

EARLY ADVANTAGE PROGRAM



2024 Disclosure Statement

Disclosure Statement

of

**Westminster-Canterbury on
Chesapeake Bay
for
Early Advantage Program at
Westminster-Canterbury**

As submitted to
The Commonwealth of Virginia
State Corporation Commission
Bureau of Insurance
January 31, 2024

The 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.

Tab 1 – Mission Statement & Disclosure Statement

Tab 2 – Member Agreement List of Service Providers
for In-Home Services

Tab 3 – Consolidated Financial Statements and
Independent Auditors' Report of Westminster-
Canterbury on Chesapeake Bay and Affiliates for
the Years Ended September 30, 2023 and 2022

Tab 4 – Early Advantage Program Financial Statements
for the Year Ended September 30, 2023 and 2022

Tab 5 – Early Advantage Program Comparison of Prior
Year's Pro Forma Actual to Budget for Fiscal
Year 2023

Tab 6 – Early Advantage Program Pro Forma Income
Statement Fiscal Year 2023 and 2024

Tab 1
Mission
Statement and
Disclosure
Statement



We are a faith-based organization created by the Episcopal and Presbyterian churches to serve older adults of all beliefs, their families, and the broader community.

Our Mission Statement

Creating community to foster joy and well-being.

Organizational Values

We achieve *excellence* by giving and expecting:

RESPECT for each person

PASSION for what we do

PROFESSIONALISM in all we do

COMMUNITY-BASED CONTINUING CARE PROVIDER

Westminster-Canterbury on Chesapeake Bay (Westminster-Canterbury) is a non-profit, non-stock corporation formed pursuant to the provisions of the Virginia Non-Stock Corporation Act, as Codified in Title 13.1 of the Code of Virginia of 1950, as amended.

The registered agent for Westminster-Canterbury on Chesapeake Bay is:

Hugh L. Patterson

Wilcox and Savage, PC
440 Monticello Ave., Suite 2200
Norfolk, VA 23510

A.1. OWNERSHIP OF CBCC PROVIDER

Westminster-Canterbury on Chesapeake Bay is a Virginia non-stock, not-for-profit corporation that was founded in 1982 and has been in continuous existence since that time. Its affairs are administered through a Board of Trustees, all of whom serve as volunteers. All of the land and buildings that constitute the community are located at the below address and are owned by the provider.

A.2. LISTING OF CCRC FACILITIES OWNED BY PROVIDER

Westminster-Canterbury on Chesapeake Bay
3100 Shore Drive
Virginia Beach, VA
23451
Independent Living Occupancy – 92.16 Percent
Total Unrestricted Cash and Investments – \$53,275,554

Westminster-Canterbury also owned and operated the Ballentine Home, an Assisted Living Community in Norfolk, Virginia, which was sold to an unrelated party on March 5, 2012.

A.3. OFFICERS, DIRECTORS, TRUSTEES, MANAGING AND GENERAL PARTNERS, AND CERTAIN PERSONS WHO HOLD EQUITY OR BENEFICIAL INTEREST

A. The Trustees of the provider are elected as a self-perpetuating board:

1. Episcopalian Trustees

Mr. George L. Compo
Mr. Charles D. Robison, III
Mr. Richard C. Burroughs
Mr. Elwood B. Boone III
Mr. Ronald “Ron” C. Ripley
Dr. Armistead Williams
Mr. Robert “Bob” Taylor

2. Presbyterian Trustees

Mr. George Wong
Mr. John D. Cavanaugh, CPA
Mrs. Lisa B. Smith
Mr. Thomas “Clint” Damuth
Dr. Theresa “Terry” Whibley

3. The Officers of the provider are:

Chair:	Mrs. Lisa B. Smith
Vice Chair:	Mr. John D. Cavanaugh
Secretary:	Mr. Bernie Boone III
Treasurer:	Mr. Chick Robison
President & CEO	Mr. J. Benjamin Unkle, Jr.
Senior Vice President of Health and Innovation and Assistant Secretary	Dr. Victoria Crenshaw
Chief Financial Officer and Assistant Treasurer:	Mr. David B. Myers

A.5.a. Give a description of any business experience in the operation or management of similar facilities and community-based continuing care programs.

1. The Provider:

Westminster-Canterbury has owned and operated the life

plan/continuing care retirement community located at 3100 Shore Drive since it began operating in 1982. Westminster-Canterbury also owned and operated the Ballentine Horne, an Assisted Living Community in Norfolk, Virginia, which was sold to an unrelated party on March 5, 2012.

2. Trustees:

Lisa B. Smith, Esq. currently serves as the Chair of the Board of Trustees of Westminster-Canterbury. She also serves as a community volunteer in South Hampton Roads. She has served as a Board of Director for several non-profits, including, but not limited to, Access College Foundation, the Chrysler Museum, Smart Beginnings South Hampton Roads, the Norfolk Forum, CHKD's Child Abuse Development Board, and the YMCA. In 2014, Ms. Smith was appointed to the Old Dominion University Board of Visitors by Governor Terry McAuliffe, serving as Vice-Rector. Before moving to this area, Ms. Smith spent nearly twenty years as an attorney in the telecommunications industry. She has worked as Senior Regulatory Counsel for MCI Corporation for eight years, where she focused her efforts on federal and state telecommunications public policy. Ms. Smith also served as Senior Advisor to the Federal Communications Commission Commissioner.

John D. Cavanaugh currently serves as Vice-Chair on the Board of Trustees for Westminster-Canterbury, and is Partner and co-founder of Cavanaugh Nelson PLC and a graduate of Virginia Tech. He serves as Treasurer on the Board of Trustees of Westminster-Canterbury. Mr. Cavanaugh helped form Cavanaugh Nelson in January 2000 after twenty years "Big Four" experience, the last eight of which he served as a partner in the Norfolk office of Price Waterhouse. John's experience includes providing audit and management advisory services to private companies, financial institutions, healthcare entities, and non-profit organizations primarily located in the mid-Atlantic region. In addition to John's client services experience, he serves or has served on the Board of Directors of the Westminster Canterbury on the Chesapeake Bay, the Boys and Girls Clubs of South Hampton Roads, the Economics Club of Hampton Roads (co-Founder), the Virginia Chapter of the American Heart Association, the ODU Center for Economic Education, the Greater Norfolk Corporation, and as a member of the Advisory Boards of the Virginia Tech Department of Accounting and the Old Dominion University College of Business and Public Administration. In addition to John's business and civic affiliations, he has served on the Board of Directors of the Norfolk Yacht and Country Club, the Cedar Point Club and the Town Point Club. John is also a member of the AICPA and VSCPA.

Elwood Bernard “Bernie” Boone III is the current Secretary on the Board of Trustees for Westminster-Canterbury, and joined Sentara Healthcare on August 15, 2012 as the President of Sentara Virginia Beach General Hospital. Bernie joined the Board of Trustees of Westminster-Canterbury January 2020. Previously, he served as Chief Executive Officer of multiple hospitals over a 16- year career with Hospital Corporation of America (HCA) in Virginia, New Hampshire, and Texas. As President of Sentara Virginia Beach General Hospital, Mr. Boone has led the development of a master facility plan and secured a \$53 million capital investment to support expansion of Surgical Services and the opening of a new ICU. In partnership with the City of Virginia Beach, Mr. Boone oversaw the commencement of the VB Strong Center designed to provide support and resources to individuals impacted by the May 31, 2019 shooting at the Virginia Beach Municipal Center.

Richard Burroughs spent more than 45 years in the Commercial Real Estate Market working for Harvey Lindsey. He served in several roles with the company including President and Vice Chairman. Mr. Burroughs also served in the U.S. Navy. He is a graduate of Norfolk Academy and received his Bachelor of Arts degree from Washington and Lee. Mr. Burroughs has served on several boards including the Westminster-Canterbury Foundation Board as well as the Norfolk Academy Board of Directors. He has also been a Senior Warden for Galilee Episcopal Church in Virginia Beach.

George L. Compo is President of Compo Construction Company in Norfolk. He received a Bachelor of Science degree in Building Construction from Virginia Tech University and has remained an avid Hokie fan. Mr. Compo serves on the Westminster-Canterbury Board of Trustees and is on the Virginia Tech construction school advisory board. He is also the state chair for the Association of General Contractors.

Charles Robison, who goes by the nickname “Chick” is a retired Banker. He was a senior executive with R/E Finance. Chick is a graduate of Hampden-Sydney College as well a graduate of R/E School of Finance through the American Bankers Association. He has served on the Board of Norfolk Botanical Garden as well as been Chairman of the Norfolk Wetland Board. Chick is also a member of the Norfolk Rotary Club.

Dr. George Wong is a Clinical Instructor of Family Medicine and Assistant Professor of Clinical Family and Community Medicine

at Eastern Virginia Medical School. Since 1981 he has also been with Sentara Bayside Family Practice as well as the Team Physician for Bayside High School. He was recently named the Medical Director at Virginia Wesleyan University Student Health Clinic. Dr. Wong is very involved in the Hampton Roads community having served on many boards including 38 years on the Chinese Community Association of Hampton Roads Board of Directors. He is also a Church Elder at Bayside Presbyterian. He joined the Westminster-Canterbury Board of Trustees in January 2018.

Ronald C. Ripley is President of Ripley Heatwole Company, Inc., a multifamily real estate and development firm with affiliates that include a Class-A General Contractor, Mortgage Banking Services, Property Management Services, and Telecommunications. Ronald Ripley is a Principal in RH Builders, Inc., a multifamily construction company; Virginia Financial Advisors, Inc., a commercial mortgage finance company; and TELCOM Systems, L.L.C., a telecommunication company. Mr. Ripley entered the business in 1970 and has extensive experience in all facets of the multifamily real estate and development business from affordable family and senior housing to mixed-use luxury apartments. To date, the Ripley Heatwole Companies has developed over 5,300 multifamily housing units throughout the State of Virginia. Ronald Ripley is a graduate of Old Dominion University with a Bachelor of Science from the Darden College of Education. He also holds the professional appraisal designation of Senior Real Property Appraiser (SRPA) from the American Institute of Real Estate Appraisers.

Dr. Armistead Williams graduated from Princeton University and the University of Virginia Medical School. He performed a 2 year internal medicine residency at Medical College of Virginia and his Neurology Residency at the University of Virginia. He is certified by the American Board of Psychiatry and Neurology and the American Board of Electrodiagnostic Medicine. His area of interest includes stroke, dementia and general neurology. He is a member of the Sentara Medical Affairs Committee and is Stroke Director at Bon Secours DePaul Hospital.

Clint Damuth is President of Damuth Trane, a Chesapeake-based professional energy services company that specializes in providing building solutions to clients. He earned a B.A. from Virginia Tech and M.B.A. from Old Dominion University. He began his career with Damuth in the early '80s and after serving in several leadership roles was named President in 2000 and the Hampton Roads Trane Franchise Holder for Commercial Systems in 2016. Mr. Damuth has served in several roles with the

Hampton Roads Chamber and currently serves on Admin Support and the Music Ministries at Bayside Presbyterian Church. Clint serves on the Southside Board of Old Point Bank, and has been a board member of the Academy of Music, LEAD Hampton Roads (LEAD Graduate Class of 2006), and served as President of the National Association of Trane Franchise Holders.

Theresa W. Whibley, M.D., has served on many boards, including the Board of Tidewater Community College and Eastern Virginia Medical School. Dr. Whibley has served as a member and Chair of the Norfolk School Board and was also elected and served on the Norfolk City Council. She received her medical degree and completed her OB/Gyn residency at Eastern Virginia Medical School. Dr. Whibley practiced OB/GYN medicine in Hampton Roads from 1987 until retiring from practice in 2022. Dr. Whibley resides in Norfolk with her husband, Rod. They have two children; Meredith, who lives in Richmond with her husband and their three children, and Josh, who lives in Charleston with his wife and child. In her free time, Dr. Whibley enjoys golf, cycling, traveling, and spending time with her family.

Mr. Robert “Bob” Taylor served as president and CEO of Do it Best Corp. from January 1, 2002 through January 4, 2016. Mr. Taylor joined Do it Best Corp. in January 2001 as Senior Vice President of Operations, overseeing purchasing, retail logistics, marketing and international development. He succeeded former president and CEO Mike McClelland, who served in that capacity since 1992. Mr. Taylor was only the fourth CEO since the company was founded in 1945.

Prior to joining Do it Best Corp. in 2001, Mr. Taylor served as president of Taylor’s Do it Centers in Virginia Beach, VA, and brought more than 25 years of hardware retailing experience to Do it Best Corp. management. Named one of the 1999 National Home Center News People to Watch, Mr. Taylor also served for six years (1994-2000) on the Do it Best Corp. board of directors including as chairman of the board for two years. In 2012, he was inducted into the prestigious Home Channel Hall of Fame.

Mr. Taylor has taken a variety of leadership positions within his local community, serving while in Virginia Beach as chair of the Virginia Beach Chamber of Commerce, Virginia Beach Vision, the local United Way campaign, and the Better Business Bureau. Mr. Taylor was named Volunteer of the Year by the Hampton Roads Chamber of Commerce in 2000. Mr. Taylor continued in civic and charitable activities in Fort Wayne with leadership locally on Corporate Council, the Northeast Indiana Regional

Partnership, the Regional Chamber, the Foellinger Foundation, and United Way. He also chaired the Fort Wayne Downtown Blueprint Plus and Baseball Plus committees. Mr. Taylor served for nine years on the national board for Big Brothers/Big Sisters, and was recognized in 2015 with their Charles Berwind award for lifetime achievement. Mr. Taylor also served on the Indiana State Chamber Board and was appointed by Governor Daniels and reappointed by Governor Pence to the board of the Indiana Economic Development Corporation. In addition, Mr. Taylor served on the board of directors for Tower Bank and LDI, Ltd., and served as a director and past chairman of the National Association of Wholesalers & Distributors.

3. Managing Officers:

J. Benjamin Unkle, Jr. is President and CEO of Westminster-Canterbury, a developer/operator of senior living communities, and provider of back office support services to other senior living providers. Prior to joining Westminster-Canterbury, Mr. Unkle was Senior Vice President of Western Operations for Erickson Living, a national leader in senior housing and health care. Mr. Unkle had leadership responsibility for eight Continuing Care Retirement Communities in that position. The part of the organization under his charge had over \$200M in revenue. Prior to joining Erickson Living, Mr. Unkle practiced law with DLA Piper (formerly Piper & Marbury) headquartered in Baltimore, MD. He earned a B.A. degree in Government & Politics and his Juris Doctor, both with honors, from the University of Maryland.

Joan Punch is the President of Senior Options, a Home Health and Hospice advisory group, and Westminster-Canterbury at Home, a home health and hospice agency in Virginia Beach. She previously served as Vice President of Operations & Clinical Services for Senior Options. She has over 30 years of experience in Home and Community-Based Services (HBCS), in Hospitals, and Life Plan Communities.

Ms. Punch's compassion, energy, and focus have been evident throughout her career. She has expertise in implementing new Home Health and Hospice operations as well as supporting existing agencies in operational and financial improvement. In addition, she is an expert in operational audits, consulting, and leadership for Home Health and Hospice. Also, she is mission-focused on leadership and creating healthy organizations that bring out the best in people.

Ms. Punch has a Bachelor's Degree in Nursing from The University of Cincinnati and a Master's Degree in Organizational

Development and Positive Change Management from the Weatherhead School of Management, Case Western Reserve University. Ms. Punch is Certified in Emotional Intelligence and Appreciative Inquiry.

Dr. Victoria Crenshaw is Senior Vice President of Health and Innovation, and Executive Director of Operations for Opus Select and Hospice House of Hampton Roads. She is the subject matter expert in all healthcare-related areas. She is developing innovative ways to drive the programs and processes on the Westminster-Canterbury campus and in our community. She has consistently led her teams to produce outstanding clinical outcomes with CMS 5 Star designation, employing cutting-edge benchmarking tools and strategies. Dr. Crenshaw is a Geropsychologist with a Master's Degree in Gerontology and a doctorate in Developmental Psychology with a concentration in Aging. She has an extensive healthcare clinical and operations background. She has served as the Vice President of a nationwide healthcare organization providing oversight to 126 skilled and assisted living centers in nine states. She also served as the Vice President of Programs and Services for the Alzheimer's Association, National Capital Division, and is Chair of the Mayor's Commission on Aging for the City of Virginia Beach.

David B. Myers is the Chief Financial Officer and leads the financial aspects of the community. He is an accomplished and self-directed organizational leader with over 30 years of financial management experience in the senior living and healthcare industries. Prior to becoming the Chief Financial Officer in 2018, Mr. Myers served as the Controller of Westminster Canterbury for 17 years, providing his expertise in financial and operational management, corporate taxes and regulatory compliance, debt restructuring, and business process improvements. Prior to joining Westminster-Canterbury, Mr. Myers worked 10 years for Riverside Health System, a flagship regional medical system, in its long-term division as an Internal Auditor and Assistant Controller. Mr. Myers is a CPA and has a BS in Accounting from Pennsylvania State University.

Timothy Tivvis currently serves as the Executive Director and Vice President of Campus Operations at Westminster-Canterbury on Chesapeake Bay (WCCB.). Mr. Tivvis was a General Manager for Compass Group Inc., a hospitality service management company, prior to joining WCCB. In addition, Mr. Tivvis served Compass as a Regional Platinum Service Champion partnering with ten Compass communities on operational standards and chaired a national Diversity & Inclusion Action Council for two

years. Mr. Tivvis is a graduate of the Culinary Institute of America in Hospitality Management and Baking & Pastry, and an Associate Certified Coach (ACC) from the International Coaching Federation. Mr. Tivvis has begun working on a degree in Organizational Management through Purdue University Global.

A.5.b. Give the name and address of any professional service, firm, association, foundation, trust, partnership or corporation or any other business or legal entity in which such person has, or which has in such person, a 10 percent or greater direct or indirect interest and which it is presently intended will or may provide goods, leases or services to the provider of a value of \$500 or more, within any year, including:

- (1) A description of the goods, leases or services and the probable or anticipated cost thereof to the provider;**
- (2) The process by which the contract was awarded;**
- (3) Any additional offers that were received; and**
- (4) Any additional information requested by the Commission detailing how and why a contract was awarded.**

None.

A.5.c. Give a description of any matter in which such person:

- (1) Has been convicted of a felony or pleaded *nolo contendere* to a criminal charge, or been held liable or enjoined in a civil action by final judgment if the crime or civil action involved fraud, embezzlement, fraudulent conversion or misappropriation of property or moral turpitude; or**
- (2) Is subject to an injunctive or restrictive order of a court of record, or within the past five years had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, arising out of or relating to business activity or 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 law as in another state; or**
- (3) Is currently the subject of any state or federal prosecution or administrative investigation involving allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property.**

None, to the best of our knowledge or belief.

A.6. AFFILIATIONS WITH RELIGIOUS, CHARITABLE OR OTHER NONPROFIT ORGANIZATIONS; TAX STATUS OF PROVIDER

Give a statement as to:

- a. Whether the provider is or ever has been affiliated with a religious, charitable or**
- b. Other nonprofit organizations, the nature of any such affiliation, and the extent to which the affiliate organization is or will be responsible for the financial and contractual obligation of the provider.**

As previously noted, the corporation was founded by the Episcopal Diocese of Southern Virginia and the Presbytery of Eastern Virginia, Presbyterian Church (U.S.A.). Leaders of the two church bodies serve on the Board of Trustees but are not, and will not be in any way, legally responsible for the financial and contractual obligations of the provider.

- c. Any provision of the Federal Internal Revenue Code under which the provider is exempt from the payment of income tax.**

Westminster-Canterbury on Chesapeake Bay has been determined to be tax exempt and has such status under Section 501 (c) (3) of the Federal Internal Revenue Code.

A.7. SERVICES PROVIDED UNDER COMMUNITY-BASE CONTINUING CARE CONTRACTS

Services under the Continuing Care program are provided under the concept of continuing care, which recognizes the needs of Members as varying along a continuum from active, independent living at home to increasing health care needs when services are needed or possibly a move to assisted living and/or nursing home care is necessary. To this end, the Community Services Member Agreement and a List of Service Providers for In-Home Services are included in this Disclosure Statement.

Generally, the services provided under the Program are described below. All of the services listed below will be provided either by Westminster-Canterbury on Chesapeake Bay or by a credentialed provider that has been vetted for quality by Westminster-Canterbury on Chesapeake Bay.

IN-HOME SERVICES

In-Home Services are available upon request by Member through Westminster-Canterbury at Home at the then current resident rate with a three-hour minimum.

- **Home Health Care**- Non-Medicare covered home health services, including nursing or personal care provided by Licensed Practical Nurse, Registered Nurse or a Home Care Aide available at Westminster-Canterbury resident pricing with a three-hour minimum.
- **Home Care Aides**- For bathing, dressing, and grooming, as well as other Activities of Daily Living (ADL) functions available at resident pricing with a three-hour minimum.
- **Personal Emergency Response System**- A personal medical alert system available through Phillips Lifeline at Westminster-Canterbury pricing.

CAMPUS-BASED SERVICES

If the Member is no longer able to remain safely in their home, placement in an Assisted Living or The Hoy Health Care Center may be determined necessary by the Transitions Team. Member or Member's designated representative will be consulted.

These services are available upon request. Residential care in Assisted Living or the Hoy Health Care Center will be available at the care option pursuant to the membership agreement selected.

- **Social, Educational, Recreational, Wellness and Cultural Programs On and Off Campus**- Members shall have access to all social, wellness, educational, recreational, and cultural programs and amenities on campus on the same basis as residents of Westminster-Canterbury. There shall be no fees for use of such on-campus services and amenities that are higher than the fees charged to residents. When such amenities and services are free of additional charge for residents, those services shall be free of additional fees for members.
- **Annual Wellness Visit**- Member may schedule an Annual Wellness Visit with Westminster-Canterbury's Licensed Nurse Practitioners at our campus clinic after Member's medical report has been submitted. This wellness visit will be covered by Medicare and Provider agrees to accept Medicare fees and only charge the co-pay required by law.
- **Urgent Care**- If Member elects to name a medical practitioner in the Westminster-Canterbury Clinic as their primary care provider; Member will have access to urgent care through the campus clinic during urgent care hours for immediate care of injuries or illnesses that do not require emergency room visits. Various insurances are accepted and costs are at current resident pricing.

- **Dining Services**- Members shall have access to all dining venues on the campus of Westminster-Canterbury and meal carry off campus at resident pricing.
- **Personal Training**- A one-time free fitness assessment with personal training on campus, provided by a professional, providing feedback with personal goal setting and an individualized exercise program.
- **Independent Living**- Independent Living accommodations are available on the campus of Westminster-Canterbury. Members who are approved for Independent Living can apply their Individual Membership Fees to the Entrance Fee for on-campus Independent Living under a new Residence and Services agreement pursuant to the Community Services Member Agreement option selected.
- **Assisted Living Facility**- When a Member requires more assistance than can be provided at Home but does not require hospitalization or nursing home care, and as determined by the Transitions Team, the Member will be admitted to Assisted Living and charged the rate pursuant to the Community Services Member Agreement option selected. Members who are approved for direct admission into Assisted Living can apply their individual Entrance Fee to their Assisted Living Entrance Fee for on campus Assisted Living under a new Residence and Services agreement, including the administrative fee. At no time will monthly Early Advantage fees be applied. Member will be responsible for any ancillary charges such as laundry, prescription drugs, medical supplies, telephone, television/cable or barber/beauty. During a stay in the Assisted Living Facility on the Westminster-Canterbury campus, Member's Early Advantage Monthly Fee will not be suspended for any days Member stayed on campus on a temporary basis, but will terminate when the Member is admitted on a permanent basis, at which time the then current published rates, discounted as per Agreement option selected, will be charged for services rendered. The Monthly Fee will not be suspended for any Medicare Covered stays. Member will have priority access to Assisted Living accommodations on the Westminster-Canterbury campus. Westminster-Canterbury will maintain sufficient accommodations in our Assisted Living Facility in accordance with state regulations to meet the reasonably anticipated needs of the Westminster-Canterbury population and Early Advantage Program at Westminster-Canterbury Members for Assisted Living Care. If no accommodation is available, Westminster-Canterbury will arrange for the Member's admission to another facility that can supply such care until an accommodation in our Assisted Living Facility becomes available. If this should happen, Member will be responsible for fees equal to those of the contract option they selected in their Community Services Member Agreement.

- **The Hoy Health Care Center**- If a Member requires 24-hour nursing services that cannot be provided at home and as determined by the Transitions Team, the Member will be admitted to the Hoy Health Care Center and charged the rate pursuant to the contract option selected. During a stay in The Hoy Health Care Center on the Westminster-Canterbury Campus, Member's Early Advantage Monthly Fee will not be suspended for any days the Member stayed on campus on a temporary basis, but will terminate when the Member is admitted on a permanent basis, at which time the then current published rates, discounted as per Agreement option selected, will be charged for services rendered. The Monthly Fee will not be suspended for any Medicare Covered stays. Member will be responsible for any ancillary charges such as laundry, prescription drugs, medical supplies, telephone, television/cable or barber/beauty. Member will have priority access to accommodations in The Hoy Health Care Center on the Westminster-Canterbury campus. Westminster-Canterbury will maintain sufficient accommodations in The Hoy Health Care Center in accordance with state regulations to meet the reasonably anticipated needs of the Westminster-Canterbury population and Early Advantage Program at Westminster-Canterbury Members for The Hoy Health Care Center. If no accommodation is available, Westminster-Canterbury will arrange for the Member's admission to another facility that can supply such care until an accommodation in The Hoy Health Care Center becomes available. If this should happen, Member will be responsible for fees equal to those of the contract option they selected in their Community Services Member Agreement.

A.8. FEES REQUIRED OF MEMBERS

The fees are included in this Disclosure Statement. All Members are required to pay an initial Membership Fee and Monthly Fees as elected in the Community Services Member Agreement.

Membership Fees

Westminster-Canterbury offers several Membership Fee and Refund options, which are outlined in the Community Services Member Agreement.

Each Member will pay in full a one-time Membership Fee to Westminster-Canterbury at the time the Community Services Member Agreement is signed. The Membership Fee received by the Provider may be used or applied to any corporate purpose of the Provider, whether or not directly related to this Agreement. An Administrative Fee in an amount equal to four percent (4%) of the Membership Fee is non-refundable after the Adjustment Period and will be retained by the Provider in accordance with the membership agreement.

Monthly Fees

Westminster-Canterbury offers several Monthly Fee options, which are outlined in the Community Services Member Agreement.

Members are billed monthly for monthly fees, any applicable co-payments, and for services received. Such bills shall be paid by the date due or they will be subject to a late charge of 1.5 percent (1.5%) per month for each month in arrears.

Provider is committed to providing Members with the quality services called for by this Agreement consistent with sound financial management. Member understands and agrees that the Monthly Fee may be increased by the Corporation from time to time, at its sole discretion, and that payment of the Monthly Fee, as adjusted, is an obligation under this Agreement. A written notice will be given to Members at least 60 days prior to the effective date of any increase in the Monthly Fee or any adjustment to ancillary services.

During a stay in the Assisted Living Facility or The Hoy Health Care Center on the Westminster-Canterbury Campus, Member's Early Advantage Monthly Fee will not be suspended for any days Member stayed on campus on a temporary basis, but will terminate when the Member is admitted on a permanent basis, at which time the then current published rates, discounted as per Agreement option selected, will be charged for services rendered. The Monthly Fee will not be suspended for any Medicare Covered stays. Members will be entitled to use all the amenities and services that Westminster-Canterbury residents enjoy while on campus on the same basis as Westminster-Canterbury residents. On campus services that are included in the residents monthly fees shall also be provided at no extra charge for Members while on campus. Meals will be available at discounted resident menu prices. No mandatory dining flex plan/meal plan or minimum dining usage shall be required of Members.

Health Care Center Charges:

Generally, the charges for The Hoy Health Care Center, Clinic, and some limited nursing care services provided to a Member are covered by Medicare, Blue Cross/Blue Shield, or some other third party insurer of the Member. In those limited instances where some of the charges are not covered by such third parties, the Member shall be responsible for the payment of those charges not otherwise covered. Those health services charges that are set by the provider in the Community Services Member Agreement (e.g. Assisted Living services and The Hoy Health Care Center room charges, meal charges, and health care services provided by employees of the provider) may be adjusted by the provider from time to time by giving sixty (60) days prior notice of such charges. Health care charges are not "periodic charges" or "recurring fees" since they are not incurred regularly, and their amount and duration are highly dependent upon the medical needs of the Member.

A.9. RESERVE FUNDING

A debt service reserve fund with an amount in excess of the maximum annual debt service (principle and interest payments) on the Series 1999A, 2004A, 2004B, and 2005 bonds was required to be held in trust by U.S. Bank. As these bonds were paid

in full during the 2015 fiscal year, the debt service reserve fund was no longer required and therefore had a zero (0) balance as of September 30, 2015.

A.10 CERTIFIED FINANCIAL STATEMENTS

- A. The Consolidated Financial Statements and Other Financial Information of Westminster-Canterbury for the years ended September 30, 2021 and 2022 with the Independent Auditors' Report are attached behind Tab 3.

A.11 ENROLLMENT CRITERIA

Any rights to residential care benefits starts at the age of 62. New Members must meet the following general and specific physical and mental criteria:

A. General Criteria for Independent Living:

One must be able to perform without assistance from others all activities of daily living, including the ability to provide own nourishment, negotiating all other necessary areas of their home, and functioning within their environment safely.

B. Specific Criteria for Independent Living - Members Must:

1. Be able to provide own nourishment.
2. Be able to operate the washers and dryers. Private domestic help may be hired if this is by choice and not necessity in adherence with Westminster-Canterbury's policies.
3. Attend to light housekeeping such as making a bed, washing dishes, keeping apartment tidy, and keeping refrigerator content "current" and not overloaded. Residents may hire domestic help for these services at their own expense in adherence with Westminster-Canterbury's policies, if by choice and not necessity.
4. Dress appropriately and be able to maintain their personal hygiene at a socially acceptable and healthy level.
5. Make provision for their own transportation.
6. Handle their own business affairs or make provision for proper handling.
7. Be in physical and mental condition, which would normally enable them to initiate emergency help if needed in their homes, and to react promptly and intelligently to fire alarms or other disaster signals.

8. Be able to use kitchen equipment intelligently and safely.
9. Be able to use home facilities without extensive physical changes.
10. Maintain reasonable mental, physical, and emotional behavior appropriate when within community living space. Examples of inappropriate behavior would be: knocking on a neighbor's door in the middle of the night for a non-emergency, or excessive calling on neighbors for help.
11. Be able to negotiate their home and campus adequately, managing steps/elevators, doors and other customary environmental barriers.
12. Be mentally capable of keeping abreast of rules and regulations of the program with respect to safety, security, and other necessary directives.
13. Be continent of bowel and bladder.
14. Not have a high risk of early or prolonged need for health care services as judged by evaluation of medical reports and examinations.
15. Display compatibility when in communal living spaces.

Additionally, new Members must demonstrate the financial wherewithal to provide the following sums:

- a. Entrance Fee.
- b. Monthly Fee.

It is the policy of Westminster-Canterbury to consider all age eligible applicants for the program without regard to race, sex, religion, national origin, marital status, sexual orientation, or disability.

Applicants must have submitted all application forms, which include general, medical, insurance and confidential financial information. Application forms, medical records and the results of the pre-admission assessment are reviewed by the admissions team for admission eligibility.

A.12. PROVISION OF SERVICES TO NON-MEMBERS

Westminster-Canterbury on Chesapeake Bay does not provide services to non-members; therefore, there are no policies to reference.

A.13. PROCEDURE FOR MEMBER TO FILE A COMPLAINT OR DISCLOSE A CONCERN

Below is a copy of a form that is completed by each Member upon membership to the Early Advantage Program at Westminster-Canterbury. The form is an acknowledgment of the resident's receipt of The Resident Bill of Rights) and of the Member's understanding of the grievance procedure. The Bill of Rights is posted within the community and a review is held annually. Members are invited to attend this review. In addition, copies of The Bill of Rights are available to everyone in our Library.

Members are also encouraged to communicate grievances and concerns. There are several avenues through which this can occur: i.e., one-to-one conversation with a staff member, Resident committees, Resident Association, and the Resident Relations Committee of the Board of Trustees.

Should a Member wish to disclose a concern or voice a complaint, the Member is encouraged to do so by directly presenting the issue to Resident Services or if, so desired, to Administration. If the Member does not believe the concern or complaint has been satisfactorily addressed, he or she has the right to appeal by utilizing Westminster-Canterbury's two level appeals process as described below.

A Member or Member's Designated Representative has the right to appeal a decision related to services or facility placement. The family of a Member may advocate for or may encourage the Member to appeal, but cannot themselves appeal, except in the case where the Family Member has been appointed the Member's Designated Representative. Resident Services may act as an advocate for the Member or may facilitate the appeal, but cannot without the support of the Member.

APPEAL PROCESS - LEVEL I

If the resident and/or the family representative objects to the decision of the committee, a notice of appeal may be filed in writing within three (3) business days after receipt of the committee's decision with the Senior Vice President of Health & Innovation. The Senior Vice President of Health & Innovation will review all pertinent information and confer with the members of the committee, the Medical Director, a representative of the resident and legal counsel for Westminster-Canterbury as necessary in reaching a decision in this matter. The Senior Vice President of Health & Innovation will render a decision within three (3) business days after the receipt of the notice of appeal and it will be promptly communicated to the Member and the family representative.

APPEAL PROCESS - LEVEL II

If there is continued objection to the decision of the Senior Vice President of Health & Innovation, the Member and/or the family representative may make a final appeal to the Board of Trustees by filing a notice of appeal with the President of the Corporation within three (3) business days after receipt of the Senior Vice President of Health & Innovation' decision. The matter will be heard by a panel of three (3) Trustees appointed by the Board to hear such appeals. The panel of Trustees will review all information gathered by the Senior Vice President of Health & Innovation and if deemed necessary or appropriate by them, may request that representatives from one or more departments at Westminster-Canterbury, the Member's physician, the Member or the family representative appear at a hearing to make a final decision on the issue. The decision of the Committee of the Board of Trustees concerning Westminster-Canterbury's recommended permanent change will be final and binding on all parties.

RIGHTS AND RESPONSIBILITIES OF RESIDENTS OF ASSISTED LIVING FACILITIES

§ 63.2-1808. Rights and responsibilities of residents of assisted living facilities; certification of licensure.

- A. Any resident of an assisted living facility has the rights and responsibilities enumerated in this section. The operator or administrator of an assisted living facility shall establish written policies and procedures to ensure that, at the minimum, each person who becomes a resident of the assisted living facility:
1. Is fully informed, prior to or at the time of admission and during the resident's stay, of his rights and of all rules and expectations governing the resident's conduct, responsibilities, and the terms of the admission agreement; evidence of this shall be the resident's written acknowledgement of having been so informed, which shall be filed in his record;
 2. Is fully informed, prior to or at the time of admission and during the resident's stay, of services available in the residence and of any related charges; this shall be reflected by the resident's signature on a current resident's agreement retained in the resident's file;
 3. Unless a committee or conservator has been appointed, is free to manage his personal finances and funds regardless of source; is entitled to access to personal account statements reflecting financial transactions made on his behalf by the residence; and is given at least a quarterly accounting of financial transactions on his behalf when a written delegation of responsibility to manage his financial affairs is made to the residence for any period of time in conformance with state law;

4. Is afforded confidential treatment of his personal affairs and records and may approve or refuse their release to any individual outside the residence except as otherwise provided in law and except in case of his transfer to another care-giving facility;
5. Is transferred or discharged only when provided with a statement of reasons, or for nonpayment for his stay, and is given reasonable advance notice; upon notice of discharge or upon giving reasonable advance notice of his desire to move, shall be afforded reasonable assistance to ensure an orderly transfer or discharge; such actions shall be documented in his record;
6. In the event a medical condition should arise while he is residing in the residence, is afforded the opportunity to participate in the planning of his program of care and medical treatment at the residence and the right to refuse treatment;
7. Is not required to perform services for the residence except as voluntarily contracted pursuant to a voluntary agreement for services which states the terms of consideration or remuneration and is documented in writing and retained in his record;
8. Is free to select health care services from reasonable available resources;
9. Is free to refuse to participate in human subject experimentation or to be party to research in which his identity may be ascertained;
10. Is free from mental, emotional, physical, sexual and economic abuse or exploitation; is free from forced isolation, threats or other degrading or demeaning acts against him; and his known needs are not neglected or ignored by personnel of the residence;
11. Is treated with courtesy, respect and consideration as a person of worth, sensitivity, and dignity.
12. Is encouraged, and informed of appropriate means as necessary, throughout the period of stay to exercise his rights as a resident and as a citizen; to this end, he is free to voice grievances and recommend changes in policies and services, free of coercion, discrimination, threats or reprisal.
13. Is permitted to retain and use his personal clothing and possessions as space permits unless to do so would infringe upon rights of other residents;

14. Is encouraged to function at his highest mental, emotional, physical and social potential;
15. Is free of physical or mechanical restraint except in the following situations and with appropriate safeguards:
 - As necessary for the residence to respond to unmanageable behavior in an emergency situation which threatens the immediate safety of the resident or others;
 - As medically necessary, as authorized in writing by a physician, to provide physical support to a weakened resident;
16. Is free of prescription drugs except where medically necessary, specifically prescribed, and supervised by the attending physician, physician assistant, or nurse practitioner;
17. Is accorded respect for ordinary privacy in every aspect of daily living, including but not limited to the following:
 - In the care of his personal needs except as assistance may be needed;
 - In any medical examination or health related consultations the resident may have at the residence;
 - In communications, in writing or by telephone;
 - During visitations with other persons;
 - In the resident's room or portion thereof; residents shall be permitted to have guests or other residents in their room unless to do so would infringe upon the rights of other residents; staff may not enter a resident's room without making their presence known except in an emergency or in accordance with safety oversight requirements included in regulations of the Board;
 - In visits with his spouse; if both are residents of the residence they are permitted but not required to share a room unless otherwise provided in the residents' agreements;
18. Is permitted to meet with and participate in activities of social, religious, and community groups at his discretion unless medically contraindicated as documented by his physician, physician assistant, or

nurse practitioner in his medical record;

19. Is fully informed, as evidenced by the written acknowledgment of the resident or his legal representative, prior to or at the time of admission and during his stay, that he should exercise whatever due diligence he deems necessary with respect to information on any sex offenders registered pursuant to Chapter 9 (§ 9.1-900 et seq.) of Title 9.1, including how to obtain such information. Upon request, the assisted living facility shall assist the resident, prospective resident, or the legal representative of the resident or prospective resident in accessing this information and provide the resident, prospective resident, or the legal representative of the resident or prospective resident with printed copies of the requested information; and
 20. Is informed, in writing and upon request, of whether the assisted living facility maintains the minimum liability coverage, as established by the Board pursuant to subdivision A 10 of § 63.2-1805.
- B. If the resident is unable to fully understand and exercise the rights and responsibilities contained in this section, the residence shall require that a responsible individual, of the resident's choice when possible, designated in writing in the resident's record, be made aware of each item in this section and the decisions which affect the resident or relate to specific items in this section; a resident shall be assumed capable of understanding and exercising these rights unless a physician determines otherwise and documents the reasons for such determination in the resident's record.
 - C. All established policies and procedures regarding the rights and responsibilities of residents shall be printed in at least twelve-point type and posted conspicuously in a public place in all assisted living facilities. The residence shall include in them the name and telephone number of the regional licensing supervisor of the department of Social Services, the Adult Protective Services' toll-free number, as well as the toll-free number for the Virginia Long-Term Care Ombudsman Program, any sub-state ombudsman program serving the area, and the toll-free number of the Commonwealth's designated protection and advocacy system.
 - D. The residence shall make its policies and procedures for implementing this section available and accessible to residents, relatives, agencies, and the general public.
 - E. The provisions of this section shall not be construed to restrict or abridge any right which any resident has under law.
 - F. Each residence shall provide appropriate staff training to implement each resident's rights included in this section.
 - G. The Board shall adopt regulations as necessary to carry out the full intent of this section.
 - H. It shall be the responsibility of the Commissioner to ensure that the provisions of this

section are observed and implemented by assisted living facilities as a condition to the issuance, renewal, or continuation of the license required by this article.

History. (1984, c. 677, § 63.1-182.1; 1989, c. 271; 1990, c. 458; 1992, c. 356; 1993, cc. 957, 993; 1997, c. 801; 2000, c. 177; 2002, cc. 45, 572, 747; 2004, c. 855; 2006, c. 396; 2007, cc. 120, 163; 2013, cc. 320, 571.)

In case of questions or concerns about Resident Rights, contact:

Westminster-Canterbury

J. Benjamin Unkle, Jr., President & CEO
757-496-1107

Virginia Department of Social Services

Ivy Burnham, Regional Licensing Administrator
757-985-4958

Virginia Long-Term Care Ombudsman

1-800-552-3402

Local Sub-State Ombudsman

Willie Alston
757-222-4542

Disability Law Center of Virginia

1-800-552-3962

Adult Protective Services

1-888-832-3858

Westminster-Canterbury Ethics and Compliance Anonymous Hot Line

1-800-401-8004

1-800-216-1288 (Spanish Speaking)

A.14. FEES REQUIRED OF PARTICIPANTS

	Single Membership	Couple Membership	Single Monthly Fees	Couple Monthly Fees
FEE-FOR-SERVICE				
Option A	\$45,379	\$90,758	\$177	\$237
Option B	\$52,557	\$105,114	\$118	\$177
Option C	\$59,618	\$119,236	\$61	\$119
LIFECARE				
Option A	\$79,992	\$159,984	\$594	\$723
Option B	\$98,399	\$196,798	\$396	\$526
Option C	\$116,342	\$232,684	\$199	\$328

EARLY ADVANTAGE PROGRAM



COMMUNITY SERVICES MEMBER AGREEMENT

Virginia Beach, Virginia 23451

COMMUNITY SERVICES MEMBER AGREEMENT

TABLE OF CONTENTS

I.	INTRODUCTION	4
II.	DEFINITIONS OF WORDS AND PHRASES.....	5
III.	PAYMENT OF FEES, REIMBURSEMENT OF EXPENSES AND INSURANCE ...	10
	A. SERVICES	10
	B. MEMBERSHIP FEES.....	10
	C. MONTHLY FEE.....	11
	D. REFUND PROVISIONS OF FEES	11
	E. INCOME AND ASSETS TO COVER COSTS	13
	F. SOLE RESPONSIBILITY ASSUMED BY THE PROVIDER.....	13
IV.	FACILITIES AND SERVICES RENDERED BY THE PROVIDER.....	13
	A. ADMISSION REQUIREMENT AND ASSESSMENT	13
	B. IN-HOME SERVICES	14
	C. CAMPUS-BASED SERVICES.....	14
V.	MEDICAL AND SURGICAL INSURANCE.....	16
	A. MEMBER’S OBLIGATION TO CARRY MEDICAL INSURANCE.....	16
	B. EXCESS COSTS.....	17
	C. PAYMENT OF BENEFITS	17
VI.	DECISIONS INVOLVING PERMANENT TRANSFER FROM LIVING ACCOMODATIONS.....	17
VII.	PAYMENT OF FEES.....	18
	A. MEMBERSHIP EFFECTIVE DATE	18
	B. SCHEDULE OF FEE	18
	C. REFUND OPTION NUMBER	18
	D. OTHER SERVICES.....	19
	E. ADJUSTMENT TO MONTHLY FEE	19
VIII.	RIGHTS AND OBLIGATIONS OF MEMBER	19
	A. RIGHT OF PROPERTY	19

B.	DAMAGE OR LOSS OF PROPERTY.....	20
C.	RIGHT TO CONFIDENTIALITY	20
IX.	TERMINATION OF AGREEMENT	20
A.	TERMINATION BY MEMBER.....	20
B.	TERMINATION BY PROVIDER.....	20
C.	TERMINATION BY DEATH.....	21
D.	NO ACCRUAL OF INTEREST.....	21
X.	ARRANGEMENTS FOR ESTATE.....	22
A.	WILL AND FUNERAL ARRANGEMENTS	22
B.	ADVANCE DIRECTIVES.....	22
XI.	MISCELLANEOUS	22
A.	MEMBER RECORDS.....	22
B.	BINDING EFFECT	23
C.	ENTIRE AGREEMENT	23
D.	WAIVER OF ONE BREACH NOT A WAIVER OF ANY OTHER.....	23
E.	GOVERNING LAW.....	23
F.	PROVIDER'S MODIFICATION OF AGREEMENT AND POLICIES.....	23
G.	SEVERABILITY	23
H.	NOTICE.....	24
I.	CONSENT TO ASSIGNMENT.....	24
J.	REGULATORY COMPLIANCE	24
K.	MEDIATION AND ARBITRATION	24
	WESTMINSTER-CANTERBURY LIST OF CONTACTS.....	26

I. INTRODUCTION

Westminster-Canterbury on Chesapeake Bay. (Referred to in this Agreement as "Provider") is a non-profit, non-stock corporation, organized under the laws of the Commonwealth of Virginia to establish and operate Westminster-Canterbury on Chesapeake Bay as a residential community (the "community") for persons who have reached retirement age.

(Referred to in this Agreement as "You" or as "Member") has this ____ day of _____, 20__ entered into this **EARLY ADVANTAGE MEMBERSHIP AGREEMENT** and shall be deemed effective _____, 20____ with Westminster-Canterbury on Chesapeake Bay, the terms of which are set out below.

Westminster-Canterbury on Chesapeake Bay owns and operates one continuing care retirement community for older adults known as Westminster-Canterbury on Chesapeake Bay, (the "Provider's campus") located in the City of Virginia Beach. WCCB consists of residential living apartments, community and amenity areas, and a continuum of health and wellness services. This campus has residences which are licensed, in part, as Assisted Living Facilities by the Virginia Department of Social Services and, in part, as Health Care Centers by the Virginia Department of Health. Provider is also regulated by the Virginia Bureau of Insurance as a Community-Based Continuing Care program, offering a continuum of services for older adults who would prefer to remain in their homes and to receive a range of continuing care services in accordance with this Agreement.

Westminster-Canterbury's mission statement is as follows:

"We are a faith-based organization created by the Episcopal and Presbyterian churches to serve older adults of all beliefs, their families and the broader community. Our mission is creating community to foster joy and well-being."

You have requested to enter into the Agreement with Provider for community-based continuing care services.

WITNESSETH:

WHEREAS, WESTMINSTER-CANTERBURY plans to provide community-based continuing care services pursuant to the Code of Virginia, Chapter 49 of Title 38.2.

WHEREAS, Member currently resides at _____ (hereinafter referred to as the "Home") and has applied for Membership in the Provider Plan known as the Early Advantage Program at Westminster-Canterbury as hereinafter defined; and

WHEREAS, Provider has accepted Member's application, subject to the signing of this Agreement; **THIS DOCUMENT CONSTITUTES A BINDING CONTRACT IN, WHICH PROVIDER AND MEMBER AGREE TO THE FOLLOWING.**

THE PARTIES AGREE AS FOLLOWS:

II. DEFINITIONS OF WORDS AND PHRASES

The Act refers to Title 38.2, Chapter 49, Article 2 “Community-Based Continuing Care Providers,” Code of Virginia (1950), as amended.

Activities of Daily Living (“ADLs”)

The Member’s ability to perform routine activities of daily living are used by Provider as a basis for determining functional independence. Following is a list of these activities:

- Bathing
- Dressing/Grooming
- Eating
- Toileting/Continence
- Mobility/Transferring

ADL Deficiencies

The Member’s inability to perform activities of daily living (bathing, dressing/grooming, eating, toileting/continence and mobility/transferring) without assistance or at all, as determined by the Interdisciplinary Team.

Adjustment Period

The seven-day period immediately following the Membership Date (as defined in Section VII () hereof) during which Member can rescind this Agreement under the conditions outlined in this Agreement.

Admissions Documents

Those documents required in connection with Member’s admission to the Plan. Admissions Documents include:

- **Admission Form** — The Membership Application completed by the Member.
- **Medical Screening Form** — The information and history obtained by Provider from Member’s personal physician.
- **Personal Health History** — The health history completed by the Member.
- **Confidential Financial Statement** — The personal financial statement of Member, disclosing such information as Provider requires to ensure Member’s income and assets are sufficient for Member to participate in the program.
- **Pre-Admission Assessment** — The evaluation conducted to assess the Member’s physical functioning to determine eligibility for the program.

- **Insurance Requirements**—The information provided by Member to meet insurance requirements.

Administrative Fee

The amount equal to four percent (4%) of the Membership Fee that is non-refundable after the Adjustment Period and will be retained by the Provider, but will be credited toward some future services on-campus as described below.

Agreement

This Member Agreement.

Campus-Based Services

Services provided on the campus of the Provider, including Independent Living, Assisted Living and The Hoy Health Care Center are defined below:

Assisted Living

A level of living, licensed by the Commonwealth of Virginia where daily assistance is provided in a comfortable studio or one-bedroom accommodations. Assistance with various activities of daily living and/or instrumental activities of daily living are provided, as needed, including health and personal care, medication and nutrition management, housekeeping, cultural enrichment programming, education and 24-hour access to professional nursing services.

The Hoy Health Care Center

Refers to a nursing care facility that is licensed or certified by the Commonwealth of Virginia as a separate facility or a distinct part of another health care facility; and provides 24-hour care.

Community-Based Continuing Care (“CBCC”)

A program providing or committing to provide a range of services, including long-term care services, to an individual, other than an individual related by blood or marriage. Either (i) pursuant to an agreement, including mutually terminable contracts, effective for the life of the individual or for a period in excess of one year; and (ii) in consideration of the payment of a membership fee. CBCC also includes the provision of the enumerated services in the individual's private residence as long as medically feasible and the provision of facility-based long-term care services when required, directly or indirectly either through affiliated services or through contractual arrangements.

Community-Based Continuing Care Membership Fee or CBCC Membership Fee

An initial or deferred transfer to a CBCC provider of a sum of money or other property made or promised to be made in advance or at some future time as full or partial consideration for acceptance of a specified individual as a participant. A fee, which in aggregate is less than the sum of the regular periodic charges for one year of participation, shall not be considered to be a membership fee except as provided in Section 4922(A) of the Act.

Community-Based Continuing Care Provider or CBCC Provider

Any person, corporation, partnership or other entity that provides or offers to provide community-based continuing care and that has operated a Continuing Care Retirement Community facility for a minimum of three years.

Cost of Care in The Hoy Health Care Center

The daily cost of care (per diem) in The Hoy Health Care Center as calculated and published annually by the Provider. This does not apply to Skilled Medicare admissions.

Cost of Care in an Assisted Living Facility

The Daily cost of care (per diem) in an Assisted Living Facility as calculated and published annually by the Provider.

Designated Service Area

Provider's area of coverage for Services, as defined by the Provider. The Designated Service Area may be altered from time to time at the sole discretion of Provider. No change in the Designated Service Area by Provider will adversely affect this Agreement or the Services to Members covered thereby.

Determined to be Appropriate

The Transitions Team, using industry and accepting standards of healthcare practice, has assessed a Member's medical and functional status and concluded that Services are necessary and which the Provider will provide.

Disclosure Statement

The Disclosure Statement of the Provider submitted to the Bureau of Insurance in accordance with Code of Virginia, Title 38.2, Chapter 49.

Emergency Response System

An in-home, 24-hour electronic alarm system activated by a signal to a central switchboard. This system allows Members to obtain immediate help in the event of a medical, physical, emotional, or environmental emergency. The Member agrees to allow designated responders, who are willing to participate, to have access to the Member's home in the event of an emergency. These home services are available to Member(s) at Westminster-Canterbury resident pricing.

Health Insurance Portability and Accountability Act ("HIPAA")

The federal law that mandates a national standard to protect an individual's medical records and other personal health information.

Home Health Services

The Services of Registered or Licensed Nurses and Certified Home Health aides provided by an agency licensed by the state and certified by Medicare to provide acute, intermittent, medically-related, home health services. The provision of Home Health Services is a Medicare Benefit.

Hospice

A provider, licensed by the Commonwealth of Virginia, primarily engaged in providing end-of-life care to individuals. Hospice is a Medicare benefit.

In-Home Services

In-Home Services are available upon Member request through Westminster-Canterbury at Home at the then current resident rate with a three-hour minimum.

Initiation of Program

The date of execution of the Member contract and time that services begin.

LifeCare Rate

The rate charged for on campus care for Members who elect the EA LifeCare Option, are calculated using the then current weighted average of all the monthly fees of every Independent Living unit on the campus of Westminster-Canterbury on Chesapeake Bay.

Lifestyle and Wellness Programs

Programs designed to help Members maintain physical, mental and spiritual health.

Medical Record

All records relating to the Member's medical history and condition, which may be maintained by Provider, following HIPAA standards.

Medicare

Coverage provided under Title XVIII of the Social Security Amendments of 1965 "Health Insurance for the Aged and Disabled," as amended, as well as Regulations promulgated thereunder and any subsequent legislation or regulations dealing with the same or similar subject matter.

Medicare Covered Services

All hospital, skilled nursing, home healthcare, medical, and other services eligible for reimbursement under Medicare Parts A and B for persons 65 years of age and older or those under 65 whose disabilities or end-stage renal disease have been approved for Medicare coverage.

- **Part A** - helps pay for inpatient hospital admissions, skilled nursing facilities, hospice care, and some home health care. Part A is paid for through Social Security taxes.
- **Part B** - helps pay for doctor's services, outpatient hospital care, and some other medical services not covered by Part A, such as the services of physical therapists, occupational therapists, and some home health care, when they are medically necessary. To receive Part B benefits, the eligible individual must sign up on reaching age 65 when enrolling for Part A benefits or at a later date with higher monthly copayments.
- **Medicare Advantage Plan** - means a Medicare-certified managed care organization, which provides all Medicare-covered hospital, skilled nursing, home care, primary care, and other medical services for Members.

Medicare Supplemental Coverage (Medigap) - means a private health insurance plan, which is certified by the U.S Secretary of Health and Human Services as meeting Federal requirements for Medicare supplemental policies .In general, Medicare Supplemental Insurance, also known as Medigap Insurance or Secondary Insurance, pays some of the balance of the costs of care not covered by Medicare Parts A and B, including certain deductibles and copayments.

Member

See **Participant** below.

Member's Designated Representative

Any person appointed by Member to represent Member's interests, including Member's agent or guardian appointed by a court.

Membership Fee

The one-time fee paid by Member to Provider upon signing of this Agreement to cover part of the cost of providing Services to Member under this Agreement.

Memory Support

A level of living designed for persons with Alzheimer's disease or other dementia related illnesses where assistance is provided 24-hours a day in a secured living environment.

Monthly Fee

The monthly charge for membership.

Monthly Statement

The bill presented by Provider to Member each month outlining all amounts due to Provider, including the monthly fee and any co-payments or other charges due to Provider.

Participant

An individual who has entered into a Member Agreement with Westminster-Canterbury, also called a **Member**.

Permanent Resident

A Member has been determined to be a Permanent Resident with respect to such Facility by the Transitions Team.

Pre-Admission Assessment

The evaluation conducted to assess the Member's functioning to determine eligibility for the program.

Priority Access

The Member shall have the right to priority access to the Provider's Assisted Living Facility and The Hoy Health Care Center from the date of financial responsibility. This priority does not grant the privileges or the lower costs associated with the LifeCare Benefit.

Promptly

As it appears in the Appeal Procedure, means no more than ten business days absent unusual circumstances.

Provider

Westminster-Canterbury is the Provider of the Early Advantage Program at Westminster-Canterbury, under this Agreement.

Rescission Period

See Adjustment Period.

Resident Pricing

A term used for the discounted pricing that Permanent Residents who live on the Westminster-Canterbury Campus are offered per the ancillary fee schedule then in effect.

Services

Any assistance provided by Provider under this Agreement.

Transitions Team

The team of persons appointed by Provider who make decisions for level of care changes based on evaluations and assessments from primary care providers. The Transitions Team may at the Provider's sole discretion, change from time to time both as to titles and personnel.

III. PAYMENT OF FEES, REIMBURSEMENT OF EXPENSES AND INSURANCE - Early Advantage Program at Westminster-Canterbury**A. SERVICES**

Provider operates under the concept of community-based continuing care, which recognizes the needs of a Member as varying from active independence to increased health care needs. Accordingly, comprehensive ranges of services are offered to Westminster-Canterbury Members.

Providing that the Member accepts and pays for the Services in the manner set forth in this Agreement and abides by the rules and regulations of Provider with respect to the Services and the Facilities. Provider will provide to Member the Services described in this Agreement and in the general conditions as described throughout this Agreement, in accordance with the terms and conditions hereinafter set forth, in a manner consistent with the objective of enabling Member to continue to live in his/her own living arrangement for as long as is practical.

B. MEMBERSHIP FEE

Member will pay to Provider the Membership Fee by the effective date of this agreement. The Membership Fee received by the Provider may be used or applied to any corporate purpose of the Provider, whether or not directly related to this Agreement. Your Membership Fee will not be changed during the term of this Agreement, unless (i) You move into the Community, or (ii) unless otherwise required by State or Federal regulation. An Administrative Fee in an amount equal to **four percent (4%) of the Membership Fee is non-refundable after the Adjustment Period and will be retained by the Provider.**

The Membership Fee shall not be increased or changed for the duration of this Agreement.

C. MONTHLY FEES

Provider may adjust the amount of the Monthly Fee as necessary to reflect changes in the Provider’s cost of providing Services. The Monthly Fee may be adjusted also from time to time by the Provider in anticipation of increased or decreased costs of providing Services under this Agreement.

No changes in the Monthly Fee shall be effective until Member has received not less than sixty (60) days advance written notice of such change, unless Federal, State or local law or regulations, requires the change.

During a stay in the Assisted Living Community or The Hoy Health Care Center on the Westminster-Canterbury Campus, Member’s Early Advantage Monthly Fee will not be suspended for any days Member stayed on campus on a temporary basis, but will terminate when the Member is admitted on a permanent basis. At which time, the then current published rates, discounted as per Section IV. C. will be charged for services rendered. The Monthly Fee will not be suspended for any Medicare Covered stays.

D. REFUND

Refund Option. You shall select one of the refund options outlined below by noting the appropriate number thereof, and this selection shall govern all refunds of the Membership Fee applicable to your agreement:

Refund Option	Description	Refund Schedule
No. 1	50% Refundable – Early Advantage Fee For Service Contract	If individual did not elect to apply any portion of the Individual Membership Fee as a credit towards the cost of any Member stay, the Provider, less a 4% administrative fee, will refund 50% of the Individual’s Membership Fee.
No. 2	48 Month Declining - Early Advantage LifeCare Contract	Deduct 4% administrative fee plus 2% per month after assigned occupancy date for 48 months due to termination by Resident for any reason, including death; No refund due after 48 months from assigned occupancy date.

In the event this agreement is terminated, Member's entitlement to a refund shall be determined in accordance with the provisions set out below.

FEE FOR SERVICE CONTRACTS ONLY:

- **Membership Fee Applied As Credit** - Upon request of the Member, the Individual Membership Fee can be applied as a credit to the ninety percent (90%) per diem rate for care beginning on the thirtieth day (30) of Member stay in the Assisted Living Level of Care or The Hoy Health Care Center. Election of this option terminates any partial refund rights. Any Entrance Fee requirements will apply specifically to Assisted Living. The Member may choose to apply the full membership fee, including the administrative fee, towards the Entrance Fee.
- **Termination within Adjustment Period** - the Participant has the right to rescind the Agreement and receive a full refund during the initial seven-day period after making an initial deposit or executing the contract.
- **Timing of Payment of Refunds** - When either the Member or the Provider terminates this Agreement, any refunds of Membership Fee shall be paid to the Member within 60 days if all outstanding charges have been paid. All refunds specified shall be without interest. If the termination is due to the death of the Member, the Corporation will provide the refund to the Member's estate, or, alternatively, to a named individual trust.
- **Termination by Member** - If Member terminates this Agreement by written notice in accordance with the Member's termination right under Section I X (A) including death, and the Member did not elect to apply any portion of the Individual Membership Fee as a credit toward the cost of any Member stay, Provider will refund fifty (50%) percent of the Individual Membership Fee to the Member, less the Administrative Fee. If any portion of the Individual Membership Fee has been applied at the request of the Member toward cost of any Member stay, then no refund will be given.
- **Termination by Provider** - If Provider terminates this Agreement in accordance with its termination right under Section IX (B) in the contract, and the Member did not elect to apply any portion of the Individual Membership Fee as a credit toward the cost of any Member stay, Provider will refund fifty (50%) percent of the Individual Membership Fee, less that Administrative Fee. If any portion of the Individual Membership Fee has been applied at the request of the member toward cost of any Member stay, then no refund will be given. If Member Agreement is terminated because Member cannot meet financial requirements to move onto campus for care, which shall not be more or less than the standards applied to all applicants for residency, because Member depleted his or her finances while living off campus through no fault of his or her own. Provider will refund one hundred percent (100%) of Membership Fee, less the Administrative Fee, but shall retain the monthly fees.

LIFECARE CONTRACTS ONLY:

Refund after termination by Member (including Death) or Westminster-Canterbury during the first 48 Months. This Paragraph applies only to Early Advantage LifeCare Options. If this Agreement is terminated by You, Westminster-Canterbury, or as a result of your death during the first 48 months after your contract effective date, the entire Membership Fee, shall be refunded less a 4% Administrative Fee and 2% thereof for each calendar month following the date your contract is effective.

For Example: If your contract effective date were July 1, 2019 and you died on December 30, 2019 (6 months), then the refund would equal the total Entrance Fee paid less 16% or a refund of 84% of the Membership Fee paid by you.

After the end of the 48th month from the contract effective date, no refund will be paid by Westminster-Canterbury to Member upon termination of the Agreement by Member, Westminster-Canterbury or as a result of his or her death.

- **Membership Fee Applied As Credit** – The Membership Fee cannot be applied as a credit towards the cost of care on or off campus, unless the member moves permanently onto campus.
- **Termination** - The Member has the right to rescind the Agreement and receive a full refund during the initial seven-day (7) period after making the initial deposit or executing the contract. If Member Agreement is terminated because Member cannot meet financial requirements to move onto campus for care, which shall not be more or less than the standards applied to all applicants for residency, because Member depleted his or her finances while living off campus through no fault of his or her own. Provider will refund one hundred percent (100%) of Member Fee, less the Administrative Fee, but shall retain the monthly fees.

E. INCOME AND ASSETS TO COVER COSTS

Member represents and warrants that he/she has sufficient income and assets to cover the costs to maintaining membership in the Early Advantage Program at Westminster-Canterbury and to meet his or her ordinary living expenses, as outlined in this Agreement. Westminster-Canterbury does not offer financial assistance to Westminster-Canterbury Early Advantage members.

F. SOLE RESPONSIBILITY ASSUMED BY THE PROVIDER

All legal and financial obligations assumed by the Provider in this Agreement are solely the responsibility of Westminster-Canterbury. No such obligations have been assumed by any other organization.

IV. FACILITIES AND SERVICES RENDERED BY THE PROVIDER

Provider is obligated by this Agreement to Provide the Services outlined in this section within the designated service area.

A. ADMISSION REQUIREMENT AND ASSESSMENT

Prior to Membership, Provider will perform a Pre-Admission Assessment to determine eligibility for the Early Advantage Program at Westminster-Canterbury.

At the time the Member permanently moves into Independent Living, Assisted Living or The Hoy Health Care Center, the Member must re-qualify financially. If the Member does not qualify financially, a refund will be processed in accordance with section VII (C). Prior to admission, a health evaluation will take place to determine the appropriate level of care for placement. This may include offering a Limited LifeCare Contract or a Fee For Service Contract option based on the health evaluation.

If the resident marries while in the program, the spouse would go through same initial application process in order to qualify for the Early Advantage Program at Westminster-Canterbury. In the event the spouse does not qualify, the spouse will not be allowed to enter program.

B. IN-HOME SERVICES

In-Home Services are available upon request by Member through Westminster-Canterbury at Home at the then current Resident Rate with a three-hour minimum.

- **Home Health Care** - Non-Medicare covered home health services, including nursing or personal care provided by Licensed Practical Nurse, Registered Nurse or a Home Care Aide available at Westminster-Canterbury Resident Pricing with a three-hour minimum.
- **Home Care Aides** - For bathing, dressing, and grooming, as well as other Activities of Daily Living functions available at Resident Pricing with a three-hour minimum.
- **Personal Emergency Response System** - A personal medical alert system available through Philips Lifeline at Westminster-Canterbury Resident Pricing.

C. CAMPUS-BASED SERVICES

These services are available upon request. Residential care in Assisted Living or the Hoy Health Care Center will be available at the selected membership agreement option.

- **Social, Educational, Recreational, Wellness and Cultural Programs On and Off Campus** - Members shall enjoy all social, wellness, educational, recreational, and cultural programs and amenities on campus on the same basis as residents of Westminster-Canterbury. There shall be no fees for use of such on-campus services and amenities that are higher than the fees charged to Permanent Residents. When such amenities and services are free of additional charge for Permanent Residents, those services shall be free of

additional fees for Members.

- **Annual Wellness Visit**- Member may schedule an Annual Wellness Visit with Westminster-Canterbury's Licensed Nurse Practitioners at our Campus Clinic after Member's medical report has been submitted. Medicare will cover this wellness visit and Provider agrees to accept Medicare fees and only charge the co-pay required by law.
- **Urgent Care** - If Member elects to name a medical practitioner in the Westminster-Canterbury Clinic as their primary care provider, Member will have access to urgent care through the campus clinic during urgent care hours for immediate care of injuries or illnesses that do not require emergency room visits. Various insurances are accepted and costs are at current Resident Pricing.
- **Dining Services** - Access to all dining venues on the campus of Westminster-Canterbury and meal carry off campus at resident pricing.
- **Personal Training** - A one-time free fitness assessment with personal training on campus, provided by a professional, providing feedback with personal goal setting and an individualized exercise program.
- **Independent Living** - Independent Living accommodations are available on the campus of Westminster-Canterbury. Members who are approved for Independent Living can apply their Individual Membership Fees to the Entrance Fee for on-campus Independent Living under a new Residence and Services agreement, including the Administrative Fee, and any amount of the Membership Fee not applied towards charges for Assisted Living or Nursing Care on campus. At no time will Monthly Fees be applied to on-campus Independent Living costs.
- **Assisted Living Facility** - When a Member requires more assistance than can be provided at Home but does not require hospitalization or nursing home care, and as determined by the Transitions Team, the Member will be admitted to Assisted Living and charged the rate pursuant to the Community Services Member Agreement option selected. Members who are approved for direct admission into Assisted Living can apply their individual membership fee to their Assisted Living Entrance Fee for on campus Assisted Living, under a new Residence & Services agreement, including the administrative fee. At no time will Early Advantage monthly fees be applied. Member will be responsible for any ancillary charges such as laundry, prescription drugs, medical supplies, telephone, television/cable or barber/beauty. During a stay in the Assisted Living Level of Care or The Hoy Health Care Center on the Westminster-Canterbury, Member's Early Advantage Monthly Fee will not be suspended for any days Member stayed on campus on a temporary basis. Fees will terminate when the Member is admitted on a permanent basis, at which time the then current published rates, discounted as per Section IV. C., will be charged for services rendered. The Monthly Fee will not be suspended for any Medicare Covered stays. Member will have priority access to Assisted Living accommodations on the Westminster-Canterbury campus. Westminster-Canterbury will maintain sufficient accommodations in our Assisted Living Facility in accordance with state regulations to meet the reasonably anticipated needs of the Westminster-Canterbury population and Early Advantage Program Members at Westminster-Canterbury for Assisted Living Care. If no accommodation is

available, Westminster-Canterbury will arrange for the Member's admission to another facility that can supply such care until an accommodation in our Assisted Living Facility becomes available. If this should happen, Member will be responsible for fees as outlined in the membership agreement regardless of the rate charged by the alternate facility.

- **The Hoy Health Care Center** - If a member requires 24-hour nursing services that cannot be provided at Home and as determined by the Transitions Team, the Member will be admitted to the Hoy Health Care Center and charged the rate pursuant to the contract option selected. Member will be responsible for any ancillary charges such as laundry, prescription drugs, medical supplies, telephone, television/cable or Barber/beauty. During a stay in the Assisted Living Facility or The Hoy Health Care Center on the Westminster-Canterbury Campus, Member's Early Advantage Monthly Fee will not be suspended for any days Member stayed on campus on a temporary basis, but will terminate when the Member is admitted on a permanent basis, at which time the then current published rates, discounted as per Section IV. C., will be charged for services rendered. The Monthly Fee will not be suspended for any Medicare Covered stays. Member will have priority access to nursing care accommodations on the Westminster-Canterbury campus. Westminster-Canterbury will maintain sufficient accommodations in The Hoy Health Care Center in accordance with state regulations to meet the reasonably anticipated needs of the Westminster-Canterbury population and Early Advantage Program Members at Westminster-Canterbury for nursing care. If no accommodation is available, Westminster-Canterbury will arrange for the Member's admission to another facility that can supply such care until an accommodation in The Hoy Health Care Center becomes available. If this should happen, Member will be responsible for fees as outlined in the membership agreement.

V. MEDICAL AND SURGICAL INSURANCE

A. MEMBER'S OBLIGATION TO CARRY MEDICAL INSURANCE

If, You have not already enrolled. You agree to (a) apply for and secure your enrollment in the Hospital Insurance Benefits Program under Part A of Public Law 89-67 (Medicare), or its successor program, and (b) during the next enrollment period following the filing of your application for admission to Westminster-Canterbury, apply, pay the premiums, secure and maintain your enrollment in the Supplemental Medical Insurance Benefits Program under Part B of Public Law 89-67, or its successor program. If You are not eligible for these Programs, or they cease, You agree to obtain equivalent insurance coverage acceptable to Westminster-Canterbury. If You do not obtain such coverage, you agree to pay Westminster-Canterbury for all charges and for services rendered by Westminster- Canterbury that would have been reimbursed by such insurance. If at any time you become eligible for payments from other governmental agencies for health services, you agree to make application for such payments. Westminster-Canterbury will assist you in filing insurance or other claims for services rendered by Westminster-Canterbury. Upon request and direction of Westminster-Canterbury, you agree to execute an assignment of benefits to Westminster-Canterbury or to the physicians staffing the Clinic or Health Care Center.

You agree to obtain and maintain a supplemental insurance policy acceptable to Westminster-Canterbury such as Blue Cross Medicare Extended Major Medical, to pay Medicare co-insurance (co-pay) and deductible amounts and to provide major medical coverage up to a \$250,000.00 lifetime maximum. Should You fail or neglect to arrange for such coverage, You

agree to pay Westminster-Canterbury for services rendered by its health care professionals (whether employees or agents) which would otherwise have been covered by such supplemental insurance.

B. EXCESS COSTS

Except as specifically described in this Agreement, Member shall be solely responsible for services not covered by Medicare Parts A and B and Medicare Supplemental Coverage and for payments exceeding Medicare and Member's Supplemental Coverage limits including but not limited to: audiological tests and hearing aids; eye glasses and refractions; dentistry; dentures; dental inlays; Durable Medical Equipment; organ transplants; orthopedic appliances; occupational, physical, and speech therapy; podiatry; hospitalization and professional care for psychiatric disorders; treatment for alcohol or drug abuse; medications; chiropractors; renal dialysis; ventilator care; extraordinary treatments; and experimental treatments as reasonably determined by medical director.

C. PAYMENT OF BENEFITS

Any benefits received by the Member (from any source) as reimbursement for Services furnished by Provider, shall be paid by Member to the Provider as reimbursement for any and all costs incurred by the Provider in furnishing said Services to Member.

VI. DECISIONS INVOLVING PERMANENT TRANSFER FROM LIVING ACCOMMODATION

All decisions involving permanent transfer from Member's current living accommodation (including Home, Assisted Living Facility or The Hoy Health Care Center to another accommodation) will be made by the Transitions Team in consultation with the Member and/or the Member's Designated Representative. However, a Member shall never be forced to move from his/her off-campus home and shall retain the risk of staying in his or her home even under unsafe conditions so long as the Member is legally competent to make such decisions. Further, the Provider is under no obligation to ascertain or act upon information about the safety of Members who elect to stay at home for any reason. When prompted, the Transitions Team may initiate discussions with members and the family of Members about the need for more services.

VII. PAYMENT OF FEES

Member agrees to pay a Membership Fee and a Monthly Fee as calculated in subsections A and B below.

A. MEMBERSHIP EFFECTIVE DATE _____

B. SCHEDULE OF FEES

1. Membership Fees _____

Early Advantage Membership Option _____

Payment Received as of Date of this Agreement _____

Balance Due by Effective Date _____

2. Monthly Fees

Monthly Fee _____

C. REFUND OPTION NUMBER _____

D. OTHER SERVICES

Member will be billed monthly for any services and supplies provided by Provider. Members will be entitled to use all the amenities and services that Westminster-Canterbury residents enjoy while on campus on the same basis as a Permanent Resident at Westminster-Canterbury. On campus services that are included in the Permanent Residents' Monthly Fee shall also be provided at no extra charge for Members while on campus. Meals will be available at discounted Permanent Resident menu prices. No mandatory dining flex plan/meal plan or minimum dining usage shall be required of Members. Bills for the Monthly Fee and any additional services and supplies or co-pays shall be paid by the due date or they will be subject to a late charge of 1.5 percent per month for each month in arrears. In the event Members fail to pay the bills of Provider and the account is referred to an attorney for collection, Member agrees to pay all costs of collection, including reasonable attorney's fees.

E. ADJUSTMENT TO MONTHLY FEE

Provider is committed to providing Members with the quality services called for by this Agreement consistent with sound financial management. Member understands and agrees that Provider may increase the Monthly Fee from time to time, at its sole discretion, and that payment of the Monthly Fee, as adjusted, is an obligation under this Agreement. A written notice will be given to Members at least 60 days prior to the effective date of any increase in the Monthly Fee or any adjustment to ancillary services.

During a stay in the Assisted Living Facility or The Hoy Health Care Center on the Westminster-Canterbury Campus, Member's Early Advantage Monthly Fee will not be suspended for any days Member stayed on campus on a temporary basis, but will terminate when the Member is admitted on a permanent basis, at which time the then current published rates, discounted as per Section IV. C., will be charged for services rendered. The Monthly Fee will not be suspended for any Medicare Covered stays.

VIII. RIGHTS AND OBLIGATIONS OF MEMBER

A. RIGHT OF PROPERTY

The rights and privileges granted to Member by this Agreement do not include any right, title or interest in any part of the personal property, land, buildings, and improvements thereto, owned or administered by the Provider. Nothing contained in this Agreement shall be construed to create the relationship of landlord and tenant between the Provider and Member. Member's rights are primarily for Services. Any rights, privileges, or benefits under this Agreement shall be subordinate to any mortgage on any of the premises, or interest in real property of the Provider, to all amendments, modifications, replacements, or refunding of any such mortgage, and to such reasonable rules and regulations on the use of all Provider property as shall from time to time be imposed by the Provider. Member agrees, upon request, to execute and deliver any document which is required by the Provider, or by the holder of any such mortgage, to effect such subordination or to evidence the same.

B. DAMAGE OR LOSS OF PROPERTY

By your signature to this agreement, Member has insured his/her property and person against casualty and theft, in addition to having coverage for any damage to the Corporation or other Members that may be a result of actions caused by you.

The Corporation shall not be responsible for damage or loss of any of the Member's property by casualty, theft or other cause. Provider shall receive from Member 30 day's prior written notice of cancellation or non-renewal of insurance policy.

C. RIGHT TO CONFIDENTIALITY

Except as may be required by law or by the order of court, and except as may be necessary to enable Provider to obtain reimbursement or payment by insurers and other third party payers, Provider will hold all Medical Records and other information concerning the medical condition of the Member confidential and will not disclose such information or records except as directed or permitted by the Member. In addition, Provider will hold Member's Confidential Financial Statement and associated materials confidential. Provider may use aggregate information from the Medical Records and confidential financial statements of Members so long as individual Member information remains anonymous in accordance with Health Insurance Portability and Accountability Act of 1996 regulations. This right to confidentiality shall apply even if Member withdraws from the Plan or dies.

IX. TERMINATION OF AGREEMENT

A. TERMINATION BY MEMBER

1. **Right of Rescission and Seven-Day Rescission Period** – Member may terminate this Agreement for any reason, (including death) without penalty or forfeiture, within seven days after the effective date of this Agreement. In no case shall Member be required to initiate the Program before the expiration of this seven-day period.
2. **Voluntary Termination Upon Notice** – a) Member may terminate this Agreement for any reason at any time by giving written notice to the Provider at least 30 days before the last day of Membership. The written notice need not cite a specific reason for the termination, but it shall state a date when the termination is to become effective. Member agrees to pay the Monthly Fee during the 30- day notice period, as well as all amounts owed to Provider, and any expenses incurred by Provider in connection with termination. b) If at the time of this agreement, you had at least one adult child legally domiciled within a 50 mile radius of Westminster-Canterbury main campus and you terminate after having no adult child living within a 50 mile radius, you will receive 50% of the membership fee for either care option refunded.

B. TERMINATION BY PROVIDER

1. **Termination for Good Cause** – Provider may terminate this Agreement at any time for good cause. Good cause shall include the following:

- A. Proof that the Member is a danger to himself or others;
- B. Nonpayment by the Member of a monthly or periodic fee after written notice and a thirty (30) day grace period;
- C. Repeated conduct by the Member that interferes with other participants' quiet enjoyment of a facility or service;
- D. Persistent failure to comply with the Corporation's written rules and regulations of the Program;
- E. A material misrepresentation made intentionally or recklessly in the application for membership, or in related materials, regarding information which, if accurately provided, would have resulted in either a failure of the participant to qualify for participation or a material increase in the cost of providing to the participant the care and services provided under the terms and conditions of this Agreement; or
- F. A material breach by the Member of the terms and conditions of this Agreement.

If termination of the Agreement is contemplated for good cause, Provider will provide 30 days written notice to Member unless continued membership threatens the life, health or safety of others, in which case such notice as is reasonably practicable under the circumstances will be provided to the Member or the Member's representative, and the termination of this Agreement may be effective immediately. In the event that the basis for termination is conduct or a condition that is capable of cure, Provider will provide an opportunity to cure such conduct or condition within a reasonable period.

C. TERMINATION BY DEATH

If a participant dies before initiating the program, or is precluded through illness, injury, or incapacity from becoming a participant under the terms of the community-based continuing care contract, the contract is automatically rescinded and the participant or his legal representative shall receive a full refund of all money paid to the CBCC provider, except those costs specifically incurred by the CBCC provider at the request of the participant and set forth in writing in a separate addendum, signed by both parties, to the contract.

D. NO ACCRUAL OF INTEREST

No interest will accrue to the benefit of Member or the Member's estate on any amounts required to be refunded under this Agreement, and no interest will be paid on termination.

X. ARRANGEMENTS FOR ESTATE

A. WILL AND FUNERAL ARRANGEMENTS

Member is encouraged, prior to the effective date of this Agreement, to provide to Provider in writing the name of the personal representative (whether executor, Executrix or trustee) appointed in Member's estate planning documents and the name of the funeral director responsible for Member burial or cremation. Members agree to provide written notice to Provider of any changes to the foregoing information during the period of Membership

B. ADVANCED DIRECTIVES

1. **Power of Attorney** – Member is encouraged to furnish Provider, no later than the effective date of the Membership Agreement, a durable power of attorney executed by the Member, which shall be maintained in the files of Provider.
2. **Living Will** – If Member has executed an advance directive in the form of a living will relating to the provision of health care services in the event of terminal or other illnesses/conditions, Member is encouraged to provide a copy of the living will to Provider prior to Membership, and a copy of any revisions or changes made to the document during Member's term of membership. In the event of transfer to an Assisted Living or The Hoy Health Care Center, Provider shall comply with Member's instructions or requests as reflected in Member's living will, if Member's advance directive is consistent with law and its policy, as such policy may change from time to time. If Provider cannot comply with advance directive as reflected in Member's living will, then Provider shall assist in arranging for Member's transfer to another Participating Facility Provider, if reasonably available, which will comply with Member's advance directive.

XI. MISCELLANEOUS

C. MEMBER RECORDS

Member consents to the release of his/her personal and medical records maintained by Provider for treatment, payment and operations as determined reasonably necessary by Provider. Any such release may be to Provider's employees, agents and to other health care providers from whom Member receive services, to third-party payers of health care services, to any Managed Care Organization in which Member may be enrolled, or to others deemed reasonably necessary by Provider for purposes of treatment, payment and operations. Release of records for other purposes shall be done in accordance with applicable law, with a specific authorization from Members where required. Authorized agents of the state or federal government, including the Long Term Care Ombudsman, may obtain Member's records without Member's written consent or authorization.

Member agrees to provide a comprehensive medical report annually by Member's personal physician and submit to the Transitions Team for review at Annual Wellness Visit.

D. BINDING EFFECT

The covenants and conditions contained in this Agreement shall bind and inure to the benefit of the Provider and Member and his/her respective heirs, distributes, executors, administrators, attorneys-in-fact, committees, and successors.

E. ENTIRE AGREEMENT

This Agreement also includes The Application for Membership, Medical Screening Form, the Disclosure Statement, the Confidential Financial Statement, Personal Health History and the Pre-Admission Assessment with any addenda and Insurance Requirements. These documents are hereby incorporated by reference and constitute the entire Agreement between Provider and the Member. Knowing that the Provider will rely on Member's statements made therein, Member warrants that all such statements are true and complete.

F. WAIVER OF ONE BREACH NOT A WAIVER OF ANY OTHER

The failure of Provider in any one or more instances to insist upon Member's strict performance and observance of compliance with any of the provisions of this Agreement shall not be construed to be a waiver or relinquishment by the Corporation of its right to insist upon Member's future strict compliance.

G. GOVERNING LAW

The parties agree that the laws of the Commonwealth of Virginia shall govern all of their rights and duties under this Agreement, the interpretation of its language and any questions concerning performance and discharge.

H. PROVIDER'S MODIFICATION OF AGREEMENT AND POLICIES

Provider reserves the right to modify unilaterally this Agreement to conform to changes in law or regulation, and to adopt other reasonable changes to the Program deemed necessary to maintain the solvency and marketability of the Program or to preserve its value to Members.

I. SEVERABILITY

If any provision of this Agreement is determined by a judicial or administrative tribunal of proper jurisdiction to be invalid or unenforceable, such provision shall be severed from the Agreement and the balance of this Agreement shall remain in full force and effect.

J. NOTICE

Notice, when required by the terms of this Agreement, shall be deemed to have been properly given, if and when delivered personally or, if sent by certified mail, return receipt requested, when post-marked, postage prepaid, and addressed as follows:

**To Provider:
Westminster Canterbury on Chesapeake Bay
Attn: President
3100 Shore Drive
Virginia Beach, Virginia 23451**

K. CONSENT TO ASSIGNMENT

You consent to the Provider's assignment of this Agreement.

L. REGULATORY COMPLIANCE

This Agreement shall not act as a waiver of any provision of the Continuing Care Providers and Community-Based Continuing Care Providers Registration and Disclosure Act of the Commonwealth of Virginia. Further, no act, agreement, or statement of a Member, or of an individual purchasing care for a Member under any agreement to furnish care to the Member, shall constitute a valid waiver of any provision of the Act intended for the benefit or protection of the Member or the individual purchasing care for the Member. The venue for any dispute arising under this Agreement shall be in the City of Virginia Beach, Virginia.

M. MEDIATION AND ARBITRATION

Westminster-Canterbury and Member agree to use their best efforts to first attempt to settle any dispute, controversy or claim arising out of or relating to this Agreement and Care in the Community by good-faith negotiation and/or mediation. If the Parties are unable to resolve amicably any dispute arising out of or in connection with this Agreement within a period of sixty (60) days from when it is first presented in writing to the other party, such dispute shall be resolved by binding arbitration before a single mutually acceptable arbitrator who shall be a lawyer with at least ten (10) years of commercial law experience or a retired Virginia Circuit Court judge under the Commercial Arbitration Rules of the American Arbitration Association. The decision of the arbitrator shall be final and binding on the parties hereto. All arbitration proceedings shall be held in Virginia Beach, Virginia. Discovery shall be strictly limited to the production of documents directly related to the controversy at hand and the deposition of persons who have direct knowledge of the controversy (maximum of two (2) hours for each deposition). Each party shall pay its own attorney's fees. One or both parties shall pay all other expenses incurred for the arbitration proceedings as set forth in the decision of the arbitrator. The arbitrator shall have no authority to award punitive or consequential damages in the arbitration proceedings.

IN WITNESS WHEREOF, Westminster-Canterbury, through its duly authorized representative, and Member have executed this Agreement to be effective as of the date first above written. Member attests to having read this Agreement, having had any questions regarding its provisions answered, and having understood its provisions.

Westminster-Canterbury at Chesapeake Bay

By:

Authorized Signature

Date

Member Signature

Date

Witness

Date

Early Advantage Program at Westminster-Canterbury List of Contacts

Home Care Services

Westminster-Canterbury provides access to Member's for home care services at Member cost through:

Westminster-Canterbury at Home
3181 Shore Drive
Virginia Beach, Virginia 23451
Contact: 757-496-1653

Meals On Campus

All Members have access to dine on campus at any of the dining venues at Westminster-Canterbury on Chesapeake Bay at Resident Pricing:

Venues:

The Pub
Beachfront Dining Room
The Overlook

Emergency Response

Westminster-Canterbury contracts Phillips to provide an Emergency Response System in the home as assigned by the Interdisciplinary Team or requested by the Member at Resident pricing:

Phillips Emergency Response
111 Lawrence Street
Framingham, MA 01702
Contact- 1-800-635-6156

Social, Educational, Recreational, Wellness and Cultural Programs (On and Off Campus)

Westminster-Canterbury on Chesapeake Bay offers an array of programs that promote an active aging lifestyle that tailors to different interests. Programs and excursions off campus will be available at Resident Pricing.

Westminster-Canterbury on Chesapeake Bay
3100 Shore Drive, Virginia Beach, Virginia 23451
Program Coordinator: 757-496-1153

Annual Wellness Visit

At the Provider's request, the Member agrees to undergo an annual physical examination performed by Member's personal physician. Provider requires that a comprehensive medical report be submitted annually by Member's personal physician to the Transitions Team. Member agrees to schedule an Annual Wellness Visit with Westminster-Canterbury's Licensed Nurse Practitioners at our Campus Clinic after Member's medical report has been submitted.

Westminster-Canterbury on Chesapeake Bay
3100 Shore Drive, Virginia Beach, Virginia 23451
Clinic: 757-496-1622

Urgent Care

If Member elects to name a staff member in the Westminster-Canterbury Clinic as their primary care provider, Member will have access to Urgent Care during designated Urgent Care hours of operation.

Westminster-Canterbury on Chesapeake Bay
3100 Shore Drive, Virginia Beach, Virginia 23451
Clinic: 757-496-1622

Personal Training

Westminster-Canterbury offers one-time free fitness assessment with personal training on campus, provided by a professional providing feedback with personal goal setting and individualized exercise program.

Westminster-Canterbury on Chesapeake Bay
3100 Shore Drive, Virginia Beach, Virginia 23451
Fitness Coordinator: 757-496-1692

Tab 3
Audited Financials



Westminster-Canterbury on Chesapeake Bay

**City of Virginia Beach Development Authority
2018 Bond Issue**

OFFICER'S CERTIFICATE AS TO NO DEFAULT

Year Ended September 30, 2023

In accordance with the *Second Amended and Restated Master Trust Indenture*, dated August 1, 2018, Section 3.10.

This is to certify that nothing has come to our attention that would lead us to believe that Westminster-Canterbury on Chesapeake Bay is in default in the performance of any covenants contained in the Master Trust Indenture.

Respectfully submitted,



J. Benjamin Unkle, Jr.
President & CEO



David B. Myers
CFO

February 22, 2024



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Westminster-Canterbury on Chesapeake Bay
and Subsidiaries
Virginia Beach, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Westminster-Canterbury on Chesapeake Bay and Subsidiaries (the Corporation) as of September 30, 2023, and the related consolidated statements of operations, and changes in unrestricted net assets (deficit), changes in net assets (deficit), and cash flows for the year then ended, and related notes to the consolidated financial statements, and have issued our report thereon dated February 20, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the Corporation failed to comply with the terms, covenants, provisions, or conditions of Article III of the Second Amended and Restated Master Trust Indenture between U.S. Bank National Association, Westminster-Canterbury on Chesapeake Bay, and Westminster-Canterbury on Chesapeake Bay Foundation dated August 1, 2018, as supplemented by Supplemental Indenture for the Series 2018 Obligation dated August 1, 2018 insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Corporation's noncompliance with the above referenced terms, covenants, provisions, or conditions of the Indenture, insofar as they relate to accounting matters.

This report is intended solely for the information and use of U.S. Bank National Association as Bond Trustee, the Board of Trustees and management of Westminster-Canterbury on Chesapeake Bay and Subsidiaries, and the City of Virginia Beach Development Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
February 20, 2024



INDEPENDENT AUDITORS' REPORT

Board of Directors
Westminster-Canterbury on Chesapeake Bay
Virginia Beach, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated financial statements of Westminster-Canterbury on Chesapeake Bay and Subsidiaries (the Corporation), which comprise the consolidated balance sheet as of September 30, 2023, and the related consolidated statements of operations and changes in net assets (deficit) without restriction, changes in net assets (deficit), and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 20, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the Corporation failed to comply with the terms, covenants, provisions, or conditions of Article III of the Second Amended and Restated Master Trust Indenture between U.S. Bank National Association, Westminster-Canterbury on Chesapeake Bay, and Westminster-Canterbury on Chesapeake Bay Foundation dated August 1, 2018, as supplemented by Supplemental Indenture for the Series 2018 Obligation dated August 1, 2018 insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Corporation's noncompliance with the above referenced terms, covenants, provisions, or conditions of the Indenture, insofar as they relate to accounting matters.

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The long-term debt service coverage ratio is presented for the purposes of additional analysis and is 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 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Board of Directors
Westminster-Canterbury on Chesapeake Bay

This report is intended solely for the information and use of U.S. Bank National Association as Bond Trustee, the Board of Trustees and management of Westminster-Canterbury on Chesapeake Bay and Subsidiaries, and the City of Virginia Beach Development Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
February 20, 2024

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY
LONG-TERM DEBT SERVICE COVERAGE RATIO*
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Change in Net Assets Without Restrictions		\$ 8,281,588
Add:		
Depreciation and Amortization Expense	\$ 10,176,046	
Interest Expense	3,089,198	
Net Proceeds from Entrance Fees	23,060,616	
Limitation on Realized Gains and Losses	<u>1,001,477</u>	
		37,327,337
Subtract:		
Amortization of Deferred Revenue from Advance Fees	(13,139,170)	
Unrealized Gains	(2,428,858)	
Realized Gains	<u>(695,269)</u>	
		<u>(16,263,297)</u>
Income Available for Debt Service (A)		<u>\$ 29,345,628</u>
Maximum Annual Debt Service, as defined (B)		<u>\$ 5,204,679</u>
Long-Term Debt Service Coverage Ratio (A/B)		<u>5.64</u>

*Presented on the basis described by Section 3.07 of the Second Amended and Restated Master Trust Indenture

**WESTMINSTER-CANTERBURY ON CHESAPEAKE
BAY AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED SEPTEMBER 30, 2023 AND 2022

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
TABLE OF CONTENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED BALANCE SHEETS	3
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS	5
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS	6
CONSOLIDATED STATEMENTS OF CASH FLOWS	7
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	8
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	35
SUPPLEMENTARY INFORMATION	
CONSOLIDATING BALANCE SHEET	36
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS	38
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS (DEFICIT)	39



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Westminster-Canterbury on Chesapeake Bay
and Subsidiaries
Virginia Beach, Virginia

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Westminster-Canterbury on Chesapeake Bay 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 (deficit) without donor restrictions, changes in net assets (deficit), 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 consolidated financial position of Westminster-Canterbury on Chesapeake Bay and Subsidiaries as of September 30, 2023 and 2022, and the consolidated results of their operations, changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted 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 on Chesapeake Bay 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Westminster-Canterbury on Chesapeake Bay and Subsidiaries' abilities 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 on Chesapeake Bay 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 on Chesapeake Bay and Subsidiaries' ability to continue as a going concern for a reasonable.

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
February 20, 2024

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
SEPTEMBER 30, 2023 AND 2022

	2023	2022
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 10,140,605	\$ 9,620,075
Accrued Interest	379,864	421,301
Reservation Fees	687,520	606,020
Current Portion of Refundable Advance Fees	367,000	382,000
Current Portion of Right-of-Use Leases Payable	160,016	153,369
Current Portion of Long-Term Debt	<u>2,187,005</u>	<u>1,678,036</u>
Total Current Liabilities	13,922,010	12,860,801
ADVANCE FEES AND DEPOSITS		
Advance Fee Deposits	14,100,726	4,381,399
Refundable Advance Fees	9,517,332	10,108,392
Deferred Revenue from Advance Fees	<u>118,111,564</u>	<u>107,584,058</u>
Total Advance Fees and Deposits	141,729,622	122,073,849
DEFERRED ANNUITY OBLIGATIONS	289,333	331,494
RIGHT-OF-USE LEASES PAYABLE, LESS CURRENT PORTION	24,596	184,612
LONG-TERM DEBT, LESS CURRENT PORTION	117,680,381	121,500,227
OTHER LIABILITIES	<u>32,300</u>	<u>71,172</u>
Total Liabilities	273,678,242	257,022,155
NET ASSETS		
Without Donor Restrictions	12,926,902	4,995,709
With Donor Restrictions:		
Purpose Restricted	10,994,582	9,883,979
Perpetual in Nature	<u>2,252,399</u>	<u>2,245,182</u>
Total Net Assets	<u>26,173,883</u>	<u>17,124,870</u>
Total Liabilities and Net Assets	<u>\$ 299,852,125</u>	<u>\$ 274,147,025</u>

See accompanying Notes to Consolidated Financial Statements.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY 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		
Resident Services, Including Amortization of Deferred Revenue		
from Advance Fees of \$13,139,170 and \$12,097,527 in 2023 and 2022, Respectively	\$ 61,174,247	\$ 54,316,667
Home and Community Based Services	12,223,512	11,837,891
Contributions	593,087	758,770
Investment Income	1,814,087	1,250,715
Other Income - Employee Retention Credit	3,337,910	2,829,388
Other	2,325,549	2,317,587
Net Assets Released from Restriction for Operations	1,246,727	1,447,311
Total Revenues, Gains, and Other Support	82,715,119	74,758,329
 EXPENSES		
Resident and Community Based Services	26,829,810	24,513,794
Dining Services	8,248,363	7,666,326
Housekeeping and Laundry	2,605,744	2,423,215
General and Administrative	17,365,514	16,531,721
Plant Maintenance	3,983,641	3,590,478
Depreciation and Amortization	12,135,876	10,848,134
Interest Expense	4,481,041	4,453,028
Fellowship Payments	916,353	1,117,304
Other	601,034	619,175
Total Expenses	77,167,376	71,763,175
 OPERATING INCOME	5,547,743	2,995,154
 OTHER INCOME (LOSS)		
Change in Estimated Value of Deferred Annuity Obligations	(14,709)	(31,833)
Net Change in Unrealized Gains (Losses) on Investments	2,428,858	(7,991,776)
Loss on Extinguishment of Debt	(30,699)	-
Loss on Settlement	-	(291,364)
Other Income	-	439,593
Total Other Income (Loss)	2,383,450	(7,875,380)
 EXCESS (DEFICIT) OF REVENUES, GAINS, AND OTHER SUPPORT OVER (UNDER) EXPENSES AND INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ 7,931,193	\$ (4,880,226)

See accompanying Notes to Consolidated Financial Statements.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	Net Assets			Total
	Without Donor Restrictions	Purpose Restricted	Perpetual in Nature	
BALANCE - SEPTEMBER 30, 2021	\$ 9,875,935	\$ 12,719,465	\$ 2,269,429	\$ 24,864,829
Excess (Deficit) of Revenues, Gains, and Other Support Over (Under) Expenses	(4,880,226)	-	-	(4,880,226)
Contributions	-	929,933	-	929,933
Investment Income	-	510,351	-	510,351
Net Change in Unrealized Losses on Investments	-	(2,828,459)	(24,247)	(2,852,706)
Net Assets Released from Restriction for Operations	-	(1,447,311)	-	(1,447,311)
Net Increase in Net Assets	<u>(4,880,226)</u>	<u>(2,835,486)</u>	<u>(24,247)</u>	<u>(7,739,959)</u>
BALANCE - SEPTEMBER 30, 2022	4,995,709	9,883,979	2,245,182	17,124,870
Excess of Revenues, Gains, and Other Support Over Expenses	7,931,193	-	-	7,931,193
Contributions	-	846,870	-	846,870
Investment Income	-	425,187	-	425,187
Net Change in Unrealized Gains on Investments	-	1,085,273	7,217	1,092,490
Net Assets Released from Restriction for Operations	-	(1,246,727)	-	(1,246,727)
Net Decrease in Net Assets	<u>7,931,193</u>	<u>1,110,603</u>	<u>7,217</u>	<u>9,049,013</u>
BALANCE - SEPTEMBER 30, 2023	<u>\$ 12,926,902</u>	<u>\$ 10,994,582</u>	<u>\$ 2,252,399</u>	<u>\$ 26,173,883</u>

See accompanying Notes to Consolidated Financial Statements.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY 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	\$ 9,049,013	\$ (7,739,959)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities		
Amortization of Deferred Revenue from Advance Fees	(13,139,170)	(12,097,527)
Proceeds from Advance Fees Net of Refunds	23,060,616	22,570,130
Depreciation	12,135,876	10,848,134
Bad Debt Expense	95,165	100,200
Amortization of Deferred Financing Costs	25,027	49,584
Amortization of Bond Premium	(204,150)	(204,150)
Gains on Sales of Investments, Net	(732,085)	(331,484)
Net Change in Unrealized (Gains) Losses on Investments	(3,521,348)	10,844,482
Proceeds From Contributions with Donor Restrictions	(846,870)	(929,933)
Increase (Decrease) in Receivables, Other Assets, and Pledges Receivable	1,702,685	(3,715,545)
Increase (Decrease) in Current Liabilities Excluding Debt	(270,429)	1,199,084
Net Cash Provided by Operating Activities	27,354,330	20,593,016
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(6,309,662)	(6,309,662)
Proceeds from Sale of Investments	4,489,440	7,276,536
Acquisition of Property, Plant, and Equipment	(13,315,408)	(88,331,864)
Net Cash Used by Investing Activities	(15,135,630)	(87,364,990)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Advance Deposits	9,719,327	2,372,252
Increase in Reservation Fees	81,500	39,000
Decrease in Annuity Obligation	(42,161)	(37,335)
Proceeds from Contributions with Donor Restrictions	846,870	929,933
Increase in Deferred Financing Costs	-	(121,250)
Proceeds from Line of Credit	-	5,000,000
Repayment on Line of Credit	-	(5,000,000)
Issuance of Long-Term Debt	-	48,500,000
Repayment of Long-Term Debt	(3,131,754)	(1,542,108)
Net Cash Provided by Financing Activities	7,473,782	50,140,492
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	19,692,482	(16,631,482)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	14,974,538	31,606,020
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 34,667,020	\$ 14,974,538
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Operating Cash and Cash Equivalents	\$ 13,932,233	\$ 10,314,675
Restricted Cash included in Assets Limited as to Use	20,734,787	4,659,863
Total	\$ 34,667,020	\$ 14,974,538
SUPPLEMENTAL DISCLOSURES OF NONCASH INFORMATION		
Property, Plant, and Equipment Included in Accounts Payable	\$ 1,008,583	\$ 297,933
Right-of-Use Assets Obtained through Leases Payable	\$ -	\$ 358,331

See accompanying Notes to Consolidated Financial Statements.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Westminster-Canterbury on Chesapeake Bay: Westminster-Canterbury on Chesapeake Bay (Westminster-Canterbury) was incorporated as a nonprofit Virginia nonstock corporation in 1976 as a result of the joint efforts of the Commission on Services to the Aging, Episcopal Diocese of Southern Virginia, and Tidewater Westminster Homes, Incorporated, of the Norfolk Presbytery of the Presbyterian Church in the United States. The purpose of Westminster-Canterbury, as managed by the board of trustees, is to create, maintain, and operate life plan communities and to provide related services as a nonprofit organization. Westminster-Canterbury owns and operates an independent living, assisted living, and health care community located in Virginia Beach, Virginia.

During 2013, Westminster-Canterbury created Westminster-Canterbury at Home, LLC (WC at Home), a wholly owned limited liability company organized under the laws of the Commonwealth of Virginia. WC at Home provides Westminster-Canterbury's home health, hospice, and related services.

During 2015, Westminster-Canterbury created Senior Options, LLC (Senior Options), a wholly owned limited liability company organized under the laws of the Commonwealth of Virginia. Senior Options assists unrelated organizations in providing high quality home and community-based health care programs to its patients. Senior Options provides administrative, quality assurance, education, training, billing, and other advisory services to other senior living organizations.

During 2016, Westminster-Canterbury created S.O. Realty, LLC (S.O. Realty), a wholly owned limited liability company organized under the laws of the Commonwealth of Virginia. S.O. Realty owns an office building that provides office space for Senior Options, LLC and Westminster-Canterbury at Home, LLC. The last outside tenant vacated the building on November 1, 2019. Annual rental income was approximately \$216,000 during 2023 and 2022.

During 2018, Westminster-Canterbury purchased the capital stock of the Lynnhaven Fishing Pier Corporation (Lynnhaven), a Virginia corporation that has made an S Corporation election, and its related property for \$6,000,000. The purchase price was allocated to land on the accompanying consolidated balance sheets. Westminster-Canterbury is the sole owner of Lynnhaven.

In 2023, the property held by Lynnhaven was conveyed to Westminster-Canterbury, after which Lynnhaven held no remaining property. Subsequent to year-end, on October 19, 2023, Lynnhaven was dissolved with the Virginia State Corporation Commission.

Westminster-Canterbury on Chesapeake Bay Foundation: Westminster-Canterbury on Chesapeake Bay Foundation (the Foundation) was incorporated in December 1992 as a nonprofit Virginia nonstock corporation, the sole member of which is Westminster-Canterbury. The Foundation, managed by a board of directors appointed by the board of trustees of Westminster-Canterbury, is a self-supporting, tax-exempt organization that supports the mission of Westminster-Canterbury by furthering its financial assistance and fundraising goals.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Organization (Continued)

Ballentine Home Corporation: The Ballentine Home Corporation (the Ballentine) was incorporated as a nonprofit, nonstock corporation in May 1985, and was organized by the Episcopal Diocese of Southern Virginia and the Presbytery of Eastern Virginia of the Presbyterian Church (U.S.A.). Westminster-Canterbury is the sole member of the Ballentine. The Ballentine operated a 74-bed home for adults in Norfolk, Virginia. During the year ended September 30, 2012, the Ballentine entered into an asset purchase agreement and sold the Ballentine assets to an unrelated party. The Ballentine has no operations; however, the proceeds from the sale are held by the Ballentine to further the mission of Westminster-Canterbury.

On May 23, 2019, Westminster-Canterbury signed a purchase and sales agreement with the Casa del Playa Condominium Unit Owners' Association to purchase the Casa del Playa Condominium property for \$15 million. The property consists of thirty (30) individual units and common elements located at 2400 Starfish Road, adjacent to Westminster-Canterbury. On August 24, 2020, the purchase agreement was executed. Since Westminster-Canterbury already owned twenty-nine (29) of the thirty (30) units, the actual cash exchanged was \$500,000.

Senior Options Community: Senior Options Community dba Opus Select was incorporated in September 2021 as a nonprofit Virginia nonstock corporation, the sole member of which is Westminster-Canterbury. Senior Options Community, governed by a board of directors appointed by the board of trustees of Westminster-Canterbury, is a self-supporting, tax-exempt organization. Senior Options Community was organized for charitable and religious purposes, including providing housing and health care to aged persons.

On December 15, 2021, Senior Options Community purchased the Overture, a 172-unit, 62 and over rental apartment community located on 2.744 acres of land at 3317 Ocean Shore Avenue in Virginia Beach, Virginia. The Overture, which was built in 2017, is located three miles from Westminster-Canterbury's primary campus and is a beach-front rental community. The property was purchased for \$68,500,000. The assets and the operations of the Overture, which was branded as Opus Select, is included within Senior Options Community.

Cannability Consultants: Cannability Consultants (Cannability) was incorporated in June 2023 as a wholly owned limited liability company organized under the laws of the Commonwealth of Virginia, the sole member of which is Westminster-Canterbury. Cannability provides individual and industry education, consultation, advocacy, and evidence-based interventions that allow individuals to make safe and informed decisions about cannabis therapeutics. Cannability respects the rights of individuals to be involved in their wellness and care journey while working within state and federal regulations. Cannability had limited start-up operations during the year ended September 30, 2023 which were recorded under Westminster-Canterbury.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Principles of Consolidation

The consolidated financial statements consist of the accounts of Westminster-Canterbury on Chesapeake Bay, Westminster-Canterbury on Chesapeake Bay Foundation, Senior Options, LLC, Westminster-Canterbury at Home, LLC, S.O. Realty, LLC, the Ballentine Home Corporation, the Lynnhaven Fishing Pier Corporation, Senior Options Community, and Cannability Consulting, collectively referred to as “WCCB” or the “Corporation.” Significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

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

Cash and Cash Equivalents

The Corporation considers cash and cash equivalents to include cash on hand and temporary investments, including obligations acquired with original maturities of three months or less.

The Corporation maintains cash balances at several financial institutions located within its market area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC). At times, deposits may exceed FDIC amounts.

Allowance for Doubtful Accounts

The Corporation provides an allowance for doubtful accounts using management’s judgment. Residents and off-campus clients are not required to provide collateral for services rendered. Payment for services is required upon receipt of invoice or claim submission. Accounts past due are individually analyzed for collectability. In addition, an allowance is estimated for aged accounts based on historical experience of the Corporation. At September 30, 2023 and 2022, the allowance for doubtful accounts was approximately \$353,000 and \$313,000, respectively.

Pledges Receivable

Pledges receivable are recorded in the period in which the pledges are received. Pledges receivable are included in receivables, net on the consolidated balance sheets. Pledges receivable outstanding at September 30, 2023 are expected to be collected over the following terms:

Less than One Year	\$ 224,209
Two to Five Years	-
Total	\$ 224,209

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities (including funds held by Trustee) are measured at fair value in the consolidated balance sheets. Investments include mutual funds, marketable equity securities, and alternative investments with maturities generally ranging from five months to 30 years.

The fair value of marketable equity securities, bonds, and other investments is 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.

Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in operating income unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments, if any, are excluded from operating income and included in other income (loss).

Assets Limited as to Use

Assets limited as to use are measured at fair value in the accompanying consolidated balance sheets and consist of proceeds from reservation fees restricted under residency agreements and amounts restricted under bond indenture and escrow agreements.

Property, Plant, and Equipment

Property, plant, and equipment are stated on the basis of cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets ranging from 3 to 40 years. The Corporation capitalizes all assets over \$500 if a single item, and over \$1,000 for a group of items.

Deferred Financing Costs

Financing costs incurred in connection with the issuance of long-term debt are deferred and amortized over the term of the related indebtedness, which approximates the effective interest method. Amortization expense, which is included with interest expense on the consolidated statement of operations and changes in net assets without donor restrictions, was approximately \$103,000 and \$64,000 for the years ended September 30, 2023 and 2022, respectively.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Leases

The Corporation determines if an arrangement is a lease at inception. Operating leases are included in property, plant, and equipment as right-of-use (ROU) assets and leases payable in the consolidated balance sheets. ROU assets present the Corporation's right to use an underlying asset for the lease term and lease payables represent the Corporation's obligation to make lease payments arising from the lease. ROU assets and payables are recognized at the commencement date of the lease based on present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Corporation will exercise the option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Corporation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease payables or ROU assets on the consolidated balance sheets.

Reservation Fees

Reservation fees are comprised of prospective residents' deposits for priority of apartments. Upon acceptance by the resident of an apartment, the reservation fee is applied to the advance fee and becomes part of deferred revenue from advance fees. Reservation fees are fully refundable, subject to certain terms and conditions of the reservation agreements.

Advance Fees

Residents admitted to the community pay an "advance fee" at admission and a monthly fee to cover the cost of their care. Under the Standard Contract, the amount of the advance fee subject to refund is reduced by a one-time 4% administrative charge and by 2% for each month of occupancy up to 48 months. No refund is due after 48 months of occupancy.

In the event of the resident's death, the amount of the advance fee subject to refund is reduced by a one-time 4% administrative charge and by 2% per month if death occurs within six months of occupancy.

No refund of any amount of the advance fee will be made if death of resident occurs after six months.

Under the 50-month Declining Balance Contract, the amount of the advance fee subject to refund is reduced by a one-time 4% administrative charge and by 2% for each month of occupancy up to 48 months due to termination for any reason, including death. No refund is due after 48 months of occupancy.

Under the 50% Refundable Contract, the amount of the advance fee subject to refund is reduced by a one-time 4% administrative charge and by 2% for each month of occupancy up to 23 months due to termination for any reason, including death. The refund is never less than 50% of the advance fee paid.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Advance Fees (Continued)

Under the 90% Refundable Contract, the amount of the advance fee subject to refund is reduced by a one-time 4% administrative charge and by 1% for each month of occupancy up to six months due to termination for any reason, including death. The refund is never less than 90% of the advance fee paid.

Four additional contracts are available to residents – the limited medical assistance (365 days), limited medical assistance (180 days) contracts, 90% refundable fee-for-service contract, and a fee-for-service contract. These contracts are subject to the same refund of advance fee provisions as the Standard Contract.

In 2020, the Corporation revised all contracts to recognize the 4% nonrefundable administrative charge as other operating income upon payment of the advance fees. Prior to 2020, the nonrefundable administrative charge was recognized as deferred revenue from advance fees and amortized into income over the life expectancy of the resident. Total administrative charges recognized as other income was approximately \$588,000 and \$846,000 for the years ended September 30, 2023 and 2022, respectively.

As of September 30, 2023, 89% and 90% of the residents have entered Westminster-Canterbury under the Standard Contract, respectively.

At September 30, 2023 and 2022, the portion of advance fees subject to refund provisions amounted to approximately \$41,069,000 and \$44,123,000, respectively. Amounts expected to be refunded to current residents, based on Westminster-Canterbury's experience, are approximately \$10,251,000 and \$10,490,000 at September 30, 2023 and 2022, respectively.

Residents admitted to Opus Select sign a rental contract to rent an apartment to use as their private residence in exchange for a monthly payment. The monthly payment varies depending on the size and location of the apartment in the building. The standard term is one year, but other terms are also available. The contracts automatically renew month-to-month unless either party gives written notice of termination or intent to move out at least 60 days before the lease end date. Rent is due on the first day of each month. Residents whose rent payments are received after the fifth day of the month are assessed a late charge. Payment of the monthly rent fee also gives residents access to the amenities offered by Opus Select.

Deferred Revenue – Provider Relief Funding

In response 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 as of September 30, 2022 was \$1,979,356. No additional funds were received as of September 30, 2023. The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Deferred Revenue – Provider Relief Funding (Continued)

The Corporation recognized approximately \$94,000 as other operating revenue in the consolidated statements of operations and changes in net assets (deficit) without donor restrictions in 2022. The Corporation did not recognize any additional amounts as other operating revenue in the consolidated statements of operations and changes in net assets (deficit) without donor restrictions in 2023. Management believes the amounts have been recognized appropriately as of September 30, 2023 and 2022.

Employee Retention Credit

The CARES Act allows a credit (Employee Retention Credit or ERC) against applicable employment taxes for eligible employers. 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. Westminster-Canterbury claimed a credit in the amount of \$5,659,000. Westminster-Canterbury believes it meets the eligibility requirements and conditions to claim the credit.

Obligation to Provide Future Services

Westminster-Canterbury annually calculates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from advance fees. 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 with the corresponding charge to income (obligation to provide future services). The obligation is discounted at 4.5-6.0%, based on the expected long-term rate of return on government obligations. At September 30, 2023 and 2022, Westminster-Canterbury did not have an obligation to provide future services.

Charitable Gift Annuities

Assets received are recognized at fair value and an annuity liability (deferred annuity obligation) is recognized for the present value of future cash flows expected to be paid to the donor (discounted at 6% in 2023 and 2022). Contribution revenue is recognized for the difference between these amounts. Adjustments to the annuity liability are made annually to reflect changes in the discount rate or the life expectancy of the donor and are recognized as Change in Estimated Value of Deferred Annuity Obligations in the consolidated statements of operations and changes in net assets without donor restrictions.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Net Assets with Donor Restrictions

Purpose restricted net assets are those whose use by the Corporation has been limited by donors to a specific time period or purpose. Perpetually restricted net assets have been restricted by donors to be maintained by the Corporation in perpetuity.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either purpose or perpetually restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, purpose restricted net assets are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets without donor restrictions as net assets released from restriction. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as contributions without restrictions in the accompanying consolidated financial statements.

Excess (Deficit) of Revenues, Gains, and Other Support over (under) Expenses

The consolidated statements of operations and changes in net assets without donor restrictions include excess (deficit) of revenues, gains, and other support over (under) expenses. Changes in net assets without donor restrictions which are excluded from operating income, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets, including assets acquired using contributions which by donor restriction were to be used for purposes of acquiring such assets.

Risks and Uncertainties

The Corporation holds investments in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will continue to occur in the near term and that such changes could materially affect the Corporation's investment balances and the amounts reported in the consolidated balance sheets of the Corporation.

Income Taxes

Westminster-Canterbury, the Foundation, the Ballentine, and Senior Options Community are nonprofit organizations exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3).

Senior Options, WC at Home, S.O. Realty, and Cannability Consultants are single member limited liability companies and are considered disregarded entities for income tax purposes.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Income Taxes (Continued)

Lynnhaven is an S Corporation owned 100% by Westminster-Canterbury. Any net revenue that Lynnhaven generates while remaining an S Corporation will be considered unrelated business income (UBI) to Westminster-Canterbury. During the year, Lynnhaven did not generate any revenue that would generate UBI.

Westminster-Canterbury, the Foundation, Ballentine, and Senior Options Community file as tax-exempt organizations. Management is not aware of any activities that would jeopardize the tax-exempt status of Westminster-Canterbury, the Foundation, or Ballentine.

Management is not aware of any significant activities that are subject to tax on unrelated business income or excise or other taxes for Westminster-Canterbury, the Foundation, Ballentine, or Senior Options Community.

Westminster-Canterbury, the Foundation, Ballentine, and Senior Options Community follow guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The application has had no impact on the Corporation's consolidated financial statements.

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 Corporation emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

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

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the 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; and,

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.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Fair Value Measurement (Continued)

Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange. In addition, Level 1 inputs include securities that are traded by dealers or brokers in active over-the-counter markets, such as U.S. Treasury and other U.S. government and agency mortgage-backed securities, municipal bonds, and corporate bonds. Level 2 inputs include deferred annuity obligations due from the Corporation. The Corporation does not have any assets or liabilities valued using Level 3 inputs.

The Fair Value Option Standard for Financial Assets and Financial Liabilities allows entities the irrevocable option to elect fair value for the initial and subsequent measurement for eligible financial assets and liabilities on an instrument-by-instrument basis. The Corporation has not elected to measure any existing financial assets or financial liabilities at fair value under this option.

Benevolent Assistance

Providing benevolent assistance to qualified residents is an integral part of the Corporation's mission. The Corporation has a benevolent assistance policy to provide entrance fees and/or monthly fee assistance to applicants who meet the admission requirement and have served their church and/or community but lack sufficient resources for admission. The Corporation also provides monthly assistance to residents, who through no fault of their own, experience financial difficulties and can no longer meet their monthly obligations. These residents are identified based on financial information obtained from the resident at the time of admission. This information is subsequently reviewed and analyzed by the Corporation.

The Corporation has estimated its direct and indirect costs of providing benevolent assistance under its benevolent assistance policy. In order to estimate the cost of providing such care, management calculated a cost-to-charge ratio by comparing the cost to provide services to residents and amount charged to residents. The cost-to-charge ratio is applied to the charges foregone to calculate the estimated direct and indirect cost of providing benevolent assistance. Using this methodology, the Corporation has estimated the costs for services under the Corporation's benevolent assistance policy to be approximately \$1,026,000 and \$1,107,000 for the years ended September 30, 2023 and 2022, respectively.

The Corporation received approximately \$768,000 and \$778,000 in contributions to subsidize the costs of providing benevolent assistance under its benevolent assistance policy for the years ended September 30, 2023 and 2022, respectively.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Benevolent Assistance (Continued)

In addition, the estimated cost related to unreimbursed Medicaid services provided was approximately \$238,000 and \$373,000 for the years ended September 30, 2023 and 2022, respectively.

Subsequent Events

In preparing these consolidated financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through February 20, 2024, the date the consolidated financial statements were issued.

NOTE 2 RESIDENT AND HOME AND COMMUNITY BASED SERVICES REVENUE

Resident and home and community-based services revenue is reported at the amount that reflects the consideration to which the Corporation expects to be entitled in exchange for providing resident and home and community-based care. These amounts are due from residents, patients, 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 Corporation bills the residents, patients, 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.

Performance obligations are determined based on the nature of the services provided by the Corporation. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The 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 facilities receiving skilled nursing services or housing residents receiving services in the facilities. The Corporation considers daily services provided to residents of the skilled nursing facilities, 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 patients in a retail setting (for example, gift shop and cafeteria meals) and the Corporation does not believe it is required to provide additional goods or services related to that sale.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 2 RESIDENT AND HOME AND COMMUNITY BASED SERVICES REVENUE (CONTINUED)

Because all of its performance obligations relate to contracts with a duration of less than one year, the 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 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 Corporation determines its estimates of contractual adjustments based on contractual agreements, its policy, and historical experience. The 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:

Medicare and Medicaid

The Corporation's licensed nursing facility participate 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 is 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.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 2 RESIDENT AND HOME AND COMMUNITY BASED SERVICES REVENUE (CONTINUED)

Medicare and Medicaid (Continued)

The 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.

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 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 and patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Corporation estimates the transaction price for residents and patients 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 and home and community-based 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 or patient's ability to pay are recorded as bad debt expense.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 2 RESIDENT AND HOME AND COMMUNITY BASED SERVICES REVENUE (CONTINUED)

The 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 and home and community-based services revenue by primary payor for the years ended September 30 is as follows:

	<u>2023</u>	<u>2022</u>
Medicare	\$ 14,210,169	\$ 14,212,566
Medicaid	552,357	564,608
Private	58,233,113	51,042,449
Other	<u>402,120</u>	<u>334,935</u>
Total	<u>\$ 73,397,759</u>	<u>\$ 66,154,558</u>

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

The composition of residential and home and community-based services revenue based on the Corporation's lines of business, method of reimbursement, and timing of revenue recognition for the years ended September 30 are as follows:

	<u>2023</u>	<u>2022</u>
Service Lines:		
Independent Living	\$ 27,830,874	\$ 26,092,494
Rental	4,836,051	3,426,832
Assisted Living	4,073,939	3,516,356
Health Care Services	11,294,213	9,183,458
Home and Community Based Services	12,223,512	11,837,891
Amortization of Entrance Fees	<u>13,139,170</u>	<u>12,097,527</u>
Total	<u>\$ 73,397,759</u>	<u>\$ 66,154,558</u>
Method of Reimbursement:		
Monthly Service Fees	\$ 44,124,812	\$ 34,817,340
Amortization of Entrance Fees	13,139,170	12,097,527
Fee for Service	<u>16,133,777</u>	<u>19,239,691</u>
Total	<u>\$ 73,397,759</u>	<u>\$ 66,154,558</u>
Timing of Revenue and Recognition:		
Health Care Services Transferred Over Time	<u>\$ 73,397,759</u>	<u>\$ 66,154,558</u>

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 2 RESIDENT AND HOME AND COMMUNITY BASED SERVICES REVENUE (CONTINUED)

Financing Component

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

The opening and closing contract balances related to resident accounts receivable and residence and service agreements were as follows:

	<u>Accounts Receivable</u>	<u>Deferred Revenue</u>
Balance as of October 1, 2021	\$ 2,946,692	\$ 96,329,955
Balance as of September 30, 2022	3,520,079	107,584,058
Balance as of September 30, 2023	4,184,978	118,111,564

NOTE 3 ASSETS LIMITED AS TO USE

Assets limited as to use at September 30 are summarized as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Externally Restricted Under Residency Agreements:				
Cash and Cash Equivalents	\$ 1,989,707	\$ 1,989,707	\$ 4,269,997	\$ 4,269,997
Externally Restricted Under Bond Indenture Agreements:				
Cash and Cash Equivalents	427,123	427,123	389,866	389,866
Internally Restricted for Capital Acquisition and Debt Service	6,167,298	6,167,298	-	-
Externally Restricted Under Escrow Agreements:				
Cash and Cash Equivalents	12,150,659	12,150,659	-	-
Total	<u>\$ 20,734,787</u>	<u>\$ 20,734,787</u>	<u>\$ 4,659,863</u>	<u>\$ 4,659,863</u>

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 4 INVESTMENTS

Investments at September 30 are summarized as follows:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Westminster-Canterbury:				
Mutual Funds	\$ 13,945,910	\$ 12,289,844	\$ 12,376,616	\$ 10,892,121
Equity Securities	<u>13,027,940</u>	<u>23,492,998</u>	<u>12,928,054</u>	<u>21,024,211</u>
	26,973,850	35,782,842	25,304,670	31,916,332
Foundation:				
Mutual Funds	4,364,613	3,837,953	3,718,552	3,240,608
Equity Securities	<u>8,783,773</u>	<u>12,371,107</u>	<u>8,545,508</u>	<u>10,761,307</u>
	<u>13,148,386</u>	<u>16,209,060</u>	<u>12,264,060</u>	<u>14,001,915</u>
Total Investments	<u>\$ 40,122,236</u>	<u>\$ 51,991,902</u>	<u>\$ 37,568,730</u>	<u>\$ 45,918,247</u>

Investment income and realized gains and losses are classified as follows for the years ended September 30:

	2023	2022
Included in Investment Income:		
Without Donor Restrictions:		
Interest and Dividend Income	\$ 1,118,170	\$ 1,024,370
Net Realized Gains on Sales of Investments	<u>695,917</u>	<u>226,345</u>
Total Without Donor Restrictions	1,814,087	1,250,715
Purpose Restricted:		
Interest and Dividend Income	389,019	405,212
Net Realized Gains on Sales of Investments	<u>36,168</u>	<u>105,139</u>
Total Purpose Restricted	<u>425,187</u>	<u>510,351</u>
Total	<u>\$ 2,239,274</u>	<u>\$ 1,761,066</u>

NOTE 5 PROPERTY, PLANT, AND EQUIPMENT

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

	2023	2022
Land	\$ 15,662,634	\$ 15,662,634
Land Improvements	2,652,604	2,275,661
Buildings and Fixtures	271,276,722	264,940,250
Right of Use Assets	674,266	674,267
Furniture and Equipment	<u>22,048,218</u>	<u>21,643,480</u>
Total	312,314,444	305,196,292
Less: Accumulated Depreciation	<u>(127,917,193)</u>	<u>(118,045,916)</u>
Total	184,397,251	187,150,376
Construction in Progress	<u>20,518,161</u>	<u>16,028,223</u>
Total	<u>\$ 204,915,412</u>	<u>\$ 203,178,599</u>

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 5 PROPERTY, PLANT, AND EQUIPMENT (CONTINUED)

Depreciation expense for the years ended September 30, 2023 and 2022 totaled approximately \$12,136,000 and \$10,848,000, respectively. Construction in progress related to routine renovation projects and initial costs related to an expansion project as of September 30, 2023 and 2022.

The Corporation has signed contracts with architecture and construction firms for a total fee of approximately \$15,074,000. As of September 30, 2023, approximately \$5,076,000 remains to be paid on these contracts.

NOTE 6 RIGHT-OF-USE LEASES PAYABLE

The Corporation leases equipment as well as certain office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2025. Total rent expense on these leases was approximately \$153,000 and \$267,000 for 2023 and 2022, respectively.

A maturity analysis of annual undiscounted cash flows for lease liabilities as of September 30, 2023 is as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2024	\$ 164,769
2025	<u>35,501</u>
Total Lease Payments	200,270
Less: Current Portion	(160,016)
Less: Imputed Interest	<u>(15,658)</u>
Present Value of Lease Payable, Net of Current Portion	<u>\$ 24,596</u>

The right-of-use leases payable will continue to be impacted by new leases, lease modifications, lease terminations, and reevaluation of any new facts and circumstances. As of September 30, 2023, the weighted average lease term remaining that is included in the maturities of the lease payables is 2.5 years.

As the rate implicit in each lease is not readily determinable, the Corporation uses an incremental borrowing rate to calculate the lease liability that represents an estimate of the interest rate the Corporation would have to borrow on a collateralized basis over the term of a lease. The weighted average discount rate used for operating leases was 4.25% at September 30, 2023.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 7 LONG-TERM DEBT

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

<u>Description</u>	<u>2023</u>	<u>2022</u>
City of Virginia Beach Development Authority Series 2018 (Fixed Rate Bond) Residential Care Facility Revenue Refunding Bonds:		
Serial Bonds, due in graduated installments ranging from \$845,000 in September 2019 to \$2,540,000 in September 2036. Interest is payable semi-annually at annual rates ranging from 3.75% to 5.0%.	\$ 25,105,000	\$ 26,455,000
Term Bonds, due on September 1, 2040, 2044, and 2048 in amounts of \$11,480,000, \$13,955,000, and \$16,705,000, respectively. Interest is payable semi- annually at annual rates ranging from 4.0% to 5.0%.	42,140,000	42,140,000
Commercial Mortgage Loan, due in Annual installments beginning on March 2018 through maturity in February 2028. Interest is payable monthly at an annual rate of 4.25%.	-	1,812,454
Term Loan, due in monthly installments, beginning on January 2024 through maturity in December 2051. Interest is payable monthly at an annual rate of 2.83%.	<u>48,500,000</u>	<u>48,500,000</u>
Subtotal	115,745,000	118,907,454
Less: Current Portion	(2,187,005)	(1,678,036)
Plus: Unamortized Bond Premium	5,069,736	5,273,886
Less: Unamortized Deferred Financing Costs	<u>(947,350)</u>	<u>(1,003,077)</u>
Total	<u>\$ 117,680,381</u>	<u>\$ 121,500,227</u>

In September 2018, Westminster-Canterbury and the Foundation (collectively, the Obligated Group) issued \$73,115,000 in Residential Care Facility Revenue Refunding Bonds (Series 2018 Bonds). The proceeds of the bonds were used to refund the Series 2015 Bonds and to pay certain issuance costs. The Series 2018 Bonds bear interest at fixed interest rates ranging from 3.75% to 5.0%. Interest payments are due semi-annually and commenced on March 2019. Principal payments are due annually and commenced on September 2019. The Obligated Group recognized a loss on the early extinguishment of debt of approximately \$349,000 for the year ended September 30, 2018, related to the write-off of unamortized deferred financing costs.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 7 LONG-TERM DEBT (CONTINUED)

In September 2015, the Obligated Group issued \$85,000,000 in Residential Care Facility Revenue and Refunding Bonds (Series 2015 Bonds). The proceeds of the bonds were used to refund the Series 2011, 2009, 2005, and 2004A Bonds, to pay certain issuance costs and to finance various capital renovations. The Series 2015 Bonds bore interest at a fixed interest rate of 3.2%. Principal and interest payments were due monthly commencing October 2015. The Obligated Group recognized a loss on the early extinguishment of debt of approximately \$1.5 million for the year ended September 30, 2015, related to the write-off of unamortized deferred financing costs, unamortized bond discounts, and prepayments of interest expense. During 2018, the outstanding Series 2015 Bonds were refinanced.

During 2018, Westminster-Canterbury entered into a loan agreement with a financial institution to provide \$3,000,000 to finance a portion of the purchase of Lynnhaven. The loan bears interest at a rate of 4.25%. Principal and interest payments are due monthly commencing March 2018 through maturity in February 2028. The loan is guaranteed by the Foundation and Lynnhaven.

During 2022, Senior Options Community entered into a term loan with a financial institution to provide \$48,500,000 to finance a portion of the costs of acquiring real property and improvements of the Overture (2022 Term Loan). The loan bears interest at a rate of 2.83%. Principal and interest payments are due monthly with interest payments commencing January 1, 2022, and principal payments commencing January 1, 2024. The loan is guaranteed by Westminster-Canterbury and the Foundation.

Total interest paid during the years ended September 30, 2023 and 2022 was \$4,497,451 and \$4,285,968, respectively.

The following table sets forth the annual principal payments:

<u>Year Ending September 30,</u>	<u>Amount</u>
2024	\$ 2,187,005
2025	2,547,586
2026	2,653,334
2027	2,759,975
2028	2,874,019
Thereafter	<u>102,723,081</u>
Total	<u>\$ 115,745,000</u>

The Series 2018 Bonds are secured by revenues and receipts derived from operation of the Obligated Group, substantially all rights to endowments, gifts, grants, and bequests of the Obligated Group, and deeds of trust on the property and equipment now owned and hereafter acquired by the Obligated Group.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 7 LONG-TERM DEBT (CONTINUED)

The Trust Agreement between the Obligated Group and the trustee for the Series 2018 Bonds contains certain covenants including, among other things (1) requirements relating to ownership and maintenance of the community and (2) a requirement that the long-term debt service coverage ratio calculated at the end of each fiscal year, as defined in the agreement, be no less than 1.20. At September 30, 2023, management is not aware of any noncompliance with these covenants.

The Credit Agreement between Senior Options Community and the financial institution for the 2022 Term Loan contains certain covenants including, among other things, a requirement that the long-term debt service coverage ratio calculated at the end of each fiscal year, as defined in the agreement, be no less than 1.15. At September 30, 2023, management believes it is in compliance with these covenants.

During the year ended September 30, 2021, the Corporation entered into a \$5,000,000 unsecured line of credit agreement with an interest rate of one month LIBOR, with the interest rate being no less than 2.6%. During the year ended September 30, 2022, the Corporation replaced the line of credit with a new \$7,000,000 line of credit with an interest rate of one-month AMERIBOR, with the interest rate being no less than 2.6%. The line of credit was set to expire in March 2023. The line of credit was renewed and is set to expire March 2024. Interest accrues and is payable monthly. There is no outstanding balance on the line of credit at September 30, 2023 and 2022.

Subsequent to year-end, in December 2023, the Obligated Group issued \$423,000,000 in Residential Care Facility Revenue Bonds (Series 2023 Bonds). The proceeds of the bonds will be used to finance and refinance the costs of demolition of existing structures and the acquisition, design, construction, and equipping of an up to 22-story building containing approximately 226 independent living units, finance capitalized interest on the Series 2023 Bonds, finance a debt service reserve fund, and finance costs of issuance of the Series 2023 Bonds. The Series 2023 Bonds will bear interest at a rate varying from 5.65% - 6.97%. Interest payments will be due semiannually commencing March 1, 2024. Principal will be due annually commencing September 1, 2029.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Restricted for Time:		
Pledges Receivable	\$ 224,209	\$ 220,728
Restricted for Purpose:		
Fellowships	9,087,946	8,355,914
Other	<u>1,682,427</u>	<u>1,307,337</u>
Total Restricted for Purpose and Time	10,994,582	9,883,979
Perpetual in Nature:		
Endowments	<u>2,252,399</u>	<u>2,245,182</u>
Total Net Assets With Donor Restrictions	<u>\$ 13,246,981</u>	<u>\$ 12,129,161</u>

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

During the years ended September 30, 2023 and 2022, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows:

	2023	2022
Fellowships	\$ 916,353	\$ 1,117,303
Bird Song Initiative	-	17,643
Health Services Operations	100,150	101,506
Other	230,224	210,859
Total	\$ 1,246,727	\$ 1,447,311

NOTE 9 PERPETUALLY RESTRICTED NET ASSETS

Interpretation of Relevant Law

The Commonwealth of Virginia adopted the Virginia Prudent Management of Institutional Funds Act (the Act). The board of trustees of the 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 Corporation classifies as perpetually restricted net assets (1) the original value of gifts donated to the permanent endowment and (2) the original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted Endowment Fund that is not classified in perpetually restricted net assets is classified as purpose restricted net assets until those amounts are appropriated for expenditure by the Corporation in a manner consistent with the standard of prudence prescribed in the Act. In accordance with the Act, the 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 Corporation 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 Corporation
- The investment policy of the Corporation

Funds with Deficiencies

It is the Corporation's policy to maintain the corpus amounts of each individual Donor-Restricted Endowment Fund received. If the fair value of assets associated with Individual Donor-Restricted Endowment Funds were to fall below the level that the donor or the Act requires the Corporation to retain as a fund of perpetual duration, in accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 9 PERPETUALLY RESTRICTED NET ASSETS (CONTINUED)

Return Objectives and Risk Parameters

The 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 the 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 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.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the 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). Management targets a diversified asset allocation that meets the Corporation's long-term rate of return objectives while avoiding undue risk from imprudent concentration in any single asset class or investment vehicle.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Corporation's spending policy is consistent with its objective of preservation of the fair value of the original gift of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

At September 30, 2023 and 2022, the Corporation had approximately \$2,252,000 and \$2,245,000, respectively, in endowments with donor restrictions perpetual in nature for which the income is used to support the purpose of the Foundation. The Corporation had no board-designated endowment funds for the year ended September 30, 2023.

The following is the change in endowment net assets for the years ended September 30, 2023 and 2022:

	2023			Total
	Without Donor Restrictions	Purpose Restricted	Perpetual in Nature	
Endowment Net Assets, Beginning of the Year	\$ -	\$ 275,291	\$ 2,245,182	\$ 2,520,473
Change in Unrealized Gains on Investments	79,745	143,016	7,217	229,978
Endowment Net Assets, End of the Year	<u>\$ 79,745</u>	<u>\$ 418,307</u>	<u>\$ 2,252,399</u>	<u>\$ 2,750,451</u>

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 9 PERPETUALLY RESTRICTED NET ASSETS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy
(Continued)

	2022			
	Without Donor Restrictions	Purpose Restricted	Perpetual in Nature	Total
Endowment Net Assets, Beginning of the Year	\$ 212,489	\$ 703,617	\$ 2,269,429	\$ 3,185,535
Change in Unrealized Losses on Investments	<u>(212,489)</u>	<u>(428,326)</u>	<u>(24,247)</u>	<u>(665,062)</u>
Endowment Net Assets, End of the Year	<u>\$ -</u>	<u>\$ 275,291</u>	<u>\$ 2,245,182</u>	<u>\$ 2,520,473</u>

NOTE 10 DEFERRED COMPENSATION PLAN

The Corporation maintains deferred compensation plans which cover substantially all eligible employees. For those employees at Westminster-Canterbury who are eligible to participate in the Corporation's IRC 403(b) Church Sponsored Employer Contributory Plan, the Corporation contributes a matching contribution equal to 100% of the voluntary contributions of each employee up to a maximum of 4% of annual compensation. The Corporation also contributed at its discretion an additional 3% of the annual compensation of each eligible employee for the years ended September 30, 2023 and 2022. The Westminster-Canterbury 403(b) plan is a qualified plan but is not subject to ERISA regulations. The Corporation also maintains nonqualified 457(b) and 457(f) plans for executive level staff contributions. The expenses related to deferred compensation plans were approximately \$1,335,000 and \$1,118,000 for the years ended September 30, 2023 and 2022, respectively.

NOTE 11 LIQUIDITY AND AVAILABILITY

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

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

	2023	2022
Cash and Cash Equivalents	\$ 13,932,233	\$ 10,314,675
Investments:		
Mutual Funds	16,127,797	14,132,729
Equity Securities	35,864,105	31,785,518
Receivables, Net	4,409,187	3,740,807
Less: Net Assets With Donor Restrictions	<u>(13,246,981)</u>	<u>(12,129,161)</u>
Total Financial Assets Available to Meet Liquidity Needs	<u>\$ 57,086,341</u>	<u>\$ 47,844,568</u>

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 12 FAIR VALUE MEASUREMENTS

The 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 Corporation measures fair value refer to Note 1 – Organization and Summary of Significant Accounting Policies.

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

	2023			Total
	Level 1	Level 2	Level 3	
Assets:				
Investments:				
Mutual Funds	\$ 16,127,797	\$ -	\$ -	\$ 16,127,797
Equity Securities	35,864,105	-	-	35,864,105
Total Assets	<u>\$ 51,991,902</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,991,902</u>
Liabilities:				
Deferred Annuity Obligations	\$ -	\$ 289,333	\$ -	\$ 289,333
Total Liabilities	<u>\$ -</u>	<u>\$ 289,333</u>	<u>\$ -</u>	<u>\$ 289,333</u>
	2022			Total
	Level 1	Level 2	Level 3	
Assets:				
Investments:				
Mutual Funds	\$ 14,132,729	\$ -	\$ -	\$ 14,132,729
Equity Securities	31,785,518	-	-	31,785,518
Total Assets	<u>\$ 45,918,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,918,247</u>
Liabilities:				
Deferred Annuity Obligations	\$ -	\$ 331,494	\$ -	\$ 331,494
Total Liabilities	<u>\$ -</u>	<u>\$ 331,494</u>	<u>\$ -</u>	<u>\$ 331,494</u>

NOTE 13 COMMITMENTS AND CONTINGENCIES

Senior Options and WC at Home entered into a management agreement with Hospice House of Hampton Roads (Hospice House), an unrelated, nonprofit hospice organization governed by its own independent Board of Directors that has control and authority over the organization. Senior Options and WC at Home have no authority or oversight in appointing the Hospice House board members. Under the terms of the management agreement, Senior Options and WC At Home will manage the operations of the Hospice House, which includes providing an Executive Director to oversee clinical, social work, and pastoral operations of the Hospice House. The management agreement is for one year and renews yearly unless terminated by either party with 90-days written notice. Compensation for services provided under the management agreement is two percent (2%) of the monthly revenues of the Hospice House in the first five years and five percent (5%) thereafter. No revenue has been recognized by Senior Options or WC at Home under the management agreement as of September 30, 2023.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)

The Corporation is subject to legal proceedings and claims which arise in the course of providing health care services. The 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.

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. Recently, 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. As of September 30, 2023, management believes it is in compliance with all Medicare and Medicaid laws and regulations.

Self – Insurance

Health Insurance

In 2012, the Corporation began to self-insure its employees' health plan. The Corporation has contracted with an administrative service company to supervise and administer the program and act as its representative. Provisions for expected future payments are accrued based on the Corporation's experience and include amounts for claims filed and claims incurred but not reported. The Corporation insures for excessive and unexpected health claims and is liable for claims not to exceed \$150,000 for each covered member per plan year and an aggregate amount of \$2,966,000 per plan year.

Liability Insurance

The Corporation, together with other similar retirement communities in the state of Virginia, is a member of Virginia Senior Care Group, a limited liability corporation whose primary purpose is that of obtaining general liability and professional insurance for its members. Under the terms of the policy, 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 policy also provides for umbrella coverage, which functions as an extension of the primary limit. The policy is written on a claims first made basis and has a component of reinsurance. Management has not recorded any liabilities related to this policy as they are not aware of any underfunding within the pool.

The Corporation's professional liability is on the claims-made basis. Under a claims-made policy, determination of coverage is triggered by the date the insured first becomes aware and notifies the insurer of a claim or potential claim.

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 14 FUNCTIONAL EXPENSES

Program, management, and fundraising expenses for the year ended September 30 are summarized as follows:

	2023						Total
	Residential Services	Program Services Health Services	Other Program	Total Program Services	Management and General	Fundraising	
Salaries and Benefits	\$ 8,511,215	\$ 16,017,231	\$ -	\$ 24,528,446	\$ 5,304,942	\$ 197,497	\$ 30,030,885
Interest Expense	1,278,966	2,068,392	102,754	3,450,112	998,543	32,386	4,481,041
Depreciation and Amortization	3,444,933	5,588,896	276,772	9,310,601	2,738,042	87,233	12,135,876
Employee Fringe Benefits	1,217,563	3,450,357	46,923	4,714,843	659,173	53,669	5,427,685
Other Supplies and Expenses	2,975,152	2,469,198	2,407	5,446,757	4,027,245	118,196	9,592,198
Food Costs	2,949,398	-	-	2,949,398	-	-	2,949,398
Utilities	589,234	865,783	43,011	1,498,028	576,949	13,556	2,088,533
Contracted Management Services	410,487	40,101	1,992	452,580	349,036	628	802,244
Real Estate, Property, Sales Taxes	520,840	831,291	41,297	1,393,428	424,788	13,016	1,831,232
Corporate Insurance	-	-	-	-	1,331,111	-	1,331,111
Other Professional Fees	-	286,995	-	286,995	295,696	38,355	621,046
Employee Related Expenses	35,350	286,498	-	321,848	741,424	859	1,064,131
Therapy, Pharmacy, Ancillary Costs	-	3,565,004	-	3,565,004	-	-	3,565,004
Program Costs	-	-	1,246,991	1,246,991	1	-	1,246,992
Total Expenses by Function	<u>\$ 21,933,138</u>	<u>\$ 35,469,746</u>	<u>\$ 1,762,147</u>	<u>\$ 59,165,031</u>	<u>\$ 17,446,950</u>	<u>\$ 555,395</u>	<u>\$ 77,167,376</u>

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 14 FUNCTIONAL EXPENSES (CONTINUED)

	2022						Total
	Program Services			Total		Fundraising	
	Residential Services	Health Services	Other Program	Program Services	Management and General		
Salaries and Benefits	\$ 7,609,799	\$ 14,160,877	\$ -	\$ 21,770,676	\$ 4,785,791	\$ 195,564	\$ 26,752,031
Interest Expense	1,266,758	2,005,327	126,555	3,398,640	1,019,066	35,322	4,453,028
Depreciation and Amortization	3,074,014	4,866,284	307,107	8,247,405	2,515,013	85,716	10,848,134
Employee Fringe Benefits	1,215,628	3,312,150	66,017	4,593,795	857,427	57,912	5,509,134
Other Supplies and Expenses	3,138,176	2,720,752	2,992	5,861,920	3,744,106	112,596	9,718,622
Food Costs	2,763,601	-	-	2,763,601	-	-	2,763,601
Utilities	472,301	691,110	43,615	1,207,026	508,855	12,173	1,728,054
Contracted Management Services	416,035	39,359	2,484	457,878	281,152	693	739,723
Real Estate, Property, Sales Taxes	453,719	707,643	44,659	1,206,021	375,441	12,465	1,593,927
Corporate Insurance	-	-	-	-	1,393,814	-	1,393,814
Other Professional Fees	-	258,815	-	258,815	390,222	56,767	705,804
Employee Related Expenses	23,949	254,909	-	278,858	498,598	573	778,029
Therapy, Pharmacy, Ancillary Costs	-	3,330,561	-	3,330,561	-	-	3,330,561
Program Costs	-	-	1,448,013	1,448,013	700	-	1,448,713
Total Expenses by Function	<u>\$ 20,433,980</u>	<u>\$ 32,347,787</u>	<u>\$ 2,041,442</u>	<u>\$ 54,823,209</u>	<u>\$ 16,370,185</u>	<u>\$ 569,781</u>	<u>\$ 71,763,175</u>

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated on a square footage basis include depreciation and amortization, interest expense, employee fringe benefits, contracted management services, and real estate, property, and sales taxes.



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Trustees
Westminster-Canterbury on Chesapeake Bay
and Subsidiaries
Virginia Beach, Virginia

We have audited the consolidated financial statements of Westminster-Canterbury on Chesapeake Bay and Subsidiaries as of and for the year ended September 30, 2023, and our report thereon dated February 20, 2024, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is 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 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
February 20, 2024

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

	Westminster- Canterbury	Foundation	Eliminations	Obligated Group	WC at Home	Senior Options	S.O. Realty	Ballentine	Lynnhaven	S.O. Community	Nonobligated Group	Eliminations	Consolidated
ASSETS													
CURRENT ASSETS													
Cash and Cash Equivalents	\$ 11,325,413	\$ 599,878	\$ -	\$ 11,925,291	\$ 71,488	\$ 50,042	\$ 23,886	\$ 255,842	\$ -	\$ 1,605,684	\$ 2,006,942	\$ -	\$ 13,932,233
Receivables	28,086,476	238,649	(48,112)	28,277,013	22,235,939	7,433,300	341,121	9,298,696	-	31,904	39,340,960	(63,208,786)	4,409,187
Accrued Interest Receivable and Other	2,979,404	-	-	2,979,404	3,125	25,826	5,220	421,108	-	433,921	889,200	-	3,868,604
Total Current Assets	42,391,293	838,527	(48,112)	43,181,708	22,310,552	7,509,168	370,227	9,975,646	-	2,071,509	42,237,102	(63,208,786)	22,210,024
ASSETS LIMITED AS TO USE													
Internally Restricted by Board for Capital Acquisition and Debt Service	6,167,298	-	-	6,167,298	-	-	-	-	-	-	-	-	6,167,298
Externally Restricted Under Residency Agreements	14,140,366	-	-	14,140,366	-	-	-	-	-	-	-	-	14,140,366
Externally Restricted Under Bond Indenture Agreements	427,123	-	-	427,123	-	-	-	-	-	-	-	-	427,123
Total Assets Limited as to Use	20,734,787	-	-	20,734,787	-	-	-	-	-	-	-	-	20,734,787
INVESTMENTS	35,782,842	16,209,060	-	51,991,902	-	-	-	-	-	-	-	-	51,991,902
PROPERTY, PLANT, AND EQUIPMENT, NET	136,232,850	-	-	136,232,850	35,125	135,990	1,897,396	34,943	39,161	66,539,947	68,682,562	-	204,915,412
Total Assets	\$ 235,141,772	\$ 17,047,587	\$ (48,112)	\$ 252,141,247	\$ 22,345,677	\$ 7,645,158	\$ 2,267,623	\$ 10,010,589	\$ 39,161	\$ 68,611,456	\$ 110,919,664	\$ (63,208,786)	\$ 299,852,125

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

	Westminster- Canterbury	Foundation	Eliminations	Obligated Group	WC at Home	Senior Options	S.O. Realty	Ballentine	Lynnhaven	S.O. Community	Nonobligated Group	Eliminations	Consolidated
LIABILITIES AND NET ASSETS (DEFICIT)													
CURRENT LIABILITIES													
Accounts Payable and Accrued Expenses	\$ 23,310,699	\$ 84,817	\$ (48,112)	\$ 23,347,404	\$ 16,413,187	\$ 8,151,857	\$ 2,190,898	\$ 1,533,563	\$ 738,705	20,973,777	\$ 50,001,987	\$ (63,208,786)	\$ 10,140,605
Accrued Interest	265,485	-	-	265,485	-	-	-	-	-	114,379	114,379	-	379,864
Reservation Fees	687,520	-	-	687,520	-	-	-	-	-	-	-	-	687,520
Current Portion of Refundable Advance Fees	367,000	-	-	367,000	-	-	-	-	-	-	-	-	367,000
Current Portion of Leases Payable	160,016	-	-	160,016	-	-	-	-	-	-	-	-	160,016
Current Portion of Long-Term Debt	1,420,000	-	-	1,420,000	-	-	-	-	-	767,005	767,005	-	2,187,005
Total Current Liabilities	26,210,720	84,817	(48,112)	26,247,425	16,413,187	8,151,857	2,190,898	1,533,563	738,705	21,855,161	50,883,371	(63,208,786)	13,922,010
ADVANCE FEES AND DEPOSITS													
Advance Fee Deposits	14,100,726	-	-	14,100,726	-	-	-	-	-	-	-	-	14,100,726
Refundable Advance Fees	9,517,332	-	-	9,517,332	-	-	-	-	-	-	-	-	9,517,332
Deferred Revenue from Advance Fees	118,111,564	-	-	118,111,564	-	-	-	-	-	-	-	-	118,111,564
Total Advance Fees and Deposits	141,729,622	-	-	141,729,622	-	-	-	-	-	-	-	-	141,729,622
Deferred Annuity Obligations	-	289,333	-	289,333	-	-	-	-	-	-	-	-	289,333
Leases Payable, Less Current Portion	24,596	-	-	24,596	-	-	-	-	-	-	-	-	24,596
Long-Term Debt, Less Current Portion	70,061,226	-	-	70,061,226	-	-	-	-	-	47,619,155	47,619,155	-	117,680,381
Other Liabilities	-	-	-	-	-	32,300	-	-	-	-	32,300	-	32,300
Total Liabilities	238,026,164	374,150	(48,112)	238,352,202	16,413,187	8,184,157	2,190,898	1,533,563	738,705	69,474,316	98,534,826	(63,208,786)	273,678,242
NET ASSETS (DEFICIT)													
Without Donor Restrictions	(2,884,392)	3,426,456	-	542,064	5,932,490	(538,999)	76,725	8,477,026	(699,544)	(862,860)	12,384,838	-	12,926,902
With Donor Restrictions:													
Purpose Restricted	-	10,994,582	-	10,994,582	-	-	-	-	-	-	-	-	10,994,582
Perpetual in Nature	-	2,252,399	-	2,252,399	-	-	-	-	-	-	-	-	2,252,399
Total Net Assets (Deficit)	(2,884,392)	16,673,437	-	13,789,045	5,932,490	(538,999)	76,725	8,477,026	(699,544)	(862,860)	12,384,838	-	26,173,883
Total Liabilities and Net Assets (Deficit)	\$ 235,141,772	\$ 17,047,587	\$ (48,112)	\$ 252,141,247	\$ 22,345,677	\$ 7,645,158	\$ 2,267,623	\$ 10,010,589	\$ 39,161	\$ 68,611,456	\$ 110,919,664	\$ (63,208,786)	\$ 299,852,125

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

	Westminster- Canterbury	Foundation	Eliminations	Obligated Group	WC at Home	Senior Options	S.O. Realty	Ballentine	Lynnhaven	S.O. Community	Nonobligated Group	Eliminations	Consolidated
REVENUE, GAINS, AND OTHER SUPPORT													
Resident Services, Including Amortization of Deferred Revenue from Advance Fees of \$13,139,170	\$ 56,338,196	\$ -	\$ -	\$ 56,338,196	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,836,051	\$ 4,836,051	\$ -	\$ 61,174,247
Home and Community Based Services	-	-	-	-	9,948,189	3,059,196	-	-	-	-	13,007,385	(783,873)	12,223,512
Contributions	(2,500)	595,587	-	593,087	-	-	-	-	-	-	-	-	593,087
Investment Income	1,737,716	77,723	-	1,815,439	-	-	-	55,737	-	-	55,737	(57,089)	1,814,087
Other Income - Employee Retention Credit	3,337,910	-	-	3,337,910	-	-	-	-	-	-	-	-	3,337,910
Other	1,629,155	-	-	1,629,155	14,122	-	215,984	466,138	-	150	696,394	-	2,325,549
Net Assets Released from Restriction	-	1,246,727	-	1,246,727	-	-	-	-	-	-	-	-	1,246,727
Total Revenues, Gains, and Other Support	63,040,477	1,920,037	-	64,960,514	9,962,311	3,059,196	215,984	521,875	-	4,836,201	18,595,567	(840,962)	82,715,119
EXPENSES													
Resident and Community Based Services	14,973,988	-	-	14,973,988	9,593,479	2,967,866	-	-	-	78,350	12,639,695	(783,873)	26,829,810
Dining Services	8,248,363	-	-	8,248,363	-	-	-	-	-	-	-	-	8,248,363
Housekeeping and Laundry	2,558,105	-	-	2,558,105	-	-	-	-	-	47,639	47,639	-	2,605,744
General and Administrative	14,733,260	393,029	-	15,126,289	-	37	135,737	629,524	21,711	1,509,305	2,296,314	(57,089)	17,365,514
Plant Maintenance	3,373,000	-	-	3,373,000	-	-	28,176	-	15,454	567,011	610,641	-	3,983,641
Depreciation and Amortization	10,176,046	-	-	10,176,046	11,801	-	47,862	-	-	1,900,167	1,959,830	-	12,135,876
Interest Expense	3,089,198	-	-	3,089,198	-	-	-	-	-	1,391,843	1,391,843	-	4,481,041
Fellowship Payments	-	916,353	-	916,353	-	-	-	-	-	-	-	-	916,353
Other	270,660	330,374	-	601,034	-	-	-	-	-	-	-	-	601,034
Total Expenses	57,422,620	1,639,756	-	59,062,376	9,605,280	2,967,903	211,775	629,524	37,165	5,494,315	18,945,962	(840,962)	77,167,376
OPERATING INCOME (LOSS)	5,617,857	280,281	-	5,898,138	357,031	91,293	4,209	(107,649)	(37,165)	(658,114)	(350,395)	-	5,547,743
OTHER INCOME (LOSS)													
Change in Estimated Value of Deferred Annuity Obligations	-	(14,709)	-	(14,709)	-	-	-	-	-	-	-	-	(14,709)
Net Unrealized Gains on Investments	2,197,329	231,529	-	2,428,858	-	-	-	-	-	-	-	-	2,428,858
Loss on Early Extinguishment of Long-Term Debt	(30,699)	-	-	(30,699)	-	-	-	-	-	-	-	-	(30,699)
Loss on Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Income (Loss)	2,166,630	216,820	-	2,383,450	-	-	-	-	-	-	-	-	2,383,450
EXCESS (DEFICIT) OF REVENUES, GAINS AND OTHER SUPPORT OVER (UNDER) EXPENSES AND CHANGE IN NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS	\$ 7,784,487	\$ 497,101	\$ -	\$ 8,281,588	\$ 357,031	\$ 91,293	\$ 4,209	\$ (107,649)	\$ (37,165)	\$ (658,114)	\$ (350,395)	\$ -	\$ 7,931,193

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

	Westminster- Canterbury	Foundation	Eliminations	Obligated Group	WC at Home	Senior Options	S.O. Realty	Ballentine	Lynnhaven	S.O. Community	Nonobligated Group	Eliminations	Consolidated
NET ASSETS (DEFICIT)													
WITHOUT DONOR RESTRICTIONS													
Change in Net Assets (Deficit) Without Donor Restrictions	\$ 7,784,487	\$ 497,101	\$ -	\$ 8,281,588	\$ 357,031	\$ 91,293	\$ 4,209	\$ (107,649)	\$ (37,165)	\$ (658,114)	\$ (350,395)	\$ -	\$ 7,931,193
PURPOSE													
RESTRICTED NET ASSETS													
Contributions	-	846,870	-	846,870	-	-	-	-	-	-	-	-	846,870
Investment Gains	-	425,187	-	425,187	-	-	-	-	-	-	-	-	425,187
Net Change in Unrealized Losses on Investments	-	1,085,273	-	1,085,273	-	-	-	-	-	-	-	-	1,085,273
Net Assets Released from Restriction	-	(1,246,727)	-	(1,246,727)	-	-	-	-	-	-	-	-	(1,246,727)
Change in Purpose Restricted Net Assets	-	1,110,603	-	1,110,603	-	-	-	-	-	-	-	-	1,110,603
PERPETUAL IN NATURE													
RESTRICTED NET ASSETS													
Net Change in Unrealized Gains on Investments	-	7,217	-	7,217	-	-	-	-	-	-	-	-	7,217
Change in Perpetual in Nature Restricted Net Assets	-	7,217	-	7,217	-	-	-	-	-	-	-	-	7,217
INCREASE (DECREASE) IN NET ASSETS	7,784,487	1,614,921	-	9,399,408	357,031	91,293	4,209	(107,649)	(37,165)	(658,114)	(350,395)	-	9,049,013
Net Assets (Deficit) - Beginning of Year	(10,668,879)	15,058,516	-	4,389,637	5,575,459	(630,292)	72,516	8,584,675	(662,379)	(204,746)	12,735,233	-	17,124,870
NET ASSETS (DEFICIT) - END OF YEAR	\$ (2,884,392)	\$ 16,673,437	\$ -	\$ 13,789,045	\$ 5,932,490	\$ (538,999)	\$ 76,725	\$ 8,477,026	\$ (699,544)	\$ (862,860)	\$ 12,384,838	\$ -	\$ 26,173,883

Tab 4
Early Advantage Program Financial
Statements for the Year Ended
September 30, 2023

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY
Early Advantage Program
Balance Sheet
September 30, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 18,229,655	\$ 10,246,133
Receivable, Net	-	-
Total Current Assets	18,229,655	10,246,133
Total Assets	<u>\$ 18,229,655</u>	<u>\$ 10,246,133</u>
LIABILITIES AND NET ASSETS (DEFICIT)		
CURRENT LIABILITIES		
Accounts Payable	\$ 8,886	\$ 8,886
Current Portion of Refundable Membership Fees	5,841,216	3,283,856
Total Current Liabilities	5,850,102	3,292,742
ADVANCE FEES AND DEPOSITS		
Refundable Membership Fees	11,859,441	6,667,224
Total Advance Fees and Deposits	11,859,441	6,667,224
Total Liabilities	17,709,543	9,959,966
NET ASSETS (DEFICIT)		
Unrestricted	520,112	286,167
Total Net Aseets (Deficit)	520,112	286,167
Total Liabilities and Net Assets (Deficit)	<u>\$ 18,229,655</u>	<u>\$ 10,246,133</u>

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY
Early Advantage Program
Statement of Operations and Other Changes in Unrestricted Net Assets
For the Fiscal Year Ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Membership Fees Received	\$ 9,725,909	\$ 6,580,830
Membership Fees Converted to Life-Care Contracts	(1,874,332)	(1,900,850)
Membership Fees Refunded	<u>(102,000)</u>	<u>(155,000)</u>
Net Membership Fees	7,749,577	4,524,980
REVENUES, GAINS, AND OTHER SUPPORT		
Monthly Fees	\$ 329,945	\$ 178,293
Other Operating Revenues	-	-
Investment Income	<u>-</u>	<u>-</u>
Total Revenues, Gains, and Other Support	329,945	178,293
EXPENSES		
Marketing	96,000	67,500
Other Operating Expenses	<u>-</u>	<u>-</u>
Total Expenses	<u>96,000</u>	<u>67,500</u>
DEFICIENCY OF REVENUES, GAINS, AND OTHER SUPPORT OVER EXPENSES	<u>233,945</u>	<u>110,793</u>
OTHER CHANGES IN UNRESTRICTED NET ASSETS		
Net Unrealized Gains (Losses) on Investments	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u>\$ 233,945</u>	<u>\$ 110,793</u>

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY
Early Advantage Program
Statement of Cash Flows
For the Fiscal Year Ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 233,945	\$ 110,793
Net Cash Provided by Operating Activities	<u>233,945</u>	<u>110,793</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Membership Fees Received	9,725,909	6,580,830
Membership Fees Converted to Life-Care Contracts	(1,874,332)	(1,900,850)
Membership Fees Refunded	<u>(102,000)</u>	<u>(155,000)</u>
Net Cash Provided by Financing Activities	7,749,577	4,524,980
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,983,522	4,635,773
Cash and Cash Equivalents - Beginning of Year	<u>10,246,133</u>	<u>5,610,360</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 18,229,655</u></u>	<u><u>\$ 10,246,133</u></u>

Tab 5

Early Advantage Program Comparison of
Prior Year's Pro Forma Actual to Budget
For Fiscal Year 2023

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY
Early Advantage Program
Statement of Operations and Other Changes in Unrestricted Net Assets
For the Fiscal Year Ending September 30, 2023

	ACTUAL FY 2023	BUDGET FY 2022	DOLLAR CHANGE	PERCENT CHANGE
Membership Fees Received	\$ 9,725,909	\$ 4,200,000	\$ 5,525,909	56.8%
Membership Fees Converted to Life-Care Contracts	(1,874,332)	(840,000)	(1,034,332)	----
Membership Fees Refunded	(102,000)	-	(102,000)	100.0%
Net Membership Fees	7,749,577	3,360,000	4,389,577	56.6%
REVENUES, GAINS, AND OTHER SUPPORT				
Monthly Fees	\$ 329,945	\$ 162,192	\$ 167,753	50.8%
Other Operating Revenues	-	-	-	----
Investment Income	-	-	-	----
Total Revenues, Gains, and Other Support	329,945	162,192	-	0.0%
EXPENSES				
Marketing	96,000	37,500	58,500	60.9%
Other Operating Expenses	-	-	-	----
Total Expenses	96,000	37,500	58,500	60.9%
DEFICIENCY OF REVENUES, GAINS, AND OTHER SUPPORT OVER EXPENSES				
	233,945	124,692	109,253	46.7%
OTHER CHANGES IN UNRESTRICTED NET ASSETS				
Net Unrealized Gains (Losses) on Investments	-	-	-	----
	-	-	-	----
INCREASE IN UNRESTRICTED NET ASSETS	\$ 233,945	\$ 124,692	\$ 109,253	46.7%

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY
Early Advantage Program

Explanation of Actual to Budget Year-end Variances
Fiscal Year Ending September 30, 2023

Memberships Fees Received

128 new membership fees at an average fee of \$76,000 were sold compared to the budget of 50 membership fees at an average fee of \$84,000.

Membership Fees Conversion

Twenty-four memberships converted to life-care contracts during the fiscal year.

Membership Fees Refunded

Two refunds (one cancellation, one death) were issued during the fiscal year.

Monthly Fees

Monthly fees were more than budgeted because the number of memberships sold (128) exceeded the budget (50).

Marketing Expenses

Marketing expenses were more than budget due to selling 78 more memberships than anticipated.

Tab 6
Early Advantage Program
Budget Income and Expense Pro Forma
Fiscal Year 2023 and 2024

WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY
Early Advantage Program
Income and Expense Pro Forma
Fiscal Year 2023 and 2024

	BUDGET FY 2023	BUDGET FY 2024	DOLLAR CHANGE	PERCENT CHANGE
Membership Fees Received	\$ 4,200,000	\$ 5,200,000	\$ (1,000,000)	(23.8%)
Membership Fees Converted to Life-Care Contracts	(840,000)	(1,040,000)	\$ 200,000	(23.8%)
Membership Fees Refunded	-	(100,000)	(100,000)	----
Net Membership Fees, net	3,360,000	4,060,000	(900,000)	(26.8%)
REVENUES, GAINS, AND OTHER SUPPORT				
Monthly Fees	\$ 162,192	\$ 500,000	\$ (337,808)	(208.3%)
Other Operating Revenues	-	-	-	----
Investment Income	-	-	-	----
Total Revenues, Gains, and Other Support	162,192	500,000	(337,808)	(208.3%)
EXPENSES				
Marketing	37,500	53,250	15,750	42.0%
Other Operating Expenses	-	-	-	----
Total Expenses	37,500	53,250	15,750	42.0%
DEFICIENCY OF REVENUES, GAINS, AND OTHER SUPPORT OVER EXPENSES				
	124,692	446,750	(322,058)	(258.3%)
OTHER CHANGES IN UNRESTRICTED NET ASSETS				
Net Unrealized Gains (Losses) on Investments	-	-	-	----
	-	-	-	----
INCREASE IN UNRESTRICTED NET ASSETS				
	\$ 124,692	\$ 446,750	\$ (322,058)	(258.3%)
INCREASE (DECREASE) IN CASH				
	\$ 3,484,692	\$ 4,506,750	\$ 1,022,058	29.3%

**WESTMINSTER-CANTERBURY ON CHESAPEAKE BAY
Early Advantage Program**

**Budget Income and Expense Pro Forma
Fiscal Year Ending September 30, 2024**

The following assumptions were used in developing the budget income and expense pro forma statement for the fiscal year 2024 (FY24).

Membership Fees Received

Assumes 71 new memberships at an average membership fee of \$73,000 each.

Membership Fees Refunded

Assumes one refund.

Membership Fees Conversion

Assumes twelve members will convert to a Life-care Contract during the fiscal year.

Monthly Fees

Assumes an average of 196 members at an average first-person monthly fee of \$164 and an average of 106 members at an average second-person monthly fee of \$92.

Marketing Expenses

Assume an average marketing cost of \$750 for each new membership.