Administration; annual reports, memoranda, and posters on bulletin boards, etc.

WESTMINSTER CANTERBURY RICHMOND

Richmond, Virginia

LIFECARE SERVICES AND RESIDENCE AGREEMENT

Revised January 2024

ADDENDUM #1.0

LIFECARE SERVICES AND RESIDENCE AGREEMENT
WESTMINSTER CANTERBURY RICHMOND
1600 Westbrook Avenue
Richmond, Virginia

THIS LIFECARE SERVICES AND RESIDENCE AGREEMENT (the “Agreement”) dated _____, 2022, is between WESTMINSTER-CANTERBURY CORPORATION, Richmond, Virginia (the “Corporation” or “we”), and the following person or persons (referred to as the “Resident,” the “Residents” or “you”): _____.

THE CORPORATION, a nonprofit corporation organized under the laws of the Commonwealth of Virginia, owns and operates Westminster Canterbury Richmond (the “Community”) as a continuing care retirement community. We have approved your application for residence at the Community subject to the provisions of this Agreement.

1. DEFINITIONS

- a. **Assisted Living.** “Assisted Living” refers to the Assisted Living Program at the Community.
- b. **Health Center.** “Health Center” refers to the nursing care areas at the Community.
- c. **Unit.** “Unit” refers to the independent living apartment or house you occupy, including any unit in the Community to which you move pursuant to this Agreement.
- d. **Rules and Regulations.** “Rules and Regulations” means all current rules, regulations, conditions and restrictions that apply to the Community and the use of its service and amenities. This includes without limitation those listed in the Resident Handbook and any rules implemented especially for you or a group of residents, or any rules or conditions that you have agreed to, or in the future agree to, as condition of residence. The Rules and Regulations are subject to change in the Corporation’s discretion, provided that the Corporation will notify residents of any significant changes.

2. LODGING, MEALS AND OTHER SERVICES

- a. **Services.** We will furnish you with the services, care, lodging and meals described in this Agreement for so long as you meet your obligations as described in the Agreement.
- b. **Lodging.** You have selected the following Unit: # _____ in the _____. You will have a personal and non-assignable right to live in that Unit until your death or earlier termination of this Agreement as shown in Section 9 or until you transfer to another Unit or we transfer you to another Unit, as provided in other parts of this Agreement.

- c. Meals.** Meals will be available in the dining areas of the Community and may be purchased individually or as part of an optional meal plan, which is not included in the monthly fee for your Unit. An additional charge may be made for particular diets, non-standard preparation time(s), delivery to Unit, and other requests that require specialized preparation of meals. Please note that if you move to Assisted Living or the Health Center, on a permanent or temporary basis, we are required by applicable law to provide you with three meals a day, and you will be charged for them.
- d. Common Areas.** You and other residents have the right to use the indoor and outdoor recreational, social and other common areas from time to time, subject to the Rules and Regulations.
- e. Utilities.** We will provide the following utilities in your Unit: water, heating, air conditioning, and electricity at no additional charge. At the Corporation's sole discretion and subject to their availability, various complimentary technology services, such as basic cable television, local telephone service, and Wi-Fi internet access in certain community spaces, may be provided by Corporation. You may purchase additional utilities as we may offer. All Residents are responsible for the payment of their own cable television, internet, and telephone charges.
- f. Furnishings.** Your Unit will be provided with flooring, window blinds, and kitchen appliances. With prior approval of the Corporation, other appliances may be installed at your own expense. Furthermore, removal of furnishings shall be at your sole expense. You will not receive a refund for any furnishings that you leave behind upon vacating the Unit.
- g. Options and Custom Features in the Residence.** You may select options and custom features for the Residence after receiving approval from Westminster Canterbury Richmond's Management and paying for the options and custom features. You may be required to prepay the reasonably anticipated expenses for returning the Residence to its original condition should Westminster Canterbury Richmond deem that such customization chosen by You has rendered the Residence less marketable; alternatively, the reasonable expenses for such restoration work may be deducted from any applicable refund that may be due upon transfer or termination of this Agreement. No refund or credit will be provided in the event that Westminster Canterbury Richmond elects to retain any features that you add to the Unit.
- h. Linens.** We will provide clean towels and bed sheets on a weekly basis.
- i. Housekeeping.** We will be responsible for routine housekeeping of all common areas and public areas. You will be responsible for maintaining your Unit in a clean, sanitary and orderly condition, performing all usual light housekeeping tasks as necessary. Basic, light housekeeping services will be provided in your Unit on a regular schedule by the Corporation at no additional charge as set forth in the Resident Handbook. More extensive housekeeping services may be arranged with the Corporation at an additional charge. We reserve the right to inspect your Unit, after reasonable notice to you. If you fail to maintain your Unit

as required above, we may charge you for those housekeeping services needed to ensure proper cleanliness and maintenance. Furthermore, repeated failure to maintain the Unit in a reasonably clean manner may be considered as evidence that you may need to be transferred to a different unit or to a higher level of care.

- j. Guests.** You are permitted to have guests in your Unit, subject to the Rules and Regulations.
- k. Appliances.** All appliances and other electric devices in your Unit must be safe and reliable and must be used in a safe and responsible manner, all as reasonably determined by the Corporation.

3. HEALTH CARE AND ASSISTED LIVING

- a. Outpatient Services.** We are not responsible for providing qualified licensed provider services to residents at all times. There is a Clinic on-campus where you may be examined and treated as an outpatient. We will arrange for a qualified licensed provider to be available from time to time for limited consultation with residents. We also may make available the services of a physical therapist and other health professionals, but you are free to engage the services of health professionals of your choice. You will be responsible for any provider's fees or charges. You are free, however, to engage the services of a qualified licensed provider of your own choice, who also may be permitted to use our space for such consultation, subject to the Rules and Regulations and with permission of the Corporation.

If you engage any physician or other health care professional to provide outpatient services to you at the Community or in your Unit, you agree that the Corporation shall have no liability for their acts or omissions, whether or not those services were arranged for or made available by the Corporation. Furthermore, you will be responsible for all fees and charges incurred for such services.

- b. Nursing Care and Assisted Living.** We will be responsible for Assisted Living services and/or nursing care for residents of our Health Center not covered by Medicare, if it is determined by our staff and/or a physician that you require such care. Nursing Care and Assisted Living services provided by the Corporation are limited to that care ordinarily provided in the Health Center or Assisted Living areas or in other specifically designated parts of the Community.
- c. Medicare and Other Insurance.** You are responsible for the following insurance requirements:
 - i.** If not already enrolled, you will apply promptly for and secure enrollment in the Medicare Hospital Insurance Benefits program under Part A of the Social Security Act, Title XVIII. During the next enrollment period after submitting your application for admission to the Community, you will apply for, secure and pay premiums for the Supplementary Medicare

Insurance program under Part B of the Social Security Act, Title XVIII. Alternatively, you may apply for, secure and pay any premiums for the Medicare+Choice program under Part C of the Social Security Act, Title XVIII. If you are not eligible for any of these programs, you shall obtain equivalent insurance coverage before the effective date of this Agreement and maintain it. Your equivalent insurance coverage must be acceptable to the Corporation. If you become entitled to payments for health services from other governmental agencies, you shall make application for those payments and assign them to the Corporation. Upon the request and direction of the Corporation, you agree to execute an assignment of benefits to the Corporation or the physicians staffing the Health Center for any services rendered. If you do not obtain such insurance coverage, you agree to pay the Corporation for all services that would have been reimbursed by such insurance.

- ii. You shall obtain and maintain a supplemental insurance policy acceptable to the Corporation to pay Medicare co-insurance and deductible amounts. Should you fail or neglect to obtain and maintain such coverage, you agree to pay us for services rendered by our health care professionals which would otherwise have been covered by such supplemental insurance. Providers of skilled nursing care such as the Corporation are not permitted to submit claims to certain insurers for skilled nursing care. Therefore, Residents who have a Medicare-equivalent insurance will relinquish reimbursement to the Corporation pertaining to skilled nursing care or any other services furnished by the Corporation covered by such policy.
- iii. If requested by the Corporation, you shall provide evidence of your continuing compliance with this section.
- iv. It is your responsibility to confirm the eligibility of your insurance to pay for services provided by the Community. In the event that the Corporation is not considered to be a network provider or is otherwise ineligible for reimbursement, you agree to pay for all relevant expenses directly.

d. Health Related Charges. You agree to pay all charges for health-related services other than those for which the Corporation has, by terms of this Agreement, specifically accepted responsibility (such as routine services in the Health Center and Assisted Living). Examples of charges for which you are responsible include, but are not limited to:

- i. Charges of any physician, surgeon, physical therapist, occupational therapist, podiatrist or other health professional of any type, whether provided at the Community or elsewhere;
- ii. Hospital, ambulance, paramedic, and other medical transport charges; and

- iii. Charges for medicines, personal laundry, drugs (prescription and non-prescription), oxygen, vitamins, food supplements, dental work, glasses, hearing aids, orthopedic devices, assistive devices, durable medical equipment and other health related items.
- e. **Case Management Fee.** At the Corporation's sole discretion, you may be required to engage, and pay applicable expenses for, a case manager to assist in the management of any of your affairs that are not covered by this Agreement at your sole expense. You agree to authorize the case manager and Residence Services team to share information as requested and work collaboratively with this Residence Services team at the Community.

4. PAYMENT OF FEES

- a. **Entrance Fees.** You agree to pay to the Corporation an Entrance Fee by the effective date of this Agreement as follows:

Entrance Fee				
Less Refundable 10% Deposit			\$0.00	
Less Advance Deposit				
Less Financial Assistance Credit, If Applicable	n/a			
Net Amount Due With This Agreement	\$0.00			
Balance Due by Effective Date of This Agreement			\$0.00	

Charges that are paid in one lump sum shall not be increased or changed for the duration of your residency at the Community, except for the changes required by state or federal assistance programs.

- b. **Monthly Fee.** You agree to pay a monthly fee, payable in advance on the first day of each month. The current monthly fee is \$_____ per month. We may adjust the monthly fee at any time on at least thirty (30) days' written notice to you. The initial and final monthly fee will be prorated for any applicable period less than a month, subject to the terms described in Section 6.d of this Agreement. Your monthly fee is payable whether you actually occupy your Unit or temporarily transfer to Assisted Living or the Health Center. The monthly fee will be reduced by the amount of the second person fee if a spouse or other person ("Co-Resident") permanently vacates the Unit beginning in the first full month after the Co-Resident vacates the Unit. Co-Residents shall be jointly and severally liable for the monthly fees at all times until and unless this Agreement is terminated. In the event of death or other termination by one Co-Resident, the remaining Resident shall be responsible for payment of the ordinary, then-current 1st person monthly fee.

- c. **Other Services.** You will be billed monthly, in arrears, for any services and supplies provided by the Corporation that are not included in the monthly fee. Payment shall be due within thirty (30) days after receipt of invoice. Unpaid balances shall be subject to interest at then-current finance rates if not paid within thirty (30) days.
- d. **Change of Scope of Services or Charges.** We will provide a 30-day notice if we intend to reduce the scope or type of services or change the charges for services included within this Agreement.
- e. **Late Payment Finance Charges and Collections Fees.** Past due amounts may be subject to finance charges. You also may be responsible for any legal and collection fees incurred on amounts that are more than sixty (60) days past due.

5. FINANCIAL ASSISTANCE

The Corporation provides financial assistance (“Fellowship”) to residents in need. To be eligible for financial assistance, a Resident must (a) comply with all terms of this Agreement, and (b) provide information requested by the Corporation to justify financial assistance. This may include information demonstrating that the need for financial assistance has resulted from circumstances over which the Resident had no control, including the normal depletion of assets over time. A Resident’s failure to appropriately manage and preserve his or her assets shall not constitute grounds for financial assistance. All decisions on financial assistance shall be made in the sole discretion of the Corporation. Further information regarding the Fellowship program is available on request.

Financial assistance may be conditioned on proof of marital or other relationship status with any other individual who may assist in paying the Resident’s financial obligations under this Agreement.

Appendix A, the Financial Assistance Addendum (the “Addendum”) is attached to this Agreement. By the execution of this Agreement, you agree that if you apply for and/or receive any Fellowship you will abide by all terms of the Addendum.

6. RIGHTS UNDER AGREEMENT

- a. **Resident's Rights.** Your rights under this Agreement are purely personal and may not be assigned, transferred, inherited or devised. Although you are granted a right of occupancy, this Agreement is for services and is not a lease. You are not granted any right of ownership, lien on or any other interest in any real or personal property of the Corporation. Under certain circumstances, you may be moved to another residence as provided in Section 8.
- b. **Subordination to Financing.** Your rights under this Agreement will at all times be subordinate to the rights of a bona fide lender under any current or future mortgage, deed of trust or other security interest on any property of the

Corporation and to all amendments, modifications, replacements or refinancing of it. You further agree to provide any document we or the holder of any mortgage, deed of trust or security agreement may require to evidence or effect the subordination of your rights.

- c. **Right of Entry.** We have the right to enter your Unit (i) at reasonable times to perform housekeeping and maintenance and to make reasonable inspections and (ii) at any time to respond to fire or medical alerts and for other emergency purposes.
- d. **Removal of Property.** On termination of this Agreement or your permanent transfer to another level of care within the Community or to an external facility, you or your personal representative(s) must remove all of your property from the Unit within ten (10) days. Furthermore, you must return the Unit to its original condition of cleanliness. You will be charged a cleaning and/or disposal fee for any personal items, food, and other debris that is left in the Unit as well as any required removal of mold, mildew, stains, and other actions necessary to restore the Unit to its original condition of cleanliness. Unless you make special arrangements for donated items, you will remain responsible for the monthly fee of the Unit until all your property is removed. If all property is not removed within thirty (30) days, the Corporation may remove and store your property and you will be responsible for payment of the cost of removal and storage. The Corporation may dispose of all property not removed or claimed within ninety (90) days of termination or permanent transfer without obligation or notice to you.
- e. **Damage or Loss of Property; Required Insurance.** You accept full responsibility for any injury or damage caused to others or suffered by you as a result of your or your guests' acts or omissions. You agree to insure against casualty, theft and loss of property located in your Unit and assigned storage area and you shall provide proof of such insurance on request. Such coverage amounts shall be established by the Corporation and set forth in the Resident Handbook; such coverage amounts may be updated from time to time upon thirty (30) days' advance notice. You agree to reimburse the Corporation for any costs incurred or damages suffered by the Corporation and its residents, employees and guests that result from carelessness, negligence or wrongful acts of you or your guests. We will not be responsible for damage to or loss of any of your property by casualty, theft or other causes.
- f. **Waiver of Responsibility.** You hereby release the Corporation from liability for your death, injury to your person or injury to property caused by any fire, theft, assault or other cause beyond the control of the Corporation and from any liability resulting from the negligence or wrongful actions of other residents. You further waive any claim that you, your representative or estate may have against the Corporation arising from such circumstances.
- g. **Third Party Liability.** If you are injured as the result of an act or omission of a third party, you grant the Corporation a lien on any judgment, settlement or recovery in the amount of any expense incurred by the Corporation in caring for you as the result of such injury that is not reimbursed directly to the Corporation by you or by another source. You agree to cooperate in the prosecution of any claim or action against the responsible third party.

7. TRANSFER AND RELEASE OF UNIT

The Corporation's continuing care program was developed and is maintained to provide appropriate care and services for all residents reflecting their needs and abilities. Accordingly, residents are required to transfer to a higher level of care whenever transfer is determined to be appropriate as provided in this section. You understand and accept that this policy is an important part of the Corporation's program, and you agree to abide by this policy.

The Corporation will make any decision regarding your transfer after consultation with you and your family or representative, as applicable. The decision will be also be based on the opinion of an interdisciplinary team of professionals assembled by and using appropriate assessment techniques determined by the Corporation. Any such decision, however, will be made by the Corporation in its sole, good faith discretion.

If the Corporation determines that it cannot meet your health care needs in the Independent Living setting, the Corporation may transfer you to Assisted Living or the Health Center. You shall continue to pay the monthly fee for your Unit in accordance with Section 4.b above. Following any decision to transfer you permanently to Assisted Living or the Health Center, which shall be made within thirty (30) days, your Unit will be released for use by another resident (assuming the second Resident does not remain in your Unit), and no refund of the Entrance Fee will be made. Upon a permanent transfer, you agree that you, your family, or representative will remove your property from your Unit as described in Section 6.d above. Your monthly fee will continue at the rate of your original Unit subject to any ordinary rate changes applicable to other similarly-situated units in the Community.

If we determine that the Corporation cannot meet your health care needs within the Community due to a physical or mental condition beyond the scope of services provided by the Corporation, the Corporation may transfer you to a hospital or other health care facility to be treated at your own expense. You shall continue to pay the monthly fee for your Unit in accordance with Section 4.b above. If the Corporation determines that your needs requiring such transfer are permanent in nature, your Unit will be released for use by another resident. Upon a permanent transfer, this Agreement may be terminated upon mutual agreement between you and the Corporation. You agree that you or your family will remove your property from your Unit as described in Section 6.d above.

8. UNIT CHANGE

- a. **Optional Change.** We may, in appropriate circumstances, approve your request to move to another Unit within the Community. This decision will be made consistent with then current policies and in the sole discretion of the Corporation. If a transfer is granted, we will determine the amount of any additional Entrance Fee or any refund or credit of fee that may be appropriate. You will be responsible for all moving costs and the monthly fee then in effect for the new Unit beginning as of the date of your move, in accordance with the Corporation's then current policies.

- b. Required Change.** In our sole, good faith discretion, we may require your transfer to another Unit of at least equal size and value (i) to consolidate, refurbish or otherwise alter residences; (ii) to promote harmony or avoid conflict among residents; or (iii) for any other purpose reasonably determined by the Corporation in order to respond to market demand or for any other reasonable purpose necessary to maintain our facilities or the well-being of our residents. If we require your transfer in such circumstances, we will assist you in making the move. You will not be charged for moving costs, any additional Entrance Fee, or an increased monthly fee associated with such transfer unless you have created the reasons requiring your transfer (for example, damage to the Unit or disruptive behavior), in which case you will be responsible for all moving costs, any additional Entrance Fee, and an increased monthly fee for the new Unit, if applicable.
- c. New Resident.** You will promptly inform us of any request to permit a new Co-Resident to live in your Unit. Such permission will be subject to the Co-Resident being eligible for residence in the Community under the Corporation's admissions policies. Any Co-Resident permitted to live in your Unit will be required to execute either an amendment to this Agreement or a new Life Care Services and Residence Agreement with terms and conditions as agreed on by the Corporation, you and the Co-Resident. Co-Residents who are not spouses shall undergo an independent evaluation of their assets in order to determine financial eligibility for admission to the Community. The monthly fee will increase to the rate applicable for dual occupancy in your Unit and an additional Entrance Fee may be due equal to the difference between the current Entrance Fee for two Residents and the Entrance Fee already paid by you. Co-Residents occupying the same Unit shall be jointly and severally liable for the monthly fee for the Unit.
- In the event that you wish to marry and your intended spouse is not eligible for residence under the Corporation's admissions policies, you may either terminate this Agreement in accordance with Section 9.a.iii below or continue to occupy the Unit without your spouse.
- d. Death or Permanent Transfer of a Co-Resident.** If a Co-Resident dies or is permanently transferred to Assisted Living, the Health Center, or an external facility, the other Resident may continue to live in the Unit upon the terms of this Agreement or transfer to a different Unit under Section 8.a for voluntarily transfers above. No refund of the Entrance Fee, if any, shall be payable until the death of both Co-Residents or the termination of this Agreement. If the surviving Co-Resident continues to live in the Unit, the monthly fee shall be reduced to the current rate for single occupancy.
- e. Divorce or Separation.** If there are two Residents under this Agreement who are spouses, the Residents shall promptly inform us if they divorce or otherwise separate and this Agreement shall terminate if one or both of the spouses vacates the Unit. If either spouse desires to continue residing in the Unit or elsewhere in the Community following divorce, that individual will be required to re-apply for

admission to the Community, be eligible for admission under the Corporation's admissions policies then in effect and execute an addendum to this Agreement or enter into a new Life Care Services and Residence Agreement and pay any additional Entrance Fee that may be due in accordance with policies then in effect. Any refund of the Entrance Fee due hereunder will not be paid until this Agreement is terminated by the parties as set forth below. Unless the parties present a final divorce decree that is issued by a court of competent jurisdiction specifying the applicable allocation of the Entrance Fee between the former spouses, half of any applicable Entrance Fee Refund will be paid to each individual. The spouses shall remain jointly and severally liable for the monthly fees and any expenses related to the removal of property from the Unit during the pendency of any divorce proceedings until and unless this Agreement is terminated.

9. TERMINATION OF LIFECARE SERVICES AND RESIDENCE AGREEMENT

a. Termination by You.

- i. Within seven (7) days of making your initial deposit, regardless of the effective date of the Agreement, you may terminate this Agreement for any reason and at any time, without penalty or forfeiture, and your deposit will be refunded in full without interest. After seven (7) days of making your initial deposit but before the effective date, you may terminate this Agreement for any reason and at any time, and your deposit will be refunded without interest and less a 10% administrative fee.
- ii. You have the right to rescind this Agreement, without penalty or forfeiture, within seven (7) days of the effective date. If you choose to rescind within this time, you will remain responsible for costs incurred for modifications or installations in your Unit which exceed normal refurbishments. Otherwise, your deposit and entrance fee will be refunded in full without interest.
- iii. After seven (7) days from the effective date, you may terminate this Agreement for any reason at any time by giving the Corporation at least thirty (30) days' written notice. On any such termination, any refund of the Entrance Fee paid by you will be determined in accordance with Section 9.e of this Agreement.

After you provide the required notice of termination, you will continue to pay the Monthly Fee until (1) the scheduled termination date or (2) the date on which all of your property has been removed from the Unit, whichever is later. You shall pay the Corporation all amounts owed to it, including amounts related to financial assistance and any expenses incurred by the Corporation in connection with the termination. This includes any repairs or replacement of property necessary to restore the unit to its original condition above and beyond normal wear and tear.

Past due amounts may be subject to finance charges. You also may be responsible for any legal and collection fees incurred on amounts that are more than sixty (60) days past due. Furthermore, any outstanding balance will be subtracted from any Entrance Fee return that may be due.

b. Termination by Corporation.

- i. The Corporation may terminate this Agreement with a full refund (*i.e.*, no 10% administrative fee) of all payments made by you, in the event of a material deterioration in your or the Co-Resident's physical or mental condition between the time of your application and your scheduled move to the Community. No refund will be provided for any upgrades or enhancements that were made to the Unit upon your request and for which you paid additional costs.
- ii. The Corporation may terminate this Agreement at any time for good cause, as we may reasonably determine. Good cause shall be limited to the following:
 - (A) Proof that you (or either Resident) are a danger to yourself or others;
 - (B) Nonpayment by the resident of a monthly or periodic fee;
 - (C) Repeated conduct that interferes with other residents' quiet enjoyment of the Community;
 - (D) Persistent refusal to comply with reasonable written Rules and Regulations of the Community as in effect at any time;
 - (E) Any material misrepresentation by you in your application, made intentionally or recklessly, or your failure to include a material fact in the application, financial statement or health history statement you filed with the Corporation which, if accurately provided, would have resulted in either your failure to qualify for residency or a material increase in the cost of the care and services provided you under this Agreement; and
 - (F) Your material breach of the terms and conditions of this Agreement.

c. Termination by Death. This Agreement shall automatically terminate on the death of the Resident (or the sole remaining Resident) subject to conditions detailed in section 6.d, Removal of Property, and Section 8.d.

d. Cooperation on Termination. If this Agreement is terminated, other than by death, you and we shall cooperate so that you vacate the Unit in a prompt and

orderly manner, remove your property as described in Section 6.d above and return to us all keys, identification cards and similar items.

e. Refund of Entrance Fee and Deposits.

- i. If a Resident dies prior to moving into the Community or is precluded through illness, injury, or incapacity from moving in to the Community, you or your legal representative shall receive a refund of ninety percent (90%)of the Entrance Fee. If two Residents have entered into this Agreement and one Resident dies before moving into the Community or is precluded through illness, injury or incapacity from moving into the Community, such person or his legal representative shall receive a 90% refund of the difference between the Entrance Fee paid and the Entrance Fee for single occupancy in the Unit.
- ii. If this Agreement is terminated after payment of the first monthly fee for any reason including death, you or your estate will be entitled, subject to Section 9(a)(ii), if applicable, to a refund of an amount equal to 90% of the Entrance Fee you paid, minus:
 1. Two percent (2%) of the Entrance Fee paid for each full or partial month of occupancy of the Unit (the period between the effective date of this Agreement and the date you vacate the Unit), so that after fifty (50) months no refund will be due or payable; and
 2. Any amount reflecting unpaid charges due and all amounts of financial assistance, if any, and interest. If the Agreement is terminated more than fifty (50) months after the effective date such that no refund of the Entrance Fee is due or payable, any unpaid charges due, financial assistance, and interest, if any, shall be payable by you or your estate, separately in accordance with the other provisions of this Agreement.
- iii. With respect to spouses, any refund of the Entrance Fee shall be due and payable upon the death, permanent transfer, or termination of this Agreement by the last remaining spouse.

Notwithstanding any other provision of this Agreement, the Corporation reserves the right to hold the payment of any refund due under this Section 9 upon our acceptance for admission to the Community of a new resident to occupy the Unit and the payment by such new resident of the applicable Entrance Fee.

10. MISCELLANEOUS

- a. **Confidentiality of Personal Information.** We will hold, in strict confidence, all personal and financial information supplied by you, except as required by law to disclose by court order or similar mandate. We will maintain the privacy and

security of your health information as required by the Health Insurance Portability and Accountability Act and applicable Virginia law.

b. Representations.

- i. Your application, financial statement and health history statement filed with the Corporation are incorporated in this Agreement by reference. You represent that all information in those statements is true and correct on this date and will be true and correct on the effective date of this Agreement, and that there have been no material omissions or adverse changes in those statements that have not been conveyed to the Corporation in writing. The Corporation routinely asks that resident financial information be updated every other year. You shall provide information regarding your current financial status upon request by the Corporation.
- ii. You acknowledge that you have been informed of the amount of notice required when you wish to move from the facility and the policy in the case of your temporary transfer within or outside of the Community.
- iii. You acknowledge that you have been provided with and have reviewed Section 63.2-1808 of the Code of Virginia detailing residents' rights in the Assisted Living Facility, that the provisions of this statute have been explained to you. You acknowledge that you have reviewed the Corporation's policies and procedures for implementing Section 63.2-1808, including the Community's grievance policy and transfer/discharge policy with respect to the Assisted Living Facility, and you have had the policies and procedures explained to you.
- iv. You acknowledge that you have been informed that residents of the Assisted Living Facility may establish and maintain a resident council that may be composed of residents, family members, advocates, friends, and others, in order to (1) work with the administration in improving the quality of life for residents, (2) discuss the services offered by the facility and make recommendations for resolution of problems or concerns, and (3) perform other functions that may be determined by the council. The Corporation is responsible for providing assistance with the formation and maintenance of the council.
- v. You acknowledge that you have been informed of the Corporation's policy regarding the administration and storage of medications and dietary supplements in the Assisted Living Facility.
- vi. You acknowledge that you have received written assurance that the Corporation has the appropriate license to meet your care needs in the Assisted Living Facility in the event you are transferred to the Assisted Living Facility.

- c. Rules and Regulations.** You agree to abide by all Rules and Regulations as current and in effect at any time.
- i. The Community is a smoke-free campus, to include the use of cigarettes, cigars, pipes, e-cigarettes, vaping devices, and other smokeless tobacco or marijuana products. Consistent with the Community's smoking policy, admission to the Community is limited to non-smokers. Residents, guests, and staff are restricted from smoking anywhere on the premises. Furthermore, in the event that any smoking is discovered, Resident will be fully responsible for all remediation costs to eliminate any smell, stain, or other damage. If such damage is discovered at the time of termination, any refund will be reduced by the remediation costs.
 - ii. Firearms and other weapons are prohibited on the premises.
- d. Preservation of Assets.** You agree to responsibly manage and preserve your assets to the best of your ability in order to meet your ongoing financial obligations under this Agreement. You agree to report to the Corporation any material decrease in the value of your income or assets and refrain from transferring any material assets for less than fair value, whether by gift, sale, or otherwise. You shall provide evidence of your current financial status upon request by the Corporation. On request of the Corporation, you shall arrange for preservation and management of your property by a third party or parties approved by the Corporation whenever, in the sole judgment of the Corporation, assistance in management of your property is reasonably needed to preserve your financial position.
- e. Financial Information.** If the Corporation requests, you shall provide the Corporation with a complete financial statement, including copies of federal and state income and gift tax returns for the previous three years.
- f. Power of Attorney; Advance Directive.** You agree to execute a valid power of attorney designating a bank or responsible person selected by you to act in your behalf in the event you may become unable to handle your affairs. You agree to execute and maintain a current advance directive that provides information about healthcare choices in the event that you become incapable of making informed decisions. Such health care advance directive shall also name a specific individual to serve as your health care agent in the event you become unable to make informed decisions. You also agree to identify the name of an individual willing to serve as your guardian, if it becomes necessary for someone other than you to manage your affairs. In the event that you designate your spouse or domestic partner, you must also identify an alternate person in the event of incapacity or unavailability of your primary designee.

You shall deliver a copy of your power of attorney to the Corporation prior to residence at the Community. You agree to maintain your power of attorney at all times and to notify us of any changes or substitutions. The power of attorney must be in a form that survives your incapacity or disability and is otherwise satisfactory to the Corporation.

- g. Waiver, Representations.** The failure of the Corporation in any one or more instances to insist on your strict performance, observance or compliance with any provisions of this Agreement or the Corporation's waiver of your breach of any provision of this Agreement shall not be construed to be a waiver or relinquishment by the Corporation. You acknowledge that the Corporation's representatives have made no promises except as specifically set out in this Agreement. You acknowledge that none of the sponsoring organizations of the Corporation or any related organizations are parties to this Agreement and that you have not relied on the credit worthiness or sponsorship of any sponsoring or related organization as an inducement to execute this Agreement.
- h. Construction, Binding Effect.** This Agreement constitutes the entire agreement between you and the Corporation, and no waiver or modification of it shall be valid unless made in writing and signed by you and the Corporation. This Agreement, including its validity, the capacity of its parties, its form, interpretation of its language, and any questions concerning its performance and discharge, shall be governed by and construed by and in accordance with the law of the Commonwealth of Virginia. All references in this Agreement to masculine pronouns and adjectives shall be deemed to include the feminine and vice versa. If any provision of this Agreement is held invalid by any court of competent jurisdiction, such holding shall not affect any other provision of the Agreement. All headings contained in this Agreement are for convenience of reference and will not affect its meaning, construction or effect.
- i. Force Majeure.** Both you and we recognize that certain circumstances are beyond the control of the Corporation. Commercial contracts in the Commonwealth of Virginia commonly refer to these circumstances and events as force majeure. Therefore, it is agreed that the Corporation will not be required to perform those obligations that, by reason of force majeure, it is unable to perform. However, should a force majeure occur, the Corporation shall resume meeting all its obligations as soon as is reasonably possible.
- j. Joint and Several Liability.** Co-Residents residing in the same unit under this Agreement shall be jointly and severally liable for all obligations arising under this Agreement.

11. DISPUTE RESOLUTION/ARBITRATION

To the extent permitted by current law and CMS policy, you agree to attempt alternative dispute resolution options, such as arbitration or mediation, before filing any lawsuit regarding any disputes arising out of this Agreement or your residence in the Community that cannot be resolved between the parties informally. Preference will be given to binding arbitration under the Healthcare Claims Settlement Procedures or the Commercial Dispute Resolution Procedures of the American Arbitration Association, as appropriate. Arbitration shall be held in Richmond, Virginia. Any award of an arbitration or mediation shall be binding on the parties to any dispute and may be entered as a final judgment in a court of competent jurisdiction.

You and the Corporation shall continue to perform your obligations under this Agreement, subject to the right of either party to terminate this Agreement pursuant to its terms, during the pendency of any alternative dispute resolution proceeding. The obligations of this Section 11 shall survive the termination of this Agreement.

12. EFFECTIVE DATE

The effective date of this Agreement is the earlier of (a); _____ and (b) the date you move into the Community.

IN WITNESS WHEREOF, the Corporation and the Resident or Residents have executed this Life Care Services and Residence Agreement as of the date first above written.

**WESTMINSTER CANTERBURY
CORPORATION**

John D. Burns, President and CEO

, Resident

, Resident

FINANCIAL ASSISTANCE ADDENDUM

LIFECARE SERVICES AND RESIDENCE AGREEMENT

I. Policy. The Corporation may provide financial assistance (“Fellowship”) to help residents cover entrance and monthly fee payments when sufficient funds are available to the Corporation for that purpose. To be eligible for financial assistance, should the need arise, you must (a) comply with all terms of the Resident’s Life Care Services and Residence Agreement; and (b) provide all information as requested by the Corporation to justify financial assistance. This information must demonstrate that there is a need for financial assistance resulting from circumstances over which you had no control, including normal depletion of your assets over time. Decisions to extend financial assistance shall be at the sole discretion of the Corporation. **A grant of financial assistance shall not constitute a waiver by the Corporation of any of the Resident’s other obligations under the Agreement.**

II. Duties of Recipient of Financial Assistance.

If you receive financial assistance, you agree to:

- (a) Apply for and diligently seek the maximum available benefits of any public or other assistance program for which you may qualify such as Medicaid, Social Security, Supplemental Security Income, Old Age Assistance, Aid to the Blind and Veteran’s Pensions. Any such benefits may be taken into account in adjusting the amount of financial assistance.
- (b) Report promptly to the Corporation your receipt of any property or any material increase or decrease in the value of your income or assets due to gift, inheritance, change in public assistance benefits or otherwise.
- (c) Refrain from transferring any material assets for less than fair value, whether by gift, sale or otherwise.
- (d) Execute any notes, assignments, security agreements and deeds of trust or other instrument that we deem necessary or desirable to evidence or secure our claim for repayment of financial assistance.

III. Financial Assistance as a Loan. If granted, financial assistance shall constitute a loan to you and shall bear interest until paid at a rate specified when such assistance is provided. Principal and interest shall be due and payable on the earliest of:

- (a) Reasonable determination by the Corporation that your financial condition at that time enables you to repay all or part of the loan in addition to amounts you then are paying to the Corporation;
- (b) Your death, with payment from any assets of your estate; and
- (c) Termination of this Agreement for any other reason.

Any refund that may become due to you or your estate may be reduced by the full amount of financial assistance we provide, including interest. We may at any time and in our sole discretion

increase, decrease or terminate financial assistance to you because of changes in the assets or operating costs of the Corporation or changes in your assets or monthly income.

Your failure to comply with any of the above requirements will breach the Life Care Services and Residence Agreement and be cause for its termination.

Acceptance of financial assistance by a Resident shall not constitute a waiver of any other benefit.

, Resident

, Resident

WESTMINSTER CANTERBURY RICHMOND

Richmond, Virginia

**SERVICES AND RESIDENCE AGREEMENT
Type B**

**TYPE B SERVICES AND RESIDENCE AGREEMENT
WESTMINSTER CANTERBURY RICHMOND
1600 Westbrook Avenue
Richmond, Virginia**

THIS TYPE B SERVICES AND RESIDENCE AGREEMENT (the “Agreement”) dated _____, 2019, is between WESTMINSTER-CANTERBURY CORPORATION, Richmond, Virginia (the “Corporation” or “we”), and the following person or persons (referred to as the “Resident,” the “Residents” or “you”): _____.

THE CORPORATION, a nonprofit corporation organized under the laws of the Commonwealth of Virginia, owns and operates Westminster Canterbury Richmond (the “Community”) as a continuing care retirement community. We have approved your application for residence at the Community subject to the provisions of this Agreement.

1. DEFINITIONS

- a. **Assisted Living.** “Assisted Living” refers to the Assisted Living Program at the Community.
- b. **Health Center.** “Health Center” refers to the nursing care areas at the Community.
- c. **Unit.** “Unit” refers to the independent living apartment or house you occupy, including any unit in the Community to which you move pursuant to this Agreement.
- d. **Rules and Regulations.** “Rules and Regulations” means all current rules, regulations, conditions and restrictions that apply to the Community and the use of its service and amenities. This includes without limitation those listed in the Resident Handbook and any rules implemented especially for you or a group of residents, or any rules or conditions that you have agreed to, or in the future agree to, as condition of residence. The Rules and Regulations are subject to change in the Corporation’s discretion, provided that the Corporation will notify residents of any significant changes.

2. LODGING, MEALS AND OTHER SERVICES

- a. **Services.** We will furnish you with the services, care, lodging and meals described in this Agreement for so long as you meet your obligations as described in the Agreement.
- b. **Lodging.** You have selected the following Unit: # _____ in the _____. You will have a personal and non-assignable right to live in that Unit until your death or earlier termination of this Agreement or until you transfer to another Unit or we transfer you to another Unit, as provided in other parts of this Agreement.

- c. **Meals.** Meals will be available in the dining areas of the Community and may be purchased individually or as part of an optional meal plan. An additional charge may be made for particular diets, non-standard preparation time(s), delivery to Unit, and other requests that require specialized preparation of meals. Please note if you move to Assisted Living or to the Health Care Center on a permanent or temporary basis, three meals per day will be included in your daily rate.
- d. **Common Areas.** You and other residents have the right to use the indoor and outdoor recreational, social and other common areas from time to time, subject to the Rules and Regulations.
- e. **Utilities.** We will provide the following utilities in your Unit: water, heating, air conditioning, and electricity at no additional charge. At the Corporation's sole discretion and subject to their availability, various complimentary technology services, such as basic cable television, local telephone service, and Wi-Fi internet access in certain community spaces, may be provided by Corporation. You may purchase additional utilities as we may offer. All Residents are responsible for the payment of their own cable television, internet, and telephone charges.
- f. **Furnishings.** Your Unit will be provided with flooring, window blinds, and kitchen appliances. With prior approval of the Corporation, other appliances may be installed at your own expense. Furthermore, removal of furnishings shall be at your sole expense. You will not receive a refund for any furnishings that you leave behind upon vacating the unit.
- g. **Options and Custom Features in the Residence.** You may select options and custom features for the Residence after receiving approval from Westminster Canterbury Richmond's Management and paying for the options and custom features. You may be required to prepay the reasonably anticipated expenses for returning the Residence to its original condition should Westminster Canterbury Richmond deem that such customization chosen by You has rendered the Residence less marketable; alternatively, the reasonable expenses for such restoration work may be deducted from any applicable refund that may be due upon transfer or termination of this Agreement. No refund or credit will be provided in the event that Westminster Canterbury Richmond elects to retain any features that you add to the Unit.
- h. **Linens.** We will provide clean towels and bed sheets on a weekly basis.
- i. **Housekeeping.** We will be responsible for routine housekeeping of all common areas and public areas. You will be responsible for maintaining your Unit in a clean, sanitary and orderly condition, performing all usual light housekeeping tasks (other than Unit Cleaning Services provided by the Corporation) as necessary. Basic, light housekeeping services will be provided in your Unit on a regular schedule by the Corporation at no additional

charge as set forth in the Resident Handbook. More extensive housekeeping services may be arranged with the Corporation at an additional charge. We reserve the right to inspect your Unit, after reasonable notice to you. If you fail to maintain your Unit as required above, we may charge you for those housekeeping services needed to ensure proper cleanliness and maintenance. Furthermore, repeated failure to maintain the Unit in a reasonably clean manner may be considered as evidence that you may need to be transferred to a different unit or to a higher level of care.

- j. **Guests.** You are permitted to have guests in your Unit, subject to the Rules and Regulations.
- k. **Appliances.** All appliances and other electric devices in your Unit must be safe and reliable and must be used in a safe and responsible manner, all as reasonably determined by the Corporation.

3. HEALTH CARE AND ASSISTED LIVING

- a. **Outpatient Services.** We are not responsible for providing qualified licensed provider services to residents at all times. There is a Clinic on-campus where you may be examined and treated as an outpatient. We will arrange for a qualified licensed provider to be available from time to time for limited consultation with residents. We also may make available the services of a physical therapist and other health professionals, but you are free to engage the services of health professionals of your choice. You will be responsible for any provider fees or charges. You are free, however, to engage the services of a qualified licensed provider of your own choice, who also may be permitted to use our space for such consultation, subject to the Rules and Regulations and with permission of the Corporation.

If you engage any physician or other health care professional to provide outpatient services to you at the Community or in your Unit, you agree that the Corporation shall have no liability for their acts or omissions, whether or not those services were arranged for or made available by the Corporation. Furthermore, you will be responsible for all fees and charges incurred for such services.

- b. **Nursing Care and Assisted Living.** You and/or your spouse will be responsible for payment for Assisted Living services and/or nursing care services in our Health Care Center not covered by Medicare, if it is determined by our staff and/or a physician that you require such care. Such charges are in addition to the Continuing Care Type B Monthly Fee set forth in this Agreement. Nursing Care and Assisted Living services provided by the Corporation are limited to that care ordinarily provided in the Health Care Center or Assisted Living areas or in other specifically designated parts of the Community.

- c. **Medicare and Other Insurance.** You are responsible for the following insurance requirements:
- i. If not already enrolled, you will apply promptly for and secure enrollment in the Medicare Hospital Insurance Benefits program under Part A of the Social Security Act, Title XVIII. During the next enrollment period after submitting your application for admission to the Community, you will apply for, secure and pay premiums for the Supplementary Medicare Insurance program under Part B of the Social Security Act, Title XVIII. Alternatively, you may apply for, secure and pay any premiums for the Medicare+Choice program under Part C of the Social Security Act, Title XVIII. If you are not eligible for any of these programs, you shall obtain equivalent insurance coverage before the effective date of this Agreement and maintain it. Your equivalent insurance coverage must be acceptable to the Corporation. If you become entitled to payments for health services from other governmental agencies, you shall make application for those payments and assign them to the Corporation. Upon the request and direction of the Corporation, you agree to execute an assignment of benefits to the Corporation or the physicians staffing the Health Center for any services rendered. If you do not obtain such insurance coverage, you agree to pay the Corporation for all services that would have been reimbursed by such insurance.
 - ii. You shall obtain and maintain a supplemental insurance policy acceptable to the Corporation to pay Medicare co-insurance and deductible amounts. Should you fail or neglect to obtain and maintain such coverage, you agree to pay us for services rendered by our health care professionals which would otherwise have been covered by such supplemental insurance. Providers of skilled nursing care such as the Corporation are not permitted to submit claims to certain insurers for skilled nursing care. Therefore, Residents who have a Medicare-equivalent insurance will relinquish reimbursement to the Corporation pertaining to skilled nursing care or any other services furnished by the Corporation covered by such policy.
 - iii. If requested by the Corporation, you shall provide evidence of your continuing compliance with this section.
 - iv. It is your responsibility to confirm the eligibility of your insurance to pay for services provided by the Community. In the event that the Corporation is not considered to be a network provider or is otherwise ineligible for reimbursement, you agree to pay for all relevant expenses directly.
- d. **Health Related Charges.** You agree to pay all charges for health-related services other than those for which the Corporation has, by terms of this Agreement, specifically accepted responsibility (such as routine services under the applicable daily rates in the Health Center and Assisted Living). Examples of charges for which you are responsible include, but are not limited to:

- i. Charges of any physician, surgeon, physical therapist, occupational therapist, podiatrist or other health professional of any type, whether provided at the Community or elsewhere;
 - ii. Hospital, ambulance, paramedic, and other medical transport charges; and
 - iii. Charges for medicines, personal laundry, drugs (prescription and non-prescription), oxygen, vitamins, food supplements, dental work, glasses, hearing aids, orthopedic devices, assistive devices, durable medical equipment and other health related items.
- e. **Case Management Fee.** At the Corporation's sole discretion, you may be required to engage, and pay applicable expenses for, a case manager to assist in the management of any of your affairs that are not covered by this Agreement at your sole expense. You agree to authorize the case manager and Residence Services team to share information as requested and work collaboratively with this Residence Services team at the Community.

4. PAYMENT OF FEES

- a. **Entrance Fees.** You agree to pay to the Corporation an Entrance Fee by the effective date of this Agreement as follows:

Entrance Fee		\$0.00
Less Refundable 10% Deposit	\$0.00	\$0.00
Less Advance Deposit	\$0.00	
Net Amount Due With This Agreement	\$0.00	
Balance Due by Effective Date of This Agreement		\$0.00

Charges that are paid in one lump sum shall not be increased or changed for the duration of your residency at the Community, except for the changes required by state or federal assistance programs.

- b. **Continuing Care Type B.** Residents selecting the Continuing Care Plan B are bound by the following provisions:
- i. **Continuing Care Type B Monthly Fee.** Residents selecting the Continuing Care Type B shall pay the Monthly fee associated with the Continuing Care Type B until this Agreement is terminated. The current monthly fee is \$_____ per month for single occupancy and \$ _____ per month for dual occupancy.

- ii. **Co-Residents.** The monthly fee will be reduced by the amount of the second person fee if a spouse or other person (“Co-Resident”) permanently vacates the Unit beginning in the first full month after the Co-Resident vacates the Unit. Co-Residents shall be jointly and severally liable for the monthly fees at all times until and unless this Agreement is terminated. In the event of death or other termination by one Co-Resident, the remaining Resident shall be responsible for the payment of the ordinary, then-current 1st person monthly fee.
- iii. **Maintenance of Long Term Care Insurance Coverage.** If a Resident selecting the Continuing Care Type B is approved by Corporation with long term care insurance coverage, that Resident (s) must continue to maintain covered status under the long term care insurance plan. Should you not maintain your coverage to the same extent as that initially approved by Corporation, the Financial Assistance program described in Section 5 of this Agreement, may no longer apply. If you are unable to meet the financial requirements for future care and you exhaust any available funds from an Entrance Fee refund, this Agreement may be terminated.
- iv. **Continuing Care Type B Charges.** Should a Resident qualify for services in the Health Care Center or Assisted Living, as determined by Corporation, that Resident shall pay the then- current daily rate, minus a 10% discount when residing in the Health Care Center or Assisted Living, plus the cost of ancillary services and personal charges applicable to the Resident. The current daily rate charge shall be published in Westminster Canterbury’s Fee Schedule.
- c. **Other Services.** You will be billed monthly, in arrears, for any services and supplies provided by the Corporation that are not included in the monthly fee. Payment shall be due within thirty (30) days after receipt of invoice. Unpaid balances shall be subject to interest at then-current finance rates if not paid within thirty (30) days.
- d. **Change of Scope of Services or Charges.** We will provide a 30-day notice if we intend to reduce the scope or type of services or change the charges for services included within this Agreement.
- e. **Late Payment Finance Charges and Collections Fees.** Past due amounts may be subject to finance charges. You also may be responsible for any legal and collection fees incurred on amounts that are more than sixty (60) days past due.

5. FINANCIAL ASSISTANCE

The Corporation provides financial assistance (“Fellowship”) to certain residents in need. To be eligible for financial assistance, a Resident must (a) comply with all terms of this Agreement, and (b) provide information requested by the Corporation to justify financial assistance. This may include information demonstrating that the need for financial assistance has resulted from circumstances over which the Resident had no control, including the normal depletion of assets over time. A Resident’s failure to appropriately manage and preserve his or her assets shall not constitute grounds for financial assistance. All decisions on financial assistance shall be made in the sole discretion of the Corporation. Further information regarding the Fellowship program is available on request.

Financial assistance may be conditioned on proof of marital or other relationship status with any other individual who may assist in paying the Resident’s financial obligations under this Agreement.

Appendix A, the Financial Assistance Addendum (the “Addendum”) is attached to this Agreement. By the execution of this Agreement, you agree that if you apply for and/or receive any Fellowship you will abide by all terms of the Addendum.

6. RIGHTS UNDER AGREEMENT

- a. **Resident's Rights.** Your rights under this Agreement are purely personal and may not be assigned, transferred, inherited or devised. Although you are granted a right of occupancy, this Agreement is for services and is not a lease. You are not granted any right of ownership, lien on or any other interest in any real or personal property of the Corporation. Under certain circumstances, you may be moved to another residence as provided in Section 7.
- b. **Subordination to Financing.** Your rights under this Agreement will at all times be subordinate to the rights of a bona fide lender under any current or future mortgage, deed of trust or other security interest on any property of the Corporation and to all amendments, modifications, replacements or refinancing of it. You further agree to provide any document we or the holder of any mortgage, deed of trust or security agreement may require to evidence or effect the subordination of your rights.
- c. **Right of Entry.** We have the right to enter your Unit (i) at reasonable times to perform housekeeping and maintenance and to make reasonable inspections and (ii) at any time to respond to fire or medical alerts and for other emergency purposes.
- d. **Removal of Property.** On termination of this Agreement or your permanent transfer to another level of care within the Community or to an external facility, you or your personal representative(s) must remove all of your property from the Unit within ten (10) days. Furthermore, you must return the Unit to its original condition of cleanliness. You will be charged a cleaning and/or disposal fee for any personal items, food, and other debris that is left in

the Unit as well as any required removal of mold, mildew, stains, and other actions necessary to restore the Unit to its original condition of cleanliness. Unless you make special arrangements for donated items, you will remain responsible for the monthly fee for the Unit until all property is removed. If all property is not removed within thirty (30) days, the Corporation may remove and store your property and you will be responsible for payment of the cost of removal and storage. The Corporation may dispose of all property not removed or claimed within ninety (90) days of termination or permanent transfer without obligation or notice to you.

- e. **Damage or Loss of Property; Required Insurance.** You accept full responsibility for any injury or damage caused to others or suffered by you as a result of your or your guests' acts or omissions. You agree to insure against casualty, theft and loss of property located in your Unit and assigned storage area and you shall provide proof of such insurance on request. Such coverage amounts shall be established by the Corporation and set forth in the Resident Handbook, such coverage amounts may be updated from time to time upon thirty (30) days' advance notice. You agree to reimburse the Corporation for any costs incurred or damages suffered by the Corporation and its residents, employees and guests that result from carelessness, negligence or wrongful acts of you or your guests. We will not be responsible for damage to or loss of any of your property by casualty, theft or other causes.
- f. **Waiver of Responsibility.** You hereby release the Corporation from liability for your death, injury to your person or injury to property caused by any fire, theft, assault or other cause beyond the control of the Corporation and from any liability resulting from the negligence or wrongful actions of other residents. You further waive any claim that you, your representative or estate may have against the Corporation arising from such circumstances.
- g. **Third Party Liability.** If you are injured as the result of an act or omission of a third party, you grant the Corporation a lien on any judgment, settlement or recovery in the amount of any expense incurred by the Corporation in caring for you as the result of such injury that is not reimbursed directly to the Corporation by you or by another source. You agree to cooperate in the prosecution of any claim or action against the responsible third party.

7. TRANSFER AND RELEASE OF UNIT

The Corporation's continuing care program was developed and is maintained to provide appropriate care and services for all residents reflecting their needs and abilities. Accordingly, residents are required to transfer to a higher level of care whenever transfer is determined to be appropriate as provided in this section. You understand and accept that this policy is an important part of the Corporation's program, and you agree to abide by this policy.

The Corporation will make any decision regarding your transfer after consultation with you and your family or representative, as applicable. The decision will also be based on the opinion of an interdisciplinary team of professionals assembled by and using appropriate assessment techniques determined by the Corporation. Any such decision, however, will be made by the Corporation in its sole, good faith discretion.

If the Corporation determines that it cannot meet your health care needs in the Independent Living setting, the Corporation may transfer you to Assisted Living or the Health Center. You shall continue to pay the monthly fee for your Unit in accordance with Section 4.b above. Following any decision to transfer you permanently to Assisted Living or the Health Center, which shall be made within thirty (30) days, your Unit will be released for use by another resident (assuming the second Resident does not remain in your Unit), and no refund of the Entrance Fee will be made. Upon a permanent transfer, you agree that you, your family, or representative will remove your property from your Unit as described in Section 6.d above. Your monthly fee will continue at the rate of your original Unit subject to any ordinary rate changes applicable to other similarly-situated units in the Community.

If we determine that the Corporation cannot meet your health care needs within the Community due to a physical or mental condition beyond the scope of services provided by the Corporation, the Corporation may transfer you to a hospital or other health care facility to be treated at your own expense. You shall continue to pay the monthly fee for your Unit in accordance with Section 4.b above. If the Corporation determines that your needs requiring such transfer are permanent in nature, your Unit will be released for use by another resident. Upon a permanent transfer, this Agreement may be terminated upon mutual agreement between you and the Corporation. You agree that you or your family will remove your property from your Unit as described in Section 6.d above.

8. UNIT CHANGE

- a. **Optional Change.** We may, in appropriate circumstances, approve your request to move to another Unit within the Community. This decision will be made consistent with then current policies and in the sole discretion of the Corporation. If a transfer is granted, we will determine the amount of any additional Entrance Fee or any refund or credit of fee that may be appropriate. You will be responsible for all moving costs and the monthly fee then in effect for the new Unit beginning as of the date of your move, in accordance with the Corporation's then current policies.
- b. **Required Change.** In our sole, good faith discretion, we may require your transfer to another Unit of at least equal size and value (i) to consolidate, refurbish or otherwise alter residences; (ii) to promote harmony or avoid conflict among residents; or (iii) for any other purpose reasonably determined by the Corporation in order to respond to market demand or for any other reasonable purpose necessary to maintain our facilities or the well-being of our residents. If we require your transfer in such circumstances, we will assist you in making the move. You will not be charged for moving costs, any additional

Entrance Fee, or an increased monthly fee associated with such transfer unless you have created the reasons requiring your transfer (for example, damage to the Unit or disruptive behavior), in which case you will be responsible for all moving costs, any additional Entrance Fee, and an increased monthly fee for the new Unit, if applicable.

- c. **New Resident.** You will promptly inform us of any request to permit a new Co-Resident to live in your Unit. Such permission will be subject to the Co-Resident being eligible for residence in the Community under the Corporation's admissions policies. Any Co-Resident permitted to live in your Unit will be required to execute either an amendment to this Agreement or a new Services and Residence Agreement with terms and conditions as agreed on by the Corporation, you and the Co-Resident. Co-Residents who are not spouses shall undergo an independent evaluation of their assets in order to determine financial eligibility for admission to the Community. The monthly fee will increase to the rate applicable for dual occupancy in your Unit and an additional Entrance Fee may be due equal to the difference between the current Entrance Fee for two Residents and the Entrance Fee already paid by you. Co-Residents occupying the same Unit shall be jointly and severally liable for the monthly fee for the Unit.

In the event that you wish to marry and your intended spouse is not eligible for residence under the Corporation's admissions policies, you may either terminate this Agreement in accordance with Section 9.a.iii below or continue to occupy the Unit without your spouse.

- d. **Death or Permanent Transfer of a Co-Resident.** If a Co-Resident dies or is permanently transferred to Assisted Living, the Health Center, or an external facility, the other Resident may continue to live in the Unit upon the terms of this Agreement or transfer to a different Unit under Section 8.a for voluntarily transfers above. No refund of the Entrance Fee, if any, shall be payable until the death of both Co-Residents or the termination of this Agreement. If the surviving Co-Resident continues to live in the Unit, the monthly fee shall be reduced to the current rate for single occupancy.
- e. **Divorce or Separation.** If there are two Residents under this Agreement who are spouses, the Residents shall promptly inform us if they divorce or otherwise separate and this Agreement shall terminate if one or both of the spouses vacates the Unit. If either spouse desires to continue residing in the Unit or elsewhere in the Community following divorce, that individual will be required to re-apply for admission to the Community, be eligible for admission under the Corporation's admissions policies then in effect, and execute an addendum to this Agreement or enter into a new Type B Services and Residence Agreement and pay any additional Entrance Fee that may be due in accordance with policies then in effect. Any refund of the Entrance Fee due hereunder will not be paid until this Agreement is terminated by the parties as set forth below. Unless the parties present a final divorce decree that is issued

by a court of competent jurisdiction specifying the applicable allocation of the Entrance Fee between the former spouses, the spouses shall remain jointly and severally liable for the monthly fees and any expenses related to the removal of property from the Unit during the pendency of any divorce proceedings until and unless this Agreement is terminated.

9. TERMINATION OF TYPE B SERVICES AND RESIDENCE AGREEMENT

a. Termination by You.

- i. Within seven (7) days of making your initial deposit, regardless of the effective date of the Agreement, you may terminate this Agreement for any reason and at any time, without penalty or forfeiture, and your deposit will be refunded in full without interest. After seven (7) days of making your initial deposit but before the effective date, you may terminate this Agreement for any reason and at any time, and your deposit will be refunded without interest and less a 10% administrative fee.
- ii. You have the right to rescind this Agreement, without penalty or forfeiture, within seven (7) days of the effective date. If you choose to rescind within this time, you will remain responsible for costs incurred for modifications or installations in your Unit which exceed normal refurbishments. Otherwise, your deposit and entrance fee will be refunded in full without interest.
- iii. After seven (7) days from the effective date, you may terminate this Agreement for any reason at any time by giving the Corporation at least thirty (30) days' written notice. On any such termination, any refund of the Entrance Fee paid by you will be determined in accordance with Section 9.e of this Agreement.

After you provide the required notice of termination, you will continue to pay the Monthly Fee until (1) the scheduled termination date or (2) the date on which all of your property has been removed from the Unit, whichever is later. You shall pay the Corporation all amounts owed to it, including amounts related to financial assistance and any expenses incurred by the Corporation in connection with the termination. This includes any repairs or replacement of property necessary to restore the unit to its original condition above and beyond normal wear and tear.

Past due amounts may be subject to finance charges. You also may be responsible for any legal and collection fees incurred on amounts that are more than sixty (60) days past due. Furthermore, any outstanding balance will be subtracted from any Entrance Fee return that may be due.

b. Termination by Corporation.

- i. The Corporation may terminate this Agreement with a full refund (*i.e.*, no 10% administrative fee) of all payments made by you, in the event of a material deterioration in your or the Co-Resident's physical or mental condition between the time of your application and your scheduled move to the Community. No refund will be provided for any upgrades or enhancements that were made to the Unit upon your request and for which you paid additional costs.
- ii. The Corporation may terminate this Agreement at any time for good cause, as we may reasonably determine. Good cause shall be limited to the following:
 - (A) Proof that you (or either Resident) are a danger to yourself or others;
 - (B) Nonpayment by the resident of a monthly or periodic fee;
 - (C) Repeated conduct that interferes with other residents' quiet enjoyment of the Community;
 - (D) Persistent refusal to comply with reasonable written Rules and Regulations of the Community as in effect at any time;
 - (E) Any material misrepresentation by you in your application, made intentionally or recklessly, or your failure to include a material fact in the application, financial statement or health history statement you filed with the Corporation which, if accurately provided, would have resulted in either your failure to qualify for residency or a material increase in the cost of the care and services provided you under this Agreement; and
 - (F) Your material breach of the terms and conditions of this Agreement.
- c. **Termination by Death.** This Agreement shall automatically terminate on the death of the Resident (or the sole remaining Resident) subject to conditions detailed in section 6.d, Removal of Property, and Section 8.d.
- d. **Cooperation on Termination.** If this Agreement is terminated, other than by death, you and we shall cooperate so that you vacate the Unit in a prompt and orderly manner, remove your property as described in Section 6d above and return to us all keys, identification cards and similar items.
- e. **Refund of Entrance Fee and Deposits.**
 - i. If a Resident dies prior to moving into the Community or is precluded through illness, injury, or incapacity from moving in to the Community, you or your legal representative shall receive a refund of ninety percent

(90%) of the Entrance Fee. If two Residents have entered into this Agreement and one Resident dies before moving into the Community or is precluded through illness, injury or incapacity from moving into the Community, such person or his legal representative shall receive a refund of ninety percent (90%) of the difference between the Entrance Fee paid and the Entrance Fee for single occupancy in the Unit.

- ii. If this Agreement is terminated after execution of the contract for any reason including death, you or your estate will be entitled, subject to Section 9.a.ii., if applicable, to a refund of an amount equal to ninety percent (90%) of the Entrance Fee you paid, minus:
 - 1. Two percent (2%) of the Entrance Fee paid for each full or partial month of occupancy of the Unit (the period between the effective date of this Agreement and the date you vacate the Unit), so that after forty five (45) months no refund will be due or payable; and
 - 2. Any amount reflecting unpaid charges due and all amounts of financial assistance, if any, and interest. If the Agreement is terminated more than forty five (45) months after the effective date such that no refund of the Entrance Fee is due or payable, any unpaid charges due, financial assistance, and interest, if any, shall be payable by you or your estate, separately in accordance with the other provisions of this Agreement.
- iii. With respect to spouses, any refund of the Entrance Fee shall be due and payable upon the termination of this Agreement by the last remaining spouse.

Notwithstanding any other provision of this Agreement, the Corporation reserves the right to hold the payment of any refund due under this Section 9 upon our acceptance for admission to the Community of a new resident to occupy the Unit and the payment by such new resident of the applicable Entrance Fee.

10. MISCELLANEOUS

- a. **Confidentiality of Personal Information.** We will hold, in strict confidence, all personal and financial information supplied by you, except as required by law to disclose by court order or similar mandate. We will maintain the privacy and security of your health information as required by the Health Insurance Portability and Accountability Act and applicable Virginia law.
- b. **Representations.**
 - i. Your application, financial statement and health history statement filed with the Corporation are incorporated in this Agreement by reference. You

represent that all information in those statements is true and correct on this date and will be true and correct on the effective date of this Agreement, and that there have been no material omissions or adverse changes in those statements that have not been conveyed to the Corporation in writing. The Corporation routinely asks that resident financial information be updated every other year. You shall provide information regarding your current financial status upon request by the Corporation.

- ii. You acknowledge that you have been informed of the amount of notice required when you wish to move from the facility and the policy in the case of your temporary transfer within or outside of the Community.
 - iii. You acknowledge that you have been provided with and have reviewed Section 63.2-1808 of the Code of Virginia detailing residents' rights in the Assisted Living Facility, that the provisions of this statute have been explained to you. You acknowledge that you have reviewed the Corporation's policies and procedures for implementing Section 63.2-1808, including the Community's grievance policy and transfer/discharge policy with respect to the Assisted Living Facility, and you have had the policies and procedures explained to you.
 - iv. You acknowledge that you have been informed that residents of the Assisted Living Facility may establish and maintain a resident council that may be composed of residents, family members, advocates, friends, and others, in order to (1) work with the administration in improving the quality of life for residents, (2) discuss the services offered by the facility and make recommendations for resolution of problems or concerns, and (3) perform other functions that may be determined by the council. The Corporation is responsible for providing assistance with the formation and maintenance of the council.
 - v. You acknowledge that you have been informed of the Corporation's policy regarding the administration and storage of medications and dietary supplements in the Assisted Living Facility.
 - vi. You acknowledge that you have received written assurance that the Corporation has the appropriate license to meet your care needs in the Assisted Living Facility in the event you are transferred to the Assisted Living Facility.
- c. Rules and Regulations.** You agree to abide by all Rules and Regulations as current and in effect at any time.
- i. The Community is a smoke-free campus, to include the use of cigarettes, cigars, pipes, e-cigarettes, vaping devices, and other smokeless tobacco or marijuana products. Consistent with the Community's smoking policy, admission to the Community is limited to non-smokers. Residents, guests,

and staff are restricted from smoking anywhere on the premises. Furthermore, in the event that any smoking is discovered, Resident will be fully responsible for all remediation costs to eliminate any smell, stain, or other damage. If such damage is discovered at the time of termination, any refund will be reduced by the remediation costs.

- ii. Firearms and other weapons are prohibited on the premises.
- d. **Preservation of Assets.** You agree to responsibly manage and preserve your assets to the best of your ability in order to meet your ongoing financial obligations under this Agreement. You agree to report to the Corporation any material decrease in the value of your income or assets and refrain from transferring any material assets for less than fair value, whether by gift, sale, or otherwise. You shall provide evidence of your current financial status upon request by the Corporation. On request of the Corporation, you shall arrange for preservation and management of your property by a third party or parties approved by the Corporation whenever, in the sole judgment of the Corporation, assistance in management of your property is reasonably needed to preserve your financial position.
- e. **Financial Information.** If the Corporation requests, you shall provide the Corporation with a complete financial statement, including copies of federal and state income and gift tax returns for the previous three years.
- f. **Power of Attorney; Advance Directive.** You agree to execute a valid power of attorney designating a bank or responsible person selected by you to act in your behalf in the event you may become unable to handle your affairs. You agree to execute and maintain a current advance directive that provides information about healthcare choices in the event that you become incapable of making informed decisions. Such health care advance directive shall also name a specific individual to serve as your health care agent in the event you become unable to make informed decisions. You also agree to identify the name of an individual willing to serve as your guardian, if it becomes necessary for someone other than you to manage your affairs. In the event that you designate your spouse or domestic partner, you must also identify an alternate person in the event of incapacity or unavailability of your primary designee.

You shall deliver a copy of your power of attorney to the Corporation prior to residence at the Community. You agree to maintain your power of attorney at all times and to notify us of any changes or substitutions. The power of attorney must be in a form that survives your incapacity or disability and is otherwise satisfactory to the Corporation.

- g. **Waiver, Representations.** The failure of the Corporation in any one or more instances to insist on your strict performance, observance or compliance with any provisions of this Agreement or the Corporation's waiver of your breach of

any provision of this Agreement shall not be construed to be a waiver or relinquishment by the Corporation. You acknowledge that the Corporation's representatives have made no promises except as specifically set out in this Agreement. You acknowledge that none of the sponsoring organizations of the Corporation or any related organizations are parties to this Agreement and that you have not relied on the credit worthiness or sponsorship of any sponsoring or related organization as an inducement to execute this Agreement.

- h. **Construction, Binding Effect.** This Agreement constitutes the entire agreement between you and the Corporation, and no waiver or modification of it shall be valid unless made in writing and signed by you and the Corporation. This Agreement, including its validity, the capacity of its parties, its form, interpretation of its language, and any questions concerning its performance and discharge, shall be governed by and construed by and in accordance with the law of the Commonwealth of Virginia. All references in this Agreement to masculine pronouns and adjectives shall be deemed to include the feminine and vice versa. If any provision of this Agreement is held invalid by any court of competent jurisdiction, such holding shall not affect any other provision of the Agreement. All headings contained in this Agreement are for convenience of reference and will not affect its meaning, construction or effect.
- i. **Force Majeure.** Both you and we recognize that certain circumstances are beyond the control of the Corporation. Commercial contracts in the Commonwealth of Virginia commonly refer to these circumstances and events as force majeure. Therefore, it is agreed that the Corporation will not be required to perform those obligations that, by reason of force majeure, it is unable to perform. However, should a force majeure occur, the Corporation shall resume meeting all its obligations as soon as is reasonably possible.
- j. **Joint and Several Liability.** Co-Residents residing in the same unit under this Agreement shall be jointly and severally liable for all obligations arising under this Agreement.

11. DISPUTE RESOLUTION/ARBITRATION

To the extent permitted by current law and CMS policy, you agree to attempt alternative dispute resolution options, such as arbitration or mediation, before filing any lawsuit regarding any disputes arising out of this Agreement or your residence in the Community that cannot be resolved between the parties informally. Preference will be given to binding arbitration under the Healthcare Claims Settlement Procedures or the Commercial Dispute Resolution Procedures of the American Arbitration Association, as appropriate. Arbitration shall be held in Richmond, Virginia. Any award of an arbitration or mediation shall be binding on the parties to any dispute and may be entered as a final judgment in a court of competent jurisdiction.

You and the Corporation shall continue to perform your obligations under this Agreement, subject to the right of either party to terminate this Agreement pursuant to its

terms, during the pendency of any alternative dispute resolution proceeding. The obligations of this Section 11 shall survive the termination of this Agreement.

12. EFFECTIVE DATE

The effective date of this Agreement is the earlier of (a) _____; and (b) the date you move into the Community.

IN WITNESS WHEREOF, the Corporation and the Resident or Residents have executed this Type B Services and Residence Agreement as of the date first above written.

**WESTMINSTER CANTERBURY
CORPORATION**

John D. Burns, President and CEO

Resident

FINANCIAL ASSISTANCE ADDENDUM

TYPE B SERVICES AND RESIDENCE AGREEMENT

I. Policy. The Corporation may provide financial assistance (“Fellowship”) to help certain residents cover entrance and monthly fee payments when sufficient funds are available to the Corporation for that purpose. To be eligible for financial assistance, should the need arise, you must (a) comply with all terms of the Resident’s Type B Services and Residence Agreement; and (b) provide all information as requested by the Corporation to justify financial assistance. This information must demonstrate that there is a need for financial assistance resulting from circumstances over which you had no control, including normal depletion of your assets over time. Decisions to extend financial assistance shall be at the sole discretion of the Corporation. **A grant of financial assistance shall not constitute a waiver by the Corporation of any of the Resident’s other obligations under the Agreement.**

II. Duties of Recipient of Financial Assistance.

If you receive financial assistance, you agree to:

- (a) As requested by Corporation, apply for and diligently seek the maximum available benefits of any public or other assistance program for which you may qualify such as Medicaid, Social Security, Supplemental Security Income, Old Age Assistance, Aid to the Blind and Veteran’s Pensions. Any such benefits may be taken into account in adjusting the amount of financial assistance.
- (b) Report promptly to the Corporation your receipt of any property or any material increase or decrease in the value of your income or assets due to gift, inheritance, change in public assistance benefits or otherwise.
- (c) Refrain from transferring any material assets for less than fair value, whether by gift, sale or otherwise.
- (d) Execute any notes, assignments, security agreements and deeds of trust or other instrument that we deem necessary or desirable to evidence or secure our claim for repayment of financial assistance.

III. Financial Assistance as a Loan. If granted, financial assistance shall constitute a loan to you and shall bear interest until paid at a rate specified when such assistance is provided. Principal and interest shall be due and payable on the earliest of:

- (a) Reasonable determination by the Corporation that your financial condition at that time enables you to repay all or part of the loan in addition to amounts you then are paying to the Corporation;
- (b) Your death, with payment from any assets of your estate; and
- (c) Termination of this Agreement for any other reason.

Any refund that may become due to you or your estate may be reduced by the full amount of financial assistance we provide, including interest. We may at any time and in our sole discretion

increase, decrease or terminate financial assistance to you because of changes in the assets or operating costs of the Corporation or changes in your assets or monthly income.

Your failure to comply with any of the above requirements will breach the Type B Services and Residence Agreement and be cause for its termination.

Acceptance of financial assistance by a Resident shall not constitute a waiver of any other benefit.

_____, Resident

_____, Resident

WESTMINSTER CANTERBURY RICHMOND

Richmond, Virginia

LIFECARE SERVICES AND RESIDENCE AGREEMENT

ASSISTED LIVING

Revised January 2024

ADDENDUM #1.2

LIFECARE SERVICES AND RESIDENCE AGREEMENT
WESTMINSTER CANTERBURY RICHMOND
1600 Westbrook Avenue
Richmond, Virginia

THIS LIFECARE SERVICES AND RESIDENCE AGREEMENT (the “Agreement”) dated ___, 20___, is between WESTMINSTER-CANTERBURY CORPORATION, Richmond, Virginia (the “Corporation” or “we”), and the following person or persons (referred to as the “Resident,” the “Residents” or “you”): _____.

THE CORPORATION, a nonprofit corporation organized under the laws of the Commonwealth of Virginia, owns and operates Westminster Canterbury Richmond (the “Community”) as a continuing care retirement community. We have approved your application for Unit at the Community subject to the provisions of this Agreement.

1. DEFINITIONS

- a. Assisted Living.** “Assisted Living” refers to the Assisted Living Program at the Community and “Assisted Living Unit” refers to any Assisted Living apartment you occupy.
- b. Health Center.** “Health Center” refers to the nursing care areas at the Community.
- c. Unit.** “Unit” refers to the assisted living apartment you occupy, including any apartment in Assisted Living to which you move pursuant to this Agreement.
- d. Rules and Regulations.** “Rules and Regulations” means all current rules, regulations, conditions and restrictions that apply to residence in the Community and the use of its service and amenities. This includes without limitation those listed in the Resident Handbook and any rules implemented especially for you or a group of residents, or any rules or conditions that you have agreed to, or in the future agree to, as condition of residence. The Rules and Regulations are subject to change in the Corporation’s discretion, provided that the Corporation will notify residents of any significant changes.

2. LODGING, MEALS AND OTHER SERVICES

- a. Services.** We will furnish you with the services, care, lodging and meals described in this Agreement for so long as you meet your obligations as described in the Agreement.
- b. Lodging.** You have selected the following Unit: # ___ in the ___ Assisted Living. You will have a personal and non-assignable right to live in that Unit until your death or earlier termination of this Agreement as shown in Section 9 or until you transfer to another Unit or we transfer you to another Unit, as provided in other parts of this Agreement.

- c. **Meals.** We are required by applicable law to provide you with three (3) meals a day and the charge for these is included in your monthly fee. These will be served in the dining room designated for the area in which you reside. An additional charge may be made for particular diets, non-standard preparation time(s), delivery to Unit, and other requests that require specialized preparation of meals.
- d. **Common Areas.** You and other residents have the right to use the indoor and outdoor recreational, social and other common areas from time to time, subject to the Rules and Regulations.
- e. **Utilities.** We will provide the following utilities in your Unit: water, heating, air conditioning, and electricity at no additional charge. At the Corporation's sole discretion and subject to their availability, various complimentary technology services, such as basic cable television, local telephone service, and Wi-Fi internet access in certain community spaces, may be provided by Corporation. You may purchase additional utilities as we may offer. All Residents are responsible for the payment of their own cable television, internet, and telephone charges.
- f. **Furnishings.** Your Unit will be provided with flooring and window blinds. Some apartments may have kitchen appliances. Removal of furnishings shall be at your sole expense. You will not receive a refund for any furnishings that you leave behind upon vacating the Unit.
- g. **Options and Custom Features in the Residence.** You may select options and custom features for the Residence after receiving approval from Westminster Canterbury Richmond's Management and paying for the options and custom features. You may be required to prepay the reasonably anticipated expenses for returning the Residence to its original condition should Westminster Canterbury Richmond deem that such customization chosen by You has rendered the Residence less marketable; alternatively, the reasonable expenses for such restoration work may be deducted from any applicable refund that may be due upon transfer or termination of this Agreement. No refund or credit will be provided in the event that Westminster Canterbury Richmond elects to retain any features that you add to the Unit.
- h. **Linens.** We will provide clean towels and bed sheets on a weekly basis
- i. **Housekeeping.** We will be responsible for routine housekeeping of all common areas and public areas. You will be responsible for maintaining your Unit in a clean, sanitary and orderly condition, performing all usual light housekeeping tasks as necessary. Basic, light housekeeping services will be provided on a regular schedule by the Corporation at no additional charge as set forth in the Resident Handbook. More extensive housekeeping services may be arranged with the Corporation at an additional charge. We reserve the right to inspect your Unit, after reasonable notice to you. If you fail to maintain your Unit as required above, we may charge you for those housekeeping services needed to ensure

proper cleanliness and maintenance. Furthermore, repeated failure to maintain the Unit in a reasonably clean manner may be considered as evidence that you may need to be transferred to a different unit or to a higher level of care.

- j. **Guests.** You are permitted to have guests in your Unit, subject to the Rules and Regulations.
- k. **Appliances.** All appliances and other electric devices in your Unit must be safe and reliable and must be used in a safe and responsible manner, all as reasonably determined by the Corporation.

3. HEALTH CARE AND ASSISTED LIVING

- a. **Outpatient Services.** We are not responsible for providing qualified licensed provider services to residents at all times. There is a Clinic on-campus where you may be examined and treated as an outpatient. We will arrange for a qualified licensed provider to be available from time to time for limited consultation with residents. We also may make available the services of a physical therapist and other health professionals, but you are free to engage the services of health professionals of your choice. You will be responsible for any provider fees or charges. You are free, however, to engage the services of a qualified licensed provider of your own choice, who also may be permitted to use our space for such consultation, subject to the Rules and Regulations and with permission of the Corporation.

If you engage any physician or other health care professional to provide outpatient services to you at the Community or in your Unit, you agree that the Corporation shall have no liability for their acts or omissions, whether or not those services were arranged for or made available by the Corporation. Furthermore, you will be responsible for all fees and charges incurred for such services.

- b. **Nursing Care and Assisted Living.** We will be responsible for Assisted Living services and/or nursing care for residents of our Health Center not covered by Medicare, if it is determined by our staff and/or a physician that you require such care. Nursing Care and Assisted Living services provided by the Corporation are limited to that care ordinarily provided in the Health Center or Assisted Living areas or in other specifically designated parts of the Community.
- c. **Medicare and Other Insurance.** You are responsible for the following insurance requirements:
 - i. If not already enrolled, you will apply promptly for and secure enrollment in the Medicare Hospital Insurance Benefits program under Part A of the Social Security Act, Title XVIII. During the next enrollment period after submitting your application for admission to the Community, you will apply for, secure and pay premiums for the Supplementary Medicare Insurance program under Part B of the Social Security Act, Title XVIII. Alternatively, you may apply for, secure and pay any premiums for the Medicare+Choice program under

Part C of the Social Security Act, Title XVIII. If you are not eligible for any of these programs, you shall obtain equivalent insurance coverage before the effective date of this Agreement and maintain it. Your equivalent insurance coverage must be acceptable to the Corporation. If you become entitled to payments for health services from other governmental agencies, you shall make application for those payments and assign them to the Corporation. Upon the request and direction of the Corporation, you agree to execute an assignment of benefits to the Corporation or the physicians staffing the Health Center for any services rendered. If you do not obtain such insurance coverage, you agree to pay the Corporation for all services that would have been reimbursed by such insurance.

- ii. You shall obtain and maintain a supplemental insurance policy acceptable to the Corporation to pay Medicare co-insurance and deductible amounts. Should you fail or neglect to obtain and maintain such coverage, you agree to pay us for services rendered by our health care professionals which would otherwise have been covered by such supplemental insurance. Providers of skilled nursing care such as the Corporation are not permitted to submit claims to certain insurers for skilled nursing care. Therefore, Residents who have a Medicare-equivalent insurance will relinquish reimbursement to the Corporation pertaining to skilled nursing care or any other services furnished by the Corporation covered by such policy.
- iii. If requested by the Corporation, you shall provide evidence of your continuing compliance with this section.

It is your responsibility to confirm the eligibility of your insurance to pay for services provided by the Community. In the event that the Corporation is not considered to be a network provider or is otherwise ineligible for reimbursement, you agree to pay for all relevant expenses directly.

- d. **Health Related Charges.** You agree to pay all charges for health-related services other than those for which the Corporation has, by terms of this Agreement, specifically accepted responsibility (such as routine services in the Health Center and Assisted Living). Examples of charges for which you are responsible include, but are not limited to:
 - i. Charges of any physician, surgeon, physical therapist, occupational therapist, podiatrist or other health professional of any type, whether provided at the Community or elsewhere;
 - ii. Hospital, ambulance, paramedic and other medical transport charges; and
 - iii. Charges for medicines, personal laundry, drugs (prescription and non-prescription), oxygen, vitamins, food supplements, dental work, glasses, hearing aids, orthopedic devices, assistive devices, durable medical equipment, and other health related items.

- e. **Case Management Fee.** At the Corporation's sole discretion, you may be required to engage, and pay applicable expenses for, a case manager to assist in the management of any of your affairs that are not covered by this Agreement at your sole expense. You agree to authorize the case manager and Residence Services team to share information as requested and work collaboratively with this Residence Services team at the Community.

4. PAYMENT OF FEES

- a. **Entrance Fees.** You agree to pay to the Corporation an Entrance Fee by the effective date of this Agreement as follows:

Entrance Fee

Less Refundable 10% Deposit	
Less Advance Deposit	
Less Financial Assistance Credit, If Applicable	n/a
Net Amount Due With This Agreement	

Balance Due by Effective Date of This Agreement

Charges that are paid in one lump sum shall not be increased or changed for the duration of your residency at the Community, except for changes required by state or federal assistance programs.

- b. **Monthly Fee.** You agree to pay a monthly fee, payable in advance on the first day of each month. The current monthly fee is \$____per month. We may adjust the monthly fee at any time on at least thirty (30) days' written notice to you. The initial and final monthly fee will be prorated for any applicable period less than a month, subject to the terms described in Section 6.d of this Agreement. Your monthly fee is payable whether you actually occupy your Unit or temporarily transfer to the Health Center. The monthly fee will be reduced by the amount of the second person fee if a Co-Resident permanently vacates the Unit beginning in the first full month after the Co-Resident vacates the Unit. Co-Residents shall be jointly and severally liable for the monthly fees at all times until and unless this Agreement is terminated. In the event of death or other termination by one Co-Resident, the remaining Resident shall be responsible for the payment of the ordinary, then-current 1st person monthly fee.
- c. **Other Services.** You will be billed monthly, in arrears, for any services and supplies provided by the Corporation that are not included in the monthly fee. You will be billed monthly, in arrears, for any services and supplies provided by the Corporation but not included in the monthly fee. Payment shall be due within

thirty (30) days after receipt of invoice. Unpaid balances shall be subject to interest at then-current finance rates if not paid within thirty (30) days.

- d. **Change of Scope of Services or Charges.** We will provide a 30-day notice if we intend to reduce the scope or type of services or change the charges for services included within this Agreement.
- e. **Late Payment Finance Charges and Collections Fees.** Past due amounts may be subject to finance charges. You also may be responsible for any legal and collection fees incurred on amounts that are more than sixty (60) days past due.

5. FINANCIAL ASSISTANCE

The Corporation provides financial assistance (“Fellowship”) to residents in need. To be eligible for financial assistance, a Resident must (a) comply with all terms of this Agreement, and (b) provide information requested by the Corporation to justify financial assistance. This may include information demonstrating that the need for financial assistance has resulted from circumstances over which the Resident had no control, including the normal depletion of assets over time. A Resident’s failure to appropriately manage and preserve his or her assets shall not constitute grounds for financial assistance. All decisions on financial assistance shall be made in the sole discretion of the Corporation. Further information regarding the Fellowship program is available on request.

Financial assistance may be conditioned on proof of marital or other relationship status with any other individual who may assist in paying the Resident’s financial obligations under this Agreement.

Appendix A, the Financial Assistance Addendum (the “Addendum”) is attached to this Agreement. By the execution of this Agreement, you agree that if you apply for and/or receive any Fellowship you will abide by all terms of the Addendum.

6. RIGHTS UNDER AGREEMENT

- a. **Resident’s Rights.** Your rights under this Agreement are purely personal and may not be assigned, transferred, inherited or devised. Although you are granted a right of occupancy, this Agreement is for services and is not a lease. You are not granted any right of ownership, lien on or any other interest in any real or personal property of the Corporation. Under certain circumstances, you may be moved to another Unit as provided in Section 8.
- b. **Subordination to Financing.** Your rights under this Agreement will at all times be subordinate to the rights of a bona fide lender under any current or future mortgage, deed of trust or other security interest on any property of the Corporation and to all amendments, modifications, replacements or refinancing of it. You further agree to provide any document we or the holder of any mortgage, deed of trust or security agreement may require to evidence or effect the subordination of your rights.

- c. **Right of Entry.** We have the right to enter your Unit (i) at reasonable times to perform housekeeping and maintenance and to make reasonable inspections and (ii) at any time to respond to fire or medical alerts and for other emergency purposes.
- d. **Removal of Property.** On termination of this Agreement or in the event of your permanent transfer (or of the last remaining occupant of your Unit, if two individuals at any time occupied your Unit), you or your personal representative(s) must remove all your property from the Unit within ten (10) days. Furthermore, you must return the Unit to its original condition of cleanliness. You will be charged a cleaning and/or disposal fee for any personal items, food, and other debris that is left in the Unit as well as any required removal of mold, mildew, stains, and other actions necessary to restore the Unit to its original condition of cleanliness. Unless you make special arrangements for donated items, you will remain responsible for the monthly fee for the Unit until all your property is removed. If all property is not removed within thirty (30) days of termination or permanent transfer, the Corporation may remove and store your property and you will be responsible for payment of the cost of removal and storage. The Corporation may dispose of all property not removed or claimed within ninety (90) days of termination or permanent transfer without obligation or notice to you.
- e. **Damage or Loss of Property; Required Insurance.** You accept full responsibility for any injury or damage caused to others or suffered by you as a result of your or your guests' acts or omissions. You agree to insure against casualty, theft and loss of property located in your Unit and assigned storage area and you shall provide proof of such insurance on request. Such coverage amounts shall be established by the Corporation and set forth in the Resident Handbook; such coverage amounts may be updated from time to time upon thirty (30) days' advance notice. You agree to reimburse the Corporation for any costs incurred or damages suffered by the Corporation and its residents, employees and guests that result from carelessness, negligence or wrongful acts of you or your guests. We will not be responsible for damage to or loss of any of your property by casualty, theft or other causes.
- f. **Waiver of Responsibility.** You hereby release the Corporation from liability for your death, injury to your person or injury to property caused by any fire, theft, assault or other cause beyond the control of the Corporation and from any liability resulting from the negligence or wrongful actions of other residents. You further waive any claim that you, your representative or estate may have against the Corporation arising from such circumstances.
- g. **Third Party Liability.** If you are injured as the result of an act or omission of a third party, you grant the Corporation a lien on any judgment, settlement or recovery in the amount of any expense incurred by the Corporation in caring for you as the result of such injury that is not reimbursed directly to the Corporation

by you or by another source. You agree to cooperate in the prosecution of any claim or action against the responsible third party.

7. TRANSFER AND RELEASE OF UNIT

The Corporation's continuing care program was developed and is maintained to provide appropriate care and services for all residents reflecting their needs and abilities. Accordingly, residents are required to transfer to a higher level of care whenever transfer is determined to be appropriate as provided in this section. You understand and accept that this policy is an important part of the Corporation's program and you agree to abide by this policy.

The Corporation will make any decision regarding your transfer after consultation with you and your family or representative, as applicable. The decision will also be based on the opinion of an interdisciplinary team of professionals assembled by and using appropriate assessment techniques determined by the Corporation. Any such decision, however, will be made by the Corporation in its sole, good faith discretion.

If the Corporation determines that it cannot meet your health care needs in your Unit, the Corporation may transfer you to another Assisted Living area or the Health Center. You shall continue to pay the monthly fee for your Unit in accordance with Section 4.b below. Following any decision to transfer you permanently to another Assisted Living area or the Health Center, which shall be made within thirty (30) days, your Unit will be released for use by another resident (assuming the second Resident does not remain in your Unit), and no refund of the Entrance Fee will be made. You agree that you, your family, or representative will remove your property from your Unit as described in Section 6.d above. Your monthly fee will continue at the rate of your original Unit subject to any ordinary rate changes applicable to other similarly-situated units in the Community.

If we determine that the Corporation cannot meet your health care needs within the Community due to a physical or mental condition beyond the scope of services provided by the Corporation, the Corporation may transfer you to a hospital or other health care facility to be treated at your own expense. You shall continue to pay the monthly fee for you Unit in accordance with Section 4.b above. If the Corporation determines that your needs requiring such transfer are permanent in nature, your Unit will be released for use by another resident. Upon a permanent transfer, this Agreement may be terminated upon mutual agreement between you and the Corporation. You agree that you or your family will remove your property from your Unit as described in Section 6d above.

8. UNIT CHANGE

- a. **Optional Change.** We may, in appropriate circumstances, approve your request to move to another Unit within the Community. This decision will be made consistent with then current policies and in the sole discretion of the Corporation. If a transfer is granted, we will determine the amount of any additional Entrance Fee or any refund or credit of fee that may be appropriate. You will be responsible for all moving costs and the monthly fee then in effect for the new Unit beginning

as of the date of your move, in accordance with the Corporation's then current policies.

- b. Required Change.** In our sole, good faith discretion, we may require your transfer to another Unit of at least equal size and value (i) to consolidate, refurbish or otherwise alter the Unit; (ii) to promote harmony or avoid conflict among residents; or (iii) for any other purpose reasonably determined by the Corporation. This may be to respond to market demand or for any other reasonable purpose necessary to maintain our facilities or the well-being of our residents. If we require your transfer in such circumstances, we will assist you in making the move. You will not be charged for moving costs, any additional Entrance Fee, or an increased monthly fee associated with such transfer unless you have created the reasons requiring your transfer (for example, damage to the Unit or disruptive behavior), in which case you will be responsible for all moving costs, any additional Entrance Fee, and an increased monthly fee for the new Unit, if applicable.
- c. New Resident.** You will promptly inform us of any request to permit a new Co-Resident to live in your Unit. Such permission will be subject to the Co-Resident being eligible for residence in the Community under the Corporation's admissions policies. Any Co-Resident permitted to live in your Unit will be required to execute either an amendment to this Agreement or a new Lifecare Services and Residence Agreement with terms and conditions as agreed on by the Corporation, you and the Co-Resident. Co-Residents who are not spouses shall undergo an independent evaluation of their assets in order to determine financial eligibility for admission to the Community. The monthly fee will increase to the rate applicable for dual occupancy in your Unit an additional Entrance Fee may be due equal to the difference between the current Entrance Fee for two Residents and the Entrance Fee already paid by you. Co-Residents occupying the same Unit shall be jointly and severally liable for the monthly fee for the Unit.
- In the event that you wish to marry and your intended spouse is not eligible for residence under the Corporation's admissions policies, you may either terminate this Agreement in accordance with Section 9.a.iii below or continue to occupy the Unit without your spouse
- d. Death or Permanent Transfer of a Co-Resident.** If a Co-Resident dies or is permanently transferred to Assisted Living, the Health Center, or an external facility, the other Resident may continue to live in the Unit upon the terms of this Agreement or transfer to a different Unit under Section 8.a for voluntarily transfers above. No refund of the Entrance Fee, if any, shall be payable until the death of both Co-Residents or the termination of this Agreement. If the surviving Co-Resident continues to live in the Unit, the monthly fee shall be reduced to the current rate for single occupancy
- e. Divorce or Separation.** If there are two Residents under this Agreement who are spouses, the Residents shall promptly inform us if they divorce or otherwise

separate and this Agreement shall terminate if one or both of the spouses vacates the Unit. If either spouse desires to continue residing in the Unit or elsewhere in the Community following divorce, that individual will be required to re-apply for admission to the Community, be eligible for admission under the Corporation's admissions policies then in effect and execute an addendum to this Agreement or enter into a new Lifecare Services and Residence Agreement and pay any additional Entrance Fee that may be due in accordance with policies then in effect. Any refund of the Entrance Fee due hereunder will not be paid until this Agreement is terminated by the parties as set forth below. Unless the parties present a final divorce decree that is issued by a court of competent jurisdiction specifying the applicable allocation of the Entrance Fee between the former spouses, half of any applicable Entrance Fee refund will be paid to each individual. The spouses shall remain jointly and severally liable for the monthly fees and any expenses related to the removal of property from the Unit during the pendency of any divorce proceedings until and unless this Agreement is terminated.

9. TERMINATION OF LIFECARE SERVICES AND RESIDENCE AGREEMENT

a. Termination by You.

- i. Within seven (7) days of making your initial deposit, regardless of the effective date of the Agreement, you may terminate this Agreement for any reason and at any time, without penalty or forfeiture, and your deposit will be refunded in full without interest. After seven (7) days of making your initial deposit but before the effective date, you may terminate this Agreement for any reason and at any time, and your deposit will be refunded without interest and less a 10% administrative fee.
- ii. You have the right to rescind this Agreement, without penalty or forfeiture, within seven (7) days of the effective date. If you choose to rescind within this time, you will remain responsible for costs incurred for modifications or installations in your Unit which exceed normal refurbishments. Otherwise, your deposit and entrance fee will be refunded in full without interest.
- iii. After seven (7) days from the effective date, you may terminate this Agreement for any reason at any time by giving the Corporation at least thirty (30) days' written notice. On any such termination, any refund of the Entrance Fee paid by you will be determined in accordance with Section 9.e of this Agreement.

After you provide the required notice of termination, you will continue to pay the Monthly Fee until (1) the scheduled termination date or (2) the date on which all of your property has been removed from the Unit, whichever is later. You shall pay the Corporation all amounts owed to it, including amounts related to financial assistance and any expenses incurred by the Corporation in connection with the

termination. This includes any repairs or replacement of property necessary to restore the unit to its original condition above and beyond normal wear and tear.

Past due amounts may be subject to finance charges. You also may be responsible for any legal and collection fees incurred on amounts that are more than sixty (60) days past due. Furthermore, any outstanding balance will be subtracted from any Entrance Fee return that may be due.

b. Termination by Corporation.

- i. The Corporation may terminate this Agreement with a full refund (*i.e.*, no 10% administrative fee) of all payments made by you, in the event of a material deterioration in your or the Co-Resident's physical or mental condition between the time of your application and your scheduled move to the Community. No refund will be provided for any upgrades or enhancements that were made to the Unit upon your request and for which you paid additional costs.
- ii. The Corporation may terminate this Agreement at any time for good cause, as we may reasonably determine. Good cause shall be limited to the following:
 - (A) Proof that you (or either Resident) are a danger to yourself or others;
 - (B) Nonpayment by the resident of a monthly or periodic fee;
 - (C) Repeated conduct that interferes with other residents' quiet enjoyment of the Community;
 - (D) Persistent refusal to comply with reasonable written Rules and Regulations of the Community as in effect at any time;
 - (E) Any material misrepresentation by you in your application, made intentionally or recklessly, or your failure to include a material fact in the application, financial statement or health history statement you filed with the Corporation which, if accurately provided, would have resulted in either your failure to qualify for residency or a material increase in the cost of the care and services provided you under this Agreement; and
 - (F) Your material breach of the terms and conditions of this Agreement.

- c. Termination by Death.** This Agreement shall automatically terminate on the death of the Resident (or the sole remaining Resident) subject to conditions detailed in section 6.d, Removal of Property, and Section 8.d.

- d. Cooperation on Termination.** If this Agreement is terminated, other than by death, you and we shall cooperate so that you vacate the Unit in a prompt and orderly manner, remove your property as described in Section 6d above and return to us all keys, identification cards and similar items.
- e. Refund of Entrance Fee and Deposits.**
- i. If a Resident dies prior to moving into the Community or is precluded through illness, injury, or incapacity from moving into the Community, you or your legal representative shall receive a refund of ninety percent (90%) of the Entrance Fee. If two Residents have entered into this Agreement and one Resident dies before moving into the Community or is precluded through illness, injury or incapacity from moving into the Community, such person or his legal representative shall receive a ninety percent (90%) refund of the difference between the Entrance Fee paid and the Entrance Fee for single occupancy in the Unit.
 - ii. If this Agreement is terminated after payment of the first Monthly Fee for any reason including death, you or your estate will be entitled, subject to Section 9(a)(ii), if applicable, to a refund of an amount equal to a ninety percent (90%) of the Entrance Fee you paid, minus:
 1. Four percent (4%) of the Entrance Fee paid for each full or partial month of occupancy of the Unit (the period between the effective date of this Agreement and the date you vacate the Unit), so that after twenty-five (25) months no refund will be due or payable; and
 2. Any amount reflecting unpaid charges due and all amounts of financial assistance, if any, and interest. If the Agreement is terminated more than twenty-five (25) months after the effective date such that no refund of the Entrance Fee is due or payable, any unpaid charges due, financial assistance, and interest, if any, shall be payable by you or your estate, separately in accordance with the other provisions of this Agreement.

With respect to spouses, any refund of the Entrance Fee shall be due and payable upon the death, permanent transfer, or termination of this Agreement by the last remaining spouse.

Notwithstanding any other provision of this Agreement, the Corporation reserves the right to hold the payment of any refund due under this Section 9 upon our acceptance for admission to the Community of a new resident to occupy the Unit and the payment by such new resident of the applicable Entrance Fee.

10. MISCELLANEOUS

- a. Confidentiality of Personal Information.** We will hold, in strict confidence, all personal and financial information supplied by you, except as required by law to

disclose by court order or similar mandate. We will maintain the privacy and security of your health information as required by the Health Insurance Portability and Accountability Act and applicable Virginia law.

b. Representations.

Your application, financial statement and health history statement filed with the Corporation are incorporated in this Agreement by reference. You represent that all information in those statements is true and correct on this date and will be true and correct on the effective date of this Agreement, and that there have been no material omissions or adverse changes in those statements that have not been conveyed to the Corporation in writing. The Corporation routinely asks that resident financial information be up-dated every other year. You shall provide information regarding your current financial status upon request by the Corporation.

You acknowledge that you have been informed of the amount of notice required when you wish to move from the facility and the policy in the case of your temporary transfer within or outside of the Community.

You acknowledge that you have been provided with and have reviewed Section 63.2-1808 of the Code of Virginia detailing residents' rights in the Assisted Living Facility, that the provisions of this statute have been explained to you. You acknowledge that you have reviewed the Corporations policies and procedures for implementing Section 63.2-1808, including the Community's grievance policy and transfer/discharge policy with respect to the Assisted Living Facility, and you have had the policies and procedures explained to you.

You acknowledge that you have been informed that residents of the Assisted Living Facility may establish and maintain a resident council that may be composed of residents, family members, advocates, friends, and others, in order to (1) work with the administration in improving the quality of life for residents, (2) discuss the services offered by the facility and make recommendations for resolution of problems or concerns, and (3) perform other functions that may be determined by the council. The Corporation is responsible for providing assistance with the formation and maintenance of the council.

You acknowledge that you have been informed of the Corporation's policy regarding the administration and storage of medications and dietary supplements in the Assisted Living Facility.

You acknowledge that you have received written assurance that the Corporation has the appropriate license to meet your care needs in the Assisted Living Facility.

c. Rules and Regulations. You agree to abide by all Rules and Regulations as current and in effect at any time.

The Community is a smoke-free campus, to include the use of cigarettes, cigars, pipes, e-cigarettes, vaping devices, and other smokeless tobacco or marijuana products. Consistent with the Community's smoking policy, admission to the Community is limited to non-smokers. Residents, guests, and staff are restricted from smoking anywhere on the premises. Furthermore, in the event that any smoking is discovered, Resident will be fully responsible for all remediation costs to eliminate any smell, stain, or other damage. If such damage is discovered at the time of termination, any refund will be reduced by remediation costs.

Firearms and other weapons are prohibited on the premises

- d. Preservation of Assets.** You agree to responsibly manage and preserve your assets to the best of your ability in order to meet your ongoing financial obligations under this Agreement. You agree to report to the Corporation any material decrease in the value of your income or assets and refrain from transferring any material assets for less than fair value, whether by gift, sale, or otherwise. You shall provide evidence of your current financial status upon request by the Corporation. On request of the Corporation, you shall arrange for preservation and management of your property by a third party or parties approved by the Corporation whenever, in the sole judgment of the Corporation, assistance in management of your property is reasonably needed to preserve your financial position.
- e. Financial Information.** If the Corporation requests, you shall provide the Corporation with a complete financial statement, including copies of federal and state income and gift tax returns for the previous three years.
- f. Power of Attorney; Advance Directive.** You agree to execute a valid power of attorney designating a bank or responsible person selected by you to act in your behalf in the event you may become unable to handle your affairs. You agree to execute and maintain a current advance directive that provides information about healthcare choices in the event that you become incapable of making informed decisions. Such health care advance directive shall also name a specific individual to serve as your health care agent in the event you become unable to make informed decisions. You also agree to identify the name of an individual willing to serve as your guardian, if it becomes necessary for someone other than you to manage your affairs. In the event that you designate your spouse or domestic partner, you must also identify an alternate person in the event of incapacity or unavailability of your primary designee.

You shall deliver a copy of your power of attorney to the Corporation prior to Unit at the Community. You agree to maintain your power of attorney at all times and to notify us of any changes or substitutions. The power of attorney must be in a form that survives your incapacity or disability and is otherwise satisfactory to the Corporation.

- g. Waiver, Representations.** The failure of the Corporation in any one or more instances to insist on your strict performance, observance or compliance with any provisions of this Agreement or the Corporation's waiver of your breach of any provision of this Agreement shall not be construed to be a waiver or relinquishment by the Corporation. You acknowledge that the Corporation's representatives have made no promises except as specifically set out in this Agreement. You acknowledge that none of the sponsoring organizations of the Corporation or any related organizations are parties to this Agreement and that you have not relied on the credit worthiness or sponsorship of any sponsoring or related organization as an inducement to execute this Agreement.
- h. Construction, Binding Effect.** This Agreement constitutes the entire agreement between you and the Corporation, and no waiver or modification of it shall be valid unless made in writing and signed by you and the Corporation. This Agreement, including its validity, the capacity of its parties, its form, interpretation of its language, and any questions concerning its performance and discharge, shall be governed by and construed by and in accordance with the law of the Commonwealth of Virginia. All references in this Agreement to masculine pronouns and adjectives shall be deemed to include the feminine and vice versa. If any provision of this Agreement is held invalid by any court of competent jurisdiction, such holding shall not affect any other provision of the Agreement. All headings contained in this Agreement are for convenience of reference and will not affect its meaning, construction or effect.
- i. Force Majeure.** Both you and we recognize that certain circumstances are beyond the control of the Corporation. Commercial contracts in the Commonwealth of Virginia commonly refer to these circumstances and events as *force majeure*. Therefore, it is agreed that the Corporation will not be required to perform those obligations that, by reason of *force majeure*, it is unable to perform. However, should a *force majeure* occur, the Corporation shall resume meeting all its obligations as soon as is reasonably possible.
- j. Joint and Several Liability.** Co-Residents residing in the same unit under this Agreement shall be jointly and severally liable for all obligations arising under this Agreement.

11. DISPUTE RESOLUTION/ARBITRATION

To the extent permitted by current law and CMS policy, you agree to attempt alternative dispute resolution options, such as arbitration or mediation, before filing any lawsuit regarding any disputes arising out of this Agreement or your residence in the Community that cannot be resolved between the parties informally. Preference will be given to binding arbitration under the Healthcare Claims Settlement Procedures or the Commercial Dispute Resolution Procedures of the American Arbitration Association, as appropriate. Arbitration shall be held in Richmond, Virginia. Any award of an arbitration or mediation shall be binding on the parties to any dispute and may be entered as a final judgment in a court of competent jurisdiction.

You and the Corporation shall continue to perform your obligations under this Agreement, subject to the right of either party to terminate this Agreement pursuant to its terms, during the pendency of any alternative dispute resolution proceeding. The obligations of this Section 11 shall survive the termination of this Agreement.

12. EFFECTIVE DATE

The effective date of this Agreement is the earlier of (a) _____; and (b) the date you move into the Community.

IN WITNESS WHEREOF, the Corporation and the Resident or Residents have executed this Lifecare Services and Residence Agreement as of the date first above written.

**WESTMINSTER CANTERBURY
CORPORATION**

John D. Burns, President and CEO

, Resident

APPENDIX A

FINANCIAL ASSISTANCE ADDENDUM

LIFECARE SERVICES AND RESIDENCE AGREEMENT

I. Policy. The Corporation may provide financial assistance (“Fellowship”) to help residents cover entrance and monthly fee payments when sufficient funds are available to the Corporation for that purpose. To be eligible for financial assistance, should the need arise, you must (a) comply with all terms of the Resident’s Lifecare Services and Residence Agreement; and (b) provide information as requested by the Corporation to justify financial assistance. This information must demonstrate that there is a need for financial assistance resulting from circumstances over which you had no control, including normal depletion of your assets over time. Decisions to extend financial assistance shall be at the sole discretion of the Corporation. **A grant of financial assistance shall not constitute a waiver by the Corporation of any of the Resident’s other obligations under the Agreement.**

II. Duties of Recipient of Financial Assistance.

If you receive financial assistance, you agree to:

- (a) Apply for and diligently seek the maximum available benefits of any public or other assistance program for which you may qualify such as Medicaid, Social Security, Supplemental Security Income, Old Age Assistance, Aid to the Blind and Veteran’s Pensions. Any such benefits may be taken into account in adjusting the amount of financial assistance.
- (b) Report promptly to the Corporation your receipt of any property or any material increase or decrease in the value of your income or assets due to gift, inheritance, change in public assistance benefits or otherwise.
- (c) Refrain from transferring any material assets for less than fair value, whether by gift, sale or otherwise.
- (d) Execute any notes, assignments, security agreements and deeds of trust or other instrument that we deem necessary or desirable to evidence or secure our claim for repayment of financial assistance.

III. Financial Assistance as a Loan. If granted, financial assistance shall constitute a loan to you and shall bear interest until paid at a rate specified when such assistance is provided. Principal and interest shall be due and payable on the earliest of:

- (a) Reasonable determination by the Corporation that your financial condition at that time enables you to repay all or part of the loan in addition to amounts you then are paying to the Corporation;
- (b) Your death, with payment from any assets of your estate; and
- (c) Termination of this Agreement for any other reason.

Any refund that may become due to you or your estate may be reduced by the full amount of financial assistance we provide, including interest. We may at any time and in our sole discretion increase, decrease or terminate financial assistance to you because of changes in the assets or operating costs of the Corporation or changes in your assets or monthly income.

Your failure to comply with any of the above requirements will breach the Lifecare Services and Residence Agreement and be cause for its termination.

Acceptance of financial assistance by a Resident shall not constitute a waiver of any other benefit.

, Resident

, Resident

2023—2024 FEE SCHEDULE

THE TOWER		SQUARE FEET Approximate	ENTRANCE FEE First Person*	MONTHLY FEE First Person*
Albemarle Standard	Studio	380	\$147,368	\$2,815
Albemarle Custom	Studio	480	\$201,161	\$3,137
Albemarle Deluxe	Studio	490	\$208,977	\$3,183
Albemarle Luxury	Studio	520	\$217,649	\$3,266
Gloucester	One Bedroom	680	\$263,435	\$3,557
Hampton	One Bedroom	760	\$298,539	\$3,845
James	Two Bedroom	810	\$304,301	\$3,979
Sussex	One Bedroom	870	\$338,966	\$4,044
Richmond	One Bedroom	900	\$348,301	\$4,086
Westmoreland	One Bedroom + Sunroom + Patio	920	\$416,023	\$4,651
York Standard	Two Bedroom	950	\$365,389	\$4,311
York Deluxe	Two Bedroom	1,015	\$392,675	\$4,470
Kent	Master One Bedroom	1,040	\$406,407	\$4,521
York Deluxe II	Two Bedroom	1,175	\$437,380	\$4,612
York Luxury	Two Bedroom + Den	1,330	\$509,418	\$5,239
York Grande	Two Bedroom + Den	1,510	\$567,330	\$5,888
THE GARDEN				
Ivanhoe	One Bedroom	925	\$428,207	\$4,250
Guildford	One Bedroom	930	\$428,207	\$4,262
Hampshire	One Bedroom	930	\$435,415	\$4,677
Jefferson	One Bedroom	975	\$437,137	\$4,374
Essex	Two Bedroom	1,250	\$537,690	\$5,302
Cornwall	Two Bedroom	1,435	\$568,236	\$5,498
Chelsea	Two Bedroom	1,445	\$575,493	\$5,528
Falmouth	Two Bedroom + Den	1,620	\$638,621	\$6,127
Ascot	Two Bedroom	1,655	\$661,816	\$6,062
Dover	Two Bedroom + Den	1,765	\$698,883	\$6,344
GLEBE				
Glebe House	Four Bedroom	2,500	\$842,579	\$7,352

Fees are effective October 1, 2023.

Entrance fees are a reflection of many factors including location, amenities, square footage or other characteristics.

Monthly rates exclude meals. Meal plan available.

Refund of entrance fee: Made on termination of the agreement, at a declining rate of 2% per month of occupancy, up to 50 months.

Other refund options are available.

* For a second person, add \$84,577 to the entrance fee and \$2,264 to the monthly fee.

*live life well.*SM



2023—2024 FEE SCHEDULE

THE COURTYARD		SQUARE FEET Approximate	ENTRANCE FEE First Person*	MONTHLY FEE First Person*
Adams	One Bedroom Balcony	590	n/a \$311,457	n/a \$3,563
Austen	One Bedroom + Sunroom/Den Balcony	1,075	\$465,755 \$471,452	\$4,603 \$4,603
Byron	Two Bedroom Balcony/Patio	1,360	\$542,257 \$551,209	\$5,949 \$5,949
Chaucer	Two Bedroom + Den Balcony/Patio	1,480	\$577,144 \$586,110	\$6,400 \$6,400
Dante	Two Bedroom + Den Balcony	1,550	\$605,688 \$616,058	\$6,650 \$6,650
Emerson	Two Bedroom + Sunroom/Den Balcony/Patio	1,585	n/a \$647,170	n/a \$6,745
Faulkner	Two Bedroom + Den Balcony/Patio	1,720	\$668,604 \$678,980	\$7,244 \$7,244
Grey	Two Bedroom + Den Balcony/Patio	1,730	n/a \$693,499	n/a \$7,244
Hardy	Two Bedroom + Den Patio	2,160	n/a \$831,784	n/a \$8,591
Keats	Three Bedroom + Den Balcony/Patio	2,900	n/a \$965,461	n/a \$11,532
HOMES ON THE GREEN				
Kipling	Four Bedroom	2,655	\$811,782	\$7,644
Kipling A	Four Bedroom + Den	2,930	\$927,645	\$8,042
Marlowe	Four Bedroom	2,745	\$857,523	\$7,884
Marlowe A	Four Bedroom + Sunroom	2,900	\$926,776	\$8,042
Shakespeare	Four Bedroom + Den	2,700	\$903,259	\$7,945
Tennyson	Four Bedroom + Den	2,815	\$931,134	\$8,042

Fees are effective October 1, 2023.

Entrance fees are a reflection of many factors including location, amenities, square footage or other characteristics.

Monthly rates exclude meals. Meal plan available.

Refund of entrance fee: Made on termination of the agreement, at a declining rate of 2% per month of occupancy, up to 50 months.

Other refund options are available.

* For a second person, add \$84,577 to the entrance fee and \$2,264 to the monthly fee.

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Avalon & Pavilion

Assisted Living

If you or someone you love needs assistance with daily tasks, there's no better place to live than here. Residents enjoy cozy apartments, personalized assistance and access to all of Westminster Canterbury's amenities. These residences are located in the heart of the community and close to the Cultural and Creative Arts Center. Each floor has its own dining room, resort-like spa, comfortable lounges and activity room, and views of beautifully landscaped gardens. Enriching and entertaining opportunities abound, encouraging physical, spiritual and mental well-being.

SERVICES AND AMENITIES INCLUDED
WITH MONTHLY FEE

For health and well-being ...

- Three tempting and nutritious meals daily
- Well-equipped fitness center with indoor swimming pool and whirlpool
- Recreational activities (planned and self-selected)
- Intergenerational programs and interaction with onsite Child Development Center
- Beautiful courtyards with walking paths

For comfort and security ...

- Access to healthcare professionals 24-hours a day
- Weekly housekeeping
- Linens and towels
- Utilities, including local telephone and basic cable
- Emergency call system in every apartment
- 24-hour security

For entertainment and enrichment ...

- Sara Belle November Theater featuring performances of music, drama and dance
- 4,000-volume library
- Billiards and table tennis
- Gordon Woodworking Shop
- Chapel and Pastoral Care Services
- McGue-Millhiser Arts Studio
- Resident computer center

Plus, access to additional conveniences and benefits

- Beauty salon and barbershop
- Dry cleaning
- Full-service bank
- Galleria gift shop
- Outpatient clinic with visiting physicians
- On-site Pharmacy
- Physical, occupational, speech and massage therapy center
- The Marketplace
- Transportation

See other side for fee schedule.

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Avalon & Pavilion

Assisted Living

AVALON

These apartments are for individuals who require no more than moderate assistance in two or less activities of daily living. Individual apartments feature a living-dining room, bedroom, kitchenette, and full bath with walk-in shower. Two bedroom and two bath apartments also available. Each Avalon floor has its own dining room, resort-like spa and inviting rooms for relaxing with family and friends.

	SIZE	ENTRANCE FEE		MONTHLY FEE	
		Single	Double	Single	Double
One Bedroom	518 sq. ft.	\$368,444		\$6,849	
Two Bedroom	800 sq. ft.	\$408,558	\$618,371	\$7,334	\$9,803

PAVILION

These residences are for individuals who require no more than moderate assistance in five or less activities of daily living. Individual apartments feature a studio apartment with a full bath with walk-in shower. Two room suites with full bath and walk-in shower are also available. Each Pavilion floor has its own dining room and activity room.

	SIZE	ENTRANCE FEE		MONTHLY FEE
		Single		Single
Lexington Studio	282 sq. ft.	\$301,615		\$6,161
Madison Studio	282 sq. ft.	\$301,615		\$6,161
Orange Suite	564 sq. ft.	\$373,479		\$6,904
Potomac Suite	564 sq. ft.	\$386,357		\$7,047

See other side for Services & Amenities.

Fees are effective October 1, 2023.

A deposit of \$1,000 (\$1,500 per couple) is required at time of application, refundable without interest at any time for any reason.

On termination of the agreement, the entrance fee is refunded at a declining rate of 4% per month of occupancy, up to 25 months.

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The Gables & Monticello

Assisted Living Memory Support

If someone you love is coping with mild to moderate memory loss, we offer unique options you'll both appreciate. Residents here receive innovative care that enhances their memories as well as their lives. More than just healthcare providers, staff members become extended family, creating a genuine home, rich in companionship with plenty of opportunities to encourage physical, spiritual and mental well-being.

SERVICES AND AMENITIES INCLUDED WITH MONTHLY FEE

For enrichment and memory enhancement ...

- Music, art and horticulture therapies
- Cozy family rooms with fireplaces, pianos and memorabilia
- Opportunities for social interaction
- Sara Belle November Theater featuring performances of music, drama and dance
- 4,000-volume library
- Family involvement, education and support groups

For health and well-being ...

- Three tempting and nutritious meals a day
- Beautiful, secured courtyard with circular fitness/walking path
- Restorative garden with raised flower beds
- Spa services
- Well-equipped fitness center with indoor swimming pool and whirlpool
- Recreational activities (planned and self-selected)
- Intergenerational programs and interaction with onsite Child Development Center

For comfort and security ...

- Access to healthcare professionals 24 hours a day
- Medication management
- Customized daily assistance and personal attention
- Weekly housekeeping
- Linens and towels
- Utilities, including local telephone and basic cable
- Emergency call system in every residence
- Secured environment, as needed
- 24-hour Security

Plus, access to additional conveniences and benefits

- Beauty salon and barbershop
- Dry cleaning & personal laundry service
- Full-service bank
- Galleria gift shop
- Outpatient clinic with visiting physicians
- Pharmacy onsite
- The Marketplace
- Transportation
- Physical, occupational, speech and massage therapy center

See other side for fee schedule.

*live life well.*SM



The Gables & Monticello

*Assisted Living
Memory Support*

These residences are for individuals with memory loss who may require some assistance with daily needs, including medication management, mobility and incontinence care. Residents should be able to benefit from the specialized program of therapeutic activities. A busy kitchen is the center of most homes and certainly that's the case in each household of the The Gables and Monticello.

	SIZE	ENTRANCE FEE	MONTHLY FEE
		Single	Single
Studio	360 sq. ft.	\$302,800	\$7,304

See other side for Services & Amenities.

Fees are effective October 1, 2023.

A deposit of \$1,000 is required at time of application, refundable without interest at any time for any reason.

On termination of the agreement, the entrance fee is refunded at a declining rate of 4% per month of occupancy, up to 25 months.

*live life well.*SM



Mary Morton Parsons Health Center

Progressive Healthcare

If someone you love needs a higher level of support, it's reassuring to know your loved one is receiving the finest care available. Healthcare at Westminster Canterbury consistently ranks among the best in the country, features one of the best staff-to-resident ratios and boasts the lowest staff turnover rates in the area. With resident health and well-being a priority, a team of physical, speech and occupational therapists ensures each resident is making the most of his or her capabilities. Social, recreational and spiritual opportunities abound.

SERVICES AND AMENITIES INCLUDED WITH MONTHLY FEE

For health and well-being ...

- 24-hour care supervised by registered nurses
- Three nutritious meals daily, including special diets
- Full-time dietician
- Snacks available throughout the day
- Planned activities
- Well-stocked library
- Cozy parlors for visiting with friends and family
- Courtyards and patios
- Social services
- Sara Belle November Theater featuring performances of music, drama and dance

For comfort and security ...

- Private room
- Daily housekeeping
- Linens and towels
- Utilities, including local telephone and basic cable
- Emergency call system in every room

*Conveniences and benefits available
for an additional fee ...*

- Beauty salon and barbershop
- Dry cleaning and personal laundry service
- Full-service bank
- The Marketplace gift shop
- Outpatient clinic
- Laboratory services
- Physical, occupational and speech therapy
- Physician, podiatrist and dental services
- Incontinence care
- Special supplies and equipment
- Pharmacy services
- Transportation and staff accompaniment

See other side for fee schedule.

*live life well.*SM



Mary Morton Parsons Health Center

Progressive Healthcare

These residences are for individuals who need short-or long-term nursing care, rehabilitation for temporary illnesses or injuries, or care for chronic conditions. All rooms are private.

LEVEL OF CARE	DAILY RATE
Room and Board	\$442
Room and Board Deluxe - second floor	\$496
Room and Board Deluxe - third floor	\$544

See other side for Services & Amenities.

Fees are effective October 1, 2023.

Westminster Canterbury lifecare plans cover a standard room in the Mary Morton Parsons Health Center with no increase in the resident's monthly fee. Residents requesting deluxe rooms pay the prevailing additional daily rate.

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2023—2024 FEE SCHEDULE

THE TOWER		SQUARE FEET Approximate	ENTRANCE FEE First Person*	MONTHLY FEE First Person*
Albemarle Standard	Studio	380	\$125,263	\$2,252
Albemarle Custom	Studio	480	\$170,987	\$2,510
Albemarle Deluxe	Studio	490	\$177,630	\$2,546
Albemarle Luxury	Studio	520	\$185,002	\$2,613
Gloucester	One Bedroom	680	\$223,920	\$2,846
Hampton	One Bedroom	760	\$253,758	\$3,076
James	Two Bedroom	810	\$258,656	\$3,183
Sussex	One Bedroom	870	\$288,121	\$3,235
Richmond	One Bedroom	900	\$296,056	\$3,269
Westmoreland	One Bedroom + Sunroom + Patio	920	\$353,620	\$3,721
York Standard	Two Bedroom	950	\$310,581	\$3,449
York Deluxe	Two Bedroom	1,015	\$333,774	\$3,576
Kent	Master One Bedroom	1,040	\$345,140	\$3,617
York Deluxe II	Two Bedroom	1,175	\$371,773	\$3,690
York Luxury	Two Bedroom + Den	1,330	\$433,005	\$4,191
York Grande	Two Bedroom + Den	1,510	\$482,231	\$4,710
THE GARDEN				
Ivanhoe	One Bedroom	925	\$363,967	\$3,400
Guildford	One Bedroom	930	\$363,967	\$3,410
Hampshire	One Bedroom	930	\$370,103	\$3,742
Jefferson	One Bedroom	975	\$371,566	\$3,499
Essex	Two Bedroom	1,250	\$457,037	\$4,242
Cornwall	Two Bedroom	1,435	\$483,001	\$4,398
Chelsea	Two Bedroom	1,445	\$489,169	\$4,422
Falmouth	Two Bedroom + Den	1,620	\$542,828	\$4,902
Ascot	Two Bedroom	1,655	\$562,544	\$4,850
Dover	Two Bedroom + Den	1,765	\$594,051	\$5,075
GLEBE				
Glebe House	Four Bedroom	2,500	\$716,192	\$5,882

Fees are effective October 1, 2023.

Entrance fees are a reflection of many factors including location, amenities, square footage or other characteristics.

Monthly rates exclude meals. Meal plan available.

Refund of entrance fee: Made on termination of the agreement, at a declining rate of 2% per month of occupancy, up to 50 months.

* For a second person, add \$71,890 to the entrance fee and \$1,811 to the monthly fee.

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2023—2024 FEE SCHEDULE

THE COURTYARD		SQUARE FEET Approximate	ENTRANCE FEE First Person*	MONTHLY FEE First Person*
Adams	One Bedroom Balcony	590	n/a \$264,738	n/a \$2,850
Austen	One Bedroom + Sunroom/Den Balcony	1,075	\$395,892 \$400,734	\$3,682 \$3,682
Byron	Two Bedroom Balcony/Patio	1,360	\$460,918 \$468,528	\$4,759 \$4,759
Chaucer	Two Bedroom + Den Balcony/Patio	1,480	\$490,572 \$498,194	\$5,120 \$5,120
Dante	Two Bedroom + Den Balcony	1,550	\$514,835 \$523,649	\$5,320 \$5,320
Emerson	Two Bedroom + Sunroom/Den Balcony/Patio	1,585	n/a \$550,095	n/a \$5,396
Faulkner	Two Bedroom + Den Balcony/Patio	1,720	\$568,313 \$577,133	\$5,795 \$5,795
Grey	Two Bedroom + Den Balcony/Patio	1,730	n/a \$589,474	n/a \$5,795
Hardy	Two Bedroom + Den Patio	2,160	n/a \$707,016	n/a \$6,873
Keats	Three Bedroom + Den Balcony/Patio	2,900	n/a \$820,642	n/a \$9,226
HOMES ON THE GREEN				
Kipling	Four Bedroom	2,665	\$690,015	\$6,115
Kipling A	Four Bedroom + Den	2,930	\$788,498	\$6,434
Marlowe	Four Bedroom	2,745	\$728,895	\$6,275
Marlowe A	Four Bedroom + Sunroom	2,900	\$787,760	\$6,434
Shakespeare	Four Bedroom + Den	2,700	\$767,770	\$6,356
Tennyson	Four Bedroom + Den	2,815	\$791,464	\$6,434

Fees are effective October 1, 2023.

Entrance fees are a reflection of many factors including location, amenities, square footage or other characteristics.

Monthly rates exclude meals. Meal plan available.

Refund of entrance fee: Made on termination of the agreement, at a declining rate of 2% per month of occupancy, up to 50 months.

* For a second person, add \$71,890 to the entrance fee and \$1,811 to the monthly fee.

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2023—2024 FEE SCHEDULE

Assisted Living

SQUARE FEET
Approximate

DAILY RATE
First Person*

AVALON

One Bedroom	518	\$327
Two Bedroom	800	\$348

PAVILION

Studio	282	\$251
One Bedroom	564	\$327

Assisted Living Memory Support

SQUARE FEET
Approximate

DAILY RATE
First Person*

THE GABLES AND MONTICELLO

Studio	360	\$302
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Progressive Healthcare

SQUARE FEET
Approximate

DAILY RATE
First Person*

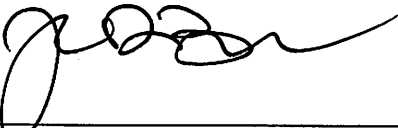
MARY MORTON PARSONS HEALTH CENTER

Room and Board	230	\$398
Room and Board Deluxe - second floor	384	\$446
Room and Board Deluxe - third floor	384	\$490

Fees are effective October 1, 2023.
Monthly rates include meals.

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Westminster Canterbury Management Corporation	Policies and Procedures	
Subject: INVESTMENT PARAMETERS FOR CORPORATE AND FOUNDATION FUNDS MANAGED BY WESTMINSTER CANTERBURY	Date:	10/1/22
	Number:	300.09
	Adopted:	1/1/95
Approved: 	Revised:	10/1/12, 10/1/22
	Reviewed:	10/1/12, 10/1/15, 10/1/16, 10/1/17, 10/1/18, 10/1/19, 10/1/20, 10/1/21, 10/1/22

Policy: The CFO is authorized to invest or cause to be invested surplus cash funds and bond proceeds (as allowed by the Loan or Bond documents of Westminster Canterbury Management Corporation, its subsidiaries and Foundation in approved investments. Investment objectives are to maintain safety of principal, to retain liquidity to meet projected and unexpected cash needs of the company, and to realize the best available yield while retaining liquidity and minimizing risk.

APPROVED INVESTMENT SECURITIES:

Type: Time or Savings Accounts
Rating: N/A
Size: Financial institutions will assets of \$100 million or more having equity of \$5 million or more with capital plus loan loss reserves being greater than 6% of assets.
Amount: Total of all investments in any one institution not to exceed \$5 million.
Maturity: One year or less
Yield: Prevailing rates
Other: May set temporary restrictions because of conditions in market or field

Type: Certificates of Deposit or Deposit Note
Size: Financial institutions with assets of \$2 billion, equity of \$600 million and capital and loan loss reserves being greater than 6% of assets.
Amount: Total of all investments in any one institution not to exceed \$5 million.
Maturity: One year or less
Yield: Prevailing rates
Other: May set temporary restrictions because of conditions in market or field.

Type: U.S. Government and U.S. Government Agency Securities
Rating: N/A
Size: N/A
Amount: Unlimited
Maturity: Five years or less
Yield: Prevailing rates
Other: May set temporary restrictions because of conditions in market or field

Type: Money Market Funds
Rating: N/A
Size: Management organization manage total assets of at least \$2 billion, \$200 million in this particular investment fund
Amount: Under \$5 million in any fund
Maturity: N/A
Yield: Prevailing rates
Other: Fund may invest in:
1. United States Government Securities
2. United States Government Agency Securities
3. Commercial Bank obligations - Certificates of Deposit, Bankers Acceptances, Documental Discount Notes of banks with total assets in excess of \$1 billion
4. Savings Associations obligations - Certificates of Deposit from associations having assets in excess of \$1 billion and which are members of the Federal Deposit Insurance Corporation or Federal Savings & Loan Insurance Corporation

5. Commercial paper up to nine months in maturity - rates in the highest two categories by Standard & Poor's Corporation or by Moody's Investors Services, Inc. on paper of compatible quality.
6. Commercial Bonds and Notes - less than one year to maturity no issue rated lower than "A".
7. Repurchase Agreements involving only those securities in which the fund would otherwise invest.

The fund must meet the requirements of the Investment Company Act of 1940 as to diversity of assets and concentration in any one industry or issuer.

Westminster-Canterbury Corporation

Statement of Investment Policy

2020

Introduction

The Westminster-Canterbury Corporation (“Corporation”), functions as an Endowment and the assets held within the portfolio represent operating funds for Westminster Canterbury.

This Statement of Investment Policy (“Policy”) sets forth the responsibilities, objectives, policies, procedures and other matters relating to the management of the Corporation’s Investment Portfolio (“Portfolio”).

The investment objective is to achieve a minimum long-term investment return of at least the Consumer Price Index plus 4.75%, net of fees. Our goal is to reach this investment objective with as little volatility as possible.

Investment Responsibilities

The Investment Committee of the Corporation’s Board of Trustees (“Committee”), together with the Corporation’s staff and the Investment Consultant (“Consultant”), is responsible for implementing this Policy.

The Committee will meet quarterly with the Consultant to review Portfolio performance and related matters and will review the performance of the Consultant on a bi-annual basis.

Additionally, the Committee, in consultation with the Consultant, is responsible for:

- 1) Overseeing the Portfolio’s assets and reporting on the status of the Portfolio to the Corporation’s Board of Trustees.
- 2) Reviewing this Policy on an ongoing basis and recommending changes to the Board of Trustees, as may be necessary or desirable.
- 3) Approving any asset allocation and investment manager (“Manager”) changes recommended by the Consultant.

The **Corporation’s staff and Consultant** are responsible for:

- 1) Preparing reports for the Committee’s review that contain information necessary for the Committee to exercise its investment responsibilities.
- 2) Monitoring the investment performance of each Manager versus the Manager’s benchmark using reports prepared by the Managers, the Corporation’s staff and the Consultant.
- 3) Monitoring the appropriateness of each Manager’s investment strategy given the Corporation’s overall investment strategy, philosophy, and objectives.

Westminster-Canterbury Corporation
Statement of Investment Policy
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- 4) Overseeing the process of monitoring Manager portfolios to ensure compliance with this Policy.
- 5) Assisting the Committee and the Managers regarding this Policy.

The **Consultant** is specifically responsible for:

- 1) Assisting the Corporation's staff and the Committee with their responsibilities.
- 2) Monitoring this Policy and recommending changes as needed.
- 3) Monitoring each Manager's ownership structure and investment personnel and reporting all significant changes to the staff and the Committee.
- 4) Monitoring each Manager for adherence to this Policy as well as to its stated investment style.
- 5) Providing necessary information and cooperating with the Corporation's auditors in preparing reports and audits as and when required to do so.
- 6) Providing quarterly performance reports to the Committee regarding the Portfolio.

Managers are responsible for:

- 1) Immediately reporting in writing to the Consultant any violations of the guidelines and restrictions as set forth in this Policy.
- 2) Immediately reporting any findings against the firm or its principals, either by the SEC or any other regulatory authority to the Consultant. In addition, any lawsuits brought against the firm or its principals should be immediately reported to the Consultant.
- 3) Preparing quarterly written statements to the Consultant, including actions taken in the Portfolio and expected changes in the Portfolio, including proxy voting.
- 4) Immediately communicating all pertinent changes in the Manager's firm to the Consultant. This includes, but is not limited to:
 - Changes in the Manager's ownership
 - Changes in senior investment professionals' responsibilities
 - Changes in the Manager's investment style
- 5) Adhering to the investment strategy or style for which the Manager was selected.

Westminster-Canterbury Corporation

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Spending Policy

The Corporation is a permanent institution. As a result, it has adopted stable long-term policies that increase the likelihood of achieving the investment objectives listed in the Introduction to this Policy. These policies begin with the Corporation's Spending Policy. In order to supply the Corporation with a predictable level of funds to meet its objectives and to pay other expenses, a total return spending policy has been adopted. This policy currently provides for a spending rate of 4.75% of the market value of the Portfolio per year.

To calculate the amount available for spending in each year, the Corporation will utilize a rolling twelve (12) quarter trailing average determined as follows: the average of quarter-end market values of the Portfolio for the twelve (12) calendar quarters of the immediately preceding three (3) calendar years multiplied by the 4.75% spending rate.

Deposits/Withdrawals

The staff, with the advice of the Consultant, will determine how to allocate deposits and withdrawals in a manner that is consistent with the Strategic Asset Allocation as set forth in Appendix A ("Strategic Asset Allocation").

Investment Philosophy

As a long-term investor, the following principles will guide the Committee in the prudent allocation of the Corporation's assets:

- 1) In order to achieve a minimum annual rate of return that will support the above-mentioned spending policy while protecting the assets from inflation, the Corporation must be willing to take some investment risk.
- 2) The Committee believes that the most effective way to establish an appropriate volatility level for the Portfolio is through its asset allocation (i.e. stocks, bonds and cash). Long-term investment return and volatility depend on the Portfolio's strategic asset allocation. In consultation with the Consultant, a Strategic Asset Allocation policy has been adopted which appropriately balances the opportunity for achieving the investment return objectives as set forth in this Policy with an appropriate volatility level.
- 3) There is significant evidence that long-term investors do not benefit from attempting to earn returns through short-term asset class forecasts or market timing. As a result, the Corporation has adopted a long-term Strategic Asset Allocation policy. Over time, the Portfolio will remain invested in percentages that are consistent with the Strategic Asset Allocation policy.
- 4) The Corporation strongly believes in the long-term benefits of diversifying its Portfolio into a number of different asset classes and investment strategies. While each asset class

Westminster-Canterbury Corporation

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and strategy is carefully selected, the focus of the investment process is always on the overall Portfolio.

- 5) To achieve the long-term benefits of a widely diversified Portfolio, the Corporation has adopted strategic allocation targets for each asset class that it utilizes. It expects that the portfolio weighting for each asset class will remain within minimum and maximum percentages. The current Strategic Asset Allocation, including targets and acceptable ranges, is set forth in Appendix A.
- 6) Within each asset class, the Corporation seeks to earn the most efficient annual rate of return possible (after investment expenses). Investments will be well-diversified by investment style and strategy. Style/strategy diversification will increase the probability over three- to five-year time periods that the Corporation will achieve its investment goals and reduce volatility. The Corporation has adopted specific definitions and guidelines for each asset class. These are set forth in Appendix B (“Asset Class Definitions/Guidelines”).

Performance Objectives

In order to achieve the objectives stated in the Introduction to this Policy, the Corporation’s total portfolio must earn a minimum annual rate of return that is at least equivalent to the rate of inflation plus the spending rate. Thus, the long-term objective for the Portfolio is to earn an annualized rate of return of at least Consumer Price Index plus 4.75% over a period of 7-10 years.

In order to evaluate the performance of its Managers over shorter time periods, the Corporation has also adopted a market driven benchmark for each manager. For the Portfolio as a whole, the Total Portfolio Benchmark (“Benchmark”) will consist of a suitable index for each asset class used. These indices will be weighted on a monthly basis according to the Corporation’s strategic asset allocation targets listed in Appendix A. Appendix C (“Total Portfolio Benchmark”) sets forth the composition of the current Benchmark.

Administrative and Review Procedures

The Committee will review this Policy biannually, or more frequently should there be material changes to market conditions or the investment outlook.

The Committee will review the performance of the Portfolio at each meeting with the assistance of the Consultant and the Corporation’s staff. These reviews will address:

- 1) The Portfolio’s overall asset allocation to assure compliance with this Policy and then-current market conditions and expectations.
- 2) The assets held in each portfolio to assure compliance with the Corporation’s policies regarding investment restrictions and the consistency of the Manager’s strategies.

Westminster-Canterbury Corporation
Statement of Investment Policy
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- 3) Performance against the benchmarks set forth in this Policy.
- 4) Recommendations of new Managers or elimination of Managers made by the Consultant.

The Corporation's staff and the Consultant will perform the above review at least monthly and report any deviations or concerns as soon as reasonably practicable to the Committee Chair.

At least once each year at a meeting of the Committee, the Consultant will update its asset class forecasts and review the asset allocation of the Portfolio, making any recommendations it believes appropriate given then-current market conditions and expectations.

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Appendix A
Strategic Asset Allocation

The Corporation has adopted the following Strategic Asset Allocation. All figures listed refer to an asset class's percentage of the total portfolio. The minimum and maximum weights listed represent the acceptable allocation ranges for each asset class. Actual asset allocation will be compared to these ranges on a monthly basis. In the event that the allocation to a particular asset class falls outside of the acceptable range, the Portfolio will be re-balanced so that all asset classes are within their permitted allocation ranges.

<u>Asset Class</u>	<u>Minimum</u>	<u>Target Percentage</u>	<u>Maximum</u>
U.S. Large/Mid Cap Equity	15%	18%	22%
U.S. Small Cap Equity	4%	6%	8%
International Equity	13%	16%	19%
Emerging Markets Equity	4%	6%	8%
Select Strategies	8%	12%	16%
Fixed Income	13%	19%	24%
Real Estate	0%	3%	5%
Hedge Funds	8%	11%	14%
Commodities	0%	2%	5%
Private Equity	0%	6%	10%
Cash	0%	<u>1%</u>	3%
Total		100%	

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Appendix B
Asset Class Definitions/Guidelines

The following guidelines are established for separately managed accounts and utilized during initial screens for all other investment vehicles. Furthermore, the Committee may use these guidelines for ongoing review of all investments held within the Portfolio and may choose to liquidate any investment should it violate these guidelines.

Domestic Equity

- 1) The domestic equity portfolio will be diversified according to economic sector, industry, number of holdings and other investment characteristics. However, it is recognized that any actively managed portfolio will not be as diversified as the market. To produce overall diversification, equity managers will be selected to employ different management strategies that together achieve the desired degree of diversification.
- 2) A Manager may only deviate from these guidelines with advance written permission of the Consultant, with guidance from the Committee.

International Equity

The following definitions may be used to distinguish between developed and emerging international securities.

International Developed Equity: Listed equity securities traded on developed non-U.S. markets. Developed markets are defined as those included in Morgan Stanley's EAFE index plus Canada.

Emerging Markets Equity: Listed equity securities traded on emerging non-U.S. markets. Emerging markets are defined as any market that is not included in Morgan Stanley's EAFE index plus Canada.

All restrictions listed above for Domestic Equity also applies to International Equity with the following additions:

- 1) Managers must hold securities in a minimum of three (3) countries at all times.
- 2) Currency exposure may only be hedged back to the U.S. dollar. The decision to hedge is left to the Manager's discretion.

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Alternatives

In order to enhance portfolio results, the Corporation may elect to invest in alternative investment strategies such as private equity, private real estate, private natural resources, hedge funds, or commodities. These investments are made with the intention of raising portfolio returns and/or lowering total volatility. In most cases, these investments will be implemented via limited partnerships, limited liability companies, business trusts or foreign (non-US) corporations. Therefore, restrictions are established by the offering documents for each partnership.

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Appendix C
Total Portfolio Benchmark

The Corporation's total portfolio benchmark is based on its Strategic Asset Allocation policy using suitable market indices to represent each asset class. This custom index is calculated on a monthly basis using the weights listed below.

<u>Asset Class</u>	<u>Weight</u>	<u>Market Index</u>
US Large/Mid Cap Equity	18%	S&P 500
US Small Cap Equity	6%	Russell 2000
International Equity	16%	MSCI EAFE
Emerging Markets	6%	MSCI Emerging Mkts
Select Strategies	12%	Various
Aggregate Fixed Income	13%	Barclays Aggregate
High Yield Fixed BB-B	3%	50%CSFB Lev Loan/50% Barclays
Global Fixed	3%	Citi World Govt Bond
Real Estate	3%	NAREIT/NCREIF
Hedge Funds	11%	HFRI Fund of Funds
Commodities	2%	Bloomberg Commodity
Private Equity	6%	S&P500/Cambridge All-PE
Cash/Cash Equivalents	1%	90-day T-bills
	100%	
Total	100%	

Managers within each asset class will be measured against a specific style benchmark along with the market benchmark for their asset class as indicated above.

**WESTMINSTER-CANTERBURY
MANAGEMENT CORPORATION AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED SEPTEMBER 30, 2023 AND 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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ADDENDUM #5.0

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
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YEARS ENDED SEPTEMBER 30, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Westminster-Canterbury Management Corporation and Subsidiaries
Richmond, Virginia

Report on the Audit of the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Westminster-Canterbury Management Corporation and Subsidiaries, which comprise the consolidated balance sheets as of September 30, 2023 and 2022, and the related consolidated statements of operations and changes in net assets without donor restrictions, 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 the Westminster-Canterbury Management Corporation and Subsidiaries as of September 30, 2023 and 2022, and the results of their operations, changes in their net assets, and their 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 generally accepted auditing standards in the United States of America (GAAS). 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 Westminster-Canterbury Management Corporation and Subsidiaries 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 Consolidated 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 Westminster-Canterbury Management Corporation and Subsidiaries' ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated 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 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, 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 Westminster-Canterbury Management Corporation and Subsidiaries' 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 Westminster-Canterbury Management Corporation and Subsidiaries' 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.



CliftonLarsonAllen LLP

Charlotte, North Carolina
January 18, 2024

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2023 AND 2022

ASSETS	2023	2022
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 35,278,904	\$ 25,683,964
Accounts Receivable - Residents	724,480	265,361
Notes Receivable - Advance Fees, Net	105,361	-
Pledges Receivable, Net	4,905,124	684,670
Current Portion of Assets Limited as to Use	3,518,012	3,533,363
Prepaid Expenses and Other Assets	1,740,345	1,739,856
Inventories of Supplies	95,570	88,415
Total	46,367,796	31,995,629
INVESTMENTS		
Without Restriction	116,978,791	104,491,540
Fellowship Fund	14,019,920	12,523,337
PECH Fund	17,464,346	15,019,255
Development	10,609,839	9,280,507
Foundation	69,847,980	59,136,662
Total Investments	228,920,876	200,451,301
Total Current Assets	275,288,672	232,446,930
ASSETS LIMITED AS TO USE, NET OF CURRENT	29,243,670	95,787,301
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	2,014,584	1,878,686
PLEDGES RECEIVABLE, NET OF CURRENT	56,252	621,046
DEFERRED MARKETING COSTS	220,000	119,450
PROPERTY, PLANT, AND EQUIPMENT		
Less: Accumulated Depreciation of \$213,691,222 in 2023 and \$199,655,061 in 2022	269,183,373	184,508,581
Total Assets	\$ 576,006,551	\$ 515,361,994

See accompanying Notes to Consolidated Financial Statements.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
SEPTEMBER 30, 2023 AND 2022

LIABILITIES AND NET ASSETS	<u>2023</u>	<u>2022</u>
CURRENT LIABILITIES		
Current Portion of Bonds Payable	\$ 1,845,000	\$ 1,825,000
Accounts Payable	27,894,864	9,463,843
Accrued Salaries and Benefits	3,037,374	2,544,967
Interest Payable	4,055,866	3,741,453
Refundable Reservation Deposits	10,652,651	9,049,349
Deferred Revenue - Provider Relief Funding	-	107,090
Other Current Liabilities	1,277,917	897,652
Total Current Liabilities	<u>48,763,672</u>	<u>27,629,354</u>
 BONDS PAYABLE, LESS CURRENT PORTION AND DEFERRED FINANCING COSTS		
	186,906,958	189,098,814
 ADVANCE FEES		
Refundable Advance Fees	1,166,329	1,689,564
Deferred Revenue from Advance Fees	129,333,778	120,982,723
Total Advance Fees	<u>130,500,107</u>	<u>122,672,287</u>
 ANNUITIES PAYABLE		
	297,351	349,037
 OTHER LIABILITIES		
	<u>258,888</u>	<u>258,888</u>
Total Liabilities	366,726,976	340,008,380
 NET ASSETS		
Without Donor Restrictions	143,902,354	118,670,967
With Donor Restrictions	65,377,221	56,682,647
Total Net Assets	<u>209,279,575</u>	<u>175,353,614</u>
Total Liabilities and Net Assets	<u>\$ 576,006,551</u>	<u>\$ 515,361,994</u>

See accompanying Notes to Consolidated Financial Statements.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
REVENUES, GAINS, AND OTHER SUPPORT		
Residential Services, Including Amortization of Deferred Revenue from Advance Fees of \$16,593,917 and \$15,871,753 in 2023 and 2022, Respectively	\$ 65,695,078	\$ 62,820,622
Investment Income	5,456,485	7,506,937
Contributions	893,867	1,915,285
Net Assets Released from Restrictions - Fellowship Assistance	2,606,245	1,961,426
Other	9,231,760	8,333,083
Total Revenues, Gains, and Other Support	83,883,435	82,537,353
EXPENSES		
Resident Care	18,451,826	17,001,743
Dining and Catering	7,726,573	7,454,672
Housekeeping and Laundry	2,935,688	2,925,437
Other Services	2,710,665	2,983,389
General and Administrative	16,967,096	15,915,313
Fundraising	576,871	601,555
Plant Maintenance and Security	6,992,678	6,502,071
Depreciation and Amortization	14,036,276	12,886,833
Interest Expense	3,249,205	3,143,828
Total Expenses	73,646,878	69,414,841
OPERATING INCOME	10,236,557	13,122,512
OTHER INCOME (LOSS)		
Unrealized Gains (Losses) on Investments	14,994,830	(46,786,538)
Loss on Early Extinguishment of Debt	-	(71,540)
Total Other Income (Loss)	14,994,830	(46,858,078)
EXCESS (DEFICIT) OF REVENUES, GAINS, AND OTHER SUPPORT OVER (UNDER) EXPENSES AND INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ 25,231,387	\$ (33,735,566)

See accompanying Notes to Consolidated Financial Statements.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total
BALANCE - SEPTEMBER 30, 2021	\$ 152,406,533	\$ 64,987,253	\$ 217,393,786
Deficit of Revenues, Gains, and Other Support			
Under Expenses	(33,735,566)	-	(33,735,566)
Contributions	-	8,343,523	8,343,523
Investment Income	-	954,388	954,388
Net Realized Gains on Investments	-	1,876,911	1,876,911
Net Unrealized (Losses) on Investments	-	(13,347,996)	(13,347,996)
Fundraising Expenses	-	(406,398)	(406,398)
Change in Value of Beneficial Interest in Perpetual Trust	-	(617,030)	(617,030)
Other	-	(1,465,646)	(1,465,646)
Net Assets Released from Restriction - Satisfaction of Donor Requirements:			
Used in Operations	-	(1,961,426)	(1,961,426)
Payment of Advance Fees	-	(1,680,932)	(1,680,932)
Net Decrease in Net Assets	<u>(33,735,566)</u>	<u>(8,304,606)</u>	<u>(42,040,172)</u>
BALANCE - SEPTEMBER 30, 2022	118,670,967	56,682,647	175,353,614
Excess of Revenues, Gains, and Other Support			
Over Expenses	25,231,387	-	25,231,387
Contributions	-	6,671,615	6,671,615
Investment Income	-	1,210,516	1,210,516
Net Realized Gains on Investments	-	485,205	485,205
Net Unrealized Gains on Investments	-	5,951,064	5,951,064
Fundraising Expenses	-	(422,629)	(422,629)
Change in Value of Beneficial Interest in Perpetual Trust	-	135,898	135,898
Other	-	(1,846,429)	(1,846,429)
Net Assets Released from Restriction - Satisfaction of Donor Requirements:			
Used in Operations	-	(2,606,245)	(2,606,245)
Payment of Advance Fees	-	(884,421)	(884,421)
Net Increase in Net Assets	<u>25,231,387</u>	<u>8,694,574</u>	<u>33,925,961</u>
BALANCE - SEPTEMBER 30, 2023	<u>\$ 143,902,354</u>	<u>\$ 65,377,221</u>	<u>\$ 209,279,575</u>

See accompanying Notes to Consolidated Financial Statements.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 33,925,961	\$ (42,040,172)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Unrealized (Gains) Losses on Investments	(20,945,894)	60,134,534
Depreciation and Amortization	14,036,276	12,886,833
Amortization of Deferred Financing Costs	50,618	55,387
Bond Premium / Original Issue Discount Amortization	(397,474)	(277,419)
Gain on Disposal of Property, Plant, and Equipment	(13,600)	(200)
Change in Value of Beneficial Interest in Perpetual Trust	(135,898)	617,030
Loss on Early Extinguishment of Debt	-	71,540
Amortization of Deferred Revenue from Advance Fees	(16,593,917)	(15,871,753)
Proceeds from Advance Fees, Deposits, and Processing Fees, Net Restricted Contributions	24,421,737	17,692,467
Changes in Operating Assets and Liabilities	(6,671,615)	(8,343,523)
Net Cash Provided by Operating Activities	11,132,748	10,274,797
	38,808,942	35,199,521
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Change in Investments and Assets Limited as to Use	59,035,301	(74,533,243)
Sale of Property, Plant, and Equipment	13,600	200
Acquisition of Property, Plant, and Equipment	(93,109,518)	(45,160,690)
Net Cash Used by Investing Activities	(34,060,617)	(119,693,733)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Repayments of Bonds	(1,825,000)	(3,289,624)
Proceeds from Bond Issuance	-	82,114,213
Restricted Contributions	6,671,615	8,343,523
Net Cash Provided by Financing Activities	4,846,615	87,168,112
INCREASE IN CASH AND CASH EQUIVALENTS	9,594,940	2,673,900
Cash and Cash Equivalents - Beginning of Year	25,683,964	23,010,064
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 35,278,904	\$ 25,683,964

See accompanying Notes to Consolidated Financial Statements.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest, Net of Amounts Capitalized	\$ 3,011,546	\$ 1,371,020
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES		
Acquisition of Property, Plant, and Equipment	\$ 98,711,068	\$ 44,230,514
Add: Prior Year Accounts Payable - Construction	3,734,719	4,664,895
Less: Accounts Payable - Construction	(9,336,269)	(3,734,719)
Cash Paid for Property, Plant, and Equipment	\$ 93,109,518	\$ 45,160,690
Proceeds from Issuance of Bonds Payable	\$ 386,000	\$ 98,195,000
Less: Cash Paid for Outstanding Bonds Payable	-	(23,011,775)
Less: Cash Paid for Financing Costs	(386,000)	(1,284,622)
Plus: Bond Premium	-	8,215,610
Cash Proceeds from Issuance of Bonds Payable	\$ -	\$ 82,114,213

See accompanying Notes to Consolidated Financial Statements.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Westminster-Canterbury Management Corporation and Subsidiaries (the Management Corporation) was incorporated effective January 1, 1991 as a nonprofit corporation organized under the laws of the Commonwealth of Virginia.

In July of 1990, the Management Corporation was created as part of a reorganization of Westminster-Canterbury Corporation (the Corporation) to provide administrative services to the four subsidiaries. As a result of the reorganization, the subsidiary operational units created were as follows:

- The Westminster-Canterbury Child Care Center (Child Care) provides childcare services mainly to support the activities of the Corporation;
- The Glebe of Richmond (the Glebe) provides independent living units separate from the main facility at 1600 Westbrook Avenue;
- The Corporation operates the residential home and skilled and intermediate care nursing facilities for the elderly as well as the home health, hospice, and related services through Westminster-Canterbury at Home, LLC (At Home);
- The Westminster-Canterbury Foundation (the Foundation) solicits, receives, and administers gifts, grants, and contributions for the benefit of the Management Corporation and its subsidiaries.
- The Westminster-Canterbury Development Corporation (the Development Corporation) supports the mission and purpose of the Management Corporation.

The subsidiary corporations have one member, Westminster-Canterbury Management Corporation, a Virginia nonstock corporation. The sole member shall have the exclusive right to vote on the election, appointment, or removal of trustees, and it must approve all amendments to the Articles of Incorporation affecting the voting rights of members. All other voting power, including without limitation the power to vote on amending other provisions of the Articles of Incorporation, shall be vested in the board of trustees of the respective subsidiary corporations.

Basis for Consolidation

The consolidated financial statements include the accounts of the Management Corporation and its wholly-owned subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Include net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. At times, the governing board can designate, from net assets without donor restrictions, net assets for a board-designated endowment or other purposes.

Net Assets With Donor Restrictions – Include net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both.

The Management Corporation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Revenues are reported as an increase in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying financial statements. Expenses are reported as decreases in net assets without donor restrictions.

Contributions, including unconditional pledges, are recognized as revenues in the period the pledge is made or the cash is received. Conditional pledges are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Income and realized and unrealized gains and losses on investments are reported as follows:

- As changes in net assets with donor restrictions if the terms of the gift impose restrictions on the use of the income, or if the terms of an endowment gift or the Management Corporation's interpretation of relevant state law require that they be added to the principal of a permanent endowment fund;
- As changes in net assets without donor restrictions in all other cases.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of 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 assets and 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.

Cash and Cash Equivalents

The Management Corporation considers all highly liquid assets with a maturity of three months or less when purchased to be cash equivalents.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues as either without or with donor restrictions in the period verifiably committed by the donor. Contributions of investment assets are recorded at their estimated fair value and per the fair value policies described elsewhere in Note 1 and are then immediately liquidated. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows using a risk adjusted discount rate depending on the time period involved. Amortization of the discount is included in contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions. Contributions with donor-imposed restrictions that can be met through the passage of time or upon the incurring of expenses consistent with the purposes are recorded as net assets with restrictions and reclassified to net assets without donor restrictions when such time or purposes restriction has been satisfied. Gifts of cash or other assets that must be used to acquire long lived assets are reported as net assets with donor restrictions. The Management Corporation reports expirations of donor restrictions when the donated or acquired long lived asset is placed into service. Conditional contributions are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlement. This can include items like meeting a matching provision, incurring specified allowable expenses in accordance with a framework of allowable costs or other barriers.

Pledges Receivable

Pledges, less an allowance for uncollectible amounts and a discount on unconditional promises, are recorded at fair value in the period in which the pledges are made. Conditional pledges are recognized only when the conditions on which they depend are substantially met and the pledges become unconditional.

Inventories of Supplies

Inventories of supplies are stated at the lower of cost (first-in, first-out) or net realizable value.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Limited as to Use

Assets limited as to use include assets held by trustees under bond indenture agreements and assets held by an escrow agent under residency agreements.

Donor-Restricted Funds

Donor-restricted funds are used to differentiate funds, the uses of which are specified by donors, from general funds upon which the donors place no restrictions or which arise as a result of the operations of the Management Corporation, Corporation, and Foundation for their stated purposes. Assets limited as to use are not considered to be restricted funds. The Fellowship Fund is used to provide fellowship assistance as discussed later in Note 1. Under a 1975 agreement, all the residents of the Protestant Episcopal Church Home (PECH) became residents of the Corporation. The Corporation assumed the responsibility to provide care, including burial expenses, to these residents. PECH established a trust (referred to in the financial statements as the PECH Fund). Prior to fiscal year 1998, the income from the trust was used by the Corporation for financial assistance for these residents. In addition, the trust agreement provided for the possible payment of a portion of the principal of the trust to the Corporation for operations should the Corporation become endangered due to financial need. In certain circumstances, if the Corporation should cease to operate, all property held by the trustee would be transferred to the Diocese of Virginia of the Protestant Episcopal Church to be used for certain stated purposes. During 1998, the trust was dissolved with the approval of the Diocese of Virginia of the Protestant Episcopal Church and the assets were transferred to the Corporation. The Corporation is still required to use the funds in accordance with the original PECH guidelines and the funds continue to be classified as net assets without donor restrictions.

During the 2023 and 2022 fiscal years, the Corporation and the Foundation used a 4.75% rolling three-year average balance of the Fellowship Fund, PECH Fund, and the Corporate Fund along with the Annual Fund to fund the Fellowship program.

Investments

Investments are carried at fair value. The fair value of marketable equity securities, bonds and other investments are based on quoted market prices. Realized gains and losses on the sale of investments are determined based on the cost of the specific investment sold.

The fair values relating to alternative investments have been estimated by the investment fund managers in the absence of readily ascertainable market values. The fair values relating to real estate have been estimated by management based upon pertinent available data including assessments and evaluations by real estate professionals. Due to the inherent uncertainty of these estimates, these values may differ from the values that would have been used had a ready market for these investments existed and the differences could be material.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Uncollectible Accounts

The Management Corporation provides an allowance for uncollectible accounts using management's judgment. Residents are not required to provide collateral for services rendered. Payment for services is required upon receipt of an invoice or claim submitted. Accounts more than 30 days past due are individually analyzed for collectability. In addition, an allowance is estimated for other accounts based on the historical experience of the Management Corporation. When all collection efforts have been exhausted, the accounts are written off against the related allowance. At September 30, 2023 and 2022, the allowance for uncollectible accounts was approximately \$8,281,000 and \$7,894,000, respectively. Included in these amounts is the portion related to fellowship receivables of approximately \$6,550,000 and \$5,872,000 at September 30, 2023 and 2022, respectively.

Property, Plant, and Equipment

Property, plant, and equipment are stated on the basis of cost, or if donated, at fair value at the date of receipt, which is then treated as cost. For purchases over \$2,500 depreciation is computed over the estimated useful life of each class of depreciable asset on a straight-line basis. The general range of useful lives estimated for buildings and improvements is 10 to 40 years and for equipment and furnishings is 5 to 25 years. Depreciation expense for the years ended September 30, 2023 and 2022 was \$14,036,276 and \$12,886,833, respectively.

Deferred Financing Costs

Deferred financing costs incurred in connection with the issuance of long-term debt are deferred and amortized over the period the obligation is outstanding using the effective interest rate method.

Deferred Revenue from Advance Fees

Fees paid by a resident upon entering into a care contract are recorded as deferred revenue and are amortized to revenue over the estimated life expectancy, adjusted annually, on an individual resident basis at 75% of straight-line amortization until the resident transfers to the Health Care Center, at which time the remaining unamortized balance is amortized using 125% of straight-line amortization. The period of amortization is based on the actuarially determined estimated remaining life expectancy of each individual, or joint and last survivor life expectancy of each pair of residents occupying the same unit. In the event of a resident's or surviving resident's death, or the termination of the occupancy agreement, the obligations of the Corporation, or the Glebe, are considered fulfilled, and the unamortized portion of the fee is recognized as revenue.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue – Provider Relief Funding

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 the Corporation for the year ended September 30, 2022 was \$101,514. During the year ended September 30, 2022, total grant funds approved and received by Child Care was \$107,090. No additional funding was received during the year ended September 30, 2023. The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and are subject to audit. The Corporation recognized \$101,514, as other operating revenue in the statement of operations in 2022. Approximately \$107,000 was recorded as deferred revenue on the Child Care balance sheet as of September 30, 2022. During the year ended September 30, 2023, Child Care recognized \$107,090 as other operating revenue in the statement of operations. No amounts were recorded as deferred revenue as of September 30, 2023. Management believes the amounts have been recognized appropriately by the Corporation and Child Care as of September 30, 2023 and 2022.

Obligation to Provide Future Services

The Corporation annually computes their future services obligation (FSO). All future costs to provide services to residents have been included in the computation of the FSO. If the present value of the net cost of future services and the use of facilities exceeds the deferred revenue from advance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income. The calculation did not result in a liability as of September 30, 2023 and 2022. The obligation is discounted at 6.0% in 2023 and 2022, based on the expected long-term rate of return on investments.

Functional Expenses

The Corporation provides residential and health services to residents of the Corporation, At Home and the Glebe, other services to the community, as well as childcare services mainly to support the activities of the Corporation. The Management Corporation provides administrative and support services to the Corporation, At Home, the Glebe, Child Care, and the Foundation in exchange for a management fee. The financial statements contain certain categories of expenses that are attributable to one or more program or supporting functions of the Management Corporation. Expenses are directly allocated to program or support services whenever possible. Other shared expenses are allocated based on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, interest, housekeeping and laundry, management fees, certain salary and benefits expenses, and plant maintenance and security, which are allocated on a square footage basis, and dining and catering, which is allocated based on estimates of the number of meals served.

Fellowship Assistance

Financial assistance is provided to qualifying residents based on financial need to supplement the advance and monthly fees. All advance fee fellowships are deducted by the Fellowship Fund when granted. Monthly fee fellowships are deducted in the month for which granted.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fellowship Assistance (Continued)

This assistance is funded by the contributions from the Foundation and the Corporation's Fellowship board-restricted and PECH donor-restricted funds and recorded as revenue without restrictions in the accompanying consolidated financial statements.

Fellowship assistance was provided as follows for the years ended September 30:

	2023	2022
Monthly Fees	\$ 2,606,245	\$ 1,961,426
Advance Fees	884,421	1,680,932
Total	<u>\$ 3,490,666</u>	<u>\$ 3,642,358</u>

Excess (Deficit) of Revenues, Gains, and Other Support Over (Under) Expenses

The statement of operations and changes in net assets without donor restrictions includes excess (deficit) of revenues, gains and other support over (under) expenses.

Changes in net assets without donor restrictions which are excluded from excess (deficit) of revenue, gains, and other support over (under) expenses consistent with industry practice include contributions of long-term assets and cumulative effects of changes in accounting principles.

Income Taxes

Westminster-Canterbury Management Corporation and its Subsidiaries are nonprofit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Management Corporation and its subsidiaries are in receipt of favorable IRS determination letters with respect to the tax-exempt status of each entity. Section 58-12.35 of the Code of Virginia specifically exempts the property of the Corporation only from state and local taxation.

The Management Corporation follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The standard does not have a significant impact on the financial statements.

General and Administrative Expenses

Employee group health insurance and defined contribution plan costs are paid by the Management Corporation on behalf of the subsidiaries and are allocated to the functions.

Fair Value Measurement

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Management Corporation emphasizes that fair value is a market-based measurement, not an entity-specific measurement.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (Continued)

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 the Management Corporation has the ability to access.

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

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

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

Reclassifications

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 presentation, with no effect on the previously reported net assets or change in net assets.

Subsequent Events

In preparing these financial statements, the Management Corporation has considered events and transactions that have occurred through January 18, 2024, the date the financials were available for issuance.

NOTE 2 RESIDENTIAL SERVICES REVENUE

Residential services revenue is reported at the amount that reflects the consideration to which the Management Corporation expects to be entitled in exchange for providing services. 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, the Management Corporation bills the private patients at the beginning of each month and third-party payors several days after the services are performed. Service fees paid by residents for maintenance, meals, and other services are assessed monthly and are recognized as revenue in the period services are rendered. Revenue is recognized as performance obligations are satisfied.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 2 RESIDENTIAL SERVICES REVENUE (CONTINUED)

Performance obligations are determined based on the nature of the services provided by the Management Corporation. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Management Corporation 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 in the facility receiving skilled nursing services or housing residents receiving services in the facility such as memory care, home health, and hospice services. The Management Corporation considers daily services provided to residents of the skilled nursing facility, and monthly rental for housing services as a separate performance obligation and measures this on a monthly basis, or upon move-out within the month, whichever is shorter. Nonrefundable entrance fees are considered to contain a material right associated with access to future services, which is the related performance obligation. Revenue from nonrefundable entrance fees is recognized ratably in future periods covering a resident's life expectancy using a time-based measurement similar to the output method. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to our residents and customers in a retail setting (for example, gift shop and cafeteria meals) and the Management Corporation does not believe it is required to provide additional goods or services related to that sale.

Because all of its performance obligations have a duration of less than one year, the Management Corporation has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Management Corporation 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 the Corporation's policy, and/or implicit price concessions provided to residents. The Management Corporation determines its estimates of contractual adjustments based on contractual agreements, its policy, and historical experience. The Management Corporation 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:

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 2 RESIDENTIAL SERVICES REVENUE (CONTINUED)

Medicare

The Management Corporation's licensed skilled nursing facility (SNF) participates in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). On October 1, 2019 CMS finalized the Patient Driven Payment Model (PDPM) to replace the existing Medicare Prospective Payment System (PPS). Under PDPM, therapy minutes are removed as the primary basis for payment and instead the underlying complexity and clinical needs of a patient are used as a basis for reimbursement. In addition, PDPM introduced variable adjustment factors that change reimbursement rates during the resident's length of stay. 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.

Medicaid

The Management Corporation's licensed nursing facility participates in the Medicaid program which is administered by Virginia's Department of Medical Assistance Services (DMAS). DMAS uses a price-based payment system to reimburse providers, which is weighted for each claim based on PDPM HIPPS codes listed on each claim. Each year DMAS publishes a priced-based total case mix rate and a total indirect rate, both of which make up the bulk of the base payment rate for each provider. The total case mix rate and the total indirect rate are determined by a preassigned peer group of geographically similar regions within Virginia. The price-based rate is weighted for the severity of care of the documented code listed for each claim. Annual Medicaid cost reports are required by the state of Virginia, however, they are not used to settle the costs of claims. Instead, the cost reports are used in the development of price-based rates and to monitor the adequacy of the reimbursement methodology.

Other

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

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 2 RESIDENTIAL SERVICES REVENUE (CONTINUED)

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Management Corporation'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 settlements 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 2023 or 2022.

Generally residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Management Corporation 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. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended September 30, 2023 and 2022. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense.

The Management Corporation 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.

The composition of residential services revenue by primary payor, which includes net assets released from restrictions – fellowship assistance, for the years ended September 30 is as follows:

	<u>2023</u>	<u>2022</u>
Medicare	\$ 6,742,799	\$ 6,958,177
Medicaid	599,337	625,891
Private	<u>60,959,187</u>	<u>57,197,980</u>
Total	<u>\$ 68,301,323</u>	<u>\$ 64,782,048</u>

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

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 2 RESIDENTIAL SERVICES REVENUE (CONTINUED)

The composition of residential services revenue, which includes net assets released from restrictions – fellowship assistance, based on the Management Corporation’s lines of business, method of reimbursement, and timing of revenue recognition for the years ended September 30 are as follows:

	2023	2022
Service Lines:		
Independent Living	\$ 28,634,515	\$ 26,847,773
Assisted Living	3,516,729	3,507,996
Skilled Nursing Facility	14,264,114	13,311,230
Home Health and Hospice	1,743,123	1,730,543
Memory Care	3,548,925	3,512,753
Amortization of Deferred Revenue from Advance Fees	16,593,917	15,871,753
Total	\$ 68,301,323	\$ 64,782,048
Method of Reimbursement:		
Monthly Service Fees	\$ 35,700,169	\$ 33,868,522
Fee for Service	16,007,237	15,041,773
Amortization of Deferred Revenue from Advance Fees	16,593,917	15,871,753
Total	\$ 68,301,323	\$ 64,782,048
Timing of Revenue and Recognition:		
Health Care Services Transferred Over Time	\$ 68,301,323	\$ 64,782,048

Certain other revenue streams included in Other Revenue on the consolidated statements of operations and change in net assets without donor restrictions relate to other residential services. These items include other resident services, dining and catering, the administrative processing fee on entrance fees contracts, and The Galleria and beauty shop revenues which totaled \$6,518,706 and \$5,601,233 for the years ended September 30, 2023 and 2022, respectively. Revenue associated with these performance obligations are satisfied at a point in time and are generally recognized when goods or services are provided to residents. The Management Corporation does not believe it is required to provide any additional goods or services related to these transactions. These other revenue streams are paid by private pay residents and are considered as other service lines to the Management Corporation.

The opening and closing contract balances were as follows:

	Accounts Receivable	Deferred Revenue From Entrance Fees
Balance as of October 1, 2021	\$ 1,272,542	\$ 119,162,009
Balance as of September 30, 2022	265,361	120,982,723
Balance as of September 30, 2023	829,841	129,333,778

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 2 RESIDENTIAL SERVICES REVENUE (CONTINUED)

Financing Component

The Management Corporation has elected the practical expedient allowed under FASB 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 the Management Corporation'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. However, the Management Corporation does, in certain instances, enter into payment agreements with residents that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Contract Costs

The Management Corporation 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 the Management Corporation otherwise would have recognized is one year or less in duration.

NOTE 3 LIQUIDITY

The Management Corporation invests cash in excess of short-term requirements in short-term investments. In addition, the Management Corporation has long-term mutual and equity securities which are liquid within one week and alternative investments which have varying levels of liquidity.

Financial assets available for general expenditures, that is, without donor or other restrictions limited their use, within one year of the balance sheet date, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 35,278,904	\$ 25,683,964
Accounts Receivable - Residents	724,480	265,361
Notes Receivable - Advance Fees	105,361	-
Current Portion of Pledges Receivable	4,905,124	684,670
Investments (Less Restricted Funds and Alternative Funds not Considered Liquid)	120,565,902	114,381,040
Total	<u>\$ 161,579,771</u>	<u>\$ 141,015,035</u>

The Management Corporation's endowment funds are used to support the Management Corporation and consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted until appropriated by the board of trustees, and available for general expenditures and support of the Management Corporation once appropriated.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 4 ACCOUNTS RECEIVABLE – RESIDENTS

Accounts receivable - residents are net of allowance for doubtful accounts of \$8,280,593 and \$7,894,387 in 2023 and 2022, respectively. Resident receivables included \$6,549,676 and \$5,871,817 in 2023 and 2022, respectively, of accounts related to deceased fellowship recipients. These receivables were recorded at the residents' death as proceeds from their estates may be used to repay some of these amounts. Fellowship receivables are written off as the Corporation is notified that the estates have been settled. These amounts were fully provided for in the allowance for doubtful accounts at September 30, 2023 and 2022.

NOTE 5 NOTES RECEIVABLE – ADVANCE FEES

The Management Corporation allows for the short-term financing of advance fees by residents. Interest is accrued and payable monthly at rates ranging from 0% to 4.0% until the note is paid in full, and the notes are unsecured. As of September 30, 2023, there were outstanding notes receivable of \$105,361. As of September 30, 2022, there were no outstanding notes receivable. These amounts are net of allowance for doubtful collections of \$18,593.

NOTE 6 ASSETS LIMITED AS TO USE

The composition of assets limited as to use at September 30 is summarized as follows:

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Externally Restricted Under Bond Indenture Agreement (Held by Trustee):				
U.S. Treasury Securities and Cash Management Funds	\$ 32,761,682	\$ 32,761,682	\$ 99,320,664	\$ 99,320,664
Total Assets Limited as to Use	<u>\$ 32,761,682</u>	<u>\$ 32,761,682</u>	<u>\$ 99,320,664</u>	<u>\$ 99,320,664</u>

Amounts restricted under bond indenture agreements are comprised of the following at September 30:

	2023	2022
Series 2018 Interest Account	\$ 779,663	\$ 825,287
Series 2018 Principal Account	1,845,000	1,825,000
Series 2020 Interest Account	887,881	877,822
Series 2020 Principal Account	5,468	5,254
Series 2020 Construction Fund	118,653	1,279,761
Series 2022A Interest Account	5,915,260	2,044,255
Series 2022A Principal Account	-	8,097,748
Series 2022A Construction Fund	23,209,757	84,365,537
Total	<u>\$ 32,761,682</u>	<u>\$ 99,320,664</u>

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 7 INVESTMENTS

The composition of investments, both with and without donor restrictions, at September 30 is as follows:

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Without Restriction:				
Mutual Funds - Equities	\$ 36,042,322	\$ 31,701,772	\$ 29,481,368	\$ 27,912,176
Mutual Funds - Fixed Income	11,609,059	12,072,066	12,159,661	12,661,813
Equity Securities	4,472,701	4,501,387	5,177,777	6,241,715
Alternative Investments	64,854,709	57,746,287	57,672,734	57,866,904
Subtotal	116,978,791	106,021,512	104,491,540	104,682,608
Fellowship Fund:				
Mutual Funds - Equities	4,319,676	3,799,461	3,533,349	3,345,281
Mutual Funds - Fixed Income	1,391,347	1,446,838	1,457,338	1,517,521
Equity Securities	536,054	539,492	620,558	748,071
Alternative Investments	7,772,843	6,920,898	6,912,092	6,935,363
Subtotal	14,019,920	12,706,689	12,523,337	12,546,236
Pech Fund:				
Mutual Funds - Equities	5,380,938	4,732,915	4,237,551	4,012,000
Mutual Funds - Fixed Income	1,733,174	1,802,299	1,747,788	1,819,966
Equity Securities	667,752	672,034	744,235	897,163
Alternative Investments	9,682,482	8,621,231	8,289,681	8,317,590
Subtotal	17,464,346	15,828,479	15,019,255	15,046,719
Development:				
Mutual Funds - Equities	7,599,164	6,087,374	6,359,111	5,956,357
Mutual Funds - Fixed Income	2,112,634	2,304,624	2,094,755	2,314,523
Alternative Investments	898,041	838,706	826,641	841,177
Subtotal	10,609,839	9,230,704	9,280,507	9,112,057
Foundation:				
Money Market Funds	223,764	189,238	327,819	327,819
Mutual Funds - Equities	29,300,729	24,663,048	24,214,155	23,360,421
Mutual Funds - Fixed Income	9,109,471	10,002,102	6,718,460	7,679,015
Alternative Investments	31,214,016	23,757,428	27,876,228	23,003,868
Subtotal	69,847,980	58,611,816	59,136,662	54,371,123
Total	<u>\$ 228,920,876</u>	<u>\$ 202,399,200</u>	<u>\$ 200,451,301</u>	<u>\$ 195,758,743</u>

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 7 INVESTMENTS (CONTINUED)

Investments include alternative investments with a fair value of approximately \$114,422,000 and \$101,577,000 at September 30, 2023 and 2022, respectively. Alternative investments include those investments not listed on national exchanges or over-the-counter markets, or for which quoted market prices are not readily available.

The Management Corporation has an investment committee that meets frequently to review asset allocations and rate of return of the investment portfolio. Management, in connection with a third-party investment consultant, performs due diligence on the valuation of all investments.

Investment income and gains on assets limited as to use and investments are comprised of the following for the years ended September 30:

	2023	2022
Revenues, Gains, and Other Support:		
Interest and Dividends	\$ 2,944,616	\$ 2,218,810
Net Realized Gains on Sales of Investments	2,995,432	5,792,778
Investment Fees	<u>(483,563)</u>	<u>(504,651)</u>
Total Revenues, Gains, and Other Support	5,456,485	7,506,937
Other Income:		
Net Unrealized Gains (Losses) on Investments	14,994,830	(46,786,538)
Changes in Net Assets with Donor Restrictions:		
Interest and Dividends	1,210,516	954,388
Net Realized Gains on Sales of Investments	485,205	1,876,911
Net Unrealized Gains (Losses) on Investments	<u>5,951,064</u>	<u>(13,347,996)</u>
Total Changes in Net Assets with Donor Restrictions	<u>7,646,785</u>	<u>(10,516,697)</u>
Total	<u>\$ 28,098,100</u>	<u>\$ (49,796,298)</u>

NOTE 8 PLEDGES RECEIVABLE

As of September 30, 2023 and 2022, there were outstanding pledges receivable of \$4,961,376 and \$1,305,716, respectively. Pledges receivable are as follows at September 30:

	2023	2022
Unconditional Promises Expected to be Collected in:		
Less than One Year	\$ 4,905,124	\$ 684,670
One Year to Five Years	388,783	740,589
Over Five Years	120,000	180,000
Less: Allowance for Uncollectable Unconditional Promises	(405,695)	(215,263)
Less: Discount on Unconditional Promises	<u>(46,836)</u>	<u>(84,280)</u>
Total	<u>\$ 4,961,376</u>	<u>\$ 1,305,716</u>

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 9 PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consist of the following at September 30:

	<u>2023</u>	<u>2022</u>
Land and Improvements	\$ 36,810,601	\$ 36,779,159
Buildings and Improvements	246,713,193	230,993,803
Equipment and Furnishings	86,828,558	78,120,404
Subtotal	<u>370,352,352</u>	<u>345,893,366</u>
Less: Accumulated Depreciation	<u>(213,691,222)</u>	<u>(199,655,061)</u>
Subtotal	156,661,130	146,238,305
Construction in Progress	112,522,243	38,270,276
Total	<u>\$ 269,183,373</u>	<u>\$ 184,508,581</u>

Construction in progress at September 30, 2023 and 2022 is primarily related to apartment refurbishments and the expansion project (see Note 16). The Corporation capitalized interest of approximately \$6,784,000 and \$2,726,000 as of September 30, 2023 and 2022.

NOTE 10 LONG-TERM DEBT

Long-term debt consists of the following as of September 30:

<u>Description</u>	<u>2023</u>	<u>2022</u>
Economic Development Authority of Henrico County, Virginia Residential Care Facility Revenue Bonds, Series 2022A (Series 2022A Bonds):		
Serial Bonds, due annually through October 1, 2033. Interest is payable monthly to the bond trustee at fixed rates between 2.90% and 3.40%	\$ 2,260,000	\$ 2,260,000
Term Bonds, mature October 1, 2052. Interest is payable monthly to the bond trustee at fixed rates ranging between 4.125% and 5.00%.	95,935,000	95,935,000
Economic Development Authority of Henrico County, Virginia Residential Care Facility Revenue Bonds, Series 2022B (Series 2022B Bonds):		
Draw-down Bonds, due annually through September 1, 2041, beginning in 2025. Interest is payable monthly at variable rates, based on a spread over Term SOFR.	65,000	-
Economic Development Authority of Henrico County, Virginia Residential Care Facility Revenue Bonds, Series 2022C (Series 2022C Bonds):		
Draw-down Bonds, due annually through May 1, 2028, beginning in 2024. Interest is payable monthly at variable rates, based on a spread over Term SOFR.	321,000	-

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 10 LONG-TERM DEBT (CONTINUED)

<u>Description (Continued)</u>	<u>2023</u>	<u>2022</u>
Economic Development Authority of Henrico County, Virginia Residential Care Facility Revenue and Refunding Bonds, Series 2020 (Series 2020 Bonds):		
Serial Bonds, due annually through October 1, 2033. Interest is payable monthly to the bond trustee at fixed rates between 3.00% and 4.00%.	\$ 16,220,000	\$ 16,220,000
Term Bonds, mature October 1, 2050. Interest is payable monthly to the bond trustee at fixed rates between 3.00% and 4.00%.	31,120,000	31,120,000
Economic Development Authority of Henrico County, Virginia Residential Care Facility Revenue and Refunding Bonds Revenue Bonds, Series 2018 (Series 2018 Bonds):		
Serial Bonds, due annually through October 1, 2032. Interest is payable monthly only to the bond trustee at fixed rates between 3.45% and 5.00%.	17,345,000	19,170,000
Term Bond, matures October 1, 2048. Interest is payable monthly to the bond trustee at fixed rates ranging between 4.00% and 5.00%.	<u>15,800,000</u>	<u>15,800,000</u>
Subtotal	179,066,000	180,505,000
Plus (Less): Unamortized Bond Premium (Original Issuance Discount)	<u>12,600,846</u>	<u>13,053,422</u>
Subtotal	191,666,846	193,558,422
Less: Unamortized Deferred Financing Costs	2,914,888	2,634,608
Less: Current Portion	<u>1,845,000</u>	<u>1,825,000</u>
Long-Term Debt, Net	<u>\$ 186,906,958</u>	<u>\$ 189,098,814</u>

On November 1, 2006, the Corporation entered into a loan agreement with the Authority which in turn issued \$63,145,000 Residential Care Facility Mortgage Revenue Refunding Bonds, Series 2006 (the 2006 Bonds) in the same amount to: 1) refund all of the Authority's outstanding \$11,820,000 Series 1999 Bonds and a portion of the Authority's outstanding \$65,745,000 Series 2003 Bonds, and 2) finance a debt service reserve fund, costs of issuance, and other amounts relating to the issuance of the Series 2006 Bonds. The obligation was partially refunded through the issuance of the Series 2014 Bonds on August 28, 2014 and fully refunded through the issuance of the Series 2015 Bonds on April 8, 2015.

On December 29, 2010, the Corporation entered into an agreement with the Economic Development Authority of Henrico County, Virginia to issue \$30,000,000 of Series 2010 Residential Care Facility Refunding Bonds (Series 2010 Bonds).

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 10 LONG-TERM DEBT (CONTINUED)

The proceeds of the Series 2010 Bonds were used to redeem \$27,520,000 of the Series 2003B Bonds and \$2,480,000 of the Series 2008 Bonds. Simultaneous with the issuance of the Series 2010 Bonds, the Trustee disbursed \$1,225,000 of the Corporation's Debt Service Reserve Fund to reimburse the remaining balance of the Series 2003B Bonds. The obligation was fully refunded through the issuance of the Series 2018 Bonds on December 1, 2018.

On December 13, 2012, the Corporation entered into an agreement with the Economic Development Authority of Henrico County, Virginia to issue \$14,575,000 of Series 2012 Residential Care Facility Refunding Bonds (Series 2012 Bonds). The proceeds of the Series 2012 Bonds were used to redeem \$14,575,000 of the Series 2008 Bonds. The obligation was fully refunded through the issuance of the Series 2018 Bonds on December 1, 2018.

On August 28, 2014, the Corporation entered into an agreement with the Economic Development Authority of Henrico County, Virginia to issue \$36,941,240 of Series 2014 Residential Care Facility Refunding Bonds (Series 2014 Bonds). The proceeds of the Series 2014 Bonds were used to redeem the Series 2003B Bonds and \$30,835,000 of the Series 2006 Bonds. Simultaneous with the issuance of the Series 2014 Bonds, the Trustee disbursed \$1,958,487 of the Corporation's Debt Service Reserve Fund to reimburse the remaining balance of the Series 2003B Bonds. The outstanding Series 2014 Bonds were paid in full in conjunction with the issuance of the Series 2022A Bonds in 2022.

On April 8, 2015, the Corporation entered into an agreement with the Economic Development Authority of Henrico County, Virginia to issue \$27,825,000 of Series 2015 Residential Care Facility Mortgage Revenue Refunding Bonds (Series 2015 Bonds). The proceeds of the Series 2015 Bonds were used to redeem the remaining Series 2006 Bonds. Simultaneous with the issuance of the Series 2015 Bonds, the Trustee disbursed \$4,348,574 of the Corporation's Debt Service Reserve Fund to reimburse the remaining balance of the Series 2006 Bonds. The obligation was fully refunded through the issuance of the Series 2020 Bonds on December 1, 2020.

On December 1, 2018, the Corporation entered into an agreement with the Economic Development Authority of Henrico County, Virginia to issue \$40,065,000 of Series 2018 Residential Care Facility Revenue and Refunding Bonds (Series 2018 Bonds). The proceeds of the Series 2018 Bonds were used, with other available funds, to refund all of the outstanding principal related to the Series 2010 and Series 2012 Bonds, to finance and refinance the costs associated with the acquisition of land by the Corporation, and to finance the costs of issuance related to the issuance of the Series 2018 Bonds. The Series 2018 Bonds bear interest payable semiannually commencing on April 1, 2019 and on each April 1 and October 1, thereafter, at rates ranging between 3.45% and 5.00%. Payments of principal and interest are made monthly to the bond trustee, which makes payments of principal annually on October 1 and payments of interest semiannually on April 1 and October 1 each year.

On December 1, 2020, the Corporation entered into an agreement with the Economic Development Authority of Henrico County, Virginia to issue \$47,340,000 of Series 2020 Residential Care Facility Revenue and Refunding Bonds (Series 2020 Bonds).

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 10 LONG-TERM DEBT (CONTINUED)

The proceeds of the Series 2020 Bonds were used, with other available funds, to refund all of the outstanding principal related to the Series 2015 Bonds, to fund \$24,000,000 into a construction fund for the Vibrancy project, and to finance the costs of issuance related to the issuance of the Series 2020 Bonds. The Series 2020 Bonds bear interest payable semiannually commencing on April 1, 2021 and on each April 1 and October 1, thereafter, at rates ranging between 3.00% and 4.00%. Payments of principal and interest are made monthly to the bond trustee, which makes payments of principal annually on October 1 and payments of interest semiannually on April 1 and October 1 each year.

On April 25, 2022, the Corporation entered into an agreement with the Economic Development Authority of Henrico County, Virginia to issue \$98,195,000 of Series 2022A Residential Care Facility Revenue Bonds (Series 2022A Bonds). The proceeds of the Series 2022A Bonds were used to fund construction for the Vibrancy project and to finance the costs of issuance related to the issuance of the Series 2022A Bonds. In conjunction with the issuance of the Series 2022A Bonds, the Corporation repaid the outstanding Series 2014 Bonds using available cash. The Series 2022A Bonds bear interest payable semiannually commencing on April 1, 2023 and on each April 1 and October 1, thereafter, at rates ranging between 2.90% to 5.00%. Payments of principal and interest are made monthly to the bond trustee, which makes payments of principal annually on October 1 and payments of interest semiannually on April 1 and October 1 each year.

Also with the issuance of the Series 2022A Bonds, the Corporation issued its Series 2022B Residential Care Facility Revenue Bond (Series 2022B Bond) with a maximum principal amount of \$25,000,000 and its Series 2022C Residential Care Facility Revenue Bond with a maximum principal amount of \$70,000,000. The proceeds of the Series 2022B and Series 2022C Bonds will also be used to fund construction for the Vibrancy project. Both the Series 2022B and Series 2022C Bonds are draw down bonds directly placed with a financial institution. As of September 30, 2023, \$65,000 and \$321,000 have been drawn down on the Series 2022B and Series 2022C Bonds, respectively. As of September 30, 2022, no amounts had been drawn down on the Series 2022B or Series 2022C Bonds.

All of the bonds are secured by the land, certain buildings and equipment, inventory, accounts receivable and certain other assets. The master trust indenture places restrictions on future borrowings and the disposition of certain assets. It also requires the Corporation to earn an excess of revenues over expenses which will provide a debt service coverage ratio, as defined, calculated at the end of each quarter, of not less than 1.20. Additionally, the indenture requires certain minimum insurance coverage as well as additional financial covenants.

With the issuance of the Series 2003 bonds, Westminster-Canterbury Corporation, Westminster-Canterbury Management Corporation, Westminster-Canterbury Foundation, The Glebe of Richmond, and Westminster-Canterbury Child Care Center became parties to the master trust indenture and are collectively referred to as the Obligated Group.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 10 LONG-TERM DEBT (CONTINUED)

On September 29, 2016, the 2016 Supplemental Master Trust Indenture amended the master trust indenture to remove the Foundation as a member of the Obligated Group. This amendment resulted in the Foundation being released and discharged of any and all obligations thereunder. Under the Second Amended and Restated Master Trust Indenture which was entered into as part of the Series 2018 bonds, Westminster-Canterbury Richmond at Home, LLC was included as part of the Obligated Group.

As of September 30, 2023, management believes that the Obligated Group is in compliance with its covenants requirements.

Interest incurred on the long-term debt, net of amounts capitalized, amounted to \$3,198,587 and \$3,088,441 for years ended September 30, 2023 and 2022, respectively.

Principal payments on long-term debt for the next five years and the total amount due thereafter are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2024	\$ 1,845,000
2025	1,845,000
2026	1,965,000
2027	2,070,000
2028	2,175,000
Thereafter	169,166,000
Total	<u>\$ 179,066,000</u>

NOTE 11 DEFERRED GIVING ARRANGEMENTS

The Foundation receives assets from donors under gift annuity agreements and in exchange, the Foundation promises to pay a fixed amount during the annuitant's or specified beneficiary's life. Assets received are recognized at fair value and an annuity liability (annuities payable) is recognized for the present value of future cash flows expected to be paid to the annuitant (discounted between 1.0% and 8.0% for each of the years ended September 30, 2023 and 2022). Adjustments to the annuity liability are made annually to reflect changes in the discount rate and the life expectancy of the donor or beneficiary.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
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NOTE 11 DEFERRED GIVING ARRANGEMENTS (CONTINUED)

The Corporation is an income beneficiary of certain charitable irrevocable perpetual trusts held by local banks as trustee. These charitable perpetual trusts provide that each year an amount equal to a stipulated payout percentage of the income is paid to the Corporation to be used for fellowship assistance. A summary of the trusts at September 30 is as follows:

Year Established	Pay-out Percentage	Donor Usage Designation	Estimated Fair Value at September 30,		Beneficial Interest in Perpetual Trusts at September 30,	
			2023	2022	2023	2022
1944	20.00%	PECH Fund	\$ 6,973,693	\$ 6,513,789	\$ 1,394,739	\$ 1,302,758
1947	16.67%	PECH Fund	3,718,328	3,454,876	619,845	575,928
				Total	\$ 2,014,584	\$ 1,878,686

Income from such trusts is included in investment income of the net assets with donor restrictions. The pro-rata portion of the fair value of the trust assets is included in the accompanying consolidated balance sheets as net assets with donor restrictions.

NOTE 12 ADVANCE FEES AND DEPOSITS

Under the Corporation's residency agreement, a reservation fee of 10% of the advance fee is required with each reservation. The reservation fee is refundable in full if, before the occupancy date, (i) a written request is received from the applicant, (ii) the applicant is not admitted, or (iii) the applicant dies before the date of closing. Upon occupancy, reservation fees are reclassified as deferred revenue from advance fees.

The Care Contracts of the Corporation provide for partial refunds of the advance fee under the circumstances outlined below.

Contract dates prior to December 1995 – In the event of the resident's death or voluntary termination of his/her contract within six months of occupancy, a full refund of the advance fee is given. No refund of any amount of advance fee shall be paid to the resident after six months of occupancy.

Contract dates after December 1995 – The Corporation's standard Type A and Type B Resident Contracts include access to all services, including health care. An independent living resident pays an entrance fee that is refundable, less a 10% administrative fee and less 2% for each month of occupancy during the first 50 months of occupancy. After 50 months of occupancy, no part of the independent living entrance fee is refundable. An assisted living resident pays an entrance fee that is refundable, less a 10% administrative fee and less 4% for each month of occupancy during the first 25 months of occupancy. After 25 months of occupancy, no part of the assisted living entrance fee is refundable. Contracts effective prior to October 1, 2005 include different meal options and the monthly fee varies based on the number of meals per day and the size and type of residence selected. Beginning October 1, 2005, contracts for independent living accommodations include no meals and residents may elect to purchase meals individually each month.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
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NOTE 13 OTHER REVENUE

At September 30, 2023 and 2022, the portion of advance fees on nonrefundable contracts subject to contractual refund provisions amounted to approximately \$41,700,000 and \$35,994,000, respectively.

Other revenue consisted of the following for the years ended September 30:

	2023	2022
Other Resident Services	\$ 287,768	\$ 287,631
Dining and Catering	3,020,392	2,821,656
Administrative Processing Fee on Entrance Fees	2,843,666	2,166,692
Child Care	1,230,422	1,360,739
Gift and Beauty Shop	366,879	325,255
Revenue from Related Parties	980,000	988,453
Miscellaneous Income	502,633	382,657
Total	\$ 9,231,760	\$ 8,333,083

NOTE 14 RETIREMENT PLANS

Defined Contribution Plan

During 2009, the Corporation implemented a defined contribution plan for the employees who were part of the defined benefit plan prior to the freeze and termination of the plan. Employees who work at least 1,000 hours per year are eligible for a 1-4% employer contribution based upon years of service. No employee contribution is required. Contribution payments made by the Corporation were approximately \$5,000 and \$28,000 for the years ended September 30, 2023 and 2022, respectively.

Qualified Retirement Plan

In addition to the above noted plan, the Management Corporation has a 403(b) plan for all employees. All employees are automatically enrolled into the plan and are eligible to receive an automatic 2% employer contribution. The Management Corporation matches 100% of the first 4% of employee contributions for full time employees and 100% of the first 2% for part-time employees. Pension expense related to the 403(b) plan for the years ended September 30, 2023 and 2022 was approximately \$797,000 and \$790,000, respectively.

NOTE 15 COMMITMENTS AND CONTINGENCIES

The Management Corporation is subject to legal proceedings and claims which arise in the course of providing health care services. The Management Corporation maintains liability insurance coverage for claims made during the policy year. In management's opinion, adequate provision has been made for amounts expected to be paid under the policy's deductible limits for unasserted claims not covered by the policy and any other uninsured liability.

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NOTE 15 COMMITMENTS AND CONTINGENCIES (CONTINUED)

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Liability and Workers' Compensation Insurance

The Corporation, together with other similar retirement communities in the Commonwealth of Virginia, is a shareholder of Virginia Senior Care Group, a limited liability corporation whose primary purpose is that of obtaining insurance for its shareholders. Under the terms of the general liability, professional insurance, and workers' compensation insurance policies, the risk for these entities is pooled and a potential liability for this coverage is actuarially determined. Premiums paid represent a portion of the potential liability, as actuarially determined for the group. In addition, the Corporation maintains a loss fund deposit in the event that claims exceed the premiums. The liability insurance policy also provides for umbrella coverage, which functions as an extension of the primary limit. The policy is written on a claim first made basis and has a component of reinsurance. The workers' compensation policy limits losses to 125.74% of the initial premium paid. Further losses will decrease the initial capital and may result in allocations among the group. Management has not recorded any liabilities related to these policies as they are not aware of any underfunding within the pool.

Health and Dental Insurance

The Management Corporation has adopted a self-funded insurance policy whereby health and dental coverage is provided for eligible employees and administered through a third-party administrator (TPA). The Plan calls for costs to be paid through company and employee contributions. The Corporation is responsible up to a maximum of \$125,000 per medical occurrence, after which a stop loss health insurance policy covers costs in excess of the stated limits. The minimum aggregate stop loss limit is approximately \$2,530,000 per calendar year. The Corporation is responsible for a maximum dental coverage of \$1,250 per participant per calendar year. Employer health and dental insurance costs, including stop loss and administrative costs of the plan, amounted to approximately \$2,927,000 and \$2,238,000 for the years ended September 30, 2023 and 2022, respectively. Management has reviewed documentation provided by the TPA and has accrued approximately \$423,000 and \$421,000 for costs up to the estimated ceiling as of September 30, 2023 and 2022, respectively, which is included in Accounts Payable on the consolidated balance sheets.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
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NOTE 15 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Construction in Progress

Construction in Progress primarily consists of apartment refurbishments and the Vibrancy! expansion project. In June 2019, the Corporation signed a contract for project management of the expansion project for a total projected fee of approximately \$1,534,000. In April 2020 the Corporation signed a contract with an architect related to the expansion project for a total projected fee of approximately \$5,751,000. The estimated budget for the Vibrancy! expansion project as of January 18, 2024 is \$198,000,000. As discussed in Note 10, \$24,000,000 of bond proceeds from the Series 2020 Bonds and \$95,025,945 of bond proceeds from the Series 2022A Bonds were placed into construction funds to fund project costs of this expansion during the year ended September 30, 2022.

The \$198,000,000 Vibrancy! expansion project includes 118 new independent residences, a new parking deck, new Wellness Center, and Aquatics Center along with new space for salon and Spa services. The parking deck was completed in April 2022. Two (20 units each) of the five new residential buildings are scheduled to be completed in the spring of 2024. The remaining three residential buildings and new Wellness and Aquatics areas are scheduled to be completed in the fall of 2024. As of September 30, 2023, approximately \$98,751,000 has been invested in the Project and the project is approximately 56% complete. The 2022A bond proceeds will be fully used in the second fiscal quarter of fiscal year 2024. The series 2022B and 2022C proceeds will be used to complete financing for the project. As of September 30, 2023, the Project remains within budget and project progress parameters.

NOTE 16 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of September 30 are available for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Purpose:		
Fellowship Assistance	\$ 44,329,929	\$ 37,416,517
Vision 2007	4,296,058	3,965,164
Child Care, Memory Support, and Theater Endowments	3,451,202	3,130,612
Wellness Center	1,003,062	916,941
Total	<u>53,080,251</u>	<u>45,429,234</u>
Subject to the Passage of Time:		
Donor Time Restrictions	6,627,264	6,025,713
Total	<u>6,627,264</u>	<u>6,025,713</u>
Endowments:		
Subject to Appropriation and Expenditure in Accordance with the Spending Policy	1,649,789	1,207,783
Not Subject to Spending Policy or Appropriation:		
Endowment Corpus	4,019,917	4,019,917
Total	<u>5,669,706</u>	<u>5,227,700</u>
Total Net Assets with Donor Restrictions	<u>\$ 65,377,221</u>	<u>\$ 56,682,647</u>

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
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NOTE 16 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Endowment assets of \$4,019,917 as of September 30, 2023 and 2022 are restricted to be held in perpetuity, the income for which is expendable primarily for fellowship assistance.

As required by the Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds, including designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Commonwealth of Virginia adopted State Prudent Management of Institutional Funds Act (the Act) effective July 1, 2008. The board of trustees of the Management Corporation has interpreted the Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Management Corporation classifies as endowment net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in endowment net assets is classified as endowments subject to appropriation until those amounts are appropriated for expenditure by the Management Corporation in a manner consistent with the standard of prudence prescribed in the Act.

In accordance with the Act, the Management Corporation considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 16 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

The following are changes in endowment net assets for the years ended September 30:

	Subject to Appropriation	Endowment	Total
Endowment Net Assets - September 30, 2021	\$ 2,001,449	\$ 4,019,917	\$ 6,021,366
Investment Return:			
Investment Income	66,376	-	66,376
Change in Net Unrealized Losses on Investments	(860,042)	-	(860,042)
Endowment Net Assets - September 30, 2022	1,207,783	4,019,917	5,227,700
Investment Return:			
Investment Income	73,846	-	73,846
Change in Net Unrealized Gains on Investments	368,160	-	368,160
Endowment Net Assets - September 30, 2023	<u>\$ 1,649,789</u>	<u>\$ 4,019,917</u>	<u>\$ 5,669,706</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds could fall below the level that the donor or the Act requires the Management Corporation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions. There were no such deficiencies as of September 30, 2023 or 2022.

Return Objectives and Risk Parameters

The Management Corporation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the Management Corporation must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to preserve and grow capital, strive for consistent absolute returns, preserve purchasing power by striving for long-term returns which either match or exceed the set payout, fees and inflation without putting the principal value at imprudent risk, and diversify investments consistent with commonly accepted industry standard to minimize the risk of large losses. The Management Corporation expects its endowment funds, over time, to provide a reasonable average rate of return annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Management Corporation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Management Corporation targets a diversified asset allocation that meets its long-term rate-of-return objectives while avoiding undue risk from imprudent concentration in any single asset class or investment vehicle.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 16 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Management Corporation is a permanent institution. As a result, it has adopted stable long-term policies that increase the likelihood of achieving the investment objectives. In order to supply it with a predictable level of funds to meet its objectives and to pay other expenses a total return spending policy has been adopted. This policy currently provides for a spending rate of 4.75% for fiscal year 2023 and 2022. The Management Corporation currently utilizes a rolling 12-quarter trailing average determined as follows: the average of quarter-end market values of the Portfolio for the 12 calendar quarters of the immediately preceding three calendar years multiplied by the 5% spending rate.

NOTE 17 FUNCTIONAL EXPENSES

The Corporation provides residential and health services to residents of the Corporation, At Home and the Glebe, other services to the community, as well as childcare services mainly to support the activities of the Corporation. The Management Corporation provides administrative and support services to the Corporation, At Home, the Glebe, Child Care, and the Foundation in exchange for a management fee.

Expenses related to those services are as follows for the years ended September 30:

	2023						
	Program Services						
	Resident Services	Health Care Services	Child Care Services	Total	Management and General	Fundraising	Total
Salaries and Benefits	\$ 14,547,990	\$ 16,457,678	\$ 1,316,718	\$ 32,322,386	\$ 3,102,722	\$ 84,158	\$ 35,509,266
Other Supplies and Expenses	10,839,067	5,088,677	88,841	16,016,585	1,057,589	1,321,475	18,395,649
Medical Supplies and Ancillaries	1,500,122	1,035,461	-	2,535,583	-	-	2,535,583
Bad Debt Expense	(79,724)	623	-	(79,101)	-	-	(79,101)
Depreciation and Amortization	12,708,760	845,545	-	13,554,305	481,971	-	14,036,276
Management Fee	-	-	-	-	-	-	-
Interest Expense	2,941,705	195,858	-	3,137,563	111,642	-	3,249,205
Total Expenses by Function	<u>\$ 42,457,920</u>	<u>\$ 23,623,842</u>	<u>\$ 1,405,559</u>	<u>\$ 67,487,321</u>	<u>\$ 4,753,924</u>	<u>\$ 1,405,633</u>	<u>\$ 73,646,878</u>

	2022						
	Program Services						
	Resident Services	Health Care Services	Child Care Services	Total	Management and General	Fundraising	Total
Salaries and Benefits	\$ 13,775,490	\$ 17,363,429	\$ 1,300,732	\$ 32,439,651	\$ 2,720,895	\$ 82,832	\$ 35,243,378
Other Supplies and Expenses	9,749,448	3,566,127	95,998	13,411,573	984,968	1,241,004	15,637,545
Medical Supplies and Ancillaries	1,368,743	1,188,314	-	2,557,057	-	-	2,557,057
Bad Debt Expense	(93,368)	39,568	-	(53,800)	-	-	(53,800)
Depreciation and Amortization	11,668,252	776,160	-	12,444,412	442,421	-	12,886,833
Management Fee	-	-	-	-	-	-	-
Interest Expense	2,846,301	189,506	-	3,035,807	108,021	-	3,143,828
Total Expenses by Function	<u>\$ 39,314,866</u>	<u>\$ 23,123,104</u>	<u>\$ 1,396,730</u>	<u>\$ 63,834,700</u>	<u>\$ 4,256,305</u>	<u>\$ 1,323,836</u>	<u>\$ 69,414,841</u>

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 18 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Management Corporation's financial instruments, excluding bonds payable, approximate their fair values.

The Management Corporation uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Management Corporation measures fair value refer to Note 1 – Summary of Significant Accounting Policies.

The following tables present the fair value hierarchy for the balances of the assets and liabilities of the Management Corporation measured at fair value on a recurring basis as of September 30:

	2023			Total
	Level 1	Level 2	Level 3	
ASSETS				
Investments:				
Money Market Funds	\$ 223,764	\$ -	\$ -	\$ 223,764
Mutual Funds - Equities	82,642,829	-	-	82,642,829
Mutual Funds - Fixed Income	25,955,685	-	-	25,955,685
Equity Securities	5,676,507	-	-	5,676,507
Alternative Investments	-	-	18,550,592	18,550,592
Total	114,498,785	-	18,550,592	133,049,377
Externally Restricted Under Bond Indenture Agreement (Held by Trustee):				
U.S. Treasury Securities and Cash Management Funds	32,761,682	-	-	32,761,682
Beneficial Interest in Perpetual Trusts	-	-	2,014,584	2,014,584
Total	\$ 147,260,467	\$ -	\$ 20,565,176	\$ 167,825,643

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 18 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	2022			
	Level 1	Level 2	Level 3	Total
ASSETS				
Investments:				
Money Market Funds	\$ 327,819	\$ -	\$ -	\$ 327,819
Mutual Funds - Equities	67,825,534	-	-	67,825,534
Mutual Funds - Fixed Income	24,178,002	-	-	24,178,002
Equity Securities	6,542,570	-	-	6,542,570
Real Estate	-	-	-	-
Alternative Investments	-	-	15,523,750	15,523,750
Total	<u>98,873,925</u>	<u>-</u>	<u>15,523,750</u>	<u>114,397,675</u>
Externally Restricted Under Bond Indenture Agreement (Held by Trustee):				
U.S. Treasury Securities and Cash Management Funds	99,320,664	-	-	99,320,664
Beneficial Interest in Perpetual Trusts	<u>-</u>	<u>-</u>	<u>1,878,686</u>	<u>1,878,686</u>
Total	<u>\$ 198,194,589</u>	<u>\$ -</u>	<u>\$ 17,402,436</u>	<u>\$ 215,597,025</u>

The following table provides a summary of changes in fair value of the Management Corporation's Level 3 financial assets for the years ended September 30:

	Alternative Investments	Beneficial Interest in Perpetual Trusts
Balance - September 30, 2021	\$ 11,341,585	\$ 2,495,716
Unrealized and Realized Losses (Gains)	762,477	(617,030)
Sales and Purchases:		
Sales	(1,081,865)	-
Purchases	<u>4,501,553</u>	<u>-</u>
Balance - September 30, 2022	15,523,750	1,878,686
Unrealized and Realized Losses (Gains)	(381,601)	135,898
Sales and Purchases:		
Sales	(759,854)	-
Purchases	<u>4,168,297</u>	<u>-</u>
Balance - September 30, 2023	<u>\$ 18,550,592</u>	<u>\$ 2,014,584</u>

As of September 30, 2023 and 2022, the Management Corporations' Level 3 financial assets had unfunded commitments of approximately \$11,926,000 and \$9,302,000, respectively.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 18 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Certain alternative investments held by the Management Corporation calculate net asset value per share (or its equivalent). The following tables set forth additional disclosures for the fair value measurement of certain investments that calculate net asset value per share (or its equivalent) for the years ended September 30, 2023 and 2022:

Investment Type	2023			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled Investment Fund - Pagosa Investors Cayman	\$ 7,587,098	\$ -	Quarterly	45 Business Days Prior to Redemption Date
Pooled Investment Fund - Wellington Trust International Contrarian Value	21,924,154	-	Monthly	45 Business Days Prior to Redemption Date
Pooled Investment Fund - Colchester Global Bond Fund	5,262,745	-	Monthly	5 Business Days Prior to Redemption Date
Pooled Investment Fund - The Vittotia Offshore Fund	1,704,575	-	Quarterly	60 Business Days Prior to Redemption Date
Pooled Investment Fund - Lone Cascade	447,119	-	Commitment Period	60 Business Days Prior to Redemption Date
Pooled Investment Fund - FPR Partners	6,824,091	-	Quarterly	60 Business Days Prior to Redemption Date
Pooled Investment Fund - Heard High Conviction Long Only Fund	4,664,620	-	Quarterly	45 Business Days Prior to Redemption Date
Pooled Investment Fund - Barker Partnership Fund	3,027,336	-	Monthly	45 Business Days Prior to Redemption Date
Pooled Investment Fund - Gobi Investment Fund	47,755	-	Monthly	60 Business Days Prior to Redemption Date
Pooled Investment Fund - OHA Diversified Credit Strategies Fund	6,334,628	-	Monthly	45 Business Days Prior to Redemption Date
Pooled Investment Fund - Owl Creek Socially Responsible Investment Fund	3,078,718	-	Annually	90 Business Days Prior to Redemption Date
Pooled Investment Fund - BLS Global Equities	3,866,186	-	Monthly	10 Business Days Prior to Redemption Date
Pooled Investment Fund - The Children's Investment Fund	5,064,800	-	Rolling 2 year	4 Months Prior to Redemption Date

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
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SEPTEMBER 30, 2023 AND 2022

NOTE 18 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

<u>Investment Type (Continued)</u>	2023			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled Investment Fund - WGI Emerging Markets Fund	\$ 12,385,780	\$ -	Monthly	30 Business Days Prior to Redemption Date
Pooled Investment Fund - Himalaya Capital Investors	2,776,371	-	Annually	After 2 Year Lock Up, 60 Business Days Prior to Redemption Date
Pooled Investment Fund - Shawspring Partners Fund	2,397,487	-	Monthly	30 Business Days Prior to Redemption Date
Pooled Investment Fund - Canyon Value Realization Fund	1,719,344	-	Quarterly	60 Business Days Prior to Redemption Date
Pooled Investment Fund - Bain Capital Senior Loan Fund	527,083	-	Monthly	30 Business Days Prior to Redemption Date
Pooled Investment Fund - Third Point Offshore Fund	2,012,426	-	Annual	60 Business Days Prior to Redemption Date
Pooled Investment Fund - First Light Focus QP Fund	4,219,183	-	Monthly	90 Business Days Prior to Redemption Date
Total Pooled Investment Funds	<u>\$ 95,871,499</u>	<u>\$ -</u>		
<u>Investment Type</u>	2022			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled Investment Fund - Pagosa Investors Cayman	\$ 7,330,472	\$ -	Quarterly	45 Business Days Prior to Redemption Date
Pooled Investment Fund - Wellington Trust International Contrarian Value	16,358,001	-	Monthly	45 Business Days Prior to Redemption Date
Pooled Investment Fund - Colchester Global Bond Fund	5,093,454	-	Monthly	5 Business Days Prior to Redemption Date
Pooled Investment Fund - The Vittotia Offshore Fund	1,704,575	-	Quarterly	60 Business Days Prior to Redemption Date
Pooled Investment Fund - Lone Cascade	2,755,605	-	Commitment Period	60 Business Days Prior to Redemption Date
Pooled Investment Fund - FPR Partners	6,937,840	-	Quarterly	60 Business Days Prior to Redemption Date
Pooled Investment Fund - Heard High Conviction Long Only Fund	3,468,957	-	Quarterly	45 Business Days Prior to Redemption Date

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
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NOTE 18 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

<u>Investment Type (Continued)</u>	2022			
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Pooled Investment Fund - Barker Partnership Fund	\$ 1,814,961	\$ -	Monthly	45 Business Days Prior to Redemption Date
Pooled Investment Fund - Gobi Investment Fund	334,125	-	Monthly	60 Business Days Prior to Redemption Date
Pooled Investment Fund - Tybourne Long Opportunities Fund	1,092,747	-	Quarterly	60 Business Days Prior to Redemption Date
Pooled Investment Fund - OHA Diversified Credit Strategies Fund	5,509,079	-	Monthly	45 Business Days Prior to Redemption Date
Pooled Investment Fund - Owl Creek Socially Responsible Investment Fund	3,270,349	-	Annually	90 Business Days Prior to Redemption Date
Pooled Investment Fund - BLS Global Equities	3,106,085	-	Monthly	10 Business Days Prior to Redemption Date
Pooled Investment Fund - The Children's Investment Fund	3,945,400	-	Rolling 2 year	4 Months Prior to Redemption Date
Pooled Investment Fund - WGI Emerging Markets Fund	10,371,520	-	Monthly	30 Business Days Prior to Redemption Date
Pooled Investment Fund - Himalaya Capital Investors	2,527,809	-	Annually	60 Business Days Prior to Redemption Date
Pooled Investment Fund - Shawspring Partners Fund	1,762,349	-	Monthly	30 Business Days Prior to Redemption Date
Pooled Investment Fund - Canyon Value Realization Fund	1,590,117	-	Quarterly	60 Business Days Prior to Redemption Date
Pooled Investment Fund - Bain Capital Senior Loan Fund	467,616	-	Monthly	30 Business Days Prior to Redemption Date
Pooled Investment Fund - Barker AV-1 Limited Partnership	515,165	-	Semi-Annual	40 Business Days Prior to Redemption Date
Pooled Investment Fund - Third Point Offshore Fund	2,005,315	-	Annual	60 Business Days Prior to Redemption Date
Pooled Investment Fund - First Light Focus QP Fund	4,092,085	-	Annual	90 Business Days Prior to Redemption Date
Total Pooled Investment Funds	<u>\$ 86,053,626</u>	<u>\$ -</u>		

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 18 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The pooled investment funds are valued at the net asset value (NAV) of units, which are based on market prices of the underlying investments, held by the Foundation at year-end. The Pagosa Investors Cayman pooled funds' investment objective is to achieve consistent and positive returns across stock market cycles by investing in certain private investment funds or pooled vehicles or accounts. The Wellington Trust International Contrarian Value pooled funds' investment objective is to achieve favorable income-oriented returns from a globally diversified portfolio of primarily debt or debt-like securities and the preservation and enhancement of principal. The Colchester Global Bond Fund pooled funds' investment objective is to achieve favorable income-oriented returns from a globally diversified portfolio of primary debt or debt-like securities and the preservation and enhancement of principal. The Lone Cascade's investment objective is to provide investors with compound annual long-term returns that are superior specifically to the MSCI World Index. FPR Partners, LP's investment objective is to pursue superior long-term returns while seeking to minimize the risk of permanent capital loss primarily by investing in a concentrated portfolio of public companies. The objective for the Heard High Conviction Long Fund is to achieve long-term capital appreciation by making opportunistic investments in the global equity and debt markets. The investment objective of the Barker Partnership Fund is to maximize risk-adjusted returns for shareholders over the long term through the pursuit of a long equities-focused investment strategy. The Vittoria pooled funds' investment objective is to achieve investment growth by seeking capital appreciation primarily by investing in securities of non United States companies. The Gobi Investment Fund investment objective is to generate superior long-term risk-adjusted returns, by investing primarily on a long basis and short basis in a number of publicly-traded equity securities and other investments identified by the General Partner as mispriced by the marketplace relative to their intrinsic value. The Tybourne Long Opportunities Fund investment objective is to seek to achieve attractive absolute compound annual returns across market cycles. The fund is expected to implement a long only strategy and seeks to outperform the board market indices through superior bottom-up security selection. The investment objective of the OHA Diversified Credit Strategies Fund is to invest up and down the debt capital structure of below-investment grade performing credits. Shawspring Partners Fund LP was formed with the purpose of trading and investing in securities. They focus on Level 1 investments. The objective for the Himalaya Capital Investors, LP is to invest in securities outlined in its' confidential Private Placement Memorandum. It invests substantially all of its assets through a mini-master structure. The investment objective of the Owl Creek Socially Responsible Investment Fund is to seek above-average returns through an opportunistic event-driven value strategy with a focus on capital preservation within their established socially responsible investment criteria. The BLS Global Equities investment objective is to achieve long-term risk-adjusted returns that are superior to broad market averages through investments in equities of companies listed on recognized stock exchanges on a global basis. The investment objective of the Children's Investment Fund is to seek to achieve absolute returns with limited capital losses by taking long and short positions in equity securities and debt (and their derivatives) globally. The investment objective of the WGI Emerging Markets Fund is to provide long-term returns in excess of the MCSI Emerging Market Index by investing in securities of companies operating within one or more global developing markets. The investment objective of the Third Point Offshore Fund is to seek to generate consistent long-term capital appreciation.

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 18 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The investment objective of the Canyon Value Realization Fund is to seek capital appreciation and current income by investing in financial instruments that are perceived to be inefficiently priced as a result of business, financial, or legal uncertainties. The investment objective of the Bain Capital Senior Loan Fund is to provide superior risk adjusted returns to the limited partnership interests by opportunistically investing on a fully-funded basis without leverage in bank loans and bonds. The investment objective of the First Light Focus QP Fund is to achieve a high level of capital appreciation while also not subjecting the portfolio to undue risk using predominantly a long biased investment strategy targeted primarily on the micro to mid-cap health sector.

NOTE 19 EMPLOYEE RETENTION CREDIT

The CARES Act allows a credit (Employee Retention Credit or ERC) against applicable employment taxes for eligible employees. Employers, including tax-exempt organizations, are eligible for the ERC, if they operate a trade or business during calendar year 2020 and 2021 and experience either the full or partial suspension of the operations of their business during any calendar quarter due to a significant decline in gross receipts or because of governmental orders limiting commerce, travel or group meetings due to COVID-19. The credit applies to qualified wages (including certain health plan expenses) paid during this period or any calendar quarter in which eligibility requirements were met.

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. During the year ended September 30, 2023, the Corporation claimed a credit in the amount of \$10,107,000. The Corporation believes it meets the eligibility requirements to claim the credit, however, due to the uncertainty around the program and the lack of an initial review completed by the Internal Revenue Service related to the filing, the Corporation feels not all conditions have been met and has not recognized revenue associated with the ERC as of September 30, 2023.



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Trustees
Westminster-Canterbury Management Corporation and Subsidiaries
Richmond, Virginia

We have audited the consolidated financial statements of Westminster-Canterbury Management Corporation and Subsidiaries as of September 30, 2023 and 2022, and our report thereon dated January 18, 2024, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information and combining information for the Obligated Group as listed under Supplementary Information on the table of contents are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information and combining information for the Obligated Group are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
January 18, 2024

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
SEPTEMBER 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS	Consolidated	Eliminations	Westminster- Canterbury Management Corporation	Westminster- Canterbury Corporation	The Glebe of Richmond	Westminster- Canterbury Foundation	Westminster- Canterbury Child Care Center	Westminster- Canterbury Development Corporation
CURRENT ASSETS								
Cash and Cash Equivalents	\$ 35,278,904	\$ -	\$ -	\$ 34,521,713	\$ -	\$ 737,456	\$ (265)	\$ 20,000
Accounts Receivable - Residents, Net	724,480	-	-	724,480	-	-	-	-
Notes Receivable - Advance Fees, Net	105,361	-	-	105,361	-	-	-	-
Pledges Receivable, Net	4,905,124	-	-	-	-	4,905,124	-	-
Current Portion of Assets Limited as to Use	3,518,012	-	-	3,518,012	-	-	-	-
Prepaid Expenses and Other Assets	1,740,345	-	946,269	753,718	-	35,105	5,253	-
Inventories of Supplies	95,570	-	4,716	90,854	-	-	-	-
Due from Affiliates	-	(18,633,664)	3,724,925	10,014,478	5,001,698	-	(107,437)	-
Total	<u>46,367,796</u>	<u>(18,633,664)</u>	<u>4,675,910</u>	<u>49,728,616</u>	<u>5,001,698</u>	<u>5,677,685</u>	<u>(102,449)</u>	<u>20,000</u>
INVESTMENTS								
Without Restriction	116,978,791	-	-	116,978,791	-	-	-	-
Fellowship Fund	14,019,920	-	-	14,019,920	-	-	-	-
PECH Fund	17,464,346	-	-	17,464,346	-	-	-	-
Development	10,609,839	-	-	-	-	-	-	10,609,839
Foundation	69,847,980	-	-	-	-	69,847,980	-	-
Total Investments	<u>228,920,876</u>	<u>-</u>	<u>-</u>	<u>148,463,057</u>	<u>-</u>	<u>69,847,980</u>	<u>-</u>	<u>10,609,839</u>
Total Current Assets	275,288,672	(18,633,664)	4,675,910	198,191,673	5,001,698	75,525,665	(102,449)	10,629,839
ASSETS LIMITED AS TO USE, NET OF CURRENT	29,243,670	-	-	29,243,670	-	-	-	-
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	2,014,584	-	-	2,014,584	-	-	-	-
PROPERTY, PLANT, AND EQUIPMENT, NET	269,183,373	-	-	268,926,128	257,245	-	-	-
DEFERRED MARKETING COSTS	220,000	-	-	220,000	-	-	-	-
PLEDGES RECEIVABLE, NET OF CURRENT	56,252	-	-	-	-	56,252	-	-
EQUITY IN SUBSIDIARIES	-	(209,279,575)	209,279,575	-	-	-	-	-
Total	<u>56,252</u>	<u>(209,279,575)</u>	<u>209,279,575</u>	<u>-</u>	<u>-</u>	<u>56,252</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 576,006,551</u>	<u>\$ (227,913,239)</u>	<u>\$ 213,955,485</u>	<u>\$ 498,596,055</u>	<u>\$ 5,258,943</u>	<u>\$ 75,581,917</u>	<u>\$ (102,449)</u>	<u>\$ 10,629,839</u>

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

LIABILITIES AND NET ASSETS	Consolidated	Eliminations	Westminster- Canterbury Management Corporation	Westminster- Canterbury Corporation	The Glebe of Richmond	Westminster- Canterbury Foundation	Westminster- Canterbury Child Care Center	Westminster- Canterbury Development Corporation
CURRENT LIABILITIES								
Current Portion of Bonds Payable	\$ 1,845,000	\$ -	\$ -	\$ 1,845,000	\$ -	\$ -	\$ -	\$ -
Accounts Payable	27,894,864	-	2,342,497	25,501,817	(4,522)	54,862	210	-
Accrued Salaries and Benefits	3,037,374	-	1,640,537	1,338,774	-	-	58,063	-
Interest Payable	4,055,866	-	-	4,055,866	-	-	-	-
Refundable Reservation Deposits	10,652,651	-	-	10,630,151	22,500	-	-	-
Due to Affiliates	-	(18,633,664)	692,876	8,746,922	298,529	233,842	-	8,661,495
Other Current Liabilities	1,277,917	-	-	1,277,917	-	-	-	-
Total Current Liabilities	<u>48,763,672</u>	<u>(18,633,664)</u>	<u>4,675,910</u>	<u>53,396,447</u>	<u>316,507</u>	<u>288,704</u>	<u>58,273</u>	<u>8,661,495</u>
BONDS PAYABLE, LESS CURRENT PORTION AND DEFERRED FINANCING COSTS	186,906,958	-	-	186,906,958	-	-	-	-
ADVANCE FEES								
Refundable Advance Fees	1,166,329	-	-	282,146	884,183	-	-	-
Deferred Revenue from Advance Fees	129,333,778	-	-	128,858,546	475,232	-	-	-
Total Advance Fees	<u>130,500,107</u>	<u>-</u>	<u>-</u>	<u>129,140,692</u>	<u>1,359,415</u>	<u>-</u>	<u>-</u>	<u>-</u>
ANNUITIES PAYABLE	297,351	-	-	-	-	297,351	-	-
OTHER LIABILITIES	258,888	-	-	258,888	-	-	-	-
Total Liabilities	<u>366,726,976</u>	<u>(18,633,664)</u>	<u>4,675,910</u>	<u>369,702,985</u>	<u>1,675,922</u>	<u>586,055</u>	<u>58,273</u>	<u>8,661,495</u>
NET ASSETS								
Without Donor Restrictions	143,902,354	(143,902,354)	143,902,354	113,173,956	3,583,021	25,337,755	(160,722)	1,968,344
With Donor Restrictions	65,377,221	(65,377,221)	65,377,221	15,719,114	-	49,658,107	-	-
Total Net Assets	<u>209,279,575</u>	<u>(209,279,575)</u>	<u>209,279,575</u>	<u>128,893,070</u>	<u>3,583,021</u>	<u>74,995,862</u>	<u>(160,722)</u>	<u>1,968,344</u>
Total Liabilities and Net Assets	<u>\$ 576,006,551</u>	<u>\$ (227,913,239)</u>	<u>\$ 213,955,485</u>	<u>\$ 498,596,055</u>	<u>\$ 5,258,943</u>	<u>\$ 75,581,917</u>	<u>\$ (102,449)</u>	<u>\$ 10,629,839</u>

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN
NET ASSETS WITHOUT DONOR RESTRICTIONS
YEAR ENDED SEPTEMBER 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Consolidated	Eliminations	Westminster- Canterbury Management Corporation	Westminster- Canterbury Corporation	The Glebe of Richmond	Westminster- Canterbury Foundation	Westminster- Canterbury Child Care Center	Westminster- Canterbury Development Corporation
REVENUES, GAINS, AND OTHER SUPPORT								
Residential Services, Including Amortization of Deferred Revenue from Advance Fees of \$16,593,917	\$ 65,695,078	\$ -	\$ -	\$ 65,094,671	\$ 600,407	\$ -	\$ -	\$ -
Investment Income	5,456,485	-	-	4,800,134	-	537,704	-	118,647
Contributions	893,867	(240,000)	-	67,626	-	1,066,241	-	-
Net Assets Released from Restrictions - Fellowship Assistance	2,606,245	-	-	2,606,245	-	-	-	-
Other	9,231,760	(15,261,834)	16,396,400	6,866,772	-	-	1,230,422	-
Total Revenues, Gains, and Other Support	83,883,435	(15,501,834)	16,396,400	79,435,448	600,407	1,603,945	1,230,422	118,647
EXPENSES								
Resident Care	18,451,826	-	-	17,719,035	71,252	661,539	-	-
Dining and Catering	7,726,573	-	-	7,726,573	-	-	-	-
Housekeeping and Laundry	2,935,688	-	-	2,935,688	-	-	-	-
Other Services	2,710,665	(271,850)	-	1,873,031	-	-	1,109,484	-
General and Administrative, Including Employee Benefits	16,967,096	(240,000)	16,396,400	649,200	-	-	-	161,496
Fundraising	576,871	-	-	-	-	576,871	-	-
Plant Maintenance and Security	6,992,678	-	-	6,992,678	-	-	-	-
Depreciation and Amortization	14,036,276	-	-	14,027,249	9,027	-	-	-
Management Fee	-	(14,989,984)	-	14,328,436	125,255	240,000	296,293	-
Interest Expense	3,249,205	-	-	3,249,205	-	-	-	-
Total Expenses	73,646,878	(15,501,834)	16,396,400	69,501,095	205,534	1,478,410	1,405,777	161,496
OPERATING INCOME (LOSS)	10,236,557	-	-	9,934,353	394,873	125,535	(175,355)	(42,849)
OTHER INCOME								
Unrealized Gains on Trading Securities	14,994,830	-	-	11,898,464	-	1,885,681	-	1,210,685
EXCESS (DEFICIT) OF REVENUES, GAINS, AND OTHER SUPPORT OVER (UNDER) EXPENSES	25,231,387	-	-	21,832,817	394,873	2,011,216	(175,355)	1,167,836
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS								
Equity in Gains of Subsidiaries	-	(25,231,387)	25,231,387	-	-	-	-	-
Transfers from Westminster-Canterbury Foundation	-	-	-	175,000	-	(175,000)	-	-
Total Other Changes	-	(25,231,387)	25,231,387	175,000	-	(175,000)	-	-
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ 25,231,387	\$ (25,231,387)	\$ 25,231,387	\$ 22,007,817	\$ 394,873	\$ 1,836,216	\$ (175,355)	\$ 1,167,836

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Consolidated	Eliminations	Westminster- Canterbury Management Corporation	Westminster- Canterbury Corporation	The Glebe of Richmond	Westminster- Canterbury Foundation	Westminster- Canterbury Child Care Center	Westminster- Canterbury Development Corporation
NET ASSETS WITHOUT DONOR RESTRICTIONS								
Change in Net Assets Without Donor Restrictions	\$ 25,231,387	\$ (25,231,387)	\$ 25,231,387	\$ 22,007,817	\$ 394,873	\$ 1,836,216	\$ (175,355)	\$ 1,167,836
NET ASSETS WITH DONOR RESTRICTIONS								
Contributions	6,671,615	(6,671,615)	6,671,615	-	-	6,671,615	-	-
Transfers (from) to the Foundation for Fellowship Aid Grants	-	-	-	2,600,027	-	(2,600,027)	-	-
Investment Income	1,210,516	(1,210,516)	1,210,516	298,321	-	912,195	-	-
Net Realized Gains on Investments	485,205	(485,205)	485,205	74,969	-	410,236	-	-
Net Unrealized Gains on Investments	5,951,064	(5,951,064)	5,951,064	1,403,307	-	4,547,757	-	-
Fundraising Expenses	(422,629)	422,629	(422,629)	-	-	(422,629)	-	-
Other	(1,846,429)	1,846,429	(1,846,429)	(176,618)	-	(1,669,811)	-	-
Change in Value of Beneficial Interest in Perpetual Trusts	135,898	(135,898)	135,898	135,898	-	-	-	-
Net Assets Released from Restriction - Satisfaction of Donor Requirements:								
Used in Operations	(2,606,245)	2,606,245	(2,606,245)	(2,606,245)	-	-	-	-
Payment of Advance Fees	(884,421)	884,421	(884,421)	(884,421)	-	-	-	-
Change in Net Assets With Donor Restrictions	8,694,574	(8,694,574)	8,694,574	845,238	-	7,849,336	-	-
INCREASE (DECREASE) IN NET ASSETS	33,925,961	(33,925,961)	33,925,961	22,853,055	394,873	9,685,552	(175,355)	1,167,836
Net Assets - Beginning of Year	175,353,614	(175,353,614)	175,353,614	108,040,015	3,188,148	65,310,310	14,633	800,508
NET ASSETS - END OF YEAR	<u>\$ 209,279,575</u>	<u>\$ (209,279,575)</u>	<u>\$ 209,279,575</u>	<u>\$ 128,893,070</u>	<u>\$ 3,583,021</u>	<u>\$ 74,995,862</u>	<u>\$ (160,722)</u>	<u>\$ 1,968,344</u>

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
COMBINING BALANCE SHEET – OBLIGATED GROUP
SEPTEMBER 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS	Combined	Eliminations	Westminster- Canterbury Management Corporation	Westminster- Canterbury Corporation	The Glebe of Richmond	Westminster- Canterbury Child Care Center
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 34,521,448	\$ -	\$ -	\$ 34,521,713	\$ -	\$ (265)
Accounts Receivable - Residents, Net	724,480	-	-	724,480	-	-
Notes Receivable - Advance Fees, Net	105,361	-	-	105,361	-	-
Current Portion of Assets Limited as to Use	3,518,012	-	-	3,518,012	-	-
Prepaid Expenses and Other Assets	1,705,240	-	946,269	753,718	-	5,253
Inventories of Supplies	95,570	-	4,716	90,854	-	-
Due from Affiliates	8,895,337	(9,738,327)	3,724,925	10,014,478	5,001,698	(107,437)
Total	<u>49,565,448</u>	<u>(9,738,327)</u>	<u>4,675,910</u>	<u>49,728,616</u>	<u>5,001,698</u>	<u>(102,449)</u>
INVESTMENTS						
Without Restriction	116,978,791	-	-	116,978,791	-	-
Fellowship Fund	14,019,920	-	-	14,019,920	-	-
PECH Fund	17,464,346	-	-	17,464,346	-	-
Total Investments	<u>148,463,057</u>	<u>-</u>	<u>-</u>	<u>148,463,057</u>	<u>-</u>	<u>-</u>
Total Current Assets	198,028,505	(9,738,327)	4,675,910	198,191,673	5,001,698	(102,449)
ASSETS LIMITED AS TO USE, NET OF CURRENT	29,243,670	-	-	29,243,670	-	-
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	2,014,584	-	-	2,014,584	-	-
PROPERTY, PLANT, AND EQUIPMENT, NET	269,183,373	-	-	268,926,128	257,245	-
DEFERRED MARKETING COSTS	220,000	-	-	220,000	-	-
EQUITY IN SUBSIDIARIES	-	(209,279,575)	209,279,575	-	-	-
Total Assets	<u>\$ 498,690,132</u>	<u>\$ (219,017,902)</u>	<u>\$ 213,955,485</u>	<u>\$ 498,596,055</u>	<u>\$ 5,258,943</u>	<u>\$ (102,449)</u>

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
COMBINING BALANCE SHEET – OBLIGATED GROUP (CONTINUED)
SEPTEMBER 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

LIABILITIES AND NET ASSETS	Combined	Eliminations	Westminster- Canterbury Management Corporation	Westminster- Canterbury Corporation	The Glebe of Richmond	Westminster- Canterbury Child Care Center
CURRENT LIABILITIES						
Current Portion of Bonds Payable	\$ 1,845,000	\$ -	\$ -	\$ 1,845,000	\$ -	\$ -
Accounts Payable	27,840,002	-	2,342,497	25,501,817	(4,522)	210
Accrued Salaries and Benefits	3,037,374	-	1,640,537	1,338,774	-	58,063
Interest Payable	4,055,866	-	-	4,055,866	-	-
Refundable Reservation Deposits	10,652,651	-	-	10,630,151	22,500	-
Deferred Revenue	-	-	-	-	-	-
Due to Affiliates	-	(9,738,327)	692,876	8,746,922	298,529	-
Other Current Liabilities	1,277,917	-	-	1,277,917	-	-
Total Current Liabilities	<u>48,708,810</u>	<u>(9,738,327)</u>	<u>4,675,910</u>	<u>53,396,447</u>	<u>316,507</u>	<u>58,273</u>
BONDS PAYABLE, LESS CURRENT PORTION AND DEFERRED FINANCING COSTS	186,906,958	-	-	186,906,958	-	-
ADVANCE FEES						
Refundable Advance Fees	1,166,329	-	-	282,146	884,183	-
Deferred Revenue from Advance Fees	129,333,778	-	-	128,858,546	475,232	-
Total Advance Fees	<u>130,500,107</u>	<u>-</u>	<u>-</u>	<u>129,140,692</u>	<u>1,359,415</u>	<u>-</u>
OTHER LIABILITIES	<u>258,888</u>	<u>-</u>	<u>-</u>	<u>258,888</u>	<u>-</u>	<u>-</u>
Total Liabilities	366,374,763	(9,738,327)	4,675,910	369,702,985	1,675,922	58,273
NET ASSETS						
Without Donor Restrictions	116,596,255	(143,902,354)	143,902,354	113,173,956	3,583,021	(160,722)
With Donor Restrictions	15,719,114	(65,377,221)	65,377,221	15,719,114	-	-
Total Net Assets	<u>132,315,369</u>	<u>(209,279,575)</u>	<u>209,279,575</u>	<u>128,893,070</u>	<u>3,583,021</u>	<u>(160,722)</u>
Total Liabilities and Net Assets	<u>\$ 498,690,132</u>	<u>\$ (219,017,902)</u>	<u>\$ 213,955,485</u>	<u>\$ 498,596,055</u>	<u>\$ 5,258,943</u>	<u>\$ (102,449)</u>

WESTMINSTER-CANTERBURY MANAGEMENT CORPORATION AND SUBSIDIARIES
COMBINING STATEMENT OF OPERATIONS AND CHANGES IN
NET ASSETS WITHOUT DONOR RESTRICTIONS – OBLIGATED GROUP
YEAR ENDED SEPTEMBER 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Combined	Eliminations	Westminster- Canterbury Management Corporation	Westminster- Canterbury Corporation	The Glebe of Richmond	Westminster- Canterbury Child Care Center
REVENUES, GAINS, AND OTHER SUPPORT						
Residential Services, Including Amortization of Deferred Revenue from Advance Fees of \$16,593,917	\$ 65,695,078	\$ -	\$ -	\$ 65,094,671	\$ 600,407	\$ -
Investment Income	4,800,134	-	-	4,800,134	-	-
Contributions	67,626	-	-	67,626	-	-
Net Assets Released from Restrictions - Fellowship Assistance	2,606,245	-	-	2,606,245	-	-
Other	9,471,760	(15,021,834)	16,396,400	6,866,772	-	1,230,422
Total Revenues, Gains, and Other Support	<u>82,640,843</u>	<u>(15,021,834)</u>	<u>16,396,400</u>	<u>79,435,448</u>	<u>600,407</u>	<u>1,230,422</u>
EXPENSES						
Resident Care	17,790,287	-	-	17,719,035	71,252	-
Dining and Catering	7,726,573	-	-	7,726,573	-	-
Housekeeping and Laundry	2,935,688	-	-	2,935,688	-	-
Other Services	2,710,665	(271,850)	-	1,873,031	-	1,109,484
General and Administrative, Including Employee Benefits	17,045,600	-	16,396,400	649,200	-	-
Plant Maintenance and Security	6,992,678	-	-	6,992,678	-	-
Depreciation and Amortization	14,036,276	-	-	14,027,249	9,027	-
Management Fee	-	(14,749,984)	-	14,328,436	125,255	296,293
Interest Expense	3,249,205	-	-	3,249,205	-	-
Total Expenses	<u>72,486,972</u>	<u>(15,021,834)</u>	<u>16,396,400</u>	<u>69,501,095</u>	<u>205,534</u>	<u>1,405,777</u>
OPERATING INCOME (LOSS)	10,153,871	-	-	9,934,353	394,873	(175,355)
OTHER INCOME						
Unrealized Gains on Trading Securities	11,898,464	-	-	11,898,464	-	-
EXCESS (DEFICIT) OF REVENUES, GAINS, AND OTHER SUPPORT OVER (UNDER) EXPENSES	22,052,335	-	-	21,832,817	394,873	(175,355)
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS						
Equity in Gains of Subsidiaries	-	(22,052,335)	22,052,335	-	-	-
Transfers from Westminster-Canterbury Foundation	175,000	-	-	175,000	-	-
Total	<u>175,000</u>	<u>(22,052,335)</u>	<u>22,052,335</u>	<u>175,000</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 22,227,335</u>	<u>\$ (22,052,335)</u>	<u>\$ 22,052,335</u>	<u>\$ 22,007,817</u>	<u>\$ 394,873</u>	<u>\$ (175,355)</u>

WESTMINSTER CANTERBURY CONSOLIDATED
Statement of Operations - Budget 2024

		2024 Budget
	Revenues, Gains and Other Support	
1	Independent Living	\$ 30,965,601
2	Assisted Living Services	7,506,950
3	Health Care Center	12,303,028
4	Earned Entry & Termination	16,942,371
5	Home Health & Hospice	2,106,816
6	Dining & Catering	3,974,065
7	Child Care	1,893,424
8	Unrestricted Contributions	1,000,000
9	Foundation	991,266
10	Administrative Processing Fee on Entrance Fees	2,626,726
11	Other revenues	2,010,789
12	Operating Revenues	\$ 82,321,036
13	Interest & Dividend Income	\$ 2,662,583
14	Realized Gains/(Loss) on Investments	-
15	Total GAAP Rev (Line 9 + Line 10 + Line 11)	\$ 84,983,619
a	GAAP Rev Less Entry, Gains/Losses, Int, Contrib	64,378,665
b	Above Less Home Health & Childcare	62,485,241
	Expenses	
		2024 Budget
16	Independent Living / Glebe	\$ 1,219,949
17	Assisted Living Services	3,582,563
18	Health Care Center	11,549,911
19	Dining & Catering	9,258,102
20	Housekeeping and Laundry	3,047,805
21	Home Health & Hospice	1,609,835
22	Other Services	4,533,861
23	Foundation	802,516
24	General and Administrative	17,464,648
25	Child Care	1,462,492
26	Depreciation & Amortization	13,954,703
27	Interest Expense	3,846,202
28	Plant Maintenance and Security	7,019,942
29	Total Operating Expenses	\$ 79,352,529
30	GAAP Operating Income/(Loss)	\$ 5,631,090
	== Change in Unrest. Net Assets	

Westminster Canterbury Richmond
Management Discussion
Fiscal Year Ended September 30, 2023

Westminster Canterbury Richmond's financial results from operations for the fiscal year ended September 30, 2023, produced consolidated operating income of \$83,883,435 compared to consolidated budgeted operating income of \$80,642,889. WCR does not budget realized gains or losses on investments.

WCR's management-controllable operating revenues (operating revenues excluding investment income, contributions, and entry-fee amortization income) for the twelve months ended September 30, 2023, were \$60,993,192 compared to \$61,051,598 budgeted revenues.

Financial highlights for the Fiscal Year Ended September 30, 2023.

	YTD Actual	YTD Budget	Favorable (Unfavorable)
Operating Revenues	\$ 78,426,950	\$ 78,978,923	\$ (551,973)
Interest and Dividend Revenues	\$ 2,944,616	\$ 1,663,966	\$ 1,280,650
Realized Gains (Losses on Investments)	\$ 2,511,869	\$ -	\$ 2,511,869
Total Revenues - GAAP Basis	\$ 83,883,435	\$ 80,642,889	\$ 3,240,546
Total Expenses	\$ 73,646,878	\$ 75,489,321	\$ 1,842,443
Operating Income (Loss)	\$ 10,236,557	\$ 5,153,568	\$ 5,082,989

	YTD Actual	YTD Budget	Variance
Occupancy			
Independent living occupancy (485 units)*	93.3%	91.6%	1.7%
Assisted living occupancy (137 units)*	83.8%	87.2%	-3.4%
Parsons Health Center (158 units)*	88.1%	89.0%	-0.9%

*Units as of September 30, 2023

WCR's management controllable revenues of \$60,993,192 were \$58,406 below budget. The unfavorable revenue variances are attributable to the Hospice and Home Health revenues being below plan at \$655,483 Dining \$1,058,422, Child Care \$529,034 and other revenues \$262,969. These unfavorable revenue variance were offset by the following favorable variances Independent Living \$316,606 Health Care Center \$1,873,909 and Administrative Processing Fees \$421,367,

Management controllable expenses YTD September 30, 2023, of \$56,361,397 were \$897,989 below plan or 2% below budget. The favorable expenses' variances were generated in the following departments: Home Health \$74,435, Other Services \$615,102 Child Care \$534,763 and General and Administrative \$1,263,8503. The favorable expenses' variances were offset by above plan expenses in Assisted Living \$340,475, Health Care Center \$526,635, Dining \$467,555 and Plant Operations \$294,191.

WCR's adjusted net operating margin (NOM) ratio for the quarter ending September 30 came in at 8% compared to the budgeted 6.21%. The Net Operating Margin measures WCR's ability to cover expenses related to the delivery of services to residents.

For the twelve months ended September 30, WCR invested \$10,778,977 in routine property, plant, and equipment. In addition to routine capital investments, WCR made \$1,889,435 of capital project capital investments (excludes Vibrancy! Project investment).

Westminster Canterbury Richmond - Vibrancy! September 30, 2023	
Total Project Budget	\$ 197,756,785.62
Total Project Investment	\$ 91,523,473.37
Remaining Balance	\$ 99,006,238.40
Percent Complete	56%
Sourced from JLL Correspondence October 10, 2023	

Net proceeds from entrance fees net of refunds were \$24,014,921 or \$4,414,226 above plan.

The Fellowship program provided \$4,296,987 of support to 95 residents during the twelve months of fiscal year 2022-2023.

As of September 30, 2023, WCR was in full compliance with all bond and bank covenants.

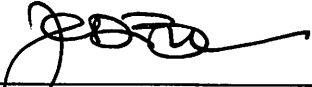
- The YTD Debt Service Coverage Ratio came in at 4.64 compared to the 1.20 covenant requirement.
- 1,070 Days Cash on Hand compared to the covenant requirement of 300 days.

Management continues to focus on the following:

- Vibrancy! 10% depositors
- Assisted Living Occupancy
- Employee recruitment and retention
- Vibrancy! Project construction
- Parson Health Center Occupancy
- Child Development Center Operations

WESTMINSTER CANTERBURY CONSOLIDATED
Statement of Operations - 2023 YTD Actual

		Twelve Months Ending September				
		Actual	Plan	Fav/(Unfav) Variance		Comment
Revenues, Gains and Other Support						
1	Independent Living	\$ 28,612,463	\$ 28,295,857	\$ 316,606	1.1%	Occupancy 1.7% above Plan
2	Assisted Living Services	7,065,654	7,127,462	(61,808)	-0.9%	Occupancy 3.4% below Plan
3	Health Care Center	13,878,206	12,004,297	1,873,909	15.6%	Self Pay above Plan
4	Earned Entry & Termination	16,593,917	17,092,325	(498,408)	-2.9%	
5	Home Health and Hospice	1,743,123	2,398,606	(655,483)	-27.3%	
6	Dining & Catering	3,020,393	4,078,815	(1,058,422)	-25.9%	
7	Child Care	1,230,421	1,759,455	(529,034)	-30.1%	Cares Act Grant \$107k
8	Unrestricted Contributions	826,241	835,000	(8,759)	-1.0%	
9	Development and Major Gifts	999,500	1,102,072	(102,572)	-9.3%	
10	Gain/(Loss) On Fixed Asset Sale	13,600	-	13,600	0.0%	
11	Administrative Processing Fee on Entrance Fees	2,843,666	2,422,299	421,367	17.4%	
12	Other revenues	1,599,766	1,862,735	(262,969)	-14.1%	Fav: Res Serv \$48k Unfav: Rehab \$277k; Salon \$38k
13	Operating Revenues	\$ 78,426,950	\$ 78,978,923	\$ (551,973)	-0.7%	
14	Interest & Dividend Income	\$ 2,944,616	\$ 1,663,966	\$ 1,280,650	77.0%	
15	Realized Gains/(Loss) on Investments	2,511,869	-	2,511,869		
16	Total GAAP Rev (Line 10 + Line 11 + Line 12)	\$ 83,883,435	\$ 80,642,889	\$ 3,240,546	4.0%	
a	GAAP Rev Less Entry, Gains/Losses, Int, Contrib	60,993,192	61,051,598	(58,406)	-0.1%	Unfavorable
b	Above Less Childcare	59,762,771	59,292,143	470,628	0.8%	Favorable
Expenses						
17	Independent Living / Glebe	\$ 1,136,212	\$ 1,218,974	\$ 82,762	6.8%	IL: sal & payroll tax fav \$42k; supp fav \$15k Glebe: repairs fav \$21k
18	Assisted Living Services	3,684,336	3,343,861	(340,475)	-10.2%	Unfav: sal & payroll tax \$304k; supplies \$39k
19	Health Care Center	11,105,073	10,578,438	(526,635)	-5.0%	Fav: sal & p/r tax \$1,215k; med supp \$273k Unfav: contr labor \$1,743k; Rehab Part A \$142k; drugs Part A \$105k; lab Part A \$23k
20	Dining & Catering	8,560,891	8,093,336	(467,555)	-5.8%	Fav: sal & payroll tax \$74k Unfav: supplies \$481k; repairs \$38k; contr serv \$4k
21	Housekeeping and Laundry	2,935,688	2,809,482	(126,206)	-4.5%	Hskg: contr labor unfav \$107k; repairs unfav \$58k; supplies fav \$25k; sal & payroll tax fav \$25k Laundry: supplies unfav \$15k
22	Home Health and Hospice	1,620,542	1,694,977	74,435	4.4%	Fav: sal & payroll tax \$98k; supplies \$21k Unfav: travel \$19k; contr labor \$18k; contr serv \$5k
23	Other Services	3,651,980	4,267,082	615,102	14.4%	Fav: Fnd Support \$591k; Rehab \$149k; Transp \$39k; Salon \$29k Unfav: Devel Co \$161k; Clinic \$21k; Front Desk \$17k
24	Development and Major Gifts	835,912	918,051	82,139	8.9%	Develop: sal & p/r tax fav \$34k; supp fav \$9k; contr serv fav \$8k Maj Gifts: mrktg fav \$13k; sal & p/r tax fav \$11k; supp fav \$8k
25	General and Administrative	14,821,581	16,085,431	1,263,850	7.9%	Fav: ins \$892k; sal & p/r tax \$811k; wrkrs comp \$170k Unfav: contr serv \$346k; bldg ins \$142k; mrktg \$56k; dues \$52k
26	Child Care	1,016,504	1,551,267	534,763	34.5%	Fav: sal & payroll tax \$522k; contr serv \$14k
27	Depreciation / Amortization / Asset Disposal	14,036,276	14,763,037	726,761	4.9%	
28	Interest Expense	3,249,205	3,466,898	217,693	6.3%	
29	Plant Maintenance and Security	6,992,678	6,698,487	(294,191)	-4.4%	Eng: util unfav \$333k; supp unfav \$126k; sal fav \$101k; contr serv fav \$86k; contr lab unfav \$38k Sec: sal fav \$62k; supp unfav \$13k
30	Total Operating Expenses	\$ 73,646,878	\$ 75,489,321	\$ 1,842,443	2.4%	
31	GAAP Operating Income/(Loss)	\$ 10,236,557	\$ 5,153,568	\$ 5,082,989		
	== Change in Unrest. Net Assets					

Westminster Canterbury Management Corporation	Policies and Procedures	
Subject: CRITERIA FOR ADMISSION TO INDEPENDENT LIVING (TOWER, GARDEN, GLEBE, COURTYARD, HOMES ON THE GREEN)	Date:	10/1/22
	Number:	200.86
Approved: 	Adopted:	3/1/02
	Revised:	10/1/14, 12/11/19
	Reviewed:	10/1/14, 10/1/16, 10/1/18, 12/11/19, 10/1/20, 10/1/22


Policy: Those moving to any independent living residence must be cognitively intact and capable of living independently. This is described as being able to perform all self-care activities of daily living (ADL)* without assistance, to live compatibly with other residents and staff, to contribute to, as well as benefit from, the community and to engage in the cultural experiences/activities that WCR offers. Based on the applicant's current health history and clinical evaluation conducted by WCR, it also should be reasonable to expect that the applicant will not need a sustained higher level of care for at least two years after admission. This policy shall be explained clearly and emphasized to all applicants for independent living. WCR may require an updated clinical evaluation prior to move-in. Contract deposits will not be accepted from any person for whom the health history leaves reasonable doubt as to that person's ability to meet applicable criteria at time of move-in. In the case of a couple, each must meet criteria individually and be capable of functioning independently without the assistance of the other. Residents must be at least 62 years of age or moving in with a spouse who is at least 62. *Activities of Daily Living (ADL): bathing, dressing, toileting (including bowel and bladder continence), transferring, feeding, ambulation

Procedure: On admission, it is expected that residents shall:

1. Be cognitively intact as determined by consistently applied techniques to evaluate all cognitive areas including: reasoning, functioning, orientation, memory, arithmetic, judgment and emotion
2. Be continent of bowel and bladder
3. Be able to self-administer medications safely as prescribed
4. Be independently able to manage oxygen-supplying equipment
5. Be independently mobile and able to evacuate safely in the event of an emergency
6. Be in physical and cognitive condition to initiate emergency help if needed in their residences and to react promptly and appropriately to fire alarms or other disaster signals
7. Maintain personal hygiene and dress in a socially acceptable and healthy manner
8. Be capable of safely operating washers, dryers and kitchen equipment
9. Be able to attend to light housekeeping such as making a bed, washing dishes, and keeping the residence tidy
10. Be able to coordinate his or her own transportation and be able physically and cognitively to keep appointments in the community
11. Manage own business affairs; have an assigned power of attorney
12. Demonstrate cognitive, physical and emotional behavior appropriate to community living
13. Be able to negotiate buildings and grounds; be able to manage elevators, doors and other customary environmental features
14. Be cognitively able to keep abreast of rules and regulations of Westminster Canterbury with respect to safety, security and other necessary directives for community living

Exceptions to any of the above requirements must be approved by the Finance-Property Committee of the Board of Trustees.

ADDENDUM #6.0

Westminster Canterbury Management Corporation		Policies and Procedures	
Subject: RESIDENCY CRITERIA FOR SUSTAINED INDEPENDENT LIVING (TOWER, GARDEN, GLEBE, COURTYARD, HOMES ON THE GREEN)		Date:	10/1/22
		Number:	200.87
Approved: 		Adopted:	3/15/95
		Revised:	12/1/08, 10/1/20, 10/1/22
		Reviewed:	10/1/14, 10/1/16, 10/1/18, 10/1/20, 10/1/22


Policy: Residents of independent living areas are expected to be capable of living independently. This is described as being able to perform all activities of daily living, to interact compatibly with other residents and staff, and to contribute to, as well as benefit from, the Westminster Canterbury Richmond (WCR) community.

Procedure:

Residents of independent living areas are expected to:

1. Be able physically and mentally to initiate emergency help in their residence, if needed, and to react promptly and appropriately to fire alarms or other disaster signals;
2. Demonstrate mental, physical and emotional behavior appropriate to congregate living;
3. Understand and adhere to all safety and security rules and regulations;
4. Be continent of bowel and bladder, or able to self-manage needs;
5. Self-administer medications safely, or independently initiate and adhere to pillbox management;
6. Be approved by appropriate clinical staff in advance of self-managing use of oxygen, and must observe safety precautions;
7. Be able to come to the dining room for meals but may require some assistance as a result of a medical problem or physical disability; during periods of illness, may have meals temporarily brought to their apartment as approved by the clinic staff;
8. Safely operate washers, dryers and kitchen equipment;
9. Attend to light housekeeping such as making a bed, washing dishes, keeping apartment tidy and assuring refrigerator contents are fresh and edible;
10. Maintain personal hygiene and dress in a socially acceptable manner;
11. Coordinate own transportation and be able physically and cognitively to keep appointments in the community;
12. Manage own business affairs or arrange independently for such management;
13. Navigate the buildings and grounds, managing elevators, doors and other customary environmental features;
14. Comply with all WCR requirements for any personal assistance used to maintain independent living.

Exceptions to any of the above requirements must be approved by the Healthy Aging Resource Team (HART) and be in the best interests of Westminster Canterbury and its residents. Consistently applied techniques to evaluate all cognitive areas will be used as needed to determine appropriate placement.

Westminster Canterbury Management Corporation	Policies and Procedures	
Subject: Criteria for Admission to and Sustained Residency in Avalon Assisted Living	Date:	10/1/23
	Number:	200.88
Approved: 	Adopted:	4/30/04
	Revised:	10/1/14, 6/10/15, 2/12/19
	Reviewed:	6/10/15, 2/12/19, 10/1/21, 10/1/23

Policy:

A person moving to Avalon may be assisted in Activities of Daily Living (ADLs) but must not be totally dependent in any of these activities. A person living in Avalon must be capable of residential or assisted living as defined by the Uniform Assessment Instrument (UAI) and require no more than moderate assistance in two (2) or less ADLs. Prospective residents must be at least 62 years of age. Based on the person's health history and functioning, it should be reasonable to expect that a sustained higher level of care will not be needed for at least one year.


Procedure:

For admission to Avalon, it is expected that an individual:

1. Meet criteria for residential or assisted living in an Assisted Living Facility as defined by the Virginia Department of Social Services
2. Require no more than moderate assistance in two (2) or fewer ADLs (seven ADLs include: bathing, dressing, toileting, transferring, eating/feeding, bowel function and bladder function)
3. Be able to ambulate independently or with an assistive device
4. Be able to manage incontinence independently or with minimal staff assistance
5. Behave in a manner appropriate to congregate living that is neither disruptive nor harmful to self or others
6. Be capable of responding appropriately to emergency situations or with minimal assistance of staff to exit the building in case of an emergency
7. Not employ personal assistants except under extraordinary circumstances as approved by the Administrator; any approved personal assistants must comply with VDSS regulations and Westminster Canterbury requirements for contract employees
8. The Uniform Assessment Instrument (UAI) shall be completed prior to admission, annually, and whenever there is a significant change in the resident's condition. This too will determine whether the resident's needs can continue to be met in the current level of care and that continued placement is in the best interest of the resident.
9. Be evaluated to determine whether pet privileges may be extended (for additional information, refer to WCR pet policy, #500.24)

For sustained residency in Avalon, it is expected that an individual:

1. Need no more than moderate assistance in five (5) or fewer ADLs
2. All other criteria listed above remain in effect

Westminster Canterbury Management Corporation	Policies and Procedures	
Subject: CRITERIA – COUPLES ADMISSION TO AVALON	Date:	10/1/20
	Number:	200.89
	Adopted:	4/15/04
Approved: 	Revised:	10/1/14, 10/1/18, 10/1/20
	Reviewed:	10/1/14, 10/1/16, 10/1/18, 10/1/20

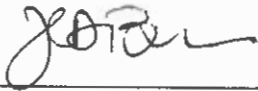
Policy:

A couple moving to Avalon may be assisted in Activities of Daily Living (ADLs). Residents must require no more than moderate assistance in two (2) or less ADLs. Residents must not be totally dependent in any of these activities. A couple living in Avalon must be capable of residential or assisted living as defined by the Uniform Assessment Instrument (UAI). Prospective residents must be at least 62 years of age or applying with a spouse who is at least 62 years of age. Based on each person's health history and functioning, it should be reasonable to expect that a sustained higher level of care will not be needed for at least one year. If either spouse requires a higher level of care or in the event of the death of a spouse, the individual will transition to a residence for which he/she would meet criteria.

Procedure:

For admission to and sustained residency for a couple in Avalon, it is expected that each individual:

1. Meet criteria for residential or assisted living in an Assisted Living Facility as defined by the Virginia Department of Social Services
2. Be able to ambulate independently or with an assistive device
3. Need no more than moderate assistance or supervision with activities of daily living (ADLs) and not be totally dependent in any one of these activities (seven ADLs include: bathing, toileting, transferring, feeding, ambulation, bowel and bladder management) as outlined above
4. Be able to manage incontinence independently or with minimal staff assistance
5. Behave in a manner appropriate to congregate living that is neither disruptive nor harmful to self or others
6. Be capable of responding appropriately to emergency situations or with minimal assistance of staff to exit the building in case of an emergency
7. Not employ personal assistants except under extraordinary circumstances as approved by the Administrator; any approved personal assistants must comply with Westminster Canterbury requirements for contract employees and ensure compliance with Virginia Department of Social Services standard related to Private Duty Personnel (22-VAC40-73-220).
8. The Uniform Assessment Instrument (UAI) shall be completed prior to admission, annually and whenever there is a significant change in the resident's condition. This too will determine whether the resident's needs can continue to be met in the current level of care and that continued placement is in the best interest of the resident.

Westminster Canterbury Management Corporation	Policies and Procedures	
Subject: Criteria for Monticello Non-secure Memory Support	Date:	10/1/23
	Number:	200.90
	Adopted:	4/15/04
Approved: 	Revised:	10/1/14, 6/10/15, 2/12/19
	Reviewed:	6/10/15, 2/12/19, 10/1/21, 10/1/23

Policy:

A person moving to a non-secured, open household of Monticello memory support must have a psychiatric diagnosis of dementia or documented memory loss; be at least 62 years of age; and be appropriate for living in an assisted living environment. Based on the individual's current health history and functioning, it should be reasonable to expect that a sustained higher level of care will not be needed for at least one year.


Procedure:

For admission to a non-secured, open household, it is expected that an individual:

1. Meet criteria for residential living or assisted living in an Assisted Living Facility as defined by the Virginia Department of Social
2. Require no more than moderate assistance in two (2) or fewer Activities of Daily Living (ADLs) (seven ADLs include: bathing, dressing, toileting, transferring, eating/feeding, bowel function and bladder function)
3. Be able to ambulate independently or with an assistive device
4. Be able to manage incontinence independently or with minimal staff assistance.
5. Behave in a manner appropriate to congregate living that is neither disruptive nor harmful to self or others
6. Be capable of responding appropriately to emergency situations or with minimal assistance of staff to exit the building in case of an emergency
7. Not employ personal assistants except under extraordinary circumstances as approved by the Administrator; any approved personal assistants must comply with VDSS regulations and Westminster Canterbury requirements for contract employees
8. The Uniform Assessment Instrument (UAI) shall be completed prior to admission, annually, and whenever there is a significant change in the resident's condition. This too will determine whether the resident's needs can continue to be met in the current level of care and that continued placement is in the best interest of the resident
9. Complete pre-admission screening tools to determine level of cognitive and functional impairment, results of which will be reviewed by the Admissions Committee of the Board of Trustees, and/or Healthy Aging Resource Team (HART) for initial determination
10. Be assessed by a clinical psychologist or physician who documents that the individual does not require a safe/secure environment, is able to recognize danger and protect his/her own safety and welfare
11. Can participate in and benefit from the therapeutic programming of memory support
12. Relinquish driving privileges and automobile ownership, or be evaluated regularly to determine whether driving privileges may be retained (In the case of a couple, an intact spouse may retain driving privileges and automobile ownership)
13. Be evaluated to determine whether pet privileges may be extended (For additional information, refer to WCR pet policy, #500.24)

For sustained residency in Monticello, it is expected than an individual:

1. Need no more than moderate assistance in five (5) or fewer ADLs
2. Resident remains cognitively appropriate for non-secured memory support
3. All other criteria listed above remain in effect

Westminster Canterbury Management Corporation	Policies and Procedures	
Subject: CRITERIA FOR THE GABLES – SECURE MEMORY SUPPORT	Date:	10/1/23
	Number:	200.91
	Adopted:	9/3/00
Approved: 	Revised:	10/1/14, 6/10/15, 2/12/19
	Reviewed:	6/10/15, 2/12/19, 10/1/21, 10/1/23


Policy:

A person moving to a safe, secure household of The Gables memory support must have a serious cognitive impairment with a primary psychiatric diagnosis of dementia and be unable to recognize danger or protect his or her own safety and welfare. Prospective residents must be at least 62 years of age and be appropriate for living in a safe, secure assisted living environment. Based on the individual's current health history and functioning, it should be reasonable to expect that a sustained higher level of care will not be needed for at least one year.

Procedure:

For admission to and sustained residency in a safe, secure household, it is expected that an individual:

1. Meet criteria for residential or assisted living in an Assisted Living Facility as defined by the Virginia Department of Social Services
2. Require no more than moderate assistance in five (5) or fewer Activities of Daily Living (ADLs) (seven ADLs include: bathing, dressing, toileting, transferring, eating/feeding, bowel function and bladder function)
3. Be able to participate in management of incontinence with no more than moderate assistance.
4. Be able to ambulate independently or with minimal or moderate assistance of staff and/or an assistive device
5. Behave in a manner appropriate to congregate living that is neither disruptive nor harmful to self or others
6. Require minimal to moderate assistance of staff to exit the building in case of an emergency
7. Not employ personal assistants except under extraordinary circumstances as approved by the Administrator; any approved personal assistants must comply with VDSS regulations and Westminster Canterbury requirements for contract employees
8. The Uniform Assessment Instrument (UAI) shall be completed prior to admission, annually, and whenever there is a significant change in the resident's condition. This too will determine whether the resident's needs can continue to be met in the current level of care and that continued placement is in the best interest of the resident
9. Complete pre-admission screening tools to determine level of cognitive and functional impairment, results of which will be reviewed by the admissions committee of the Board of Trustees, and/or Healthy Aging Resource Team (HART) for initial determination
10. Be assessed by a physician who documents that the individual does need to reside in an area designated as safe, secure and is not able to recognize danger or protect his/her own safety and welfare
11. Can participate in and benefit from the therapeutic programming of The Gables
12. Relinquish driving privileges and automobile ownership
13. Not have a pet or relinquish pet ownership

Westminster Canterbury Management Corporation	Policies and Procedures	
Subject: RESIDENT/FAMILY/VISITOR COMPLAINT	Date:	10/1/20
	Number:	500.06
	Adopted:	12/15/2001
Approved: 	Revised:	3/12/14, 10/1/17, 10/1/20
	Reviewed:	3/12/17, 10/1/17, 10/1/20

POLICY: Any resident of Westminster Canterbury, member of a resident's family, resident's power of attorney or visitor may express complaints either verbally or in writing.

PROCEDURE:

1. In independent living residences, the person making the complaint should contact the Administrator Residential Living by phone (ext. 6032) or in writing.
2. In assisted living, the person making the complaint should contact the Administrator Assisted Living by phone (ext. 6275) or in writing.
3. In the Mary Morton Parsons Health Center, the person making the complaint should contact any licensed staff, manager or social worker by phone or in writing. The staff member receiving the complaint will record the complaint in the grievance log. The complaint may also be reported directly to the Grievance Official (6035) or to VP of Health Services. Complaints are reviewed monthly at the Parsons Health Center Quality Assurance/Process Improvement (QA/PI) meeting.
4. If not satisfied, the person making the complaint will be directed to call the toll free compliance hot line (1-877-531-7072). The complaint may be communicated by phone or in writing to the Corporate Compliance Officer (6287) or to the President and CEO of Westminster Canterbury (ext. 6285).
5. Additional resources are available through the Center for Quality Care and Consumer Protection, 1-800-955-1819.

If the problem still is unresolved, the person making the complaint will be directed to the Virginia Long Term Care Ombudsman at 800-552-3402. In addition, the local Long Term Care Ombudsman may be reached at 804-343-3000.

6. No retaliatory conduct shall be permitted against anyone for filing a complaint.

WESTMINSTER CANTERBURY CONSOLIDATED
Projected Cash Flow
Budget 2024

	<u>2024 Budget</u>
Change in unrestricted net assets	\$ 5,631,092
Add Back:	
Depreciation / Amortization	13,954,703
Cash from operations (excluding realized gains and losses)	<u>\$ 19,585,795</u>
Adjustments to cash from operations:	
Entrance fee amortization	\$ (16,942,371)
Proceeds from net entrance fees	31,394,797
Unrestricted contributions	(1,000,000)
GAAP interest & dividends	<u>(2,662,583)</u>
Total adjustments	\$ 10,789,843
Adjusted cash from operations excluding investment income, realized gains & losses and unrestricted contributions	\$ 30,375,637
Investments and Uses:	
Routine capital projects	\$ (12,204,044)
2024 projects	<u>(2,350,000)</u>
Total capital investments	\$ (14,554,044)
Debt service:	
Principal debt service	\$ (1,845,000)
Vibrancy principal debt service	<u>(10,570,323)</u>
Total debt service	\$ (12,415,323)
Vibrancy project investment:	
Vibrancy project investment	\$ (86,802,940)
2022 A funding	17,431,000
2022 B funding \$25M	25,000,000
2022 C funding \$70M	44,371,940
Capitalized interest 2022A	(4,896,000)
Capitalized interest 2022B	(1,145,833)
Capitalized interest 2022C	(1,095,833)
2022 capitalized interest funding	<u>4,589,000</u>
Total Vibrancy project funding (under funded)	\$ (2,548,666)
Cash flow from operations before cash distributions from the W C Corporation investment portfolio	\$ 857,604
Cash distributions from the W C Corporation portfolio	\$ 2,350,000
Cash received from Foundation	\$ 1,400,000
Cash flow from operations after cash distributions from the W C Corporation investment portfolio	<u><u>\$ 3,207,604</u></u>

WESTMINSTER CANTERBURY CORPORATION
Summary of Financial Information
Years Ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Total Assets	\$ 498,596,055	\$ 448,300,698
Total Liabilities	\$ 369,702,985	\$ 342,260,683
Total Net Assets	\$ 128,893,070	\$ 106,040,015
Total Revenues	\$ 79,435,448	\$ 76,754,760
Total Expenses	\$ 69,501,095	\$ 65,639,083
Operating Income (Loss)	\$ 9,934,353	\$ 11,115,677
Net Income (Loss)	\$ 21,832,817	\$ (29,629,620)

Operating Income for fiscal year 2023 decreased \$1.2 million from the previous year. Total Assets increased in fiscal year 2023 by \$50.3 million compared to fiscal year end 2022. This was due to a \$84.7 million increase in Property, Plant and Equipment, a \$66.5 million decrease in Assets Limited as to Use, a \$16.4 million increase in Investments and a \$14.3 million increase in Cash and Cash Equivalents. Total Revenues increased by \$2.7 million due to a \$2.9 million increase in Residential Services, including Amortization of Deferred Revenue from Advance Fees, a \$1.6 million decrease in Investment Income and a \$1 million increase in Other Revenue. Total Expenses increased by \$3.9 million. This increase is due to a \$1.4 million increase in Resident Care, a \$1.2 million increase in Depreciation and Amortization and a \$784k increase in Management Fee.

Occupancy Information**	Capacity of Units	Average Occupancy	Percentage Occupancy
Independent Living	485	93.3%	95.8%
Assisted Living	137	83.8%	85.9%
Nursing	158	88.1%	86.9%

**as of September 30, 2023