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BY: Young Jones

EARLY ADVANTAGE PROGRAM DISCLOSURE STATEMENT

June 2024



Westminster-Canterbury of the Blue Ridge
250 Pantops Mountain Road, Charlottesville, VA 22911

www.westminstercanterbury.org



EARLY ADVANTAGE DISCLOSURE STATEMENT

June 2024

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

Table of Contents

I Community-Based Continuing Care Provider	1
II Officers and Trustees.....	1
III Business Experience of; Acquisition of Goods and Services from; and Criminal, Civil and Regulatory Proceedings Against the Provider; its Officers, Directors, Trustees, and the Management.....	3
IV Ownership of Real Property	7
V Location and Description of Real Property.....	7
VI Affiliations with Religious, Charitable or Other Nonprofit Organizations; Tax Status of Provider	8
VII Services Provided Under Community-Based Continuing Care Contracts	9
VIII Fees Required of Participants	9
IX Reserve Funding.....	11
X Certified Financial Statements.....	13
XI Pro Forma Income Statement	13
XII Enrollment of Participants.....	14
XIII Access to Services by Non-Participants	15
XIV Procedure for Participant to File a Complaint or Disclose Concern	15
XV Other Relevant Information	15
Appendix A Early Advantage Agreement (Non-Residential).....	17
Appendix B Certified Financial Statements for FY22 and FY23	39
Appendix C Pro Forma Income Statement.....	81
Appendix D Schedules of Fees	87
Appendix E Complaint Procedure	89

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Required Information

I. COMMUNITY-BASED CONTINUING CARE PROVIDER

Give the name and business address of the provider and a statement of whether the provider is a partnership, foundation, association, corporation or other type of business or legal entity. Such statement shall also set forth the jurisdiction in which the provider is organized if applicable. If the provider is composed of multiple legal entities, give the required information for all such entities and provide a specific description of their relationship to each other.

Westminster-Canterbury of the Blue Ridge (the "Corporation") is a non-stock, not-for-profit corporation. It was organized in July 1985 under the laws of the Commonwealth of Virginia according to guidelines established in 1981 by the executive committees of Westminster Presbyterian Homes, Inc. and Virginia Diocesan Homes, Inc. The purpose of the Corporation is to operate a life-care facility to serve the Charlottesville/Albemarle area. Under the Lifecare concept, it is the aim of the Corporation to ensure that the residents of its community receive all necessary medical and nursing care for life, without incurring catastrophic losses due to the expense of such care.

The business address of the Corporation is:

250 Pantops Mountain Road
Charlottesville, VA 22911
(434) 972-3100

The registered agent for the Corporation is:

J. Brian Jackson, Esq.
McGuire Woods
323 2nd St., SE
Suite 700
Charlottesville, Virginia 22902
(434) 977-2500

II. OFFICERS AND TRUSTEES

Give the names and business addresses of the officers, directors, trustees, managing or general partners, and any person having a ten percent or greater equity or beneficial interest in the provider, and a description of such person's interest in or occupation with the provider. In the case of a non-stock corporation also provide the required information for members of the non-stock corporation.

Board of Trustees. The business and affairs of the Corporation are managed by a voluntary Board of Trustees, all of whom are elected by Westminster-Canterbury of the Blue Ridge. Trustees are elected for three-year terms and may serve three consecutive terms.

The members of the Board of Trustees for the 2024 board year, their business affiliations and addresses are as follows:

<i>Board Member</i>	<i>Principal Business Affiliation and Address</i>
Allison M. Agarwal Novak Chair <i>Term expires 12/31/24</i>	Registered Nurse 2771 Peppervine Court Charlottesville, VA 22911
Carol F. Ham Vice Chair <i>Term expires 12/31/24</i>	Wealth Management Advisor Merrill Lynch 3218 Wallingford Lane Keswick, VA 22947
Anna D. Buchanan Treasurer <i>Non-Trustee</i>	Westminster-Canterbury of the Blue Ridge Chief Financial Officer 2734 Fernleaf Road Charlottesville, VA 22911
Ross T. Thomas <i>Secretary</i> <i>Term expires 12/31/26</i>	Retired Technology 250 Pantops Mountain Rd., A5135 Charlottesville, VA 22911
Leone Ciporin <i>Term expires 12/31/24</i>	Retired Government Affairs 2759 Peppervine Court Charlottesville, VA 22911
Terry S. Forbes <i>Term expires 12/31/26</i>	VMDO Architects 1964A Lewis Mountain Road Charlottesville, VA 22903
Rebecca Hill <i>Term expires 12/31/24</i>	Patient Safety & Risk Management University of Virginia Medical Center 927 Summit View Lane Charlottesville, VA 22903
J. Brian Jackson <i>Term expires 12/31/2026</i>	Attorney McGuireWoods 323 Second Street SE, Suite 700 Charlottesville, VA 22902

David Maloney <i>(Ex Officio)</i>	Retired UVA McIntire School of Commerce 2778 Town Mews Lane Charlottesville, VA 22902
Lawrence J. Martin <i>Term expires 12/31/24</i>	CPA Hantzmon Wiebel 108 Key West Drive Charlottesville, VA 22911
Daniel L. Oakey <i>Term expires 12/31/26</i>	Finance 3822 Red Hill School Road North Garden, VA 22989
David M. Oakland <i>Term expires 12/31/24</i>	VMDO Architects 1630 Owensville Road Charlottesville, VA 22901
Glenn W. Rust <i>Term expires 12/31/25</i>	President and CEO Virginia National Bank 900 Rainier Road Charlottesville, VA 22903
Tyler S. Kendall	President and CEO Westminster-Canterbury of the Blue Ridge 250 Pantops Mountain Road Charlottesville, VA 22911
David Trautman <i>Term expires 12/31/24</i>	Retired Military and Telecommunications 250 Pantops Mountain Road, C244 Charlottesville, VA 22911
David H. Whitcomb <i>Term expires 12/31/25</i>	Retired Financial Management 250 Pantops Mountain Road, C86 Charlottesville, VA 22911

No person has a ten percent or greater equity or beneficial interest in the Corporation. The Corporation has no members.

III. Business Experience of; Acquisition of Goods and Services from; and Criminal, Civil and Regulatory Proceedings against the Provider; its Officers, Directors, Trustees, and the Management. For (i) the provider, (ii) any person named in the previous section or (iii) the proposed management, if the facility will be managed on a day-to-day basis by a person other than an individual directly employed by the provider:

The organization is managed by a person directly employed by the Corporation.

a. Give a description of any specific business experience in the operation or management of similar facilities.

Management, collectively, has a great deal of experience in the marketing, operation and financial management of similar organizations. Trustees bring experience from diverse fields such as banking, business and financial management, development, education, health care, public relations, and real estate. As to relevant business experience, please see Article II, above and Paragraph d. below.

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 ten 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.

No officer, trustee, or the provider has, or no entity has in any of the aforementioned persons, a ten percent or greater direct or indirect interest in any entity 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.

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

(1) Has been convicted of a felony or pleaded nolo contendere to a felony charge, or been held liable or enjoined in a civil action by final judgment if the felony or civil action involved fraud, embezzlement, fraudulent conversion or misappropriation of property; 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 laws in another state; or

(3) Is currently the subject of any state or federal prosecution, or administrative investigation involving allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property.

None of the items listed in paragraphs (1), (2) and (3) of this Section III.c. applies to Westminster-Canterbury of the Blue Ridge, its Officers, Trustees or Management. Each person named in the previous Section has certified to the Corporation that none of the items listed in paragraphs (1), (2) and (3) of this Section III.c. is or has been applicable to him or her.

d. Management and Consultants

In addition to the experience and expertise of the members of its Board of Trustees, the Board has the benefit of the expertise of the following staff and consultants, whom the Corporation has engaged to assist it in the development and management of the facility.

Tyler S. Kendall, President and Chief Executive Officer. Mr. Kendall joined Westminster-Canterbury in July 2024 as President and Chief Executive Officer. He holds a Bachelor of Science in Health Professions from Texas State University and maintains a Licensed Nursing Home Administrator license. Mr. Kendall has over 26 years of experience in leading operations, development and management of continuing care retirement communities, assisted living, memory care, skilled nursing, home health, hospice and HUD independent living communities. In his prior role, Mr. Kendall served as the Vice President of Post-Acute Care Services for the Hamilton Health Care System in Dalton, Georgia. He has also served as the Director of Operations at the Mary E. Bivins Foundation in Amarillo, Texas, and as Executive Director at Grand Court Lifestyles in Amarillo, Texas.

Anna D. Buchanan, Chief Financial Officer. Ms. Buchanan joined Westminster-Canterbury in January 2019 as Chief Financial Officer after having served for two years on the Westminster-Canterbury Board and as Finance Committee Chair. She holds a master's in business administration from the Darden School at the University of Virginia as well as a Bachelor of Science degree in Petroleum Engineering from West Virginia University. Ms. Buchanan has over 30 years of experience in leadership, financial management, operations, information systems, and strategy. In her prior role, Ms. Buchanan served as Chief Financial Officer for West Virginia University Health System's East Region where she oversaw the financial management of two hospitals, a 100-member physician group practice, and hospital foundation. Ms. Buchanan also served as the Director of Financial Planning for Sentara Martha Jefferson Hospital where she developed the strategic capital planning process, managed the annual budgeting process, and led the financial analysis and decision support functions.

Bethanie Constant, CFRE, Vice President of Mission Advancement. Ms. Constant joined Westminster-Canterbury in June 2021 as Vice President of Development. She holds a bachelor's in history from Lander University and is a Certified Fund-Raising Executive, holding certificates in Fundraising and Development and Managerial Effectiveness. Ms. Constant has 19 years of

experience in the non-profit sector and has served as the Vice President of Advancement at Marymount University, Senior Director of Advancement at Virginia Commonwealth University's College of Humanities and Sciences, and in roles at UMFS and Junior Advancement of Central Virginia, Inc.

John Kovaleski, Vice President of Operations. Mr. Kovaleski joined Westminster-Canterbury in January 2018 as Vice President of Operations. In this role, he is responsible for overseeing operations and planning in the support services (dining, facilities, maintenance, environmental, guest services and resident services) departments. He is a graduate of The Culinary Institute of America in Hyde Park, New York with a degree in Occupational Studies, Culinary Arts and Hospitality. Mr. Kovaleski has over 30 years of experience in the hospitality, health care and service industries. In his prior role, Mr. Kovaleski was a Regional Director of Operations for Compass Group where he focused on contract services in the acute care and senior living industries, servicing many continuing care retirement communities in the mid-Atlantic region.

Debbie Desmond, Vice President, Human Resources and Organizational Development. Ms. Desmond joined Westminster-Canterbury in February 2019 as Vice President of Human Resources and Organizational Development. She holds a master's in business administration from Walden University and has a bachelor's from the University of Mary Washington. Ms. Desmond is a certified Senior Human Resource Professional (SPHR, SHRMSCP) and a graduate of the Leadership Charlottesville Program. Before joining Westminster-Canterbury, Ms. Desmond was employed by Sentara Martha Jefferson Hospital for 24 years where she served as Director of Human Resources for 18 years and Human Resources Business partner for six years. In that role, she focused on operations and strategy in human resources and physician services.

Deidra Jane Massie, Vice President of Marketing. Ms. Massie joined Westminster-Canterbury in November 2021 as the Vice President of Marketing. She holds bachelor's in psychology and sociology from the University of Virginia and is also a graduate of the Leadership Charlottesville Program. Over her 30-year career, she has held numerous sales and marketing positions, having most recently served as the Director of Sales & Marketing for several senior living communities in Charlottesville, Virginia. She also has experience in the financial services and pharmaceutical industries. Ms. Massie serves on the board of The Center at Belvedere and on the University of Virginia's Olli-Lifelong Learning Institute Philanthropy and Marketing committees, both are non-profit organizations.

Leah Queen, Health Services Administrator. Ms. Queen joined Westminster-Canterbury in January 2022 as the Assisted Living Administrator. She holds a Master of Strategic Leadership from Mountain State University and a bachelor's in psychology and criminal justice from Radford University. She became a Virginia Licensed Nursing Home Administrator in 2016. Ms. Queen has over 13

years of experience in long-term care serving in various roles. Prior to joining Westminster-Canterbury, Ms. Queen's career was spent in the for-profit sector of long-term care.

Consultants

WCBR has entered into several agreements for the provision of certain services. These include agreements with:

- The University of Virginia Physicians Group, to provide medical direction and consultation of its licensed care facilities.
- Powerback Rehabilitation Services to provide consultation and physical, occupational, and speech/language therapy.
- PruittHealth Pharmacy to provide clinical pharmacy services for its licensed care facilities.
- Compass Community Living to provide management and procurement of its dining program.

Other consultants are also engaged from time to time to assist the organization with marketing and creative services, financial, legal and other business matters.

IV. OWNERSHIP OF REAL PROPERTY

Give full and detailed information regarding direct and indirect ownership of the property on which the facility is or will be operated and of the buildings in which it is or will be operated.

The real property upon which the facility is located is described in Article V., below. The Corporation purchased this property in February 1989. In 1995 and 1997, a total of approximately thirty-five additional, contiguous acres of land were purchased. In 2016, two acres located at the foot of Pantops Mountain Road were purchased. In 2023, WCBR Land Holdings LLC purchased fifty additional acres adjacent to the existing campus. The buildings are owned by the Corporation.

V. LOCATION AND DESCRIPTION OF REAL PROPERTY

Give the location and description of the real property of the facility, existing or proposed, and to the extent proposed, the estimated completion date or dates of improvements, whether or not construction has begun and the contingencies under which construction may be deferred.

The real property consists of approximately 56 acres on Pantops Mountain in Albemarle County, one mile from the city limits of Charlottesville off of Route 250, plus two acres at the corner of Route 250 and Pantops Mountain Road and 50 acres bordering Route 250 and the partial eastern boundary of other owned real property. The life-care community provides all private accommodations which include:

- 221 independent living apartments
- 60 cottages
- 52 nursing care beds (all are dually certified)
- 45 Catered Living (Assisted Living) residences
- 12 Vista (Assisted Living) rooms for memory support

Additional health and wellness amenities available to all residents include an outpatient health clinic, rehabilitation center (for physical, occupational and speech therapy), and fitness and aquatic center. Common areas are numerous and include a chapel, various meeting rooms, gardens, a gift shop, bank, library, billiards room, wood shop, beauty salon, 17-acre nature preserve and other common areas.

VI. 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 other nonprofit organization, 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.

The Corporation was incorporated on July 2, 1985, as a Virginia non-stock corporation under guidelines approved by the Virginia Diocesan Homes, Inc., 4800 Fillmore Avenue, Alexandria, Virginia 22311 (VDH, a Virginia non-stock not-for-profit corporation organized by the Protestant Episcopal Church of the Diocese of Virginia) and Westminster Presbyterian Homes, Inc., 1908 W. Twin Cover Road, Virginia Beach, VA 23454 (WPH, a Virginia non-stock not-for-profit corporation organized by the Synod of the Mid-Atlantic of the Presbyterian Church in the United States). The purpose of organizing the Corporation was to consolidate the resources of both denominations to create a new entity to construct and operate a new residential life-care facility for older adults in the Charlottesville/Albemarle area of Virginia. Neither VDH nor WPH is responsible for the financial and contractual obligations of the Corporation.

The Corporation formed Westminster-Canterbury of the Blue Ridge Foundation in 1998 as a Type I supporting organization to support the charitable activities of Westminster-Canterbury of the Blue Ridge.

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

Both the Corporation and the Foundation are exempt from the payment of income tax under Section 501(c)(3) of the Internal Revenue Code of 1986.

VII. SERVICES PROVIDED UNDER COMMUNITY-BASED CONTINUING CARE CONTRACTS

Describe the services provided or proposed to be provided under community-based continuing care contracts, including the extent to which medical care is furnished or is available pursuant to any arrangement. The disclosure statement shall clearly state which services are included in basic community-based continuing care contracts and which services are made available by the provider at extra charge. The disclosure statement shall also clearly state which services are offered by the provider and which services are offered through contractual arrangements. The name and address of the party providing such services shall be disclosed. A definition of the services shall also be provided.

The services proposed to be provided by the Corporation are set forth in the Early Advantage Agreement, which is annexed to this disclosure statement in Appendix A.

VIII. FEES REQUIRED OF PARTICIPANTS

Give a description of all fees required of participants, including any entrance fee and periodic charges. The description shall include (i) a description of all proposed uses of any funds or property required to be transferred to the provider or any other person prior to the participants enrollment in the program and of any entrance fee; (ii) a description of provisions for the escrowing and return of any such funds, assets, or entrance fee, the manner and any conditions of return, and to show earnings on escrowed funds are payable as discussed in 38.2-4922 of the Code of Virginia; and (iii) a description of the manner by which the provider may adjust periodic charges or other recurring fees and any limitations on such adjustments. If the program is already in operation, or if the provider operates one or more similar facilities within this Commonwealth, there shall be included tables showing the frequency and average dollar amount of each increase in periodic rates at each program for the previous five

years or such shorter period that the facility has been operated by the provider.

A schedule of fees is annexed to this disclosure statement as Appendix D. All Participants are required to pay an initial Membership Entrance fee and Monthly Fees as elected in the Early Advantage Agreement. 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 WCBR and to meet his or her ordinary living expenses, as outlined in the Early Advantage Agreement. WCBR does not offer financial assistance to Early Advantage Members.

Membership Entrance Fees

The Participant will pay in full a one-time Membership Entrance Fee at the time the Early Advantage Agreement is executed. The Membership Entrance Fee received by the Provider may be used or applied to any corporate purpose of the Provider, whether directly related to this Early Advantage Agreement.

In the event Provider receives any Membership Entrance Fee funds from Participant in advance of Early Advantage Agreement execution date, the Provider will hold amounts greater than \$1,000 in escrow with a bank or trust company until contract execution date, at which time Participant shall be enrolled in and receive services.

The Membership Entrance Fee is partially refundable within the first fifty (50) months after the Early Advantage Agreement execution date. For each month (or partial month) after the Early Advantage Agreement execution date, the refundable amount will be reduced by 2% until fifty (50) months have passed.

Monthly Fees

The Participant is billed monthly for monthly fees in advance, by the 10th day of the month or within five (5) days after notification by the corporation. Failure to pay the Monthly Fees when due will result in the imposition of late fees that will be added to the Participant's monthly invoice.

The Participant understands and agrees that the monthly fee will increase upon entering a Care Area temporarily or permanently. During a stay in a Care Area the Early Advantage Monthly Fee will not be suspended for any days the Participant stayed on campus on a temporary basis but will terminate when the Participant is admitted on a permanent basis, at which time the then current discounted rates as per the Early Advantage Agreement will be charged for services rendered. The Monthly Fee will not be suspended for any Medicare

Covered stays. Participant will be entitled to use all the amenities and services that Westminster Canterbury of the Blue Ridge Residents enjoy while on campus on the same basis as Westminster Canterbury of the Blue Ridge Residents. On campus services that are included in the Participants monthly fees shall be provided for Participants while on campus. Meals will be available at menu prices. No mandatory dining meal plan or minimum dining usage shall be required nor offered to Participants.

The Corporation is committed to providing Participants with the quality services called for by the Early Advantage Agreement consistent with sound financial management. Participant understands and agrees that the Corporation reserves the right to adjust the Monthly Fee and other charges at its sole discretion upon thirty (30) days' notice, except for changes required by federal or state law. Adjustments are anticipated to occur annually. The Corporation will endeavor to maintain the Monthly Fee at the lowest possible rate consistent with sound financial management practices and maintenance of the quality of services called for by the Early Advantage Agreement.

Health Care Area Fees

Participants shall have access to health care areas (Assisted Living, Vista and the Health Center) at a discounted rate. For all temporary admissions to a health care area Participants must continue to pay their designated Early Advantage Monthly Fee. Upon permanent placement to a health care area the Early Advantage Monthly Fee shall cease as described in Appendix A. Health Care Area fees may be adjusted by the provider upon thirty (30) days' notice.

The facility began operating on October 15, 1990. The Corporation does not operate other facilities.

IX. RESERVE FUNDING

Describe any provisions that have been made or will be made to provide reserve funding or security to enable the provider to fully perform its obligations under community-based continuing care contracts, including the establishment of escrow accounts, trusts or reserve funds, together with the manner in which such funds will be invested and the names and experience of persons who will make the investment decisions. The disclosure statement shall clearly state whether reserve funds are maintained. This description shall include a specific explanation of how the value of any such reserve funding was established and, if available, it shall include the opinion of a qualified actuary.

Westminster-Canterbury of the Blue Ridge has established the following reserve funds:

Bond Interest and Bond Principal Funds

As required by Westminster-Canterbury of the Blue Ridge's bond indentures, the trustee holds Bond Interest and Bond Principal Funds to fund the semi-annual payment of interest and annual redemption of certain series of outstanding bonds payable.

Other Reserve Funds

Westminster-Canterbury of the Blue Ridge maintains other reserve funds to address special programs, projects or to address certain capital requirements. Several of those reserve funds are funded through purpose-restricted investments.

The following reserves maintained as of May 31, 2024 (Preliminary and Unaudited):

<i>Purpose-Restricted Investments</i>	\$13.7 million
<i>Perpetually-Restricted Investments</i>	\$ 2.1 million
<i>Unrestricted Investments</i>	\$81.1 million

Reserve funds are invested and managed according to the Investment Policy Statement of Westminster-Canterbury of the Blue Ridge. Funds are invested in high quality equity and fixed income Vanguard funds managed by a professional investment advisor Mercer Investment Advisors LLC. As of May 31, 2024, \$81 million of unrestricted funds are available to support Westminster-Canterbury of the Blue Ridge in fully performing its obligations under community-based continuing care contracts. Additionally, all investments are liquid within 30 days to support operations and contractual obligations as needed. Investment oversight is a duty of the Finance Committee of Westminster-Canterbury of the Blue Ridge. Investment balances are confirmed annually through an external financial audit.

Membership Entrance Fees

The Participant will pay in full a one-time Membership Entrance Fee at the time the Early Advantage Agreement is executed, and funds are not expected to be collected in advance of contract execution. Membership Entrance Fees become the property of the Corporation upon execution of the Early Advantage Agreement.

Upon receipt of Early Advantage Membership Entrance fees, Westminster-Canterbury of the Blue Ridge records a deferred revenue liability on the balance sheet. Earned Membership Entrance Fee revenue is recorded monthly at 2% per month over 50 months.

The entrance fees and monthly fees shown in the income statements have been calculated taking into account mortality and morbidity assumptions applicable to the population.

Actuarial Funded Status

In conjunction with its actuary A.V. Powell & Associates, Westminster-Canterbury of the Blue Ridge accesses the actuarial position of WCBR. Actuarial calculations provide WCBR with an evaluation as to the ability of WCBR to meet its future service obligations to the residents. Based on current estimates, Westminster-Canterbury of the Blue Ridge can fully satisfy its obligations under its continuing care contracts.

Refunds

Westminster-Canterbury of the Blue Ridge calculates and pays any refunds out of the proceeds of entrance fees and/or its current investments when they are due.

X. CERTIFIED FINANCIAL STATEMENTS

Give certified financial statements of the provider, including (i) a balance sheet as of the end of the two most recent fiscal years and (ii) income statements of the provider for the two most recent fiscal years or such shorter period that the provider has been in existence. Such statements shall conform to generally accepted accounting principles and shall be certified by an independent, certified public accountant. The opinion of the independent, certified public accountant shall be included in this section.

Certified financial statements for the Corporation's two most recent fiscal years, ending June 30, 2023, and 2022, are annexed to this disclosure statement as Appendix B.

XI. PRO FORMA INCOME STATEMENT

Give a pro forma income statement for the current fiscal year for the community-based continuing care program for the provider. This statement shall conform to generally accepted accounting principles and shall include a specific description of the major assumptions used in developing the pro forma statement.

A pro forma revenue and expenses statement for the fiscal years ending June 30, 2024 and June 30, 2025, is annexed to this disclosure statement as Appendix C.

XII. ENROLLMENT OF PARTICIPANTS

Give a description of the provider's criteria for enrollment of participants.

New Participants must meet the following criteria:

- a. The minimum age to qualify for an Early Advantage Agreement is 62 years of age.
- b. Submit WCBR's General Information Application to provide basic personal identifying information and personal health history for the Participant.
- c. Submit WCBR's Financial Application to demonstrate assets and income sufficient to pay financial obligations under the Early Advantage Agreement. The confidential financial disclosure statement will enable the Corporation to determine financial eligibility for admission.
- d. Submit WCBR's Medical Application, to be completed by the Participant's primary care physician. The medical application documents the Participant's current health, whether they are capable of residing within a retirement community, and if they are appropriate for the level of care sought. For example, an independent living applicant must be physically and mentally capable of performing the routine activities of daily living.
- e. Applicants must have submitted all application forms, insurance, medical records and participate in a pre-admission clinical and social interview with a representative of the Corporation to determine admission eligibility.
- f. Admission eligibility is contingent upon successful clinical assessment.

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

XIII. ACCESS TO FACILITY BY NON-PARTICIPANTS

Give a description of the provider's policies regarding access to the facility.

Westminster-Canterbury of the Blue Ridge restricts access to the facility and its services to members, residents and their guests. Vehicular access to the campus is restricted by a gatehouse.

The facility hosts meetings of numerous groups from the Charlottesville/ Albemarle area in the main building's various meeting spaces and the Pantops Classroom.

WCBR permits direct admission to its licensed Assisted Living and Nursing Care areas on a space available basis.

XIV. CONCERN PROCEDURE

In accordance with the Virginia Code, the procedure by which a Participant may file a complaint or disclose a concern is provided in Appendix E.

XV. OTHER RELEVANT INFORMATION

a. Additional information about the facility may be obtained from the Virginia Department of Social Services and the Virginia Department of Health. The respective web sites can be found at www.dss.virginia.gov and www.vdh.virginia.gov.

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APPENDIX A

Early Advantage Agreement (Non-Residential)



**EARLY ADVANTAGE AGREEMENT
(NON-RESIDENTIAL CONTRACT OPTION)
OF
WESTMINSTER-CANTERBURY OF THE BLUE RIDGE
LIFECARE RETIREMENT COMMUNITY
CHARLOTTESVILLE, VIRGINIA**

This Early Advantage Agreement (“Agreement”) is made this _____ day of _____, _____, by and between WESTMINSTER-CANTERBURY OF THE BLUE RIDGE, a nonstock, 501(c)(3) nonprofit corporation organized and incorporated under the laws of the Commonwealth of Virginia (hereafter referred to as the “Corporation” or “WCBR” and/or the words “we,” “us,” and “our”) and _____ (hereafter referred to as “You” and “Your”). WCBR owns and operates WCBR as a registered Continuing Care Retirement Community (“CCRC” and/or “Community”). As such, it provides a continuum of care and other services and offers those services under this Early Advantage Agreement.

You and WCBR agree as follows:

I. COMMON AREAS, AMENITIES, SERVICES, AND PROGRAMS

- A. Common Areas and Amenities.** We will provide common areas and amenities for the use and benefit of all Early Advantage Members including: dining venues; library; community rooms; fitness and aquatics center; beauty/barber shop; chapel; outdoor social and recreational facilities; conference rooms; and, art spaces. Some common areas require advanced reservation.
- B. Parking.** Unassigned areas are available for your personal vehicle while you are at WCBR. WCBR does not provide parking for non-operable vehicles, recreational vehicles, boats, or other large vehicles. You must maintain automobile liability insurance on any motor vehicle and register any motor vehicle with WCBR and the Virginia Department of Motor Vehicles.
- C. Services and Programs.** The following Services and Programs will be provided by WCBR during the term of this Agreement.
 - 1. Dining Services.** WCBR provides multiple dining venues for the enjoyment of Early Advantage Members. Catering services are offered exclusively within the venues or spaces of the WCBR campus for an

additional fee. Early Advantage Member meals will be charged at the prevailing rate.

2. **Transportation.** WCBR will provide transportation for organized activities and group trips departing from the WCBR campus. WCBR will not provide transportation to or from your private home.
3. **Safety.** We will use reasonable care in providing security on the premises of WCBR. WCBR staff will be present at WCBR twenty-four (24) hours per day.
4. **Activities.** WCBR will provide planned and scheduled social, recreational, spiritual, educational, and cultural activities; classes; exercise, health and wellness programs; and other special activities. Some of these activities may require an additional charge.
5. **Healthcare Services.** As a CCRC, WCBR provides an array of long-term care services in specially designed and licensed areas. WCBR is not licensed to provide psychiatric, substance abuse, and certain dangerous communicable disease services. Long-term care services include:
 - a. **Catered Living Services.** Catered Living is licensed by the Virginia Department of Social Services as an Assisted Living Facility to provide assistance with daily living activities that may include: bathing, dressing, grooming, meal preparation and administration of medication. The accommodations are in private rooms. Admission to Catered Living requires a physician's written order.
 - b. **Vista Memory Care.** Vista is licensed by the Virginia Department of Social Services as a special care Assisted Living Facility to provide a supportive and secured environment for persons with cognitive impairment such as Alzheimer's disease. The accommodations are in private rooms. Admission to Vista requires a physician's written order.
 - c. **Health Center.** The Health Center is licensed by the Virginia Department of Health as a Nursing Facility to provide short and long-term nursing care. Additionally, the Health Center has been certified to provide skilled nursing care under rules established by Medicare. As a licensed nursing facility, admission to the Health Center requires a physician's written order. The accommodations are in private rooms.

Assisted Living (Catered Living and Vista) and Nursing Care (Health Center) Services provided under this Agreement are limited to that care offered by WCBR. If, at any time should space not be available to You, we may find temporary placement in an appropriate setting until space within WCBR becomes available. WCBR will be responsible for charges from the outside provider up to Your Monthly Fee.

- d. **Clinic.** A health clinic is available on-site during scheduled hours for Early Advantage Member use on an outpatient basis for various basic care, including certain examinations, consultations, tests, and appointments as authorized by WCBR. The cost of such services may be Your responsibility and/or may be billed to Your insurance by the physician recommending these additional services. You will be notified in advance of such services being performed.
- e. **Physician Services.** You are responsible for the cost of all physician services and are free to choose Your personal physician.
- f. **Therapy Services.** Physical, occupational and speech therapists are available in the on-campus rehabilitation therapy department. You will be responsible for any costs not covered by Medicare or other insurances.

6. **Insurance and Health-Related Charges.**

- a. **Medicare and Health Insurance.** If You are eligible and 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 Part A), or its successor program, and (b) during the next enrollment period following the filing of Your application for admission to WCBR, apply, pay the premiums, secure and maintain Your enrollment in the Medical Insurance Benefits Program under Part B of Public Law 89-67 (Medicare Part B), or its successor program. If You are not eligible for these Programs, or they cease, You agree to obtain and provide proof of equivalent insurance coverage acceptable to WCBR in its sole and absolute discretion. If You do not obtain such coverage, You agree to pay us for all charges and for services rendered by us, our associates, or our agents, that would have been reimbursed by such insurance. If at any time You become eligible for payments from other private entities or governmental agencies for health services, You agree to make application for such payments. We will assist You in filing insurance or other claims for services provided by us. Upon our request and direction, You agree to execute an assignment

of benefits to WCBR or to the physicians staffing the Clinic or Health Center for any services rendered by the same. You agree to notify WCBR if at any time your insurance changes.

- b. **Supplemental Insurance.** You agree to obtain and provide proof of a supplemental insurance policy acceptable to us to pay Medicare co-insurance and deductible amounts and to provide major medical coverage in an amount not less than a \$250,000.00 lifetime maximum. Should You fail or neglect to obtain and maintain such coverage, You agree to pay us for services provided by our health care professionals (whether associates or agents) which would otherwise have been covered by such supplemental insurance. WCBR does not or may not be able to participate in all insurance programs. Early Advantage Members who have a Medicare equivalent insurance will relinquish reimbursement to WCBR pertaining to skilled nursing care or any other services furnished by WCBR and covered by such policy.
- c. **Health-Related Charges.** You will pay the following health-related charges. To the extent that these are covered by Medicare, or Your supplemental insurance or equivalent insurance, You will use Your best efforts, with our assistance, to recover the amount of such charges from the appropriate government agency or insurance carrier.
- (1) Charges of any physician, provider, physical, occupational, and speech therapist, podiatrist, or other health professional, excluding our nursing staff, whether providing care at the Community or elsewhere.
 - (2) Hospital charges.
 - (3) Charges for medications, vitamins, food supplements, dental work, glasses, hearing aids, adaptive equipment, durable medical equipment, and other health related items.
 - (4) Medical transport charges.
 - (5) Charges for any other health-related items or services that WCBR is not obligated to provide pursuant to this Agreement.
 - (6) Any professional services contracted by you.

7. **Outside Service Providers.** Should You choose to engage the services of an outside party, unaffiliated with WCBR, for additional personal services delivered at WCBR, You agree to abide by all current WCBR policies and procedures for the use of such Service Providers, which include various screenings, testing, verification of licenses and insurance. Additionally, Your Service Providers will be subject to rules and procedures as may be required by WCBR. You also agree to indemnify and hold harmless WCBR for any actions of such Service Providers.

II. ADMISSION REQUIREMENTS AND REPRESENTATIONS

- A. **Age.** The minimum age to qualify for an Early Advantage Agreement is 62 years of age.
- B. **Application Forms.** Upon application You will submit for approval the following:
 1. **General Information Application.** You must complete WCBR's General Information Application, which simply provides WCBR with basic information about you and your personal health history.
 2. **Medical Application.** WCBR's Medical Application must be completed by your primary care physician to provide information regarding Your health to meet the general and specific physical and mental criteria for admission
 3. **Financial Application.** You must complete WCBR's Financial Application form to demonstrate that You have assets and income sufficient to pay Your financial obligations under this Agreement.
- C. **Representation.** You affirm that the representations made are true and correct and may be relied upon by WCBR as a basis for entering into this Agreement.

III. FINANCIAL ARRANGEMENTS

- A. **Payment of Fees.** You agree to pay an Early Advantage Member Entrance Fee and Monthly Fee, as reflected on the applicable Monthly Fee schedule, at the time of Agreement, except as provided by Section III.D., Section V, and Section VI.

1. **Early Advantage Membership Entrance Fees.** You will pay to us an Early Advantage Membership Entrance Fee by the Agreement Execution Date, as follows:

Total Membership Entrance Fee	\$ _____
Compass Club Deposit (if applicable)	\$ _____
Balance	\$ _____

A refund of part of the Membership Entrance Fee, if any, will be made exclusively in accordance with paragraph D of this Section III and Section VII. of this Agreement to the extent applicable.

2. **Monthly Fee.** You will pay a monthly service fee in advance, by the 10th day of each month or within five days after notice by Us. Failure to pay Monthly Fees when due will result in the imposition of late fees that will be added to Your monthly invoices. The Monthly Fee, charges, or the scope of care or services may be adjusted by us at any time upon at least 30 days' notice. The current Monthly Fee payable is as follows:

Current Early Advantage Monthly Fee	\$ _____
-------------------------------------	----------

The Monthly Fee will be prorated for any applicable period of less than a month.

The Monthly Fee will be payable regardless of what level of care services You receive, whether within or outside the Community, subject to the provisions of Section VI. of this Agreement.

3. **Care Area Fee.** You agree to pay the prevailing Early Advantage Care Area fee upon temporary or permanent admission. In the case of a permanent admission, this Agreement shall terminate, and You will execute the applicable Lifecare Services Care Agreement.

- B. **Terms of Payment of the Membership Entrance Fee.** The full balance of the Membership Entrance Fee is due and payable upon or prior to the Agreement Execution Date. The Agreement is not deemed to have begun until receipt by WCBR of the balance of the Membership Entrance Fee.

- C. **Adjustments in the Monthly Fee and Other Charges and Credits.** WCBR reserves the right to adjust the Monthly Fee and other charges and credits upon thirty (30) days' notice, except for changes required by federal or state law. Adjustments are anticipated to occur annually. Because You are entering into an Early Advantage Agreement, Your Monthly Fee will increase if a temporary or

permanent transfer to a care area is needed. We will endeavor to maintain the Monthly Fee at the lowest possible rate consistent with sound financial management practices and maintenance of the quality of services called for by this Agreement. Monthly Fee increases are determined in Our absolute discretion.

- D. Early Advantage Membership Entrance Fee Refund:** The Membership Entrance Fee will be partially refundable during the first fifty months after the Agreement Execution Date. For each month (or partial month) after the Agreement Execution Date, the refundable amount will be reduced by 2% until 50 months have passed. Thereafter, there will be no refund. WCBR will issue to Your estate or trust any Refund owed upon Your death. You have indicated any Refund shall be paid to:
-

- E. Monthly Statement.** WCBR will furnish You with a monthly statement showing the total amount of Monthly Fees and other charges owed by You which are due and payable by the 10th day of each month. WCBR may charge interest at a rate of one and one-half (1½%) percent per month on any unpaid balance owed by You Twenty (20) Days after the due date.

- F. Additional Charges for Ancillary Services.** Charges in addition to the Monthly Fees may be made for ancillary services provided by WCBR beyond those provided for You in this Agreement.

- G. 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 WCBR and to meet his or her ordinary living expenses, as outlined in this Agreement. WCBR does not offer financial assistance to Early Advantage Members.

IV. TERMS OF EARLY ADVANTAGE MEMBERSHIP

- A. Your Rights.** Upon execution of this Agreement, You have the right to use and enjoy the common areas, amenities, programs, and services of WCBR under the terms of this Agreement. This Agreement does not transfer or grant to You any interest in the real or personal property owned by WCBR other than the rights and privileges as described in this Agreement.

- B. Policies and Procedures.** You will abide by WCBR's policies and procedures and such amendments, modifications and changes as may periodically be adopted by WCBR. You will be notified in writing of any material changes.

- C. Loss or Damage of Property.** WCBR will not be responsible for the loss or damage of any property belonging to You while at WCBR. due to theft,

disappearance, fire, or any other cause. WCBR will insure all property belonging to WCBR within all residences and common areas.

D. Personal Liability Insurance. You are required to maintain personal liability insurance (with limits of at least \$100,000 per claim). We recommend that Your personal liability policy is endorsed for property liability protection for the use of a powered mobility device in the event You may have to use such a device.

E. Waiver of Liability.

1. You, Your agent, Attorney-in-Fact, Heirs, Assigns and other related parties of interest hereby release WCBR and its subsidiaries, affiliates, officers, director's, associates and agents from any liability covered by the insurance for which subrogation is waived; the release applies to any liabilities, no matter how caused, not just to insurance proceeds actually received. The requirements set forth or mentioned in this Agreement as to types and limits of insurance coverage to be maintained by You are not intended to and will not in any manner limit or qualify the liabilities and obligations assumed by You.

2. You hereby release us from liability for Your death, injury to Your person and injury to Your property caused by any fire, theft, assault or other case beyond Your control and from any liability resulting from the negligence or wrongful acts of other Residents, Compass Club Members, and Early Advantage Members of the Community, their guests, their pets and their guest's pets, and hereby waive any claim which You or Your estate may have against us arising therefrom.

F. Rights to Property/Subordination. The rights and privileges granted to You by this Agreement do not include any right, title, or interest in any part of the personal property, land, buildings, and improvements owned or administered by WCBR. Your rights are primarily for services, with a contractual right of Use. Nothing contained in this Agreement will be construed to create the relationship of landlord and tenant between WCBR and You. Any rights, privileges, or benefits under this Agreement, including Your right to a full or partial refund, will be subordinate to any existing or subsequent mortgages or deeds of trust on any of the premises or to any other interest in the real property of WCBR and to all amendments, modifications, replacements, or refinancing of any existing or subsequent mortgages or deeds of trust or to any liens or security interests held by secured creditors of WCBR. You agree to execute and deliver any document that may be required by WCBR or its secured creditors to effect such subordination or to confirm it.

G. Weapons. Firearms and other weapons are prohibited on the WCBR campus.

- H. **Early Advantage Member Handbook.** You will receive a Handbook that includes information on the details of WCBR, along with Community policies and guidelines, which You agree to follow as of the date of this Agreement. A copy of the most current version will always be kept in the library.
- I. **Operation of Vehicles and Assistive Devices.** For the benefit and safety of all WCBR Residents, Compass Club Members, and Early Advantage Members, WCBR has an on-going interest to monitor the capabilities in the operation of automobiles and any mobility assistive devices within WCBR.
- J. **Smoking.** WCBR is a smoke-free community, which includes e-cigarettes and other vaping devices. Residents, Compass Club Members, Early Advantage Members, and employees agree not to smoke while on Community property and will communicate the smoke-free policy to their guests.

V. **ADMISSION TO INDEPENDENT LIVING**

You shall have the right to execute a Lifecare Services and Residence Agreement for admission to an independent living apartment or cottage subject to your future financial and medical qualification. The Entrance Fee paid under this Agreement shall be applied as a credit against the balance of the Entrance Fee for the independent living accommodation You select. Your monthly fee shall convert to the prevailing fee associated with that accommodation. Upon the execution of the subsequent agreement, this Agreement will be terminated and all applicable fees and obligations under this Agreement will cease.

VI. **ADMISSIONS TO A CARE AREA (Health Center, Catered Living, or Vista)**

- A. **Temporary admissions.** Upon temporary admission to the Health Center, Catered Living or Vista (“Care Area”), the Early Advantage Member will pay a discounted per diem rate that is prorated from the then-applicable rate for any care area.
- B. **Permanent admissions.** Upon admission to WCBR on a full-time basis, this Agreement will be replaced with an applicable Agreement. Upon the execution of the subsequent agreement, this Agreement will be terminated and all applicable fees and obligations under this Agreement will cease.

VII. **TERMINATION AND REFUND PROVISIONS**

- A. **Voluntary Termination After Execution.** At any time after the execution of the Early Advantage Agreement, You may terminate this Agreement by giving WCBR thirty (30) days written notice of such termination. Any refunds due to You will be payable as described in Section III.D.

- B. Termination Upon Death.** This Agreement will automatically terminate upon Your death.
- C. Termination by WCBR.** WCBR may terminate this Agreement upon a determination of good cause. Good cause will be limited to:
1. Proof that You are a danger to Yourself or others;
 2. Nonpayment by You of any fee due to WCBR;
 3. Persistent refusal by You to comply with the reasonable written policies and procedures of WCBR;
 4. Repeated conduct that interferes with other Residents,' Compass Club Members,' and Early Advantage Members' quiet enjoyment of the Community;
 5. Material misrepresentation made intentionally or recklessly by You in Your application for Early Advantage Membership, or related materials regarding information which, if accurately provided would have resulted in either a failure of You to qualify for membership or a material increase in the cost of providing You the care and services provided under this Agreement, including with respect to those items referred to in Section I.C;
 6. Material breach by You of this Agreement.

We will not terminate this Agreement until we give You written notice of, and 30 days to correct the situation warranting cancellation of this Agreement.

VIII. RIGHT OF RESCISSION

You shall have the right to rescind this Agreement without penalty or forfeiture within seven (7) days after execution upon written notice to that effect. Any such refund to be paid by WCBR according to this Section VII. shall be paid within sixty (60) days following written receipt of Your request for such rescission.

IX. GENERAL

- A. Assignment.** Your rights and privileges under this Agreement are personal to You and may not be transferred or assigned. You consent to the collateral, or other, assignment by WCBR of its right, title, and interest in the Agreement.
- B. Management of WCBR.** The absolute rights of management are reserved by WCBR, its Board of Trustees, and its administration as delegated by said Board of Trustees. WCBR reserves the right to accept or reject any person for membership

or participation. Early Advantage Members do not have the right to determine admission, terms of admission, or terms of use or terms of occupancy for any other applicant, Resident, Compass Club Member, or Early Advantage Member.

- C. **Entire Agreement.** This Agreement and any Addenda constitute the entire agreement between WCBR and You. WCBR will not be liable or bound in any manner by any statements, representations, or promises made by any person representing or assuming to represent WCBR, unless such statements, representations, or promises are set forth in this Agreement or an Addendum to this Agreement.
- D. **Representations as to Statement.** Your Application for this Agreement and any other agreement with WCBR, Reservation Agreement, financials, health history and other statement submitted to us are incorporated in this Agreement by reference. You represent that all statements contained therein are true to the best of Your knowledge and that there have been no material omissions or adverse changes in such statements that have not been communicated to Us in writing You agree to provide updated information related to financial conditions or health conditions promptly in the event of any material change.
- E. **Representations as to Finances.** You hereby represent that to the best of Your knowledge and belief, You are and will be able to meet Your obligations under this Agreement. When requested, You will provide us with a current financial statement.
- F. **Power of Attorney and Health Care Power of Attorney.** You will legally appoint a person or persons to make financial and medical decisions on Your behalf if You are no longer able to do so. You will provide WCBR with executed copies of Your Power of Attorney, Health Care Power of Attorney, and any Advance Medical Directive upon execution of this Agreement and will promptly provide updated documents as applicable.
- G. **Governing Law.** This Agreement will be governed by the laws of the Commonwealth of Virginia.
- H. **Third Party Injuries and Claims.** You will promptly notify WCBR if You are injured as a result of the fault or negligence of a third party or parties. In the event that WCBR provides care for any such injuries incurred by You as can be furnished by its employees and facilities, You hereby assign to WCBR any compensation that You may recover from such third party or parties to the extent necessary to reimburse WCBR for the cost of such care furnished by WCBR. You or Your legal Representative will have the duty to pursue diligently any and all available claims for compensation due from a third party or parties for injury to You and to cooperate with WCBR in collecting such compensation and reimbursing WCBR for the cost of all such care provided to You.

- I. Severability and Forbearance.** If any term or provision of this Agreement or the application thereof to any person or circumstance will to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable will not be affected thereby, and each term and provision of the Agreement will be valid and enforceable to the fullest extent permitted by law. No act of forbearance or failure to insist upon prompt performance of any of the terms of this Agreement by WCBR will be construed as a waiver of rights granted to WCBR, or limit WCBR's ability to enforce all the provisions of this Agreement.
- J. Binding Arbitration Provision.** You (or Your Representative or family members) and WCBR agree to resolve all disputes, claims or disagreements through the process of Arbitration instead of the state or federal court system. These matters will be submitted to Binding Arbitration in accordance with either the Healthcare Claims Settlement Procedures or the Commercial Dispute Resolution Procedures of the American Arbitration Association, as appropriate.

During pending arbitration proceedings, You and WCBR will continue to perform respective obligations under this Agreement, subject to the right of either party to terminate the same. The obligation of You and WCBR to arbitrate claims, disputes or disagreements will survive the termination of this Agreement.

EARLY ADVANTAGE MEMBER UNDERSTANDS AND ACKNOWLEDGES THAT HE/SHE HAD THE RIGHT TO LITIGATE DISPUTES IN A COURT OF LAW AND THAT BY SIGNING THIS AGREEMENT HE/SHE/THEY IS WAIVING SUCH RIGHT, EXCEPT WITH RESPECT TO SERVICES PROVIDED IN AND ADMISSION TO THE HEALTH CENTER, INCLUDING ANY RIGHT TO TRIAL BY JURY AND STATING THAT HE/SHE PREFERS TO RESOLVE ANY DISPUTE THROUGH ARBITRATION.

- K. No Waiver of Rights.** No act, agreement, or statement of Early Advantage Member, or of an individual purchasing care for an Early Advantage Member under any agreement to furnish care to Early Advantage Member, will constitute a valid waiver of any provision of Chapter 49 of Title 38.2 of the Code of Virginia.
- L. Waiver, Representations by WCBR.** Our failure in any one or more instances to insist upon the strict performance observance or compliance by You with any provision of this Agreement or our waiver of the breach by You of any provision of this Agreement, will not be construed to be a waiver or relinquishment by us of our right to insist upon strict compliance by You with such provision in the future and with all other provisions of this Agreement. You acknowledge that we and Our Representatives have made no promises or representations with respect to the Membership, any facility of WCBR or services to be provided except as specifically

set out in this Agreement. You acknowledge that none of our sponsoring organizations are parties to this Agreement and that You have not relied on the creditworthiness or sponsorship of any sponsoring organization as an inducement to execute this Agreement.

- M. Confidentiality of Personal Information.** We will hold in strict confidence all personal and financial information supplied by You. However, You authorize us to use and disclose Your health information in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- N. Statement of Non-Discrimination.** Race, color, sex, gender, religion, national origin, disability or any other protected classification or status have no bearing upon Your approval for admission, the execution of this Agreement or normal business conducted by us.
- O. Notice Provisions.** Any notices, consents, or other communications to WCBR hereunder (collectively “notices”) will be in writing and addressed as follows:

President and CEO
WCBR
250 Pantops Mountain Rd.
Charlottesville, VA 22911

P. EXCEPTIONS AND SPECIAL TERMS (IF ANY, TO BE INITIALED BY EARLY ADVANTAGE MEMBER AND WCBR. OTHERWISE, TO BE LEFT BLANK.)

IN WITNESS HEREOF, WCBR has executed this Agreement and You have read, understand, and have executed this Agreement, as of the date written above and You have paid the corresponding Entrance Fee for the Early Advantage program.

Witness

Early Advantage Member

Westminster-Canterbury of the Blue Ridge

Authorized Representative Title

Date

Addenda to the Agreement

1. _____
Date Initials

2. _____
Date Initials

3. _____
Date Initials

APPENDIX B

Audited Financial Statements for FY22 and FY23

**WESTMINSTER-CANTERBURY OF THE BLUE RIDGE
AND FOUNDATION**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2023 AND 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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**WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
OFFICERS AND BOARD OF TRUSTEES
JUNE 30, 2023**

OFFICERS

Dennis S. Rooker	Chairman
Allison M. Agarwal	Vice Chairman
Gary B. Selmeczi	President and Chief Executive Officer
Anna D. Buchanan	Treasurer
Ross T. Thomas	Secretary

BOARD OF TRUSTEES

Leone Ciporin	G. Kelly Eplee
Carol F. Ham	Rebecca Hill
J. Brian Jackson	Lawrence J. Martin
David M. Oakland	Glenn W. Rust
David Trautman	David H. Whitcomb

EX-OFFICIO

Alan N. Culbertson, Chairman of Foundation Board

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2023 AND 2022

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED BALANCE SHEETS	3
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	5
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS	6
CONSOLIDATED STATEMENTS OF CASH FLOWS	7
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	8
SUPPLEMENTARY INFORMATION	
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	37
CONSOLIDATING BALANCE SHEET	38
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	40
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS	41
CONSOLIDATING SCHEDULE OF OPERATING EXPENSES	42



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Westminster-Canterbury of the Blue Ridge
and Foundation
Charlottesville, Virginia

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Westminster-Canterbury of the Blue Ridge and Foundation (the Organization) which comprise the consolidated balance sheets as of June 30, 2023 and 2022, and the related consolidated statements of operations and changes in net assets without donor restrictions, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the results of their operations, changes in net assets, and 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 Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Board of Trustees
Westminster-Canterbury of the Blue Ridge
and Foundation

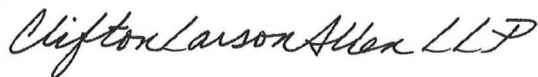
Auditors' Responsibility for the Audit of the Consolidated Financial Statements

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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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



CliftonLarsonAllen LLP

Charlotte, North Carolina
September 14, 2023

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2023 AND 2022

ASSETS	2023	2022
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 8,563,731	\$ 6,407,022
Accounts Receivable, Residents and Other, Net	448,165	516,763
Investments	76,865,787	67,516,351
Assets Limited as to Use	521,589	1,503,074
Prepaid Expenses, Supplies, and Other Assets	453,536	292,361
Total Current Assets	86,852,808	76,235,571
ASSETS LIMITED AS TO USE, NET OF CURRENT PORTION	423,509	1,970,378
PROPERTY AND EQUIPMENT, NET	122,041,866	116,308,505
OTHER ASSETS		
Charitable Remainder Trusts	2,070	2,070
Gift Annuity Investments	137,214	118,823
Intangible Asset, Net	537,418	633,585
Deposits	1,067,576	1,139,954
Total Other Assets	1,744,278	1,894,432
Total Assets	\$ 211,062,461	\$ 196,408,886

See accompanying Notes to Consolidated Financial Statements.

(3)

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
CONSOLIDATED BALANCE SHEETS (CONTINUED)
JUNE 30, 2023 AND 2022

	2023	2022
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable, Trade and Construction	\$ 2,926,602	\$ 2,742,409
Accrued Payroll and Withholdings	1,361,906	1,255,781
Accrued Bond Interest Payable	179,308	529,098
Current Maturities of Finance Leases Payable	36,910	71,190
Current Maturities of Long-Term Debt	830,000	1,140,000
Total Current Liabilities	5,334,726	5,738,478
LONG-TERM DEBT, LESS CURRENT MATURITIES	56,696,972	57,883,680
LONG-TERM FINANCE LEASES PAYABLE, LESS CURRENT MATURITIES	61,706	67,236
OTHER LIABILITIES		
Refundable Advance Admission Deposits	423,556	910,805
Deferred Revenue from Entrance Fees	82,787,438	74,053,934
Refundable Entrance Fee Liability	29,288,296	31,186,299
Annuity Payment Liabilities	36,730	43,940
Priority List Deposits	438,000	362,000
Total Other Liabilities	112,974,020	106,556,978
Total Liabilities	175,067,424	170,246,372
NET ASSETS		
Without Donor Restrictions	22,254,305	14,479,842
With Donor Restrictions:		
Purpose Restrictions	11,647,169	10,195,704
Perpetual in Nature	2,093,563	1,486,968
Total Net Assets	35,995,037	26,162,514
Total Liabilities and Net Assets	\$ 211,062,461	\$ 196,408,886

See accompanying Notes to Consolidated Financial Statements.

(4)

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
PATIENT AND RESIDENT SERVICE REVENUE		
Resident Fees	\$ 24,185,672	\$ 22,997,385
Amortization of Deferred Entrance Fees	10,489,944	10,834,475
Patient Services	7,360,718	6,040,125
Total Patient and Resident Service Revenue	42,036,334	39,871,985
OTHER REVENUE		
Contributions	174,689	186,473
Other Revenue	924,366	696,531
Investment Income	1,532,099	3,527,544
Net Assets Released from Restrictions for Operations	76,027	149,929
Total Other Revenue	2,707,181	4,560,477
Total Revenues, Gains, and Other Support	44,743,515	44,432,462
EXPENSES		
General and Administrative	4,138,614	3,901,821
Resident Services	444,659	297,929
Beauty Salon	100,549	103,056
Fitness	253,250	194,693
Environmental Services	2,065,645	1,726,503
Laundry	224,404	165,493
Plant Operations	3,177,274	2,545,051
Property Taxes and Utilities	2,927,949	2,629,510
Dining	4,990,473	4,692,259
Health Care Center	5,271,082	5,005,728
Catered Living	1,907,617	1,793,207
Vista	644,690	702,604
Clinic	426,147	453,240
IT	802,637	699,514
Security	716,154	700,613
Transportation	188,828	138,498
Clergy	91,580	104,948
Development	803,764	745,895
Marketing	728,805	664,209
Canterbury Connections	21,091	20,210
Interest	2,025,881	2,262,815
Depreciation	9,243,516	8,767,373
Amortization	96,167	96,167
Total Expenses	41,290,776	38,411,336
OPERATING INCOME	3,452,739	6,021,126
NONOPERATING INCOME (LOSS)		
Change in Unrealized Gains (Losses) on Investments	6,162,426	(12,734,295)
Gain (Loss) on Disposal of Property and Equipment	(90,392)	11,541
Provider Relief Funds Revenue	-	132,885
COVID-19 Expenses	(174,947)	(418,928)
Settlement Expense	(490,000)	-
Loss on Extinguishment of Long-Term Debt	(1,085,363)	(295,357)
Total Nonoperating Income (Loss)	4,321,724	(13,304,154)
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENSES AND INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ 7,774,463	\$ (7,283,028)

See accompanying Notes to Consolidated Financial Statements.

(5)

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Excess (Deficit) of Revenue Over (Under) Expenses and Change in Net Assets Without Donor Restrictions	\$ 7,774,463	\$ (7,283,028)
PURPOSE RESTRICTED NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	315,802	450,902
Net Assets Released from Restrictions	(76,027)	(149,929)
Investment Income	520,879	705,255
Other	(212,974)	(172,924)
Change in Unrealized Gains (Losses) on Investments	903,785	(2,753,210)
Change in Purpose Restricted Net Assets with Donor Restrictions	1,451,465	(1,919,906)
PERPETUALLY RESTRICTED NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	606,595	22,100
Change in Perpetually Restricted Net Assets With Donor Restrictions	606,595	22,100
CHANGE IN NET ASSETS	9,832,523	(9,180,834)
Net Assets - Beginning of Year	26,162,514	35,343,348
NET ASSETS - END OF YEAR	\$ 35,995,037	\$ 26,162,514

See accompanying Notes to Consolidated Financial Statements.

(6)

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 9,832,523	\$ (9,180,834)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Amortization of Deferred Entrance Fees	(10,489,944)	(10,834,475)
Depreciation and Amortization	9,339,683	8,863,540
Amortization of Deferred Financing Costs and Bond Premium	(173,418)	6,926
(Gain) Loss on Disposal of Property and Equipment	90,392	(11,541)
Loss on Extinguishment of Long-Term Debt	1,085,363	295,357
Net Unrealized (Gains) Losses on Investments	(7,066,211)	15,487,505
Proceeds from Entrance Fees Received	22,395,217	13,402,950
Net Proceeds from Refundable Advance Admission Deposits	(487,249)	630,325
Proceeds from Restricted Contributions	(606,595)	(22,100)
(Increase) Decrease in:		
Accounts Receivable	68,598	(214,911)
Prepaid Expenses, Supplies, and Other Assets	(88,797)	61,060
Gift Annuity Investment	(18,391)	23,186
Increase (Decrease) in:		
Accounts Payable	184,193	550,055
Accrued and Other Liabilities	(174,875)	(79,305)
Net Cash Provided by Operating Activities	23,890,489	18,977,738
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(15,067,269)	(6,757,619)
(Increase) Decrease in Assets Limited as to Use	2,041,104	(358,390)
Purchases of Investments, Net	(2,283,225)	(7,165,528)
Net Cash Used by Investing Activities	(15,309,390)	(14,281,537)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Restricted Contributions	606,595	22,100
Principal Repayments of Long-Term Debt	(590,000)	(2,923,162)
Refunding of Long-Term Debt	(1,818,653)	-
Refunds of Deposits and Refundable Fees	(5,069,772)	(2,545,168)
Principal Repayments on Finance Leases	(39,810)	(71,190)
Net Cash Used by Financing Activities	(6,911,640)	(5,517,420)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	1,669,459	(821,219)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	7,317,743	8,138,962
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 8,987,202	\$ 7,317,743
Cash and Cash Equivalents	\$ 8,563,731	\$ 6,407,022
Reservation Agreement Deposits	423,471	910,721
Total Cash, Cash Equivalents, and Restricted Cash	\$ 8,987,202	\$ 7,317,743
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash Paid for Interest, Net of Capitalized Interest	\$ 2,549,089	\$ 2,261,390
SUPPLEMENTAL DISCLOSURE OF NONCASH INFORMATION		
Proceeds from Issuance of Long-Term Debt	\$ 15,993,892	\$ 42,823,026
Less: Repayment of Long-Term Debt	(17,659,582)	(42,451,267)
Less: Costs of Issuance	(152,963)	(371,759)
Total	\$ (1,818,653)	\$ -

See accompanying Notes to Consolidated Financial Statements.

(7)

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Westminster-Canterbury of the Blue Ridge and Foundation (the Organization) provides a life care contract that includes housing, health care, and other related services to residents through the operation of a continuing care retirement community (the Facility).

During the year ended June 30, 2023, Westminster-Canterbury of the Blue Ridge formed WCBR Land Holdings LLC, a limited liability company formed under the laws of the Commonwealth of Virginia. The sole member of WCBR Land Holdings LLC is Westminster-Canterbury of the Blue Ridge. WCBR Land Holdings LLC was formed for the purpose of acquiring land adjacent to the campus of Westminster-Canterbury of the Blue Ridge and shall be operated to benefit the charitable purpose of the Organization.

Mission Statement

The Organization's mission is to provide a life care community of vibrant living designed to meet the dynamic needs and opportunities of older adults.

Principles of Consolidation

The consolidated financial statements include the accounts of Westminster-Canterbury of the Blue Ridge, its wholly owned nonprofit subsidiary, Westminster-Canterbury of the Blue Ridge Foundation (the Foundation), and its limited liability company, WCBR Land Holdings LLC (the LLC). It has been determined that the elements of control and economic interest exist between the three organizations. All significant intercompany transactions and account balances 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization 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 Organization maintains cash balances at a financial institution located within its market area. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a maximum of \$250,000 per depositor account. At times, deposits may exceed FDIC amounts.

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

Allowance for Uncollectible Accounts

The Organization provides an allowance for uncollectible accounts using management's judgment. Residents are not required to provide collateral for services rendered. Payment for services is required upon receipt of invoice or claim submitted. Accounts past due more than 90 days are individually analyzed for collectability. In addition, an allowance is estimated for other accounts based on the historical experience of the Organization. At June 30, 2023 and 2022, the allowance for uncollectible accounts was approximately \$18,000 and \$1,000, respectively.

Investments

Investments are carried at fair value. 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. For the years ended June 30, 2023 and 2022, the Organization classified its investments as trading securities and accordingly has included the change in unrealized gains (losses) on investments in the excess (deficit) of revenue over (under) expenses.

Assets Limited as to Use

Assets limited as to use are carried at fair value and include amounts set aside and held by the trustee under the Bond Indenture and amounts received for Reservation Agreement deposits.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Capital expenditures greater than \$2,500 are capitalized and depreciated over the life of the asset. Capital expenditures less than \$2,500 are expensed when incurred.

Interest expense is capitalized on the Organization's assets which were acquired with tax-exempt debt. The Organization capitalizes interest expense incurred from the date of the borrowing until one year after completion of the project or upon achieving substantial occupancy, and offsets that amount with interest earned on invested proceeds over the same period.

Intangible Asset

In 2019 the Organization purchased 19 licensed beds from an unrelated nursing provider in Virginia. The Organization paid \$950,000 for these licenses. The intangible asset is being amortized over 10 years. Amortization expense for the years ended June 30, 2023 and 2022 was approximately \$96,000 and is included in amortization expense in the accompanying consolidated statements of operations and changes in net assets without donor restrictions.

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

Deferred Financing Costs

Costs of obtaining financing are being amortized using the straight-line method, which approximates the effective interest method, over the terms of the obligations to which they apply. Bond discounts and premiums are also amortized over the period the obligation is outstanding using the straight-line method. Amortization is included as a component of interest expense. Accumulated amortization of deferred financing costs was approximately \$39,000 and \$269,000 at June 30, 2023 and 2022, respectively.

Entrance Fees

Nonrefundable fees paid by a resident upon entering into a life care contract are recorded as deferred revenue and are amortized to income using the straight-line method over the estimated remaining life expectancy of the resident. The refundable portion of fees paid by a resident upon entering into a life care contract is recorded as a refundable entrance fee liability.

Obligation to Provide Future Services

The Organization 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 entrance fees. If the present value of the net cost of future services and the use of facilities, discounted at 5.5%, exceeds the deferred revenue from entrance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income. The results of the calculation did not require the Organization to record a liability for the years ended June 30, 2023 and 2022.

Donor Restricted Gifts

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

Purpose Restricted Net Assets With Donor Restrictions – Net assets with donor restrictions may be those whose use by the Organization has been limited by donors to a specific time period or purpose. Purpose restricted net assets with donor restrictions primarily include fellowship financial assistance.

Perpetually Restricted Net Assets With Donor Restrictions – Net assets with donor restrictions in perpetuity are those that carry donor-imposed restrictions that stipulate that donated assets be maintained in perpetuity, but permit the Organization to use or expend the income derived from the donated assets.

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

Leases

The Organization determines if an arrangement is a lease at inception. Leases are included in property and equipment and lease liabilities in the consolidated balance sheets. Right-of-use (ROU) assets present the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the commencement date of the lease based on the 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 the Organization will exercise the option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization 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 liabilities or assets on the balance sheet.

Fellowship Assistance

Westminster-Canterbury of the Blue Ridge Foundation has a fellowship assistance policy to identify residents who are unable to meet their entrance fee or monthly obligations to the Organization. The policy uses certain funds designated for fellowship assistance to subsidize the charges for entrance fees and services provided to those residents. Such residents are identified based on financial information obtained from the resident and subsequent review and analysis.

The Organization tracks its direct and indirect costs of providing assistance under its fellowship assistance policy. The direct and indirect costs closely follow the charges forgone related to the assistance provided. The Organization has calculated the costs for services under the Organization's fellowship assistance policy to be approximately \$76,000 and \$150,000 for the years ended June 30, 2023 and 2022, respectively.

The Organization received approximately \$158,000 and \$286,000 to subsidize the costs of providing fellowship assistance under its fellowship assistance policy for the years ended June 30, 2023 and 2022, respectively.

Patient and Resident Service Revenue

Patient and resident service revenue is reported at the estimated net realizable amounts from residents, third-party payors, and others for services rendered.

Excess (Deficit) of Revenue Over (Under) Expenses

The consolidated statements of operations and changes in net assets without donor restrictions include excess (deficit) of revenue over (under) expenses. Changes in net assets without donor restrictions which are excluded from excess (deficit) of revenue over (under) expenses, consistent with industry practice, could 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 that, by donor restriction, were to be used for purposes of acquiring such assets.

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

Income Tax Status

Westminster-Canterbury of the Blue Ridge and Westminster-Canterbury of the Blue Ridge Foundation are nonprofit organizations as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal income taxes pursuant to Section 501(a) of the Code. LLC is a single member limited liability company and is considered a disregarded entity for income tax purposes.

The Organization's income tax returns are subject to review and examination by federal and state authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes.

The Organization follows guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The application of the standard has had no impact on the Organization's consolidated financial statements.

Fair Value of Financial Instruments

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Organization 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 Organization has the ability to access.

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

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

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

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.

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

Fair Value of Financial Instruments (Continued)

Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Assets and liabilities valued using Level 2 inputs include charitable remainder trusts. There are no assets or liabilities valued using Level 3 inputs.

Risks and Uncertainties

The Organization 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 Organization's investment balances and the amounts reported in its consolidated balance sheets.

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 14, 2023, the date the consolidated financial statements were available to be issued.

NOTE 2 PATIENT AND RESIDENT SERVICE REVENUE

Patient and resident services revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient and resident care. These amounts are due from residents, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the residents 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 Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization 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 Organization 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.

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 PATIENT AND RESIDENT SERVICE REVENUE (CONTINUED)

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 residents and customers in a retail setting (for example, gift shop and cafeteria meals) and the Organization does not believe it is required to provide additional goods or services related to that sale.

Because all of its performance obligations have a duration of less than one year, the Organization 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 Organization 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 Organization's policy, and/or implicit price concessions provided to residents. The Organization determines its estimates of contractual adjustments based on contractual agreements, its policy, and historical experience. The Organization 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 the established charges. A summary of the payment arrangements with major third-party payors follows:

Medicare

The Organization's licensed nursing facilities 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). Under PDPM, therapy minutes were removed as the primary basis for payment and the underlying complexity and clinical needs of a patient are used as a basis for reimbursement. In addition, PDPM introduces variance 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 OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 PATIENT AND RESIDENT SERVICE REVENUE (CONTINUED)

Medicaid

With the purchase of 19 licensed beds in 2019, the Organization is a licensed nursing facility eligible to participate in the Medicaid program which is administered by Virginia's Department of Medical Assistance Services (DMAS). Effective October 1, 2019, new PDPM HIPPS codes replaced RUG scores listed on each claim for determining reimbursement amounts. 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. As of June 30, 2023 and 2022, the Organization did not have any residents or patients in the Medicaid program.

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 Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price, were not significant in 2023 or 2022.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are recorded as adjustments to resident services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended June 30, 2023 and 2022. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense.

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 PATIENT AND RESIDENT SERVICE REVENUE (CONTINUED)

The Organization 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 patient and residential services revenue by primary payor for the years ended June 30 is as follows:

	<u>2023</u>	<u>2022</u>
Medicare	\$ 1,471,961	\$ 1,054,179
Private	40,438,578	38,723,802
Other	125,795	94,004
Total	<u>\$ 42,036,334</u>	<u>\$ 39,871,985</u>

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

The composition of patient and residential services revenue based on the Organization's lines of business, method of reimbursement, and timing of revenue recognition for the years ended June 30 are as follows:

	<u>2023</u>	<u>2022</u>
Service Lines:		
Independent Living	\$ 24,185,672	\$ 22,997,385
Assisted Living	3,189,535	2,716,170
Health Care Services	4,171,183	3,323,955
Amortization of Entrance Fees	10,489,944	10,834,475
Total	<u>\$ 42,036,334</u>	<u>\$ 39,871,985</u>
Method of Reimbursement:		
Monthly Service Fees	\$ 29,817,175	\$ 27,742,665
Amortization of Entrance Fees	10,489,944	10,834,475
Fee for Service	1,729,215	1,294,845
Total	<u>\$ 42,036,334</u>	<u>\$ 39,871,985</u>
Timing of Revenue and Recognition:		
Health Care Services Transferred Over Time	<u>\$ 42,036,334</u>	<u>\$ 39,871,985</u>

Financing Component

The Organization 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.

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 PATIENT AND RESIDENT SERVICE REVENUE (CONTINUED)

Contract Costs

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

The opening and closing contract balances were as follows:

	<u>Accounts Receivable</u>	<u>Deferred Revenue from Entrance Fees</u>	<u>Refundable Entrance Fee Liability</u>
Balance as of July 1, 2021	\$ 301,852	\$ 73,435,347	\$ 31,781,579
Balance as of June 30, 2022	516,763	74,053,934	31,186,299
Balance as of June 30, 2023	448,165	82,787,438	29,288,296

NOTE 3 PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30 is as follows:

	<u>2023</u>	<u>2022</u>
Land	\$ 10,050,988	\$ 3,710,374
Land Improvements	4,113,567	4,086,540
Buildings	205,051,374	197,755,824
Furniture and Equipment	16,596,262	19,986,735
Vehicles	210,583	185,242
Total	<u>236,022,774</u>	<u>225,724,715</u>
Less: Accumulated Depreciation	<u>(116,372,924)</u>	<u>(113,357,561)</u>
Total	119,649,850	112,367,154
Construction in Progress	2,392,016	3,941,351
Property and Equipment, Net	<u>\$ 122,041,866</u>	<u>\$ 116,308,505</u>

Depreciation expense was approximately \$9,244,000 and \$8,767,000 for the years ended June 30, 2023 and 2022, respectively.

Construction in progress at June 30, 2023 and 2022 related to Vista renovations, Monticello corridors, independent living unit renovations, and campus vision planning. No interest was capitalized at June 30, 2023 and 2022.

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 4 RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Organization has certain business relationships with companies in which members of the board of trustees are related parties. Transactions with such companies for the years ended June 30, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Legal Fees	<u>\$ 50,650</u>	<u>\$ 31,972</u>

The Organization had no outstanding related party payables for the years ended June 30, 2023 and 2022.

NOTE 5 INVESTMENTS

Investments, stated at fair market value, at June 30 were as follows:

	<u>2023</u>		<u>2022</u>	
	Market Value	Cost	Market Value	Cost
Money Market Investments	\$ 750,606	\$ 750,606	\$ 2,212,129	\$ 2,212,129
Mutual Funds	56,565,419	50,272,320	47,507,385	45,181,460
Pooled Investment Funds	19,549,762	16,378,330	17,796,837	17,455,716
Total	<u>\$ 76,865,787</u>	<u>\$ 67,401,256</u>	<u>\$ 67,516,351</u>	<u>\$ 64,849,305</u>

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 5 INVESTMENTS (CONTINUED)

Investment income and gains for assets limited as to use, cash equivalents, and other investments are comprised of the following for the years ended June 30, 2023 and 2022:

	2023		
	Total	Without Donor Restrictions	With Donor Restrictions
Income:			
Interest Income	\$ 1,078,504	\$ 883,934	\$ 194,570
Realized Gains on Sales of Securities	974,474	648,165	326,309
Total	<u>\$ 2,052,978</u>	<u>\$ 1,532,099</u>	<u>\$ 520,879</u>
Nonoperating Income:			
Change in Unrealized Gains on Investments	\$ 7,066,211	\$ 6,162,426	\$ 903,785
Total	<u>\$ 7,066,211</u>	<u>\$ 6,162,426</u>	<u>\$ 903,785</u>
	2022		
	Total	Without Donor Restrictions	With Donor Restrictions
Income:			
Interest Income	\$ 780,975	\$ 630,053	\$ 150,922
Realized Gains on Sales of Securities	3,451,824	2,897,491	554,333
Total	<u>\$ 4,232,799</u>	<u>\$ 3,527,544</u>	<u>\$ 705,255</u>
Nonoperating Loss:			
Change in Unrealized Losses on Investments	\$ (15,487,505)	\$ (12,734,295)	\$ (2,753,210)
Total	<u>\$ (15,487,505)</u>	<u>\$ (12,734,295)</u>	<u>\$ (2,753,210)</u>

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 6 ASSETS LIMITED AS TO USE

Assets limited as to use include amounts deposited with a trustee (Trustee) under the provisions of the Trust Indentures in connection with financing through the Industrial Development Authority of Albemarle County, Virginia, and deposits under reservation agreements.

Assets limited as to use at June 30 were as follows:

	<u>2023</u>	<u>2022</u>
Held by Trustee:		
Bond Interest Fund	\$ 372,914	\$ 764,673
Bond Principal Fund	148,713	419,412
Debt Service Reserve Fund	-	1,378,646
Total	<u>521,627</u>	<u>2,562,731</u>
Reservation Agreement Deposits	<u>423,471</u>	<u>910,721</u>
Total	945,098	3,473,452
Less: Current Portion	<u>(521,589)</u>	<u>(1,503,074)</u>
Assets Limited as to Use, Net of Current Portion	<u>\$ 423,509</u>	<u>\$ 1,970,378</u>

The market value of the funds approximates carrying value at June 30, 2023 and 2022.

The funds held by the Trustee are invested in U.S. government obligations and other liquid assets. Reservation agreement deposits are maintained in interest bearing accounts at a bank.

The bond interest fund is maintained for the accumulation of funds to pay the interest as it becomes due on the bonds outstanding. Similarly, the bond principal fund is used to pay principal as it matures. The debt service reserve fund is to be used only to make transfers to the bond funds to pay interest and principal only when amounts in the bond funds are insufficient.

NOTE 7 DEFERRED REVENUE AND REFUNDABLE ENTRANCE FEE LIABILITY

Resident contract deposit amounts include a refundable portion based on the individual agreements. The amounts subject to refund are \$29,288,296 and \$31,186,299 at June 30, 2023 and 2022, respectively, and are shown as a refundable entrance fee liability on the consolidated balance sheets.

Nonrefundable entrance fees, including the nonrefundable portions of refundable contract options, are recorded as deferred revenue, and are amortized to income using the straight-line method over the estimated remaining life expectancy of the resident.

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7 DEFERRED REVENUE AND REFUNDABLE ENTRANCE FEE LIABILITY (CONTINUED)

A summary of deferred revenue from entrance fees at June 30 of each year is as follows:

	2023	2022
Nonrefundable Contract Options	\$ 26,156,656	\$ 22,881,735
Refundable Contract Options	56,630,782	51,172,199
Total	\$ 82,787,438	\$ 74,053,934

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with Purpose Restrictions

Net assets with purpose restricted donor restrictions are restricted for the following purposes as of June 30, 2023 and 2022:

	2023	2022
Fellowship Assistance	\$ 10,400,893	\$ 9,006,915
Employee Education	1,065,606	959,227
Miscellaneous	180,670	229,562
Total Purpose Restricted Net Assets	\$ 11,647,169	\$ 10,195,704

During 2023 and 2022, net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose of fellowship assistance and COVID-19 expenses in the amounts of approximately \$76,000 and \$150,000, respectively. All purpose-restricted funds are held by the Foundation.

Net Assets with Perpetual Restrictions

The Commonwealth of Virginia adopted the Uniform Prudent Management of Institutional Funds Act (the Act) effective February 21, 2008. The Organization 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 Organization 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 with donor restrictions, or net assets without donor restrictions in the case of the general purpose endowment, until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed in the Act.

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

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net Assets with Perpetual Restrictions (Continued)

- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policy of the Organization

Funds with Deficiencies

It is the Organization's practice 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 Organization to retain as a fund of perpetual duration, in accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions.

Return Objectives and Risk Parameters

Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. As approved by the board of trustees, the endowment assets are permitted to be commingled with other investments of the Organization which seek long-term appreciation, are managed professionally, and adhere to the Organization's investment policies.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization 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 Organization'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 Organization's spending policy is guided by the Act and requires annual determination by the board of trustees as to the amount, if any, of spending that is authorized from the fund.

At June 30, 2023 and 2022, the Organization had approximately \$2,094,000 and \$1,487,000 in perpetually restricted endowments, respectively. The Organization had no board-designated endowment funds for the year ended June 30, 2023 or 2022.

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

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

	2023			
	Without Donor Restrictions	Purpose Restricted	Perpetual in Nature	Total
Endowment Net Assets - Beginning of the Year	\$ -	\$ 428,040	\$ 1,486,968	\$ 1,915,008
Investment Return	-	23,967	-	23,967
Realized Losses and Change in Unrealized Gains (Losses) on Investments, Net	-	151,524	-	151,524
Total Investment Return	-	175,491	-	175,491
Contributions	-	-	606,595	606,595
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ 603,531</u>	<u>\$ 2,093,563</u>	<u>\$ 2,697,094</u>
	2022			
	Without Donor Restrictions	Purpose Restricted	Perpetual in Nature	Total
Endowment Net Assets - Beginning of the Year	\$ -	\$ 680,234	\$ 1,464,868	\$ 2,145,102
Investment Return	-	18,668	-	18,668
Realized Gains and Change in Unrealized Gains (Losses) on Investments, Net	-	(270,862)	-	(270,862)
Total Investment Return	-	(252,194)	-	(252,194)
Contributions	-	-	22,100	22,100
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ 428,040</u>	<u>\$ 1,486,968</u>	<u>\$ 1,915,008</u>

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 9 CHARITABLE REMAINDER TRUST AND GIFT ANNUITIES

At June 30, 2023, the Organization was a beneficiary of a charitable remainder trust. In accordance with the Charitable Remainder Trust Agreement, investment income equal to 8% of the fair value of the Trustee assets is to be paid to other beneficiaries until their deaths. After that the Organization will receive the remainder of the assets left in the trusts.

At June 30, 2023, the Organization was a beneficiary to four gift annuity agreements. Under the terms of the agreements, the donor is to receive certain quarterly annuity payments until their death in exchange for cash contributions made to the Organization.

NOTE 10 LONG-TERM DEBT

The Organization is party to certain agreements of sale and repurchase with the Industrial Development Authority of Albemarle County, Virginia. The agreements are summarized below:

- **2012 Issue** – In December 2012, the Organization became party to an agreement of sale and repurchase with the Economic Development Authority of Albemarle County, Virginia whereby the Authority issued \$20,315,000 of Residential Care Facility Mortgage Revenue Bonds (the Series 2012A Bonds) with interest payable January 1 and July 1 of each year. Simultaneously with the issuance of the Series 2012A Bonds, the Authority issued its Residential Care Facility Mortgage Revenue Bond Series 2012B and its Residential Care Facility Mortgage Revenue Bond Series 2012C. The 2012 bonds were collateralized by a mortgage lien on real estate, certain equipment, and a debt service reserve fund. The proceeds of these 2012 bonds were used to fund an expansion project, to finance capitalized interest on the 2012 Bonds, to finance a debt service reserve fund for the Series 2012A Bonds, and to pay costs related to the issuance of the bonds. The Organization was required to meet a long-term debt service ratio and other financial covenants. The Series 2012 Bonds were refunded in full with the proceeds from the Series 2022B Bond.
- **2016A Issue** – In June 2016, the Organization became party to an agreement of sale and repurchase with the Economic Development Authority of Albemarle County, Virginia whereby the Authority issued a Residential Care Facility Mortgage Revenue and Refunding Bond (the Series 2016A Bond) in the principal amount of \$20,000,000 with interest payable monthly. The Series 2016A Bond was purchased by a financial institution. The Series 2016A Bond was collateralized by a mortgage lien on real estate and certain equipment. The proceeds from the Series 2016A Bond were used to refinance the Series 2015 bonds and to fund upcoming capital projects. The Organization was required to meet a long-term debt service ratio and other financial covenants. The Series 2016A Bond was refunded in full with the proceeds from the Series 2022A Bond.

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 10 LONG-TERM DEBT (CONTINUED)

- **2016B Issue** – In October 2016, the Organization became party to an agreement of sale and repurchase with the Economic Development Authority of Albemarle County, Virginia whereby the Authority issued a Residential Care Facility Mortgage Revenue and Refunding Bond (the Series 2016B Bond) in the principal amount of \$39,500,000 with interest payable monthly. The Series 2016B Bond was purchased by a financial institution. The Series 2016B Bond was collateralized by a mortgage lien on real estate and certain equipment. The proceeds from the Series 2016B Bond were used to refinance the then outstanding Series 2007 bonds and to pay costs related to the issuance of the bond. The Organization was required to meet a long-term debt service ratio and other financial covenants. The Series 2016B Bond was refunded in full with the proceeds from the Series 2022A Bond.

- **2022A Issue** – In February 2022, the Organization became party to an agreement of sale and repurchase with the Economic Development Authority of Albemarle County, Virginia whereby the Authority issued its Residential Care Facility Revenue Refunding Bonds (the Series 2022A Bonds) in the principal amount of \$38,025,000 with interest payable June 1 and December 1 of each year. The Series 2022A Bonds are collateralized by a lien on real estate and certain equipment. The proceeds from the Series 2022A Bonds were used to refinance the then outstanding Series 2016A and Series 2016B bonds and to pay costs related to the issuance of the bonds. The Organization is required to meet a long-term debt service ratio and other financial covenants.

- **2022B Issue** – In October 2022, the Organization became party to an agreement of sale and repurchase with the Economic Development Authority of Albemarle County, Virginia whereby the Authority issued its Residential Care Facility Revenue Refunding Bonds (the Series 2022B Bonds) in the principal amount of \$14,935,000 with interest payable June 1 and December 1 of each year. The Series 2022B Bonds are collateralized by a lien on real estate and certain equipment. The proceeds from the Series 2022B Bonds were used to refinance the then outstanding Series 2012 bonds and to pay costs related to the issuance of the bonds. The Organization is required to meet a long-term debt service ratio and other financial covenants.

Under terms of the debt agreements, the Organization is required to meet a number of covenants with which management believes they are in compliance at June 30, 2023.

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 10 LONG-TERM DEBT (CONTINUED)

The scheduled principal payments on long-term debt are summarized as follows:

<u>Year Ending June 30,</u>	<u>2022A Issue</u>	<u>2022B Issue</u>	<u>Total</u>
2023	\$ 830,000	\$ -	\$ 830,000
2024	880,000	-	880,000
2025	925,000	-	925,000
2026	970,000	-	970,000
2027	1,015,000	-	1,015,000
Thereafter	<u>32,815,000</u>	<u>14,935,000</u>	<u>47,750,000</u>
Total	<u>\$ 37,435,000</u>	<u>\$ 14,935,000</u>	52,370,000
Plus: Unamortized Bond Premium			6,006,665
Less: Unamortized Deferred Financing Costs			<u>(849,693)</u>
Subtotal			57,526,972
Less: Current Portion			<u>(830,000)</u>
Total			<u>\$ 56,696,972</u>

On June 30, 2008, the Foundation became party to the Master Trust Indenture along with Westminster-Canterbury of the Blue Ridge. The Foundation and Westminster-Canterbury of the Blue Ridge are collectively referred to as the "Obligated Group." The Foundation became party to the Obligated Group in order to facilitate the transfer of all funds held by Westminster-Canterbury of the Blue Ridge that were set aside as fellowship funds while maintaining the Obligated Group's credit strength. By becoming part of the Obligated Group, the Foundation agreed to become subject to compliance with all provisions of the Master Trust Indenture, including the performance and observance of all covenants and obligations under the indenture. In addition, as a member of the Obligated Group, the Foundation guarantees that all outstanding debt obligations will be paid in accordance with the terms set forth in the Master Trust Indenture.

NOTE 11 RETIREMENT PLAN

Effective July 1, 2000, the Organization amended its 403(b) plan to include employer contributions. Under the amendment, eligible employees may elect to make contributions pursuant to a salary reduction agreement. The Organization makes matching contributions up to a predetermined limit. The matching contributions, net of forfeitures, to the 403(b) plan were approximately \$383,000 and \$331,000 for the years ended June 30, 2023 and 2022, respectively. The Organization may also make discretionary contributions. Discretionary contributions to the 403(b) plan were approximately \$362,000 and \$318,000 for the years ended June 30, 2023 and 2022, respectively, which was equal to 3% of eligible employees' salaries. The Organization also maintains multiple nonqualified 457(f) plans for the president and chief executive officer. Contributions to the 457(f) plans were approximately \$110,000 and \$103,000 for the years ended June 30, 2023 and 2022, respectively.

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 12 RESIDENT OCCUPANCY AGREEMENTS

1. Health care: The Organization is party to a care contract with each resident of the facility. The Residence and Care Agreement contains the following provisions:
 - a. Payment of a coinsurance and deductible as defined by Medicare regulations for outside hospitalization, post hospital nursing care and other medical services are the responsibility of the resident or a supplemental insurer obtained by the resident;
 - b. The Organization shall furnish medical and nursing care as deemed necessary by the medical director of the resident's physician, and
 - c. The Organization will provide an in-house clinic where the resident may be examined and treated as an outpatient.

2. Entrance fees
 - a. Effective July 20, 2001, the Organization consolidated the entrance fee payment options to the following:

Option 1 (Standard)

 - Prior to July 1, 2015, if the agreement is terminated within the first 12 months after the occupancy date, the resident, or his or her estate will receive a refund of the entire entrance fee paid to the Organization (less financial assistance granted), less 2% of the entrance fee for each month or part of a month following the occupancy date. If termination occurs after the end of the 12th month from the occupancy date, no portion of the entrance fee shall be refunded.
 - Effective July 1, 2015, for the agreements entered into after that date, the declining period moved from 12 months to 50 months. Therefore, if the agreement is terminated within the first 50 months after the occupancy date, the resident, or his or her estate will receive a refund of the entire entrance fee paid to the Organization (less financial assistance granted), less 2% of the entrance fee for each month or part of a month following the occupancy date. If termination occurs after the end of the 50th month from the occupancy date, no portion of the entrance fee shall be refunded.

Option 2 (Refundable)

 - If the agreement is terminated during the first 25 months after the occupancy date, the entire entrance fee (less financial assistance granted), shall be refunded, less 2% of the entrance fee for each month or part of a month following the occupancy date.
 - If the agreement is terminated at any time after the end of the 25th month from the occupancy date, a refund equal to 50% of the entrance fee (less financial assistance granted) shall be refunded.

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 12 RESIDENT OCCUPANCY AGREEMENTS (CONTINUED)

2. Entrance fees (Continued)

- a. Effective July 20, 2001 the Organization consolidated the entrance fee payment options to the following (Continued):

Option 2 (Refundable) (Continued)

- b. If the Residence and Care Agreement is terminated by the Organization, the refund amounts are to be made exclusively in accordance with the refund option as selected by the resident.

A 90% refundable contract option was offered to first generation residents of the Albemarle cottages. This contract option is no longer offered by the Organization. At June 30, 2023 and 2022, the Organization had one resident, respectively, under the 90% refundable contract option.

Refundable advance admission deposits have been reflected in assets and liabilities until such time as residents occupy the units. Refunds of entrance fees are made upon reoccupancy of the last independent living unit the resident occupied.

NOTE 13 LIQUIDITY AND AVAILABILITY

The Organization invests cash in excess of short-term requirements in short-term investments. In addition, the Organization has mutual funds 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:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 8,563,731	\$ 6,407,022
Investments	76,865,787	67,516,351
Accounts Receivable, Net	448,165	516,763
Less: Donor-Imposed Restrictions Making Financial Assets Unavailable for General Expenditure	<u>(13,740,732)</u>	<u>(11,682,672)</u>
Total Financial Assets Available to Meet Liquidity Needs	<u>\$ 72,136,951</u>	<u>\$ 62,757,464</u>

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 14 FAIR VALUE MEASUREMENTS

The Organization 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 Organization 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 of the Organization measured at fair value on a recurring basis as of June 30, 2023 and 2022:

2023				
	Level 1	Level 2	Level 3	Total
Investments and Assets Limited as to Use:				
Mutual Funds	\$ 56,565,419	\$ -	\$ -	\$ 56,565,419
Charitable Remainder Trusts	-	2,070	-	2,070
Gift Annuity Investments	-	137,214	-	137,214
Total Assets Measured at Fair Value	\$ 56,565,419	\$ 139,284	\$ -	\$ 56,704,703
2022				
	Level 1	Level 2	Level 3	Total
Investments and Assets Limited as to Use:				
Mutual Funds	\$ 47,507,385	\$ -	\$ -	\$ 47,507,385
Charitable Remainder Trusts	-	2,070	-	2,070
Gift Annuity Investments	-	118,823	-	118,823
Total Assets Measured at Fair Value	\$ 47,507,385	\$ 120,893	\$ -	\$ 47,628,278

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 14 FAIR VALUE MEASUREMENTS (CONTINUED)

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

<u>Investment Type</u>	2023			
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Pooled Investment Fund - Colchester Global Bond AI Fund	\$ 304,942	\$ -	Bi-Monthly	5 Business Days Prior to Redemption Date
Pooled Investment Fund - Colchester Global Bond Low Duration Fund	1,078,107	-	Bi-Monthly	5 Business Days Prior to Redemption Date
Pooled Investment Fund - State Street Global Advisors Fund	2,434,668	-	Daily	1 Business Day Prior to Redemption Date
Pooled Investment Fund - Hartford International Value Fund	8,849,436	-	Daily	1 Business Day Prior to Redemption Date
Pooled Investment Fund - BLS Global Equities Fund	6,239,379	-	Monthly	30 Business Days Prior to Redemption Date
Pooled Investment Fund - Sands Capital Emerging Markets Growth Fund	643,230	-	Monthly	10 Business Days Prior to Redemption Date
Total Pooled Investment Funds	<u>\$ 19,549,762</u>	<u>\$ -</u>		

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 14 FAIR VALUE MEASUREMENTS (CONTINUED)

<u>Investment Type</u>	2022			
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Pooled Investment Fund - Colchester Global Bond AI Fund	\$ 305,679	\$ -	Bi-Monthly	5 Business Days Prior to Redemption Date
Pooled Investment Fund - Colchester Global Bond Low Duration Fund	1,068,784	-	Bi-Monthly	5 Business Days Prior to Redemption Date
Pooled Investment Fund - State Street Global Advisors Fund	2,456,544	-	Daily	1 Business Day Prior to Redemption Date
Pooled Investment Fund - Hartford International Value Fund	5,798,447	-	Daily	1 Business Day Prior to Redemption Date
Pooled Investment Fund - Polaris Capital International Value Fund	3,473,432	-	Monthly	30 Business Days Prior to Redemption Date
Pooled Investment Fund - BLS Global Equities Fund	4,088,021	-	Monthly	10 Business Days Prior to Redemption Date
Pooled Investment Fund - Sands Capital Emerging Markets Growth Fund	<u>605,930</u>	<u>-</u>	Monthly	10 Business Days Prior to Redemption Date
Total Pooled Investment Funds	<u>\$ 17,796,837</u>	<u>\$ -</u>		

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 14 FAIR VALUE MEASUREMENTS (CONTINUED)

The pooled investment funds are valued at the net asset value (NAV) of units, which are based on market prices of the underlying investments, held by the Organization at year-end. The Colchester pooled funds' investment objective is to achieve favorable income-oriented returns from a globally diversified portfolio of primarily debt or debt-like securities and the preservation and enhancement of principal. To achieve the objectives, the pooled investment funds seek to invest in a portfolio of securities that possess fundamental investment value. The Hartford pooled funds' investment objective is to achieve favorable long-term value appreciation by investing in common equities. The State Street Global Advisor (SSGA) pooled funds' investment objective is to achieve favorable long-term growth. To achieve the objectives, the pooled investment funds seek to invest in other collective investment funds which have characteristics consistent with the SSGA Fund's overall investment objective. The Polaris Capital International Value Funds' investment objective is to seek long-term capital appreciation by investing in a diversified portfolio of equity securities issued by foreign entities. The BLS Global Equities Funds' investment objective is to seek long-term risk-adjusted returns by investing in a diversified portfolio of equity securities issued by foreign entities. The Sands Capital Emerging Markets Growth Funds' investment objective is to seek long-term capital appreciation by investing in master feeder funds.

NOTE 15 FUNCTIONAL EXPENSES

Program, management, and fundraising expenses for the year ended June 30, 2023 are summarized as follows.

	2023			
	Program Services	Management and General	Fundraising	Total
Salaries	\$ 13,092,334	\$ 2,298,317	\$ 481,694	\$ 15,872,345
Advertising and Public Relations	96,027	13,300	-	109,327
Dues and Subscriptions	18,024	20,655	13,934	52,613
Employee Benefits	1,395,907	238,024	16,632	1,650,563
Insurance and Workers' Compensation	258,021	190,257	93	448,371
Miscellaneous	140,538	5,539	4,311	150,388
Payroll Taxes	897,607	127,609	14,410	1,039,626
Retirement Plan Expense	-	846,193	-	846,193
Postage	7,206	203	176	7,585
Professional and Contract Services	2,071,679	1,199,419	23,596	3,294,694
Real Estate Taxes	-	1,296,652	-	1,296,652
Rents	7,777	-	-	7,777
Repairs and Maintenance	831,170	-	-	831,170
Small Tools and Utensils	80,138	6,594	-	86,732
Supplies	2,573,294	23,424	5,888	2,602,606
Telephone	-	40,308	-	40,308
Travel, Training, and Meetings	49,481	8,047	2,651	60,179
Utilities	22,789	1,505,294	-	1,528,083
Interest	2,025,881	-	-	2,025,881
Depreciation and Amortization	9,230,884	105,136	3,663	9,339,683
Total	<u>\$ 32,798,757</u>	<u>\$ 7,924,971</u>	<u>\$ 567,048</u>	<u>\$ 41,290,776</u>

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 15 FUNCTIONAL EXPENSES (CONTINUED)

Program, management, and fundraising expenses for the year ended June 30, 2022 are summarized as follows.

	2022			
	Program Services	Management and General	Fundraising	Total
Salaries	\$ 11,852,454	\$ 2,180,292	\$ 454,485	\$ 14,487,231
Advertising and Public Relations	170,987	23,949	-	194,936
Dues and Subscriptions	14,020	20,249	20,503	54,772
Employee Benefits	1,367,412	207,653	15,321	1,590,386
Insurance and Workers' Compensation	285,572	176,700	128	462,400
Miscellaneous	115,146	15,843	4,405	135,394
Payroll Taxes	824,098	119,688	13,816	957,602
Retirement Plan Expense	-	784,885	-	784,885
Postage	6,410	295	246	6,951
Professional and Contract Services	1,914,841	1,121,773	7,244	3,043,858
Real Estate Taxes	-	1,203,134	-	1,203,134
Rents	9,157	-	-	9,157
Repairs and Maintenance	529,807	-	-	529,807
Small Tools and Utensils	82,515	1,042	-	83,557
Supplies	2,307,956	22,535	2,620	2,333,111
Telephone	92	24,871	-	24,963
Travel, Training, and Meetings	46,720	8,050	5,743	60,513
Utilities	21,951	1,300,373	-	1,322,324
Interest	2,262,815	-	-	2,262,815
Depreciation and Amortization	8,760,288	99,776	3,476	8,863,540
Total	<u>\$ 30,572,241</u>	<u>\$ 7,311,108</u>	<u>\$ 527,987</u>	<u>\$ 38,411,336</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.

NOTE 16 COMMITMENTS AND CONTINGENCIES

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.

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 16 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Health Insurance

In fiscal year 2013, the Organization began to self-insure its employees' health plan through a captive arrangement. The Organization 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 Organization's experience and include amounts for claims filed and claims incurred but not reported.

Based on the Organization's performance in this plan there is potential for a dividend distribution. The Organization insures for excessive and unexpected health claims and is liable for claims not to exceed \$75,000 for each employee per plan year and an aggregate amount of 125% of expected claims per plan year.

Liability Insurance

The Organization, together with other similar retirement communities in the state of Virginia, is a shareholder of Virginia Senior Care Group, LLC (VSCG), the primary purpose of which is obtaining general liability and professional insurance for its members (the VSCG Program). To provide the VSCG Program, VSCG owns Virginia Senior Care Insurance Company (VSCIC), a Washington DC domiciled reinsurer which provides reinsurance for the VSCG Program to Health Cap, RRG (Health Cap), a Washington DC risk retention group that specializes in insuring select long-term care providers. Only VSCG members are eligible to participate in the VSCG Program. VSCG members are insured under individual, primary policies issued by Health Cap, and the cost of those individual policies is lower than comparable market insurance products secondary to the reinsurance of the policies by VSCIC. Premiums paid represent the cost of the individual Health Cap policy, as actuarially determined for each VSCG member, and also fund the VSCIC reinsurance obligations. The VSCG program also provides for umbrella coverage which functions as an extension of the primary limit. Management has not recorded any liabilities related to this policy as they are not aware of any underfunding within the pool.

The Organization is subject to legal proceedings and claims which arise in the course of providing health care services. The Organization'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. In management's opinion, adequate provisions have 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.

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 16 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Workers' Compensation Insurance

The Organization, together with other similar retirement communities in the Commonwealth of Virginia, is a shareholder of Virginia Senior Care Group (VSCG), a limited liability corporation. VSCG wholly owns the preferred shares in a segregated portfolio cell (SPC) at Eastern Re Ltd., SPC, a reinsurance company located in Grand Cayman, Cayman Islands. The primary purpose of the SPC is to reinsure workers' compensation insurance coverage for each shareholder of VSCG. Under the terms of the agreement between the SPC and VSCG, all premium and losses under the workers' compensation insurance policies are pooled. The actuarially determined ultimate potential liability for each shareholder of VSCG is limited to each shareholder's workers' compensation premium and a collateral deposit. Each policy assumed by the SPC is written on a claims-occurrence basis and has reinsurance. Management has not recorded any liabilities related to this policy as they are not aware of any required funding with the SPC.

NOTE 17 PROVIDER RELIEF FUNDING

Due to the Coronavirus pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) Provider Relief Funds (PRF). During the year ended June 30, 2023, the Organization did not receive any additional funding. During the year ended June 30, 2022 the Organization received approximately \$133,000. As of June 30, 2023, the Organization did not recognize any amounts as Provider Relief Funds Revenue in Nonoperating Income (Loss) in the consolidated statements of operations. As of June 30, 2022, the Organization recognized approximately \$133,000 as Provider Relief Funds Revenue in Nonoperating Income (Loss) in the consolidated statements of operations. As of June 30, 2023 and 2022, no amounts were recorded as Deferred Revenue in the consolidated balance sheets. Management believes the amounts have been recognized appropriately as of June 30, 2023 and 2022.



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Trustees
Westminster-Canterbury of the Blue Ridge
and Foundation
Charlottesville, Virginia

We have audited the consolidated financial statements of Westminster-Canterbury of the Blue Ridge and Foundation as of and for the years ended June 30, 2023 and 2022, and have issued our report thereon dated September 14, 2023, which contained an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information as listed under "Supplementary Information" on the table of contents is presented for the purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual organizations, 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 consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
September 14, 2023

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
CONSOLIDATING BALANCE SHEET
JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS	<u>Westminster- Canterbury</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Obligated Group</u>	<u>LLC</u>	<u>Consolidated</u>
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 8,563,731	\$ -	\$ -	\$ 8,563,731	\$ -	\$ 8,563,731
Accounts Receivable, Residents and Other, Net	448,165	-	-	448,165	-	448,165
Investments	55,149,989	21,715,798	-	76,865,787	-	76,865,787
Assets Limited as to Use	521,589	-	-	521,589	-	521,589
Contributions Receivable	-	-	-	-	-	-
Due from Westminster-Canterbury Foundation	28,765	-	(28,765)	-	-	-
Prepaid Expenses, Supplies, and Other Assets	453,536	-	-	453,536	-	453,536
Total Current Assets	<u>65,165,775</u>	<u>21,715,798</u>	<u>(28,765)</u>	<u>86,852,808</u>	<u>-</u>	<u>86,852,808</u>
ASSETS LIMITED AS TO USE, NET OF CURRENT PORTION	423,509	-	-	423,509	-	423,509
PROPERTY AND EQUIPMENT, NET	115,701,252	-	-	115,701,252	6,340,614	122,041,866
BENEFICIAL INTEREST IN NET ASSETS OF WESTMINSTER- CANTERBURY OF THE BLUE RIDGE FOUNDATION	21,784,763	-	(21,784,763)	-	-	-
OTHER ASSETS						
Charitable Remainder Trusts	-	2,070	-	2,070	-	2,070
Gift Annuity Investments	-	137,214	-	137,214	-	137,214
Intangible Asset, Net	537,418	-	-	537,418	-	537,418
Pension Asset	-	-	-	-	-	-
Deposits	1,067,576	-	-	1,067,576	-	1,067,576
Total Other Assets	<u>1,604,994</u>	<u>139,284</u>	<u>-</u>	<u>1,744,278</u>	<u>-</u>	<u>1,744,278</u>
Total Assets	<u>\$ 204,680,293</u>	<u>\$ 21,855,082</u>	<u>\$ (21,813,528)</u>	<u>\$ 204,721,847</u>	<u>\$ 6,340,614</u>	<u>\$ 211,062,461</u>

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
CONSOLIDATING BALANCE SHEET (CONTINUED)
JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

LIABILITIES AND NET ASSETS	<u>Westminster- Canterbury</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Obligated Group</u>	<u>LLC</u>	<u>Consolidated</u>
CURRENT LIABILITIES						
Accounts Payable, Trade and Construction	\$ 2,921,778	\$ 4,824	\$ -	\$ 2,926,602	\$ -	\$ 2,926,602
Accrued Payroll and Withholdings	1,361,906	-	-	1,361,906	-	1,361,906
Accrued Bond Interest Payable	179,308	-	-	179,308	-	179,308
Current Maturities of Finance Leases Payable	36,910	-	-	36,910	-	36,910
Due to Westminster-Canterbury	-	28,765	(28,765)	-	-	-
Line of Credit	-	-	-	-	-	-
Current Maturities of Long-Term Debt	830,000	-	-	830,000	-	830,000
Total Current Liabilities	<u>5,329,902</u>	<u>33,589</u>	<u>(28,765)</u>	<u>5,334,726</u>	<u>-</u>	<u>5,334,726</u>
LONG-TERM DEBT, LESS CURRENT MATURITIES	56,696,972	-	-	56,696,972	-	56,696,972
LONG-TERM FINANCE LEASES PAYABLE, LESS CURRENT MATURITIES	61,706	-	-	61,706	-	61,706
OTHER LIABILITIES						
Refundable Advance Admission Deposits	423,556	-	-	423,556	-	423,556
Deferred Revenue from Entrance Fees	82,787,438	-	-	82,787,438	-	82,787,438
Refundable Advance Fee Liability	29,288,296	-	-	29,288,296	-	29,288,296
Annuity Payment Liabilities	-	36,730	-	36,730	-	36,730
Priority List Deposits	438,000	-	-	438,000	-	438,000
Total Other Liabilities	<u>112,937,290</u>	<u>36,730</u>	<u>-</u>	<u>112,974,020</u>	<u>-</u>	<u>112,974,020</u>
Total Liabilities	175,025,870	70,319	(28,765)	175,067,424	-	175,067,424
NET ASSETS						
Without Donor Restrictions	15,913,691	8,044,031	(8,044,031)	15,913,691	6,340,614	22,254,305
With Donor Restrictions:						
Purpose Restrictions	11,647,169	11,647,169	(11,647,169)	11,647,169	-	11,647,169
Perpetual In Nature	2,093,563	2,093,563	(2,093,563)	2,093,563	-	2,093,563
Total Net Assets	<u>29,654,423</u>	<u>21,784,763</u>	<u>(21,784,763)</u>	<u>29,654,423</u>	<u>6,340,614</u>	<u>35,995,037</u>
Total Liabilities and Net Assets	<u>\$ 204,680,293</u>	<u>\$ 21,855,082</u>	<u>\$ (21,813,528)</u>	<u>\$ 204,721,847</u>	<u>\$ 6,340,614</u>	<u>\$ 211,062,461</u>

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
CONSOLIDATING STATEMENT OF OPERATIONS AND
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Westminster- Canterbury	Foundation	Eliminations	Obligated Group	LLC	Consolidated
PATIENT AND RESIDENT SERVICE REVENUE						
Resident Fees	\$ 24,261,699	\$ -	\$ (76,027)	\$ 24,185,672	\$ -	\$ 24,185,672
Amortization of Deferred Entrance Fees	10,489,944	-	-	10,489,944	-	10,489,944
Patient Services	7,360,718	-	-	7,360,718	-	7,360,718
Total Patient and Resident Service Revenue	<u>42,112,361</u>	<u>-</u>	<u>(76,027)</u>	<u>42,036,334</u>	<u>-</u>	<u>42,036,334</u>
OTHER REVENUE						
Contributions	-	174,689	-	174,689	-	174,689
Other Revenue	924,366	-	-	924,366	-	924,366
Investment Income	1,110,027	422,072	-	1,532,099	-	1,532,099
Net Assets Released from Restrictions for Operations	-	76,027	-	76,027	-	76,027
Total Other Revenue	<u>2,034,393</u>	<u>672,788</u>	<u>-</u>	<u>2,707,181</u>	<u>-</u>	<u>2,707,181</u>
Total Revenues, Gains, and Other Support	44,146,754	672,788	(76,027)	44,743,515	-	44,743,515
EXPENSES						
General and Administrative	3,982,881	231,760	(76,027)	4,188,614	-	4,138,614
Resident Services	444,659	-	-	444,659	-	444,659
Beauty Salon	100,549	-	-	100,549	-	100,549
Fitness	253,250	-	-	253,250	-	253,250
Environmental Services	2,065,645	-	-	2,065,645	-	2,065,645
Laundry	224,404	-	-	224,404	-	224,404
Plant Operations	3,177,274	-	-	3,177,274	-	3,177,274
Property Taxes and Utilities	2,921,932	-	-	2,921,932	6,017	2,927,949
Dining	4,990,473	-	-	4,990,473	-	4,990,473
Health Care Center	5,271,082	-	-	5,271,082	-	5,271,082
Catered Living	1,907,617	-	-	1,907,617	-	1,907,617
Vista	644,690	-	-	644,690	-	644,690
Clinic	426,147	-	-	426,147	-	426,147
IT	802,637	-	-	802,637	-	802,637
Security	716,154	-	-	716,154	-	716,154
Transportation	188,828	-	-	188,828	-	188,828
Clergy	91,680	-	-	91,680	-	91,680
Development	302,441	501,323	-	803,764	-	803,764
Marketing	728,805	-	-	728,805	-	728,805
Canterbury Connections	214,091	-	-	21,091	-	21,091
Interest	2,025,881	-	-	2,025,881	-	2,025,881
Depreciation	9,243,516	-	-	9,243,516	-	9,243,516
Amortization	96,167	-	-	96,167	-	96,167
Total Expenses	<u>40,627,703</u>	<u>733,083</u>	<u>(76,027)</u>	<u>41,284,759</u>	<u>6,017</u>	<u>41,290,776</u>
OPERATING INCOME (LOSS)	3,519,051	(60,295)	-	3,458,756	(6,017)	3,452,739
NONOPERATING INCOME (LOSS)						
Change in Unrealized Gains on Investments	5,430,103	732,323	-	6,162,426	-	6,162,426
Loss on Disposal of Property and Equipment	(90,392)	-	-	(90,392)	-	(90,392)
Settlement Expense	(490,000)	-	-	(490,000)	-	(490,000)
Loss on Extinguishment of Long-Term Debt	(1,085,363)	-	-	(1,085,363)	-	(1,085,363)
COVID-19 Expenses	(174,947)	-	-	(174,947)	-	(174,947)
Total Nonoperating Income (Loss)	<u>3,589,401</u>	<u>732,323</u>	<u>-</u>	<u>4,321,724</u>	<u>-</u>	<u>4,321,724</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENSES	7,108,452	672,028	-	7,780,480	(6,017)	7,774,463
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS						
Transfer of funds to WCBR Land Holdings LLC	(6,346,631)	-	-	(6,346,631)	6,346,631	-
Increase in Beneficial Interest in Net Assets of Westminster-Canterbury of the Blue Ridge Foundation	672,028	-	(672,028)	-	-	-
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 1,433,849</u>	<u>\$ 672,028</u>	<u>\$ (672,028)</u>	<u>\$ 1,433,849</u>	<u>\$ 6,340,614</u>	<u>\$ 7,774,463</u>

**WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	Westminster- Canterbury	Foundation	Eliminations	Obligated Group	LLC	Consolidated
NET ASSETS WITHOUT DONOR RESTRICTIONS						
Excess (Deficit) of Revenue Over (Under) Expenses	\$ 7,108,452	\$ 672,028	\$ -	\$ 7,780,480	\$ (6,017)	\$ 7,774,463
Transfer of funds to WCBR Land Holdings LLC	(6,346,631)	-	-	(6,346,631)	6,346,631	-
Increase in Beneficial Interest in Net Assets of Westminster-Canterbury of the Blue Ridge Foundation	672,028	-	(672,028)	-	-	-
Change in Net Assets Without Donor Restrictions	1,433,849	672,028	(672,028)	1,433,849	6,340,614	7,774,463
PURPOSE RESTRICTED NET ASSETS WITH DONOR RESTRICTIONS						
Contributions	-	316,802	-	315,802	-	315,802
Increase in Beneficial Interest in Net Assets of Westminster-Canterbury of the Blue Ridge Foundation	1,451,465	-	(1,451,465)	-	-	-
Net Assets Released from Restriction	-	(76,027)	-	(76,027)	-	(76,027)
Investment Income	-	520,879	-	520,879	-	520,879
Other	-	(212,974)	-	(212,974)	-	(212,974)
Change in Unrealized Gains on Investments	-	903,785	-	903,785	-	903,785
Change in Purpose Restricted Net Assets With Donor Restrictions	1,451,465	1,451,465	(1,451,465)	1,451,465	-	1,451,465
PERPETUALLY RESTRICTED NET ASSETS WITH DONOR RESTRICTIONS						
Increase in Beneficial Interest in Net Assets of Westminster-Canterbury of the Blue Ridge Foundation	606,595	-	(606,595)	-	-	-
Contributions	-	606,595	-	606,595	-	606,595
Change in Perpetually Restricted Net Assets With Donor Restrictions	606,595	606,595	(606,595)	606,595	-	606,595
CHANGE IN NET ASSETS	3,491,409	2,730,088	(2,730,088)	3,491,409	6,340,614	9,832,523
Net Assets - Beginning of Year	26,162,514	19,054,675	(19,054,675)	26,162,514	-	26,162,514
NET ASSETS - END OF YEAR	\$ 29,654,423	\$ 21,784,763	\$ (21,784,763)	\$ 29,654,423	\$ 6,340,614	\$ 35,995,037

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
CONSOLIDATING SCHEDULE OF OPERATING EXPENSES
YEARS ENDED JUNE 30, 2023 AND 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	General and Administrative	Resident Services	Environmental Services	Buildings and Grounds	Property Taxes and Utilities	Food Services	Health Care	Catered Living	Beauty Shop	Marketing	Security
Salaries	\$ 1,824,825	\$ 300,248	\$ 1,368,498	\$ 1,175,174	\$ -	\$ 2,665,037	\$ 3,556,942	\$ 1,518,870	\$ 74,561	\$ 465,160	\$ 576,813
Advertising and Public Relations	13,300	-	-	-	-	-	23,500	-	-	72,527	-
Dues and Subscriptions	20,655	-	168	3,171	-	3,059	3,060	795	-	6,272	-
Employee Benefits	217,490	33,244	248,017	142,753	-	266,785	237,186	187,383	16,437	33,403	78,395
Insurance and Workers' Compensation	190,142	1,098	11,614	6,471	144,028	20,777	33,923	19,171	1,098	393	5,050
Miscellaneous	1,199	44,822	10,629	3,772	-	17,505	2,483	2,434	-	14,104	735
Payroll Taxes	109,518	22,221	102,854	87,019	-	160,649	224,233	111,647	5,569	35,108	42,920
Retirement Costs	846,193	-	-	-	-	-	-	-	-	-	-
Postage	191	3,422	-	56	-	454	62	-	-	775	2,433
Professional and Contract Service	907,009	27,081	183,133	530,593	-	248,127	830,214	7,500	-	51,104	457
Real Estate Taxes	-	-	-	-	1,296,652	-	-	-	-	-	-
Rents	-	-	-	1,402	-	-	6,375	-	-	-	-
Repairs and Maintenance	-	-	16,926	786,856	-	5,399	9,528	1,200	-	-	712
Small Tools and Utensils	6,477	2,515	19,330	10,028	-	29,085	10,464	554	(27)	137	(11)
Supplies	14,934	9,154	104,223	417,267	-	1,560,300	320,591	56,464	2,701	17,905	8,279
Telephone	-	-	-	-	-	-	-	-	-	-	-
Travel, Training, and Meetings	7,772	854	4	3,243	-	13,296	12,521	1,599	210	13,892	371
Utilities	-	-	249	9,469	1,505,294	-	-	-	-	-	-
Total	\$ 4,159,705	\$ 444,659	\$ 2,065,645	\$ 3,177,274	\$ 2,945,974	\$ 4,990,473	\$ 5,271,082	\$ 1,907,617	\$ 100,549	\$ 710,780	\$ 716,154

**WESTMINSTER-CANTERBURY OF THE BLUE RIDGE AND FOUNDATION
CONSOLIDATING SCHEDULE OF OPERATING EXPENSES (CONTINUED)
YEARS ENDED JUNE 30, 2023 AND 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	Transportation	Development	Vista	IT	Laundry	Clergy	Fitness	Clinic	2023 Total	2022 Comparative Total
Salaries	\$ 129,314	\$ 714,065	\$ 531,579	\$ 260,747	\$ 146,513	\$ 76,614	\$ 188,905	\$ 298,480	\$ 15,872,345	\$ 14,487,231
Advertising and Public Relations	-	-	-	-	-	-	-	-	109,327	194,936
Dues and Subscriptions	-	13,934	110	-	-	360	1,029	-	52,613	54,772
Employee Benefits	24,981	16,632	43,173	20,534	19,169	6,628	24,953	33,400	1,650,563	1,590,386
Insurance and Workers' Compensation	2,519	93	6,321	115	1,814	46	1,005	2,693	448,371	462,400
Miscellaneous	-	4,311	569	4,340	137	546	2,346	40,456	150,388	135,394
Payroll Taxes	9,467	14,410	41,403	19,556	10,050	5,428	14,222	23,352	1,039,626	957,602
Retirement Costs	-	-	-	-	-	-	-	-	846,193	784,885
Postage	-	176	3	12	-	-	-	1	7,585	6,951
Professional and Contract Service	-	23,596	1,965	448,143	-	210	14,637	20,925	3,294,694	3,043,858
Real Estate Taxes	-	-	-	-	-	-	-	-	1,296,652	1,203,134
Rents	-	-	-	-	-	-	-	-	7,777	9,157
Repairs and Maintenance	8,949	-	170	-	1,410	-	-	20	831,170	529,807
Small Tools and Utensils	-	-	739	117	6,350	-	223	751	86,732	83,557
Supplies	131	13,896	18,471	8,490	38,961	1,620	3,302	5,917	2,602,606	2,333,111
Telephone	-	-	-	40,308	-	-	-	-	40,308	24,963
Travel, Training, and Meetings	396	2,651	187	275	-	128	2,628	152	60,179	60,513
Utilities	13,071	-	-	-	-	-	-	-	1,528,083	1,322,324
Total	\$ 188,828	\$ 803,764	\$ 644,690	\$ 802,637	\$ 224,404	\$ 91,580	\$ 253,250	\$ 426,147	29,925,212	27,284,981
Interest									2,025,881	2,262,815
Depreciation and Amortization									9,339,683	8,863,540
Total									\$ 41,290,776	\$ 38,411,336

APPENDIX C

Pro Forma Statement of Revenue and Expenses for FY25

APPENDIX C

Revenue and Expenses Pro Forma Assumptions

1. Early Advantage FY25 contracts budget is 15.
2. Investment Income is conservative and based on the current market.
3. Membership Entrance Fees are estimated at \$1.2M. For the Early Advantage launch year, the FY25 revenue budget is modestly estimated at \$140K. Overall, total patient and participant services revenues are expected to increase 1.2% from FY24 projections.
4. Total expenses are assumed to increase 6.6% over the Fiscal Year 2024 projections, adjusted for anticipated needs, cost reductions, and the current census.
5. Interest expense will decrease approximately \$13,000.

Westminster-Canterbury of the Blue Ridge
Consolidated Statement of Operations and
Cash Sources and Uses Analysis
Budget Year Ending June 30, 2025

			CCRC		CBCC		
	2023 Actual	FY24 Projected	Consolidated WCBR FY25 Budget	FY25 Budget Residential Lifecare	FY25 Non-Residential Lifecare		% Chng FY23 P to FY24 B
Revenues							
Residential and Non-Residential Monthly Fee Revenue	24,185,672	26,250,737	26,762,000	26,724,000	38,000		1.9%
Amortization of Deferred Entrance Fees	10,489,944	11,139,432	10,620,000	10,532,000	88,000		-4.7%
Care Area and Patient Services Revenue	7,378,228	8,008,520	8,555,000	8,541,000	14,000		6.8%
Total Net Patient and Resident Service Revenue	42,053,844	45,398,689	45,937,000	45,797,000	140,000		1.2%
Contributions	174,689	327,557	350,000	350,000	-		6.9%
Other Revenue	924,366	907,912	775,000	775,000	-		-14.6%
Investment Income	1,532,099	2,674,838	1,500,000	1,500,000	-		-43.9%
Net Assets Released from Restrictions	76,027	77,529	88,000	88,000	-		13.5%
Total Other Revenue	2,707,181	3,987,836	2,713,000	2,713,000	-		-32.0%
Total Operating Revenue	44,761,025	49,386,525	48,650,000	48,510,000	140,000		-1.5%
Expense							
Human Resources	1,486,129	1,562,672	1,649,418	1,649,418	-		5.6%
Finance	1,391,632	1,472,039	1,584,940	1,584,940	-		7.7%
Administration	1,260,853	1,317,467	1,262,578	1,262,578	-		-4.2%
Resident Services / Clergy	536,239	614,701	678,561	678,561	-		10.4%
Beauty Salon	100,549	106,193	109,728	109,728	-		3.3%
Fitness	253,250	259,944	286,707	286,707	-		10.3%
Environmental Services	2,065,645	1,953,677	2,246,901	2,246,901	-		15.0%
Laundry	224,404	214,066	222,316	222,316	-		3.9%
Plant Operations	3,177,274	2,963,612	3,054,184	3,054,184	-		3.1%
Property Taxes and Utilities	2,945,973	3,090,448	3,312,100	3,312,100	-		7.2%
Dining Services	4,990,473	5,285,767	5,641,004	5,641,004	-		6.7%
Health Center	5,271,082	5,447,610	5,967,348	5,967,348	-		9.5%
Catered Living	1,907,617	1,920,732	2,208,275	2,208,275	-		15.0%
Vista	644,690	598,050	752,039	752,039	-		25.7%
Clinic	426,147	283,165	339,915	339,915	-		20.0%
Information Technology	802,637	989,682	1,018,797	1,018,797	-		2.9%
Guest Services	716,154	761,513	882,615	882,615	-		15.9%
Transportation	188,828	223,921	236,743	236,743	-		5.7%
Development	302,440	377,759	380,989	380,989	-		0.9%
Foundation	501,325	587,134	577,223	577,223	-		-1.7%
Marketing	710,781	702,301	770,163	770,163	-		9.7%
Canterbury Connections	21,091	20,345	21,600	21,600	-		6.2%
Interest	2,025,881	1,929,386	1,916,172	1,916,172	-		-0.7%
Depreciation	9,243,516	9,603,710	9,958,278	9,958,278	-		3.7%
Amortization	96,167	96,167	96,167	96,167	-		0.0%
Total Operating Expenses	41,290,777	42,382,061	45,174,760	45,174,760	-		6.6%
Operating Income (Loss)	\$ 3,470,248	\$ 7,004,464	\$ 3,475,240	\$ 3,335,240	\$ 140,000		-50.4%
Residential Lifecare Entrance Fees	22,395,217	13,946,653	13,747,279	13,747,279			7.2%
Non-Residential Lifecare Membership Entrance Fees			1,200,000		1,200,000		
Total Entrance Fees	22,395,217	13,946,653	14,947,279	13,747,279	1,200,000		

FY25 Early Advantage Entrance Fee Liability (Balance Sheet)

Beginning Balance 07/01/2024					\$0
Cash Entrance Fees received in FY25				+	1,200,000
Less FY25 Earned Portion (see Statement of Operations above)				-	(88,000)
Early Advantage Unearned Entrance Fees Ending Balance Liability 06/30/2025				-	1,112,000

**Westminster-Canterbury of the Blue Ridge
Community-Based Continuing Care Provider
Early Advantage (“EA”) Program Launch Pro Forma Projections**

	FY24	FY25	FY26	FY27	FY28
Early Advantage Participants	0	15	37	67	73
Entrance Fees	\$0	\$1.2M	\$1.76M	\$2.4M	\$0.48M
Early Advantage Monthly Fees	\$0	\$38K	\$327K	\$608K	\$703K
Health Care Monthly Fees	\$0	\$14K	\$62K	\$153K	\$275K

At steady state, average annual turnover of Early Advantage memberships = 6

Full-cycle healthcare bed utilization for Early Advantage program = 11

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APPENDIX D

Early Advantage FY25 Schedules of Fees

Membership Entrance Fee	\$80,000
Monthly Fee	\$700
Care Area Fee	\$8,750

APPENDIX E

Complaint Procedure



Complaint Procedure Early Advantage Participants

PURPOSE:

Westminster-Canterbury of the Blue Ridge (WCBR) strives to ensure the highest level of satisfaction for our Participants. To that end, this policy outlines both the formal and informal process to voice a concern or grievance.

PERSONS AFFECTED:

WCBR Early Advantage Participants, the Participants family member(s) and the Participants legal representative(s) will be affected by this policy.

POLICY STATEMENT:

WCBR shall provide to Participants and Participant's legal representative(s) (as applicable) a structured means by which their concerns and complaints with regard to quality improvement, services provided, or customer satisfaction will be heard and addressed. At no time will a Participant be subject to retaliation or barriers to services.

DEFINITIONS:

Formal Complaint. A concern expressed by a Participant, Participant's family member or Participant's legal representative(s) which, having been expressed informally using the concern procedure as outlined below, has come to no satisfactory resolution and has been escalated to WCBR's Corporate Board of Trustees for resolution.

RESPONSIBILITIES:

It is the responsibility of the Participant and Participant's legal representative(s) to follow the procedures outlined below for concerns or formal complaints. It is the responsibility of WCBR to follow the below response procedures and corresponding timelines.

CONCERN PROCEDURE:

1. Should a Participant or Participant's legal representative(s) have a concern regarding quality improvement, services provided, or customer satisfaction, they may contact one of the following individuals for an informal discussion of the concern which shall take place within 14 business days of contact:
 - a. Vice President of Operations (applies to Participants visiting campus in any area outside of the Care Areas also referred to as Catered Living, Vista or the Health Center).
 - b. The Health Care Administrator (if Health Center-related) or the Administrator of Catered Living and Vista (if Catered Living or Vista-related)
2. Should the concern not be resolved to the Participant's or Participant's legal representative's satisfaction following discussion with the appropriate individual listed above, a meeting may be scheduled to discuss their concerns with the Vice President of Operations or the President/CEO (depending on the Participants service area), whomever is deemed most appropriate, with said meeting to take place within 14 business days of contact.
3. Should the concern not be resolved to the Participant's or Participant's legal representative's satisfaction following the meeting with the Vice President of Operations or the President/CEO, the procedure outlined below shall be followed for formal complaints.

PROCEDURE FOR FORMAL COMPLAINTS (Early Advantage Participants visiting campus):

Should a Participant or Participant's legal representative(s) have a concern that has not been resolved to their satisfaction following the above concern procedure, the following formal complaint process will be followed:

1. Obtain a Formal Complaint Form ("Form") from Resident Services.
2. Complete the Form and file it with the President/CEO's Office.
3. The President/CEO will review the Form and advise the Participant or Participant's legal representative(s) of his/her position on the formal complaint within 14 business days of his/her receipt.
4. Should the President/CEO not resolve the complaint to the Participant's or Participant's legal representative's satisfaction, they may ask that their Complaint Form be forwarded to the Chairman of the Corporate Board of Trustees who will appoint a trustee(s) to meet with the Participant or Participant's legal representative(s), investigate the complaint, and respond to the Participant or Participant's legal representative(s) with their findings within 21 business days of the Chairman's receipt of the complaint.
5. The resolution will be final and binding for all Early Advantage Participants.

PROCEDURE FOR FORMAL COMPLAINTS (Early Advantage Participants staying in a Care Area):

Should a Participant, a Participant's family member(s) or Participant's legal representative(s) have a concern that has not been resolved to their satisfaction following the above concern procedure, the following formal complaint process may be followed:

1. Obtain a Formal Complaint Form from Health Services.
2. Complete the Form and file it with the President/CEO's Office.
3. The President/CEO will review the Form and advise the Participant, Participant's family member(s), or Participant's legal representative(s) of his/her position on the formal complaint within 14 business days of his/her receipt.
4. Should the President/CEO not resolve the complaint to the Participant's, Participant's family member's, or Participant's legal representative's satisfaction, they may ask that their Complaint Form be forwarded to the Chairman of the Corporate Board of Trustees who will appoint a trustee(s) to meet with the Participant, Participant's family member(s), or Participant's legal representative(s), investigate the complaint, and respond to the Participant, Participant's family member(s), or Participant's legal representative(s) with their findings within 21 business days of the Chairman's receipt of the complaint.
5. The resolution will be final and binding for all Participants staying in a Care Area (Catered Living, Vista or the Health Center).

Participants staying in a Care Area (Catered Living, Vista or the Health Center), their family member(s), or Participant's legal representative(s) may contact the long-term care Ombudsman at any time. The Ombudsman may be reached at:

Jefferson Area Board for Aging (JABA)
Long-Term Care Ombudsman Local Office
674 Hillsdale Drive, Suite 9
Charlottesville, VA 22901
Phone: 434-817-5222