



October 31, 2023

Nataliya Kaplun
Commonwealth of Virginia
State Corporation Commission
Bureau of Insurance
P.O. Box 1157
Richmond, Virginia 23218-1157

Re: Brandermill Woods Disclosure Statement

Dear Nataliya:

Pursuant to the Commonwealth of Virginia's Continuing Care Provider Registration and Disclosure Act, enclosed is the 2023 Disclosure Statement for Senior Living Choices of Virginia, Inc., t/a Brandermill Woods.

If you have questions or need additional information, please do not hesitate to contact me or Colleen Baybutt, our Consultant, at HR Business Solutions (804-740-7952). Your consideration in this matter is much appreciated.

Sincerely,

Charmaine Preiss
Executive Director

LCP/cb

Enclosure

FILED
Commonwealth of Virginia
State Corporation Commission
Bureau of Insurance
October 31, 2023
Commissioner of Insurance
BY: Sarowar Jahan

Management Discussion and Analysis

Actual vs. Budget

Fiscal Year July 1, 2022- June 30, 2023

Fiscal Year Ending June 2023		
<i>Operating Revenues:</i>	Budget	Actual Audited
Independent/Residential Living	\$17,158,796	\$16,990,665
The Haven Room & Board	\$7,976,731	\$6,878,568
The Chesterfield Room & Board	\$2,982,644	\$2,787,495
The Holly Inn Room & Board	\$1,550,900	\$1,491,836
Community Fees	\$209,000	\$228,505
Therapy Revenues (Less Contractual)	\$598,227	\$580,236
Miscellaneous Income (Less Contractual)	\$529,305	\$643,145
Interest Income	\$25,177	\$303,085
Total Net Operating Revenue	\$31,030,780	\$29,903,536
<i>Operating Expenses:</i>		
Administration	\$3,220,425	\$3,176,075
Human Resources	\$472,356	\$471,355
Marketing	\$903,551	\$702,088
Social Services	\$124,248	\$106,077
Activities & Therapeutic Recreation	\$841,527	\$852,111
Transportation	\$250,311	\$207,233
Salon	\$84,715	\$65,748
Housekeeping/Laundry	\$1,327,479	\$1,275,773
Environmental Services	\$2,736,931	\$2,800,464
Security	\$393,160	\$392,250
Dietary	\$3,828,883	\$3,562,412
Nursing - SNF & ALU	\$4,666,370	\$5,104,787
Therapy Expense PT A	\$360,732	\$301,072
Therapy Expense PT B	\$399,721	\$460,735
Ancillary Expense	\$218,443	\$248,443
Real Estate/Personal Property Taxes	\$662,376	\$682,308
Total Operating Expenses Before Interest	\$20,491,218	\$20,408,930
TOTAL OPERATING INCOME/LOSS	\$10,539,562	\$9,494,605
Board/Trustee Fees	\$77,000	\$77,000
Bad Debt Allowance	\$54,600	\$54,600
2014 Bond Fee	\$31,860	\$83,916
2014 A Bond Interest	\$405,492	\$364,510
2014 B Bond Interest	\$728,097	\$663,105
2021 Bond Interest	\$732,772	\$660,748
Swap Unrealized (Gain) Loss	\$0	\$-2,389,948

Depreciation	\$3,203,640	\$3,356,920
Total Non-Operating Expense	\$5,233,461	\$2,870,852
Net Income / Loss	\$5,306,101	\$6,623,754

Revenue

Total operating revenues were \$29,903,536, a decrease of \$1,127,244 or 3.63% compared to fiscal year 2023 budget. The decrease in operating revenue related to the Healthcare, Assisted Living and Memory Care and Independent Living census coming in under budget.

The Board of Directors for Brandermill Woods voted for a 3% increase in rental rates for Independent Living Community, Assisted Living and Memory Care and a 3% increase in all daily rental rates and monthly room and board rates for the Health Care Facility for the fiscal year 2022-2023. In 2023, the average occupancy for the Community stood at 91%.

Expenses

Total operating expenses were \$20,408,930. Fiscal year 2023 expenses were \$82,288 (.40%) ABOVE the approved 2023 budget. Expenses were managed effectively based on census throughout the facility. Management experienced staffing shortages throughout the year. Housekeeping and Nursing Departments had to utilize staffing agencies to fill positions.

The overall financial outlook and performance met bond covenants as noted below:

- Long-Term Debt Service Ratio on a pro-forma basis was 2.59 per YE 06.30.22 annual financial audit.
- Day's Cash on Hand was 308.
- Unrestricted Funds total \$18,384,867 total Cash & Investments \$18,850,497.

Senior Living Choices, of Virginia, Inc. Brandermill Woods

2023 Disclosure Statement

14311 Brandermill Woods Trail · Midlothian, Virginia 23112 · 804.744.1173

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



Senior Living Choices of Virginia, Inc.
Brandermill Woods
Midlothian, Virginia

2023

DISCLOSURE STATEMENT

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

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

1. CONTINUING CARE PROVIDER

Senior Living Choices of Virginia, Inc.
/dba Senior Living Choices, Inc.
/dba Brandermill Woods Retirement Community
14311 Brandermill Woods Trail
Midlothian, Virginia 23112

Senior Living Choices of Virginia, Inc. (the "Corporation") is a Virginia non-profit, non-stock corporation which operates under the trade names Senior Living Choices, Inc. and Brandermill Woods Retirement Community, The Chesterfield at Brandermill Woods, and The Haven at Brandermill Woods. The Corporation owns and operates a Continuing Care Retirement Community (CCRC), which offers a continuum of residential living, assisted living and health care services in Chesterfield County, Virginia known as Brandermill Woods ("Brandermill Woods").

The Corporation was incorporated in 2001 and received an exemption from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and an exemption from state income taxation in the Commonwealth of Virginia under its applicable tax provisions.

2. OWNERSHIP OF PROPERTY

The original developers and owners of Brandermill Woods were Brandermill Woods, Ltd. and Continuing Care Consultants, Inc. In 1991, Brandermill Woods was refinanced and acquired by Senior Living Choices, Inc., a 501(c)(3) organization, originally formed on January 24, 1980 in the Commonwealth of Pennsylvania under the name of Boarding Home Life Style Improvement Society, Inc. to own and operate continuing care facilities. In 2001, the Board of Directors of Senior Living Choices, Inc. determined to establish the Corporation as a not-for-profit, non-stock corporation organized and existing under the laws of the Commonwealth of Virginia and merged Senior Living Choices of Virginia, Inc. into the Corporation. The Corporation continues to do business under the trade names Senior Living Choices of Virginia, Inc., Senior Living Choices, Inc., Brandermill Woods Retirement Community, The Chesterfield at Brandermill Woods, and The Haven at Brandermill Woods.

The Corporation owns the 41.87 acres known as Brandermill Woods, located at 14311 Brandermill Woods Trail, Midlothian, Virginia and the Brandermill Woods Health Care Facilities (The Haven, The Chesterfield, and The Holly Inn), located at 2100 Brandermill Parkway, Midlothian, Virginia, 23112.

3. OFFICERS, DIRECTORS, TRUSTEES, MANAGING AND GENERAL PARTNERS

Senior Living Choices of Virginia, Inc. is governed by a Board of Directors. The Directors of the Corporation have the sole legal responsibility for oversight and management of the Corporation. Board members and officers receive a Director's Fee of \$4,500 per member each quarter.

Members of the Board of Directors and the Officers of Brandermill Woods are shown below:

<u>Name</u>	<u>Position</u>	<u>Occupation</u>
Wayne L. Edmunds, Esq., CPA	Treasurer	Accountant/Partner, Gregory & Associates Associate Professor, Virginia Commonwealth University School of Business
Bradford S. Hammer, MPA	President & Chair	Retired /Deputy County Administrator Chesterfield County Human Services
N. Leslie Saunders, Esq.	Secretary	Attorney/Senior Partner Saunders, Patterson & Mack
Frasier Brickhouse	Vice President	Retired/former Assistant Dean Virginia State University, School of Business
Charmaine Preiss	Assistant Secretary	Executive Director, Brandermill Woods Retirement Community

The address for all Board of Directors and Officers is 14311 Brandermill Woods Trail, Midlothian, Virginia 23112.

Managing and General Partners; Holders of 10% or Greater Equity or Beneficial Interests

Brandermill Woods, as a non-profit corporation, has no managing or general partners, and no persons or entities have any ownership or possesses any equity or beneficial interest.

4. BUSINESS EXPERIENCE OF BOARD AND MANAGEMENT

Business Experience of the Board of Directors

- i. Brandermill Woods is self-managed and has successfully operated its residential living campus since opening in 1985. The Health Care facilities subsequently opened and began operating The Haven in October 1988, The Chesterfield in April 1989, and The Holly Inn in 2001.
- ii. Members of the Board of Directors and the Officers of Brandermill Woods have extensive experience in the design and construction of continuing care retirement communities (“CCRCs”). Board member Brad Hammer is a former Chesterfield County Deputy Administrator who worked in building construction. Mr. Hammer worked with Board members Wayne Edmunds, Esq. and Les Saunders, Esq. on the construction of Lucy Corr Nursing Home. They personally oversaw the construction of this facility while serving as Board members of the Chesterfield County Health Care Commission. They have in-depth knowledge of requirements under local and state regulations.
- iii. The Board of Directors is comprised of professionals with experience in health planning, law, government, community development/planning, and higher education. All Directors have established themselves as civic leaders, with participation on many not-for-profit governing boards.

Business Experience of the Management Team

Brandermill Woods is self-managed. The day-to-day operations are the responsibility of the Executive Staff, whose principal members are listed below.

L. Charmaine Preiss, Executive Director

Ms. Preiss was promoted to Executive Director in December 2018. She is a twenty (20) year employee of Brandermill Woods, hired in March of 2003 as the Director of Accounting and Human Resources. As Executive Director, she provides leadership influencing the quality services for all residents, maintains a positive and professional relationship with residents, Board of Directors, professional organizations and community groups and oversees the operations of the organization. She has a broad understanding of federal and state laws related to the operation of the Community, with a strong background in financial management from working in management, accounting and finance for over thirty-three (33) years with twenty-five (25) of those years in the Health Care industry and eight (8) years in the Real Estate and Property Management industry.

Ellen Llewellyn, Associate Executive Director

Ms. Llewellyn is a seventeen (17) year employee of Brandermill Woods and was promoted to Associate Executive Director in December 2018. Prior to that, she served as the Systems Director for seven and a half (7 ½) years. Prior to becoming the Systems Director, Ms. Llewellyn worked in the Accounting department for four and a half (4 ½) years as the Payroll Specialist. Ms. Llewellyn is responsible for financial management and daily business operations as well as assisting the Executive Director. Her position is also responsible for the management of Human Resources, Dining Services, Information Systems and Security. Ms. Llewellyn graduated from Aquinas College in Boston Massachusetts in 1987 with a degree in Paralegal Studies and a minor in Computer Technology. Prior to coming to Brandermill Woods, she was a District Manager for Wendy's Restaurants in Richmond, VA for fourteen (14) years with systems training as her main focus.

Tomeka Scott, Administrator – HCC

Ms. Scott is responsible for the daily operations of The Health Care Facilities, including managing more than one hundred six (106) staff members, engaging residents, and interacting with their families and loved ones. She has worked for Brandermill Woods for twenty-eight (28) years, serving as a Certified Nurse Assistant, In-Service Coordinator, Assistant Director of Nursing, and Nursing Director. Ms. Scott's career has specialized in long-term care and skilled nursing, and she studied at John Tyler Community College to become a Registered Nurse. After she attended South Side College in order to learn how to become a practical nurse, Tomeka became chemotherapy certified while working in Oncology at Virginia Commonwealth University. She became a Licensed Nursing Home Administrator after completing the AIT program at Brandermill Woods.

Acquisition of Goods and Services.

There are no entities wherein a Director, Officer or management personnel named herein holds a 10% or greater direct or indirect interest that will be providing goods, leases or services to Brandermill Woods of a value of \$500 or more, within any year.

Criminal, Civil and Regulatory Proceedings.

- i. Neither Brandermill Woods nor any of the Directors, Officers or management personnel named herein of Brandermill Woods have been convicted of a felony, pleaded nolo contendere to a criminal charge or held liable or enjoined by final judgment in a civil action involving fraud, embezzlement, fraudulent conversion, misappropriation or property or moral turpitude.
- ii. None of such persons are subject to an injunctive or restrictive order of a court of record, nor within the past five years have any of such persons 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 any 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.
- iii. None of such persons are currently the subject of any state or federal prosecution, or administrative investigation involving allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property.

5. AFFILIATION WITH RELIGIOUS, CHARITABLE OR OTHER NONPROFIT ORGANIZATIONS; TAX STATUS OF PROVIDER

a. **Affiliated Entities.** In 2000, Brandermill Woods created an affiliated charitable organization, the Brandermill Woods Foundation (“The Foundation”). The Foundation’s mission and purpose is to generate resources to support and enrich the quality of life for Brandermill Woods’ Residents, keeping in mind the donor’s intent, volunteer’s interest and the needs of the Community. The Foundation provides benevolent assistance to the Residents of Brandermill Woods, an annual staff scholarship and provides funding for capital projects to enhance community living for all Residents. Through the Foundation, the Corporation has provided financial support to Residents seeking and qualifying for financial assistance through the Foundation’s Benevolent Fund. The Foundation has a policy of assisting any Residents of Brandermill Woods who become unable to pay in full the monthly fees and other charges by reason of circumstances beyond the Resident's control. If the Foundation, in consultation with the Corporation, determines that there are facts justifying such assistance, the Foundation may subsidize in whole or in part a Resident's monthly service fee and other charges.

There are no other affiliations in place or planned with other religious, charitable or nonprofit organizations.

b. **Exemption.** The Foundation received an exemption from federal taxes under Section 501 (c)(3) of the Internal Revenue Code and an exemption from state income taxes in Virginia under its applicable tax provisions.

6. LOCATION AND DESCRIPTION OF REAL PROPERTY

Location

Brandermill Woods Residential Independent Living campus is located at 14311 Brandermill Woods Trail, Midlothian, Virginia, 23112 in Chesterfield County. Brandermill Woods Health Care Facilities (The Haven, The Chesterfield and The Holly Inn) are located at 2100 Brandermill Parkway, Midlothian, Virginia, 23112.

Brandermill Woods is on a 41.87 acre site within the master planned community of Brandermill (the "BC") in northwest Chesterfield County, Virginia approximately 18 miles from downtown Richmond, Virginia. The BC was started in the mid-1970s and has a population of over 13,000 persons in over 3,700 housing units. The BC is a 2,600-acre mixed-use development, integrating planned residential, office/business and multifunctional regional centers consisting of over 80 neighborhoods. These neighborhoods offer a diverse range of home styles and price ranges. Residents of Brandermill Woods have access to fifteen miles of paved walking and biking trails, parks, picnic amenities and recreational areas, and a 1,700 acre lake, Swift Creek Reservoir, are all integrated into the BC.

Description of the Residential Independent Living Campus

The Residential Living Campus is located on twenty-eight (28) acres and includes one hundred and fifty-nine (159) Club Homes that are apartment-style living units in two (2), three-story buildings and one (1) four-story building with underground parking connected with a community center referred to as "The Clubhouse." The Clubhouse includes a fitness center, indoor heated pool, wellness center, formal and bistro style dining venues, full-service lounge, library, movie theater, beauty salon, art room, meeting rooms, guest quarters and administrative offices. There are several courtyard areas on campus and a greenhouse.

The one hundred and eighteen (118) Cottage Homes are single-family homes connected in clusters of three to five homes and are grouped around cul-de-sacs. The apartment buildings are constructed of non-combustible frame construction with an exterior of brick and vinyl siding, reflecting styles compatible with prospective residents' preferences and placed to maximize a sense of privacy. Cottages are strategically sited to retain a campus feel, reserving as much of the landscape as possible. All Cottages have been constructed to residential standards including sloping roofs, porches and ample energy efficient windows.

The Cottage Homes include a living/dining room with access to a covered porch; kitchen/breakfast nook, including a double sink with garbage disposal, range, refrigerator, microwave and dishwasher; a walk-in closet and a full bath; a utility closet; a washer and dryer; and a one car attached garage. Lower level units provide a finished walk-out basement with several room variations offered, i.e. some units have a family room/den, extra bedrooms, bathrooms, laundry, storage and work areas.

The Club Home Apartments are apartment-style living units in two (2) three-story buildings and one (1) four-story building which connect to the Clubhouse. The apartment buildings currently house sixty (60) one-bedroom units, twenty-two (22) one-bedroom with den and seventy-seven

(77) two-bedroom units. All units include a living/dining room; kitchen including a double sink with garbage disposal, range, refrigerator, microwave and dishwasher; a master bedroom with walk in closet; connecting full bath, utility room, additional hall storage and a surface parking space. The two-bedroom units include an additional bedroom/den and full bath.

Description of the Health Care Campus

The single-story Health Care Center and the three-story Assisted Living Facilities comprised of The Chesterfield (with Assisted Living units on the second and third floors) and The Holly Inn (with Assisted Living/Dementia units on the first floor) are located on 13.87 acres adjacent to the Residential Living Campus. The Haven and Assisted Living Units (collectively, “The Health Care Campus”) have separate entrances but are physically connected and share certain common areas, including multipurpose rooms, activity spaces, beauty shop, medical clinic, lounge, courtyard gardens, lobby entry way and support services including a full service laundry, commercial kitchen, multiple on-station pantries, warming kitchens, administrative offices, meeting rooms, maintenance shop, woodworking craft shop, loading dock and central supply room. Clinical features include in-wall oxygen and suction and negative pressure ventilation for infection control. Both buildings feature a generator backup system, fire suppression system with a complete sprinkler system, smoke and heat sensors throughout, and security cameras and monitoring. The doors are fire rated.

Description of The Haven (Nursing Care)

The Haven opened in October 1988 and consists of sixty (60) skilled and intermediate nursing beds that are utilized by Residents to receive medical care on both a short and/or long-term basis. Current Residents of the Residential Independent Living Units and the Assisted Living Facilities who have signed and paid fees in accordance with the terms of a Residency Agreement are given priority admission over outside referrals (“direct admits”).

The Haven offers both semi-private and private accommodations that provide an average of 345 square feet per room. All sixty (60) of the health care beds are licensed by Medicare and provide both skilled and intermediate levels of care, and twenty-two (22) semi-private beds are also certified by Medicaid. Semi-private rooms have a half bath and a vanity with a sink for Residents to share in each room. Private rooms offer full baths in each room. The Haven provides furnishings including a wardrobe, bed, nightstand, and chair to each Resident. The Haven also includes a Rehabilitation Center which offers therapy.

The Haven is a steel and metal frame building with brick and vinyl siding. The Haven’s total square footage is 66,013 square feet. In fiscal year 2017, the Department of Health increased licensed beds from sixty (60) to seventy-four (74). Due to the licensing provisions that the C building be occupied first, the budget did not take into account the addition of these beds. Due to the pandemic, bringing the additional beds online is still on hold.

Description of the Assisted Living Center – The Chesterfield and The Holly Inn

The Assisted Living Facilities, known as "The Chesterfield" and "The Holly Inn," opened in April 1989 and includes sixty (60) apartment units and is licensed for one hundred twenty (120) beds by the Virginia Department of Social Services. In March 2001, the first floor of The Chesterfield was converted into a memory-care designated floor known as The Holly Inn and was reduced from twenty (20) units to nineteen (19) units. One unit was converted into a kitchen and dining space that provides a more home-like environment for the memory care residents. Currently, the Assisted Living Facilities are comprised of fifty-nine (59) total assisted living units, of which nineteen (19) are memory-care assisted living units.

Assisted Living offers three different floor plans designed to meet the needs of residents who require assistance with various activities of daily living. All units have carpeting and non-slip floor coverings, smoke detectors, sprinkler systems, private bath with shower, walk-in closet, bathroom safety features, emergency call system and backup generator. Alcove and one-bedroom units include a kitchenette area (excludes cooktops or cooking surfaces) with refrigerator, sink, counter and cabinets.

The Assisted Living Facility is 38,377 square feet constructed of a cinder block frame, with brick and vinyl siding with a pitched, shingled roof. The building also includes common areas, a dining room, business and administrative offices.

7. SERVICES PROVIDED UNDER CONTINUING CARE CONTRACTS

Brandermill Woods operates as a Continuing Care Retirement Community (CCRC) which recognizes older adults as having varying needs along a continuum from independent Residents to skilled nursing needs. Under the terms of the Entry Fee/CCRC Agreement and in return for a refundable Entrance Fee and payment of Monthly Service Fees, Brandermill Woods provides use of the Residential Unit and the Community's various amenities, a comprehensive range of Residential Living Services and a valuable discount ("CCRC Benefit") on Nursing and Assisted Living fees should those services become necessary in the future. The Entry Fee/CCRC Agreement is available on a limited number of select Residential Living units.

The CCRC Benefit includes priority admission/transfer to Brandermill Woods' Assisted Living or Health Care Center on either a short-term or long-term basis so long as space is available. In addition, the CCRC Benefit includes a five percent (5%) discount on Assisted Living Monthly Service Fees and a five percent (5%) discount on Nursing Per Diem/Daily Fees for each Resident under the Entry Fee/CCRC Agreement. The discount on Nursing Per Diem/Daily Fees is applied after a reduction for any amount received by Brandermill Woods as a result of the Resident's assignment of the benefits for Medicaid or Medicare insurance, supplemental Medicare insurance or any other insurance.

The Entry Fee/CCRC Resident(s) may provide written authorization to Brandermill Woods to pay monthly/daily fees by reducing the refundable amount of their Entrance Fee by that same amount. Once the funds in the Resident's Entrance Fee Refund Account are depleted, the CCRC/Entry Fee Resident must continue to pay any fees due to the Community through other sources.

The first person Monthly Service Fee is based on the size of the apartment selected by the Residents. There is a standard Monthly Service Fee for the second person in a double occupancy unit. The Monthly Service Fee includes the following utilities: electricity, heat and air conditioning, water, sewage, trash removal and high definition cable television. Residents are responsible for telephone, (non-basic) cable and internet charges.

The Monthly Service Fee covers a variety of community and hospitality services and is shown in more detail in Attachment A.

Health Care - Assisted Living Community and Nursing Center

Brandermill Woods currently provides care and services through two (2) licensed programs: (i) skilled nursing care, intermediate nursing care, dementia care, rehabilitation and hospice care are provided in the sixty (60) bed Health Care Center licensed by the Virginia Department of Health; (ii) an Assisted Living Center licensed by the Virginia Department of Social Services for one hundred twenty (120) Residents that provides residential and four (4) levels of assisted care for Residents requiring assistance with activities of daily living, such as bathing, dressing and medication administration. Entry Fee/CCRC Residents receive priority admission to The Haven and the Assisted Living Center, space permitting, and can use their CCRC Benefit Credit towards fees that are not otherwise covered by another source, such as Medicare, Medicaid, or private health or long-term care insurance.

The Haven is dedicated to providing cost-effective, quality medical services, including skilled nursing care, post-acute medical and rehabilitative services and long-term nursing care. Residents, families and staff benefit from a connection to geriatric medical development through the organization's teaching affiliations. Residents of The Haven receive twenty-four (24) hour support from licensed RNs, LPNs and certified nursing assistants in accommodations that include private and semi-private rooms, individual thermostatic controls and telephone and cable access. The Haven's inter-disciplinary health care team provides initial and ongoing care planning.

The Haven seeks to promote wellness and self-esteem among the Residents through nursing programs designed to keep Residents at their highest physical function. Pain management, restraint reduction, restorative nursing and fall prevention are among our ongoing quality improvement efforts. The Haven's structured activities and programs provide socialization and access to community resources. These include a creative arts program, religious and spiritual services, educational programs, community involvement and outings, aerobics and musical programs, intergenerational programming, pet visits, celebrations for special events and holidays and pastoral care.

Additional Services Available at an Extra Charge:

The following services are provided, arranged or referred by Brandermill Woods, and are available to Residents at an additional charge on a Resident's monthly statement:

- Residents at The Health Care Campus receive a significantly reduced price for use in one of the Residential Independent Living Dining Rooms (non-transferrable, non-refundable)
- Guest Meals
- Catering for Special Occasions

- Guest Accommodations
- Meal delivery for Residential Independent Living Residents
- Special landscaping requests
- Special requests for maintenance or housekeeping of Resident personal property
- Outpatient therapy services including physical, occupational and speech therapy
- Scheduled transportation outside the free-zone
- Personal laundry (other than facility linens)
- Unit Modifications
- Medical supplies, personal needs, oxygen and medications for Health Care Facility Residents
- Pick up and drop off services provided by a local dry-cleaning service
- Pick-up and drop-off for UPS and other express mail services
- Beauty, Barber and Nail Salon services
- Additional storage, subject to availability
- Phone Services
- Covered Parking with storage space

A current Ancillary Fee schedule for fees in effect on July 1, 2023 is shown as Attachment A.

8. FEES REQUIRED OF RESIDENTS

Deposits and Entry Fees

Under the Entry Fee/CCRC Program, Resident(s) are required to pay a refundable Entrance Fee (equal to the total of twelve (12) Monthly Service Fees) which is due prior to the date the Resident takes possession of the unit. The Entry Fee Program is limited to a select number of specific Residential Living units, B112 and B116. Entrance Fees for these two units currently are \$55,980 for single occupants. A second-person Entrance Fee of \$10,800 is required for couples, as shown in Attachment A.

Monthly Service Fees and the CCRC Benefit

Residential Independent Living Residents currently pay a Monthly Service Fee which ranges from \$4,619 to \$6,682 for a single occupant depending on unit type and location selected. A Second Person Monthly Service Fee of \$900 is required for the second occupant.

Assisted Living Residents currently pay a Monthly Service Fee ranging from \$5,536 to \$7,635 for standard Assisted Living services depending on the unit type selected. Additional charges for Level of Care assistance and for Ancillary Services may apply. The second person Assisted Living Monthly Service Fee is assessed at 50% of the Monthly Service Fee for the selected unit. CCRC/Entry Fee Residents receive a 5% Monthly Service Fee discount as part of their CCRC Benefit.

Health Care Center Residents currently pay a Per Diem (“Daily”) Rate of \$314 for a “Bed A” semi-private room, \$328 for a “Bed B” semi-private room, \$450-\$497 for a private (rehab) room, and \$400 for an existing private accommodation in the long term area. Any amount the

Community receives as a result of the Resident's assignment of benefits from Medicaid or Medicare insurance, supplemental Medicare insurance or any other insurance is deducted from the Daily Rate. CCRC/Entry Fee Residents receive a five percent (5%) discount as part of their CCRC Benefit. The discount on Nursing Per Diem/Daily Fees is applied after a reduction for any amount received by Brandermill Woods as a result of the Resident's assignment of the benefits for Medicaid or Medicare insurance, supplemental Medicare insurance or any other insurance.

All Brandermill Woods' Residents receive a Service Fee Credit of one thousand dollars (\$1,000) after completing a thirty (30) consecutive day stay at a Brandermill Woods' Health Care Facility. The credit is available only once per a twelve (12) consecutive month period from the commencement date or the date of the previous Service Fee Credit, per Resident(s), and cannot be accrued from year to year. Credits are only applicable if the stay has been denied coverage by Medicare, Medicaid and/or private insurer and for the duration of the stay.

Billing, Changes to Fees and Notification

Monthly Service and Per Diem/Daily Fees and Community Fees are customarily adjusted annually prior to July to take into account inflation and changes in the operating costs of Brandermill Woods. However, Brandermill Woods may adjust Monthly Service Fees more frequently if necessary. Brandermill Woods will provide thirty (30) days advance notice to Residents before any change in fees, charges or the scope of care or services may be effective, except for changes required by state or federal assistance programs.

A Monthly Service Fee is payable one month in advance at the beginning of each month. Ancillary and Monthly/Daily Service Fees are billed from the cut-off date of the previous month statement through the cutoff date of the current statement. In the event the Resident(s) takes possession other than at the beginning of the month, the Monthly Service Fee for the first month is prorated. If the monthly invoice is not paid by the close of the fifth (5th) day of the month, it is considered delinquent, and the Resident(s) may be charged a finance charge of one and one half (1 ½) percent per month (18% annually) on the unpaid balance.

Average Room & Board Fee Increases/Changes

Residential Units	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Increase in Monthly Service Fees (%)	3%	3%	0%	3%	2%	3%
Increase in Monthly Service Fees (\$)	\$143	\$165	\$0	\$170	\$107	\$195
Assisted Living Center/ The Chesterfield	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Increase in Monthly Service Fees (%)	3.5%	2%	0%	2%	3%	3%
Increase in Monthly Service Fees (\$)	\$200	\$91	\$0	\$93	\$185	\$147
Memory Care Center/The Holly Inn	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Increase in Monthly Service Fees (%)	2%	2%	0%	2%	3%	3%
Increase in Monthly Service Fees (\$)	\$124	\$152	\$0	\$155	\$276	\$212
The Haven/Nursing	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Increase in Monthly Service Fees (%)	4%-19%	2%	0%	2%	3%	2.5%
Increase in Monthly Service Fees (\$)	\$13-\$65 ppd	\$19 ppd	\$0	\$19	\$6	\$8

9. USE AND RETURN OF RESIDENT DEPOSITS.

The Resident’s Entrance Fee will be held in an escrow account (“Entrance Fee Account”) separate from the Brandermill Woods’ operating account and for use by the Resident(s). The Entry Fee/CCRC Resident(s) may provide written authorization to Brandermill Woods to pay monthly/daily fees by reducing the refundable amount of their Entrance Fee by that same amount. Once the funds in the Resident’s Entrance Fee Refund Account are depleted, the CCRC/Entry Fee Resident must continue to pay any fees due to the Community through other sources.

Prior to occupancy, the prospective Resident is entitled to a full refund of the Entrance Fee or any deposit paid to Brandermill Woods under the following situations:

- If the prospective Resident terminates the Entry Fee/CCRC Agreement within seven (7) days* of the date on which the prospective Resident executed the Agreement and paid the deposit; or
- If the prospective Resident dies before occupying the unit or is otherwise unable to occupy the unit due to illness or injury; or
- If Brandermill Woods terminates the Entry Fee/CCRC Agreement by the Residential Unit not being available for occupancy within three (3) years after the date of execution of the Entry Fee/CCRC Agreement.

The Entrance Fee and any applicable earned interest will be refunded to the Resident or the Resident's estate, less unpaid expenses and refurbishing costs upon the Resident's death (if one Resident signs the Agreement as a single occupant) or upon the last surviving Resident's death (if two Residents sign the Agreement as double occupants) or upon termination of the Entry Fee/CCRC Agreement in accordance with the Section 16 of the Entry Fee/CCRC Agreement shown as Attachment B. The refund will be paid within thirty (30) days of this occurrence.

In the case of a couple jointly occupying a unit where only one of the Residents terminates the Entry Fee/CCRC Agreement, there is no refund of the Entrance Fee. As long as one remaining Resident continues to reside in the Community, the Entrance Fee is deemed to have been paid entirely on behalf of the remaining joint Resident.

In the event a Resident requires financial assistance or subsidy, Brandermill Woods may charge such amounts, plus interest, against the Resident's Entrance Fee Account. The cost of any such financial assistance provided is accrued and remains an obligation of the Resident and his or her estate. Furthermore, the Resident may be required to relocate to a smaller or less expensive unit.

* The Entry Fee/CCRC Resident shall not be required to move into the Residential Unit before the expiration of the seven-day revocation period.

10. ESCROW OF RESIDENT DEPOSITS AND RESERVE FUNDING

Entrance Fees

No Reserve Fund will be established for the Entrance Fee. The Entrance Fee will be held in an escrow account ("Entrance Fee Account") separate from Brandermill Woods' operating account. All funds or assets deposited in the Entrance Fee Account shall remain the property of the Resident(s) until the earlier of the following events: (1) the Resident(s) Entrance Fee Account has been depleted by the Resident(s) use of such account for payment of fees to Brandermill Woods; or (2) the Resident(s) has requested a refund of the Entrance Fee Account balance under the terms of the CCRC/Entry Fee Agreement. Any interest accrued will become the property of the Entry Fee/CCRC Resident. If invested, the Entrance Fee Account will be invested in instruments authorized for the investment of public funds and not in default as to principal or interest. The Entrance Fee Account will not be subject to any liens, judgments, garnishments or creditor's claims against Brandermill Woods.

Series 2012 Bonds

In October 2012, the Economic Development Authority of the County of Chesterfield (the "Authority") issued the Series 2012 Bonds totaling \$41,110,000 on behalf of Brandermill Woods. The proceeds were used to refund the Authority's Series 1998 Bonds and to fund 1) a debt service reserve, 2) routine capital and future expansion projects, and 3) a portion of the costs of issuance. During October 2021, the Series 2012 bonds were refunded by the Series 2021 Bonds described below.

The Corporation was no longer required to maintain a Debt Service Reserve Fund after the refunding of the Series 2012 Bonds.

Series 2014 Bonds

In July 2014, the Authority issued two bonds in the amounts of \$18,000,000 ("Series 2014A") and \$27,500,000 ("Series 2014B" and collectively with Series 2014A, the "Series 2014 Bonds"), proceeds of which funded further expansion of the Brandermill Woods campus. The Series 2014 Bonds were structured as draw-down construction facilities and were issued pursuant to a Bond Purchase and Loan Agreement made between the Authority, the Corporation and Atlantic Union Bank, as bondholder. The Series 2014 Bonds were issued as obligations under a master trust indenture dated November 1, 2012 (the "Master Trust Indenture") and are secured by a lien against the Brandermill Woods campus as well as a general pledge of revenues.

During August 2019, the Series 2014 Bonds were amended such that, among other points, their mandatory tender date was extended to March 1, 2035.

The Series 2014 Bonds are subject to a variable rate structure that was locked via execution of an interest rate swap for each bond.

Series 2021 Bond

During October 2021, the Authority issued the Series 2021 Bond in amount of \$32,027,000, proceeds of which refunded the Series 2012 Bond and funded certain costs of issuance. The Series 2021 Bond was issued as an obligation under the Master Trust Indenture and is subject to a Bond Purchase and Loan Agreement made between the Authority, the Corporation and Atlantic Union Bank, as bondholder. Series 2021 has a final maturity of October 1, 2036 with no mandatory tender date. As with the Series 2014 Bonds, the Series 2021 Bond is secured by a lien against the Brandermill Woods campus as well as a general pledge of revenues, and is subject to a variable rate structure that was locked via execution of an interest rate swap.

Master Trust Indenture

As noted, the Series 2014 Bonds and the Series 2021 Bond were issued as obligations of the Master Trust Indentured dated November 1, 2012. Among other items, the Master Trust Indenture requires the Corporation to assess rents, fees and other charges relating to the Brandermill Woods community, and to restrict operating expenses, as necessary, to:

- achieve a Long-Term Debt Service Coverage Ratio, as calculated at the end of each fiscal year, of at least equal to 1.20x;
- maintain no less one hundred fifty days cash on hand (the "Liquidity Requirement"), as further defined by the Master Trust Indenture.

For the years ended June 30, 2022 and 2023, management believes that the Corporation has complied with all requirements of the Master Trust Indenture.

The Corporation does not anticipate any reliance on the entrance fees collected by the CCRC, as they will be placed in escrow for the exclusive use by the Resident. According to Brandermill Woods' projected financial statements, the projected Long-Term Debt Service Coverage Ratio is not expected to be less than 1.25 for the year ending June 30, 2024.

11. CERTIFIED FINANCIAL STATEMENTS

Certified financial statements of Brandermill Woods, including (i) a balance sheet as of the end of the two most recent fiscal years and (ii) income statements of Brandermill Woods for the two (2) most recent fiscal years are attached as Attachment C.

12. PRO FORMA INCOME STATEMENT

Fiscal Year Ending June 2024	
	2023-2024 Budget
<i>Operating Revenues:</i>	
ILU Rentals	\$17,844,344
Health Care Center Room & Board	\$8,205,005
Assisted Living Room & Board	\$3,072,209
Holly Inn Room & Board	\$1,586,136
Community Fees	\$218,000
Therapy Revenues (Less Contractual)	\$766,259
Miscellaneous Income (Less Contractual)	\$606,816
Interest Income	\$276,000
Total Operating Revenue	\$32,574,769
<i>Operating Expenses:</i>	
Administration	\$3,402,530
Board Trustee Fees	\$77,000
Human Resources	\$506,763
Marketing	\$916,960
Social Services	\$128,843
Activities & Therapeutic Recreation	\$926,969
Transportation	\$245,543
Salon	\$70,104
Housekeeping/Laundry	\$849,077
Environmental Services	\$2,864,261

Security	\$389,418
Dietary	\$4,067,409
Nursing - SNF & ALU	\$4,955,320
Therapy Expense	\$846,401
Ancillary Expense	\$172,568
Real Estate/Personal Property Taxes	\$757,392
Cash Operating Expenses Before Interest	\$21,176,558
TOTAL OPERATING INCOME	\$11,398,211

Amortization – Marketing	\$0
Principal - Series 2012 Bonds	\$1,862,118
Interest - Series 2012 Bonds	\$689,712
2012 Original Bond Discount	\$0
Principal – Series 2014 A Bonds	\$606,889
Interest – Series 2014 A Bonds	\$391,597
2014 Bond Interest Fees	\$83,916
Interest – Series 2014 B Bonds	\$701,745
Principle – Series 2014 B Bonds	\$920,837
Debt Service and Fund Deposit Requirements	\$5,256,814

Net Operating Income after Debt Service and Fund Deposit Requirements	\$5,702,527
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Net Operating Income with additional capital monies prior to depreciation	\$6,141,397
Normal Capital Additions	\$2,400,000
Depreciation	\$3,310,723
Total Income/(Loss) after Depreciation	\$430,674

Key Financial Indicators	2023-2024 Budget
Operating Results:	
Operating Revenues	\$32,574,769
Operating Expenses	\$23,576,558
Operating Excess (Deficiency)	\$8,998,211

Operating Ratio (Cash Basis)	
Cash Operating Revenues	\$32,574,769
Cash Operating Expenses Before Interest	\$26,966,402

Operating Ratio	1.21
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Debt Service Coverage Ratio

Annualized Net Earnings for the Period	\$11,398,211
Annual Debt Service Requirement (Principal & Interest)	\$5,256,814
Debt Service Coverage Ratio	2.17

Revenue Assumptions for the Proforma Budget:

Residential Independent Living Revenue Assumptions: Occupancy levels for the existing units are projected to begin with 96.0% occupied units and by year end finish with 96.52%. The total Residential Independent Unit average occupancy is projected to be 96.52%.

Skilled Nursing Facility (The Haven) Revenue Assumptions: The Haven prior year average occupancy stands at 83% and total average occupancy is projected to be 91%.

Assisted Living Facility Revenue Assumptions: The Chesterfield/Assisted Living occupancy is projected at 93%, versus prior year actual of 85%. The Holly Inn/Memory Care unit is budgeted at 93% occupancy versus prior year actual of 88%.

Expense Assumptions for the Proforma Budget:

- Total operating expenses are budgeted at \$21,615,428 excluding depreciation, bond interest, amortization, and principle. Total operating expenses are projected to increase by \$1,282,628, 6% compared to 2023 actual annualized financial outcomes.
- The HR Department participates in a wage and salary report for Nursing Facilities with LeadingAge Association annually. It is used as a comparison for all positions' wages. Sesco, HR Consultant, informed us that studies consistently find that employers are planning a 4.6% increase in wages for 2024. Health Care particularly will continue to yield higher percentages due to the demand for clinical staff. The Board's decision to approve all wage increases and adjustments FY2023 put us in a good position and feel that a 4% wage increase effective January 1, 2024, would keep us competitive in the job market.
- Activities/TR increased due to more activities and events.
- Housekeeping is continuing to decrease FTE's due to staffing issues and is using permanent temporary staff.
- Dining Services have been challenged to increase dining hours for Independent Living venues to enhance socialization and amplify the dining experience. We have returned to pre-COVID dine-in versus take-outs.
- In FY2023, staffing shortages in Nursing have forced Management to use agency staffing at an annualized cost of \$314,923.
- The budget assumes a 9.76% increase in wages compared to January 31, 2023, actual annualized, a variance of \$1,175,274.
- Health, Dental and Life Insurance benefits are projected to increase by 27%. This projected increase is based on the Rolling 12 months Expense and Utilization report from our insurance broker and a premium increase of 7% in January 2023 and a projected 18% increase in January 2024. The total increase is \$319,282 per annum.

- Real Estate and Personal Property taxes are projected to increase by \$102,624, based on Chesterfield County's 2023 assessments, a 15.7% increase from 2022.
- Debt Service fund requirements for the 2014 A, B and the 2021 Bonds will decrease by \$399,071 compared to 2023.
- Depreciation increases to \$3,310,723 for 2023 FYE, a variance of \$164,683.

13. ADMISSION OF NEW RESIDENTS

Brandermill Woods generally accepts as Residents in the Residential Independent Living Units those persons at least sixty-two (62) years of age or older at the time of occupancy (only one member of a couple must meet this requirement in the Residential Independent Living Units) who are able to care for themselves, with or without reasonable accommodation and without risk to self and/or others and are able to demonstrate the necessary financial resources to meet ordinary and customary living expenses including Brandermill Woods' monthly/daily fees expected to be incurred after assuming occupancy. The prospective Resident must submit a Confidential Data Application including general information and personal financial data to include the most recent tax return. The Confidential Data Application is attached hereto as Attachment B.

14. ACCESS TO FACILITY BY NON-RESIDENTS

Residents are generally permitted to have family members or other guests visit them in Brandermill Woods' facilities so long as the visits are during reasonable times and do not disturb other Residents or impair the ability of staff to provide services.

Facilities and services are not provided for non-residents with the exception of dining, pool and fitness center. Family members and guests of Residents are permitted to dine in Brandermill Woods' facilities and pay a per meal charge for those services through the Resident's account.

Generally, Health Care (nursing) is available to Residents who have resided at Brandermill Woods as Residential Living or Assisted Living Residents. However, in accordance with the Certificate of Public Need, Brandermill Woods may accept direct admissions into its nursing care beds.

15. PROCEDURE FOR RESIDENT TO FILE A COMPLAINT OR DISCLOSE CONCERN

Brandermill Woods fully endorses the right of Residents to voice complaints or concerns without fear of retaliation. Brandermill Woods strives to provide an open door policy. Residents may make an oral or written complaint about any employee of Brandermill Woods to their immediate Supervisor. Complaints that cannot be resolved at this level are referred to the Executive Director, Administrator or appropriate supervisor for resolution. Residents may also file a complaint to be discussed by the Brandermill Woods/Senior Living Choices of Virginia, Inc. Board.

All Residents upon admission automatically become members of the Brandermill Woods Residents' Association ("the Association") and have access to a digital Resident Handbook or may request a printed Handbook. The Resident Handbook is a guide that contains general information

relating to life at Brandermill Woods. It also lists the various regulations of the Community, which coincide with the Entry Fee/CCRC Agreement. The Board of Directors and the Administration encourage all Residents to participate actively in the Association and the Resident Council. The Council is composed of officers and representatives elected by the membership of the Association. No retaliatory conduct shall be permitted against any Resident for membership or participation in the Association or the Resident Council.

The Administration also meets on a regular monthly basis with the Resident Council, at which time Resident Council members are encouraged to question the Administration on matters of general interest. An open resident forum is held on the second Thursday of each month, and all Residents are invited to attend this open discussion on current activities, upcoming events and facility plans for the future. Issues that may be discussed include income, expenditures and financial matters as they apply to the facility and proposed changes in policies, programs, facilities and services. Residents are provided at least seven (7) days' notice of each meeting. In addition, Residents who want to make an anonymous suggestion or complaint are able to do so by dropping off a note in a sealed envelope addressed to "Administration" at the Front Desk.

Communication to Residents is also facilitated through Brandermill Woods TV "BWTV" and various monthly newsletters, publications and resources designed for the various components of care. Bulletin boards are also located in the community center and other common areas to post notices and other information.

16. LIST OF ATTACHMENTS

- A Monthly Service Fees, Entrance Fees and Ancillary Rates
- B Entry Fee/CCRC Agreement and Confidential Data Application
- C Certified Financial Statements
- D Summary of Financial Information

ATTACHMENT A

Monthly Fees, Entrance Fees, and Ancillary Rates

Attachment A – Monthly Service Fees

The first person Monthly Service Fee is based on the size of the apartment selected by the Residents; there is a standard Monthly Service Fee for the second person in a double occupancy unit. The Monthly Service Fee includes the following utilities: electricity, heat and air conditioning, water, sewage, trash removal and high definition cable television. Residents are responsible for telephone, Basic High Definition cable and internet charges.

The Monthly Service Fee covers a variety of community and hospitality services, including:

- Access to Community amenities (e.g. fitness center, art studio, dining rooms, social activities, beauty/barber/nail salon, meeting rooms, and lounge). Note that Residents may be charged separately for rental of rooms, certain services and supplies and special activities as noted in the Resident Handbook and Community billing policies in effect on the date of such purchase).
- A variety of planned activities and social, recreational, educational, cultural, health and wellness programs, through Brandermill Woods' Resident Services Department and Wellness Center. Note that Residents may be charged separately for special events activities as noted in the Resident Handbook and Community billing policies in effect on the date of such purchase.
- On-campus wellness clinic staff with a licensed nurse available for preventative and health promotion purposes during regular business hours; access to rehabilitation services including physical, occupational and speech therapy services; access to onsite podiatry, audiology and massage services. Note that the availability of these services is subject to change based on business needs and availability. Residents are normally charged for the use of these services and may use available insurance to cover some expenses.
- Scheduled housekeeping services for one (1) hour each week for Club Apartments and Cottage Homes for an hour and a half (1.5) to two (2) hours every other week depending on the unit type. Curbside recycling and garbage removal is also included.
- Regularly scheduled transportation for grocery shopping, medical appointments and other special needs are available Monday through Friday. Note that the Monthly Services Fee covers only scheduled transportation inside the "transportation free-zone" as described in the Resident Handbook and billing policies in effect on the date of such service.
- A Monthly Meal Plan that includes a \$250 30-day credit per Resident. Meal credits can only be used at one of the on-campus dining venues and may be used for guests. Note: Any unused meal credit balance is forfeited at the end of the 30-day meal credit period. In the Assisted Living and The Haven, three (3) meals a day plus AM and PM snacks are included in the daily rate.
- One (1) indoor storage compartment (limited to Residents with Club Apartments).
- One (1) surface outdoor parking space for Club Apartments. Garage parking spaces are available for a fee.
- Twenty-four (24) hour Security coverage, with central monitoring of an emergency call (panels, pendants and pull cords) system and emergency response from Brandermill Woods' Security staff and/or licensed nursing staff. Intruder security alarm system and a daily "Check-In" is also provided.
- Social Services and counseling provided on campus by the Social Services Coordinator or by an outside mental health professional.

- Membership and access to the many social programs, dining venues and activities provided by the Brandermill Golf Club & Birkdale Golf Club.
- Payment of all Brandermill Community Association quarterly assessment dues.
- Payment of all real estate property taxes and liability and property insurance covering Community buildings and grounds.
- Regularly scheduled interior and exterior maintenance of Brandermill Woods' property, buildings and equipment.

The following table summarizes the type, number, approximate square footage, and the Monthly Service Fees for the Residential Living Units effective July 1, 2023:

Residential Independent Living Configuration and Fees				
EXPANSION UNITS				
Description	Total Units	Square Footage	Monthly Rental Rate	Entrance Fee
CLUB APARTMENT UNITS				
One Bedroom Essex	36	985	\$5,342	\$64,104
One Bedroom Den Hampshire	22	1,130	\$5,544	\$66,528
Two Bedroom Cornwall	28	1,236	\$5,744	\$68,928
Two Bedroom Wiltshire	7	1,375	\$6,278	\$75,336
Total/Weighted Average:	93	1,124	\$5,581	\$66,975
2nd Person Fee			\$900	\$10,800
EXISTING UNITS				
Description	Total Units	Square Footage	Monthly Rental Rate	Entrance Fee
APARTMENTS				
One Bedroom Chelsea - 1st Floor	8	930	\$4,665	\$55,980
One Bedroom Chelsea - 2nd Floor	8	930	\$4,708	\$56,496
One Bedroom Chelsea - 3rd Floor	8	930	\$4,619	\$55,428
Two Bedroom Stratford/Franklin (A Building)-1st Fl.	4	1,207	\$5,196	\$62,352
Two Bedroom Stratford/Franklin (A Building)-2nd Fl.	4	1,207	\$5,221	\$62,652
Two Bedroom Stratford/Franklin (A Building)-3rd Fl.	4	1,207	\$5,146	\$61,752
Two Bedroom Stratford/Franklin (B Building)-1st Fl.	10	1,246	\$5,196	\$62,352
Two Bedroom Stratford/Franklin (B Building)-2nd Fl.	10	1,246	\$5,221	\$62,652
Two Bedroom Stratford/Franklin (B Building)-3rd Fl.	10	1,246	\$5,146	\$61,752

Total/Weighted Average:	66	1,124	\$4,997	\$59,967
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2nd Person Fee			\$900	\$10,800
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COTTAGES

One Bedroom Wyndham	4	1,057	\$4,444	\$53,328
Two Bedroom Windsor	26	1,231	\$4,855	\$58,260
Two Bedroom Windsor End	2	1,331	\$5,202	\$62,424
Two Bedroom Windsor Lower Level (basement)	5	2,302	\$5,575	\$66,900
Two Bedroom Queensbury	24	1,231	\$5,101	\$61,212
Two Bedroom Queensbury End	7	1,331	\$5,265	\$63,180
Two Bedroom Queensbury Lower Level (basement)	6	2,302	\$5,952	\$71,424
Two Bedroom Queensbury End Lower Level (basement)	1	2,376	\$5,995	\$71,940
Three Bedroom Kent/Brighton	34	1,412	\$5,952	\$71,424
Three Bedroom Kent/Brighton Lower Level	9	2,867	\$6,682	\$80,184
Total/Weighted Average:	118	1,496	\$5,473	\$65,672
2nd Person Fee			\$900	\$10,800

A limited number of select units are eligible for the Entry Fee/CCRC Program.

Fee for Service rental agreements are also available.

The Entrance Fee is calculated by annualizing the Monthly Service Fee for the unit.

ILU Facility Total/Weighted Average:	277	1,292	\$5,396
CCRC Entrance Fee Range	\$53,328-\$80,184	Average	\$64,750
plus 2nd Person Fee	\$10,800		

The following table summarizes the type, number, approximate square footage, and the daily service fees for the Assisted Living Facilities, effective July 1, 2023:

**Assisted Living Units
Configuration and Fees**

Unit Type Description	Total Units	Sq Ft	Average Daily Per Diem Rate	Monthly Service Fee
The Chesterfield – Assisted Living				
Studio	18	397	\$182-\$202	\$5,536-\$6,144
Alcove	20	612	\$211-\$242	\$6,418-\$7,361
One Bedroom	2	600	\$251	\$7,635
Total/Weighted Average:	40	515	\$215	\$6,541
The Holly Inn – Memory Care Assisted Living				
Studio	9	397	\$234	\$7,118
Alcove	9	612	\$240-\$262	\$7,300-\$7,969
One Bedroom	1	600	\$279	\$8,486
Total/Weighted Average:	19	510	\$248	\$7,558
Combined Total/Weighted Average:	59	513	\$226	\$6,868

The following table summarizes the type, number, approximate square footage, and the Per Diem or Daily Rate for The Haven, effective July 1, 2023:

**The Haven
Configuration and Fees**

Description	Total Units	Square Footage	Daily Per Diem Rate
Private Room	2	690	\$400
Semi-Private - Bed A	18	345	\$314
Semi-Private - Bed B	18	345	\$328
Private Suite (Rehab Center)	22	306	\$450-497

COMMUNITY FEE SCHEDULE

* Please note that supplier implements price increases periodically without notice

ALL PRICING EFFECTIVE JULY 1, 2023

DEPARTMENT/ALPHA LISTING

<u>ITEM/SERVICE PROVIDED</u>	<u>TERMS</u>	<u>E</u>	<u>2023-2024</u> <u>FEE</u>	<u>QTY</u>		
ACCOUNTING & RESIDENT BILLING						
FINANCE CHARGE/LATE FEE	18% PER ANNUM ON UNPAID BALANCE			PER OCCURRENCE		
RETURNED CHECK FEE	PER CHECK	\$	50.00	PER OCCURRENCE		
ADMINISTRATIVE FEE	RESIDENCY AGREEMENT ADMINISTRATIVE FEE	\$	775.00	PER SIGNED AGREEMENT		
COMMUNITY FEE (INDEPENDENT)	ONE TIME / NON REFUNDABLE	\$	5,000.00	PER INITIAL MOVE-IN		
RESIDENT REFERRAL BONUS (INDEPENDENT)	PER REFERRAL/MOVE-IN	\$	1,500.00	PER REFERRAL		
SECOND PERSON FEE (INDEPENDENT)	PER RESIDENCY/UNIT AGREEMENT	\$	900.00	PER UNIT/AGREEMENT		
TRANSFER FEE (INDEPENDENT)	TRANSFER FEE	\$	4,000.00	PER MOVE		
WAITLIST DEPOSIT (INDEPENDENT)	WAITLIST DEPOSIT	\$	3,500.00	PER LISTING		
ELECTRONIC MED OR PAPER RECORDS	SEARCH FEE	\$	20.50	EACH		
	PAGES 1-50	\$	0.52	PER PAGE		
	PAGES 51+	\$	0.26	PER PAGE		
ADMINISTRATION & RESIDENT SERVICES						
OVERDUE CHECK-IN (INDEPENDENT)	4 OR MORE MISSED CHECK-INS WITHIN 7 DAYS	\$	20.00	EACH		
PERSONAL HOME COMPUTERS TROUBLESHOOTING (INDEPENDENT)	TROUBLESHOOTING, CONSULTATION, ASSISTANCE WITH SETUP (MINIMUM INITIAL COST OF \$55 then \$15.00 PER 15 MINUTE INCREMENTS AFTER INITIAL 45 MINUTES)	\$	55.00	PER OCCURANCE		
COPIES	PER COPY THROUGH FRONT DESK	\$	1.00	PER PAGE		
DOOR KEY - RESIDENT UNIT	EXTRA/ADDITIONAL KEY	\$	13.90	EACH		
FAX - SENDING/RECEIVING	SENDING/RECEIVING THROUGH FRONT DESK	\$	1.60	PER OCCURANCE		
FOB - PROXIMITY READER (INDEPENDENT)	REPLACEMENT	\$	159.00	EACH		
MAILBOX KEY (INDEPENDENT)	MAILBOX KEY	\$	13.90	EACH		
MEAL DELIVERY (INDEPENDENT)	PER DELIVERY TO RESIDENCE	\$	4.00	EACH		
NOTARY SERVICES	NOTARY SERVICES					
PARKING	GARAGE	\$	77.25	PER MONTH		
PET DEPOSIT	ONE TIME / NON REFUNDABLE	\$	645.00	EACH PET		
STAMPS - BOOK	BOOK OF 20 STAMPS	\$	12.60	BOOK		
GATE OPENER	EACH	\$	530.00	EACH		
GUEST QUARTERS #1 (A103)	FEE PER NIGHT	\$	100.00	PER NIGHT		
GUEST QUARTERS #2 (downstairs clubhouse by Beauty Salon)	FEE PER NIGHT	\$	85.50	PER NIGHT		
ROLLAWAY BED	FEE	\$	26.50	PER RESERVATION		
PRIVATE ROOM RESERVATIONS (SETUP/BREAKDOWN FEE)	SMALL ROOM (Card Room, Game Room, Shindigz, 4 Seasons, Common Area)	\$	25.00	PER USE		
	MEDIUM ROOM (Reflections)	\$	50.00	PER USE		
	LARGE ROOM (Ivy Room, Meeting Room)	\$	75.00	PER USE		
BEAUTY SALON						
COLOR	PER VISIT/SERVICE	\$	75.00	EACH		

*7/1/2023 No Changes. BE ADVISED PRICES MAY CHANGE WHEN NEW ILU BEAUTY SALON OPENS

COMMUNITY FEE SCHEDULE

* Please note that supplier implements price increases periodically without notice

ALL PRICING EFFECTIVE JULY 1, 2023

DEPARTMENT/ALPHA LISTING

2023-2024

<u>ITEM/SERVICE PROVIDED</u>	<u>TERMS</u>	<u>E</u>	<u>FEE</u>	<u>QTY</u>			
FULL FOILS (30+)	PER VISIT/SERVICE		\$ 95.00	EACH			
PARTIAL FOILS (11-30)	PER VISIT/SERVICE		\$ 80.00	EACH			
MINI HIGHLIGHT (UP TO 10)	PER VISIT/SERVICE		\$ 50.00	EACH			
COMB OUT	PER VISIT/SERVICE		\$ 21.00	EACH			
HAIRCUT - MEN'S	PER VISIT/SERVICE		\$ 20.00	EACH			
HAIRCUT - MEN'S - SHAMPOO AND STYLE	PER VISIT/SERVICE		\$ 26.00	EACH			
HAIRCUT - WOMEN'S	PER VISIT/SERVICE		\$ 28.00	EACH			
HAIRCUT-WOMEN'S-CUT AND STYLE	PER VISIT/SERVICE		\$ 30.00	EACH			
HAIRCUT - WOMEN'S - SHAMPOO AND STYLE	PER VISIT/SERVICE		\$ 54.00	EACH			
PERM/BODYWAVE	PER VISIT/SERVICE		\$ 75.00	EACH			
SHAMPOO AND STYLE	PER VISIT/SERVICE		\$ 31.00	EACH			
WAXING	PER VISIT/SERVICE		\$ 16.00	EACH			
BEARD TRIM	PER VISIT/SERVICE		\$ 11.50	EACH			
WIG CARE	PER VISIT/SERVICE		\$ 22.00	EACH			
HAIR PIECE CARE	PER VISIT/SERVICE		\$ 15.50	EACH			
MANICURE	PER VISIT/SERVICE		\$ 21.00	EACH			
PEDICURE	PER VISIT/SERVICE		\$ 41.00	EACH			
POLISH CHANGE	PER VISIT/SERVICE		\$ 10.50	EACH			
CUT & FILE ONLY	PER VISIT/SERVICE		\$ 26.00	EACH			
SALON "NO SHOW" CHARGE	PER VISIT/SERVICE		\$ 10.50	EACH			
ENVIRONMENTAL SERVICES							
HOUSEKEEPING (INDEPENDENT)	ONE HOUR MINIMUM		\$ 40.00	PER HOUR			
AUDIO VISUAL NOTIFIER (INDEPENDENT)	EQUIPMENT ONLY		\$ 2,000.00	EACH			
CABLE AND REMOTE CONTROLS (INDEPENDENT)	TROUBLESHOOTING, PROGRAMING AND SETUP		\$ 40.00	PER VISIT			
GARAGE DOOR - REPLACEMENT (INDEPENDENT)	EQUIPMENT & INSTALLATION		\$ 1,000.00	EACH			
GARAGE DOOR REMOTE OPENER	EQUIPMENT ONLY		\$ 95.00	EACH			
HVAC FILTERS/FACILITY COVERS ONE A QTR (IL)	FILTER REPLACEMENT/1/2 HR TIME		\$ 33.50	PER FILTER			
MAINTENANCE	ONE HOUR MINIMUM		\$ 44.50	PER HOUR, per Employee required			
PENDANT	REPLACEMENT		\$ 304.00	EACH			
WATCH BAND FOR PENDANT	REPLACE OR CHANGING FROM ORIGINAL NECKLACE TO WRISTBAND		\$ 12.50	EACH			
RECYCLE BIN	ADDITIONAL/REPLACEMENT		\$ 175.00	EACH			
RECYCLE BIN WHEELS	SUPPLY/SERVICE TO ATTACH		\$ 56.50	PER SET			
TRASH REMOVAL	PER SERVICE		\$ 67.00	PER OCCURRENCE			
TRASH PICKUP - ADDITIONAL***	***TRASH PUT OUT IN ERROR ON NON-TRASH DAYS ie HOLIDAYS		\$ 15.50	PER OCCURRENCE			
FIRE EXTINGUISHERS	EQUIPMENT		\$ 40.00	EACH			
IPAD-TOUCHTOWN	REPLACEMENT		\$ 900.00	EACH			
PULLCORDS - SECURITY	ADDITIONAL/REPLACEMENT		\$ 343.00	EACH			
SHOPPING CARTS	REPLACEMENT		\$ 83.00	EACH			
GRAB BARS	ADDITIONAL/REPLACEMENT		\$ 63.25	EACH			
DOORBELL (HARDWIRED)	EQUIPMENT & INSTALLATION		\$ 392.50	EACH			

COMMUNITY FEE SCHEDULE

** Please note that supplier implements price increases periodically without notice*

ALL PRICING EFFECTIVE JULY 1, 2023

DEPARTMENT/ALPHA LISTING

2023-2024

ITEM/SERVICE PROVIDED	TERMS	E	FEE	QTY			
DOORBELL (WIRELESS)	EQUIPMENT & INSTALLATION		\$ 71.25	EACH			
DELTA HANDHELD SHOWER	EQUIPMENT & INSTALLATION		\$ 121.75	EACH			

COMMUNITY FEE SCHEDULE

* Please note that supplier implements price increases periodically without notice

ALL PRICING EFFECTIVE JULY 1, 2023

DEPARTMENT/ALPHA LISTING

2023-2024

<u>ITEM/SERVICE PROVIDED</u>	<u>TERMS</u>	<u>E</u>	<u>FEE</u>	<u>QTY</u>			
TRANSPORTATION - INDEPENDENT LIVING							
ACTIVITY GUEST TRANSPORTATION	ROUND TRIP		\$ 16.00	PER TRIP			
ACTIVITY TRANSPORTATION 15-30 MILES	ROUND TRIP		\$ 11.00	PER TRIP			
ACTIVITY TRANSPORTATION OVER 30 MILES	ROUND TRIP		\$ 16.00	PER TRIP			
NO CALL/NO SHOW/CANCELLATION	FOR SCHEDULED TRANSPORTATION		\$ 11.00	PER TRIP			
DOCTOR DAY TRANSPORTATION	WITHIN 15 MILES		\$ -	PER TRIP			
NON DOCTOR DAY TRANSPORTATION	ST FRANCES,WATERFORD, COLONY CROSSING		Shuttle only No Charge	PER TRIP			
WELLNESS CLINIC SERVICES AND SUPPLIES - INDEPENDENT LIVING							
B-12 INJECTIONS	SUPPLY/SERVICE		\$ 17.50	EACH			
NON-EMERGENCY HOME VISITS	VARIOUS EVENTS (i.e. excessive falls)		\$ 32.00	EACH			
TB SCREENING	FOR TRANSFER TO BRANDERMILL'S ALU/HCC		\$ 49.50	EACH			
			\$ -				
HEALTH CARE & ASSISTED LIVING COMMUNITY							
			\$ -				
ASSISTED LIVING LEVEL OF CARE 2	ADDITIONAL PREMIUM TO DAILY RATE		\$ 15.00	PER DAY			
ASSISTED LIVING LEVEL OF CARE 3	ADDITIONAL PREMIUM TO DAILY RATE		\$ 25.00	PER DAY			
ASSISTED LIVING LEVEL OF CARE 4	ADDITIONAL PREMIUM TO DAILY RATE		\$ 35.00	PER DAY			
HEALTH CARE CENTER-RATES	PRIVATE PAY RANGE ROOM/BOARD		\$314-\$450	DAILY			
MONTHLY RATES CHESTERFIELD ASSISTED	PRIVATE PAY RANGE ROOM & BOARD FEE		\$5,536-\$7,635	MONTHLY			
MONTHLY RATES HOLLY INN	PRIVATE PAY RANGE ROOM & BOARD FEE		\$7,118-\$8,486	MONTHLY			
PHONE SERVICE	LOCAL AND LONG DISTANCE		\$ 51.00	MONTHLY			
LAUNDRY FEE	HEALTHCARE COMMUNITY		\$ 42.00	MONTHLY			
WHEELCHAIR RENTAL	RENTAL		\$ 1.35	DAILY			
MATTRESS REMOVAL	HEALTHCARE COMMUNITY		\$ 107.00	PER OCCURANCE			
RECLINER/FURNITURE REMOVAL	HEALTHCARE COMMUNITY		\$ 133.00	PER OCCURANCE			
GUEST MEALS	HEALTHCARE COMMUNITY & ASSISTED LIVING		\$ 8.50	PER MEAL			
PENDANT	REPLACEMENT		\$ 305.00	PER CONTRACT			
ROAM ALERT TAG	REPLACEMENT		\$ 375.00	PER OCCURANCE			
CABLE BOX (AL ONLY)	REPLACEMENT		\$ 128.00	PER OCCURANCE			
LANTERN	REPLACEMENT		\$ 66.50	PER CONTRACT			
DOOR KEY - RESIDENT UNIT	EXTRA/ADDITIONAL KEY		\$ 13.90	EACH			
ADMINISTRATIVE FEE	ASSISTED LIVING - ALL NEW MOVE-INS		\$ 250.00	PER CONTRACT			
COMMUNITY FEE (ASSISTED LIVING)	ASSISTED LIVING NON ILU RESIDENT		\$ 3,500.00	PER CONTRACT			
DOUBLE OCCUPANCY	SECOND PERSON/ASSISTED	50	\$ -				
ILU PVT ROOM RESERVATIONS (SETUP/BREAKDOWN FEE)	HCC/AIL RESIDENT RESERVING AN ILU ROOM		\$ 30.00	PER USE			
PET FEE	ASSISTED LIVING - ALL NEW MOVE-INS		\$ 645.00	PER PET			
TRANSFER FEE	ASSISTED LIVING -ALL RESIDENTS		\$ 2,000.00	PER MOVE			
WAITLIST DEPOSIT	ASSISTED LIVING - ALL NEW MOVE-INS		\$ 1,000.00	PER CONTRACT			

COMMUNITY FEE SCHEDULE

** Please note that supplier implements price increases periodically without notice*

ALL PRICING EFFECTIVE JULY 1, 2023

DEPARTMENT/ALPHA LISTING

<u>ITEM/SERVICE PROVIDED</u>	<u>TERMS</u>	<u>2023-2024</u>		<u>QTY</u>			
		<u>E</u>	<u>FEE</u>				
		\$	-				
TRANSPORTATION - HCC & ALU*		\$	-				
DOCTOR APPOINTMENT TRANSPORTATION	WITHIN 15 MILES (TOLLS ARE EXTRA)	\$	32.00	PER TRIP			
DOCTOR APPOINTMENT TRANSPORTATION	WITHIN 15-25 MILES (TOLLS ARE EXTRA)	\$	64.00	PER TRIP			
TRAIN STATION- SUBJECT TO AVAILABILITY	ROUND TRIP (TOLLS ARE EXTRA)	\$	80.00	PER TRIP			
AIRPORT- SUBJECT TO AVAILABILITY	ROUND TRIP (TOLLS ARE EXTRA)	\$	80.00	PER TRIP			

*ACTIVITY TRANSPORTATION CHARGE MAY BE INCURRED AT THE DISCRETION OF THE RESIDENT SERVICES DIRECTOR

ATTACHMENT B

Entry Fee/CCRC Agreement

and

Confidential Data Application



Entry Fee/CCRC Agreement

Agreement: This *Entry Fee/CCRC Agreement* (the “Agreement”) is entered into on the executed date indicated on the signature page (the “Effective Date”), between Senior Living Choices Inc., a not-for-profit corporation (the “Owner”), and _____ (the “Resident[s]”). The Owner owns and operates a residential Continuing Care Retirement Community known as Brandermill Woods, located in Midlothian, Virginia (the “Project”).

1. **Premises:** In consideration of the terms contained in this Agreement, Owner hereby leases to the Resident(s) the premises known as Residential Independent Unit #_____, _____ **Midlothian, VA 23112**, in the Project (the “Premises”) and Resident(s) hereby leases the Premises from Owner.

2. **Effective Date:**

The Effective Date of this Agreement will be the date the Resident(s) takes occupancy of the Premises, as shown on the signature page hereof.

The Resident(s) must take possession of Premises within sixty days (60) after the Effective Date. Owner has the right to terminate this Agreement in accordance with Paragraph 16(b)(i) if Resident(s) does not take possession of the Premises within sixty (60) days after the Effective Date.

The Agreement will remain in effect until terminated by either party in accordance with Section 16 contained herein.

3. **Fees:**

Resident(s) are responsible to pay the Monthly Service Fee (“monthly fees”) and any fees incurred for ancillary services that are not paid for at the time of service.

The Monthly Service Fee is payable upon the earlier of Resident's first occupancy of the Premises or sixty (60) days after the Effective Date. The Resident(s), will pay the monthly fee of \$ _____ .00 plus \$ _____ .00 for the second occupant, if applicable. The total monthly fee is _____ dollars (\$ _____ .00).

The monthly fee is due and payable in advance on the first day of each month, without demand at the office of the Owner or such other place as Owner may designate in writing. In the event the Resident(s) takes possession other than at the beginning of the month, rent for the first month will be prorated. If the monthly fee payment is not paid and received by Owner by the close of the fifth (5th) day of the month, it is considered delinquent, and the Resident(s) shall be in default of this Agreement.

The Owner may increase the monthly service fee after providing the Resident(s) with thirty (30) days written notice of the monthly service fee increase. Changes required by State or Federal law may occur without advance notice from Owner.

The Owner will bill the Resident(s) for any service fees that are not paid for at the time of service. Payment for the service fees are due on the 1st day of the following month. Service fees are charged in accordance with the then current service fee schedule. A copy of the fee schedule in effect on the date of this Agreement can be found as Attachment A. Such fees are subject to change periodically, with at least 30 days advance written notice to residents.

Any payments received after the 5th day of the month are subject to a finance charge of one and one half (1 ½) percent per month (18% annually) on the unpaid balance. Any check payment deemed non-sufficient by Owner's banking institution will be subject to the returned check fees as defined in the Resident Handbook. Upon the receipt of any check payment returned for insufficient funds, the Owner shall deem the Resident's(s') account delinquent and the Resident(s) will be in default of this Agreement.

Charges for care paid in one lump sum shall not be increased or changed during the duration of the agreed upon care, except for changes required by state and federal assistance programs.

4. Entrance Fee:

- (a) Prior to the Effective Date, the Resident(s) shall pay an Entrance Fee equal to the sum of twelve months of the then current monthly service fee for the Residence. This equates to (_____) Dollars (\$_____).
- (b) The Entrance Fee will be held in an escrow account ("Entrance Fee Account") separate from the Owner's operating account and for use by

the Resident(s). All funds or assets deposited in the Entrance Fee Account, including interest, shall remain the property of the Resident(s) until the earlier of the following events: i) the Resident's(s) Entrance Fee Account has been depleted by the Resident(s) use of such account for payment of fees to Brandermill Woods; or ii) the Resident(s) has requested a refund of the Entrance Fee Account balance under the terms of this Agreement, as noted in Section 16.

- (c) The Resident(s) may provide written authorization to the Owner to pay any fees due to the Owner by reducing the refundable amount of the Entrance Fee by such amount. Once the funds in the Resident's Entrance Fee Refund Account are depleted, the Resident(s) must pay any fees due to the Owner through other sources. In the event a Resident requires financial assistance or subsidy, Brandermill Woods may charge such amounts, plus interest, against the Resident's Entrance Fee Account. The cost of any such financial assistance provided is accrued and remains an obligation of the Resident and his or her estate. Furthermore, the Resident may be required to relocate to a smaller or less expensive unit.
 - (d) The Resident's Entrance Fee Account and any applicable earned interest will be refunded to the Resident or the Resident's estate, less unpaid expenses, fees due, and refurbishing costs upon the Resident's death (if one resident signs the Agreement as a single occupant) or upon the last surviving Resident's death (if two Residents sign the Agreement as double occupants) or upon termination of this Agreement in accordance Sections 16(c), 16(d), 16(e) or 16(f)(ii). In the case of a couple jointly occupying a unit where only one of the Residents terminates this Agreement, there is no refund of the Entrance Fee. As long as one remaining Resident continues to reside in the Community (including the Health Care Facilities), the Entrance Fee is deemed to have been paid entirely on behalf of the remaining joint Resident. Entrance Fee Account refunds will be paid within thirty (30) days of termination.
 - (e) If invested, the Entrance Fee Account will be invested in instruments authorized for the investment of public funds and not in default as to principal or interest. The Entrance Fee Account will not be subject to any liens, judgments, garnishments or creditor's claims against the Owner. No Reserve Fund will be established for the Entrance Fee.
5. **CCRC Benefit:** In return for the Entrance Fee and payment of monthly fees, the Owner provides use of the Premises and the Community's various amenities, a comprehensive range of residential living services and a discount ("CCRC Benefit") on Nursing and Assisted Living fees should those services become necessary in the future. The CCRC Benefit includes priority admission to Brandermill Woods' Assisted Living or Health Care Center on

either a short-term or long-term basis and so long as space is available. In addition, the CCRC Benefit includes a five percent (5%) discount on Assisted Living Monthly Service Fees and a five percent (5%) discount on Nursing Per Diem/Daily Fees for each Resident for stays at the Brandermill Health Care Facilities during the term this Agreement is in effect. The discount on Nursing Per Diem/Daily Fees is applied after a reduction for any amount received by the Owner as a result of the Resident's assignment of the benefits for Medicaid or Medicare insurance, supplemental Medicare insurance or any other insurance.

6. **Service Credit:** After the Resident(s) has completed a thirty (30) consecutive day stay at Brandermill Woods' Health Care Facility, the Owner will give the Resident a service fee credit of One Thousand Dollars (\$1,000.00). The credit is available only once per twelve (12) consecutive month period from the commencement date or the date of the previous service fee credit, per Resident(s), and shall not be accrued from year to year. Credits are only applicable if a stay has been denied coverage by Medicare, Medicaid and/or private insurer and for the duration of the stay.
7. **Utilities Provided:** The monthly fee payment shall include the following utilities: electricity, heat and air conditioning, water, sewage, trash removal and high definition cable television.
8. **Services Provided:** In return for the Entrance Fee and payment of monthly fees, the Owner provides the following services: regularly scheduled transportation, routine and regular maintenance, activity program, wellness services, scheduled housekeeping, meal plan, security coverage, the CCRC Benefit, Service Credit and Utilities as described above. The meal plan provides \$200.00 per month per Resident. Meal credits can only be used at one of the on-campus dining venues and may be used for guests. Services that are made available at extra charge by the Owner are listed in Attachment A.
9. **Condition and Use of Premises:** Resident(s) agrees that the Premises will be occupied only as a personal residence by the Resident(s) and in a manner that is safe to the Resident(s) and others. No occupants other than Resident(s) shall occupy the Premises, except as may be permitted by the provisions of the Resident Handbook. The Resident(s) shall permit the Owner and its employees and agents to enter the Premises at reasonable times to make such repairs, additions or alterations that may be necessary for the safety, preservation or restoration of the Premises, or adjacent buildings and improvements, or for the health, reasonable well-being, or safety of any of the occupants of the Community. Should the Resident(s) not occupy the Premises in a manner that is considered within the terms of this Agreement, or should the Resident's conduct be considered by the Owner to be unsafe to himself or herself, other residents and/or staff and should such

behavior continue after notice to cease such behavior, the Owner may seek to terminate this Agreement for Good Cause in accordance with Section 16(d).

10. **Alterations:** Resident(s) shall not make any alterations or additions to the Premises without written consent to the Owner.
11. **Care of the Premises and Maintenance:** The Resident(s) will be responsible for the use of the Premises by the Resident(s) and the Resident's (s') visitors. If the Resident(s) or such visitors damage the Premises, the Facility or the fixtures or personal property within beyond normal wear and tear, in the Owner's sole discretion, then the Resident(s) shall be responsible for, and reimburse the Owner for, the cost of repair or replacement of such damage, in Owner's sole discretion. The Owner agrees to regularly clean all common areas, maintain the common areas and facilities in a safe condition, arrange for collection and removal of trash and garbage, maintain all equipment, appliances, electrical systems, plumbing and exterior lighting in good working order, make necessary repairs with reasonable promptness, provide extermination services as reasonably necessary, maintain grounds and shrubs and provide locks and keys. The Owner further agrees to comply with the requirements of applicable building, housing and health care codes and maintain the roofs, windows, screens, doors, floors, steps, porches, exterior walls, foundations and all other structural components in good repair and capable of resisting normal forces and loads.
12. **Resident Handbook:** The Resident(s) agrees to abide by the Resident Handbook as published by the Owner. The Resident(s) hereby agrees that the terms and conditions of the Resident Handbook is incorporated herein and Resident has been given the opportunity to review the Resident Handbook at the Owner's facility upon reasonable request by the Resident(s). A copy of the Resident Handbook is maintained in the Premises and upon the Resident(s) departure from the Premises, shall remain the property of the Owner. Subject to the provisions of this Agreement, the Owner may revise the Resident Handbook from time to time as may be necessary for the safe and efficient operations of the Community. Except for changes required by State or Federal law, Owner will provide Resident(s) with notice of such revisions thirty (30) days in advance of any material change. Revised handbook policies and fee schedules automatically supersede prior (dated) versions provided to the Resident(s).
13. **Subletting or Assignment:** Resident(s) shall not assign this Agreement or sublet the Premises or any part thereof or permit the use of the Premises for any purpose other than as a private dwelling for the Resident(s) or other persons approved by the Owner.

14. **Confidential Data Application:** “CDA” Resident(s) is required to complete and submit a CDA within five (5) business days after signing the Agreement and prior to taking occupancy of the Premises. The Confidential Data Application requires the Resident(s) to provide financial support to show assets and income which will be sufficient under foreseeable circumstances to pay the Resident(s) financial obligations called for in this Agreement. Resident(s) further understands and agrees that the Owner reserves the right to terminate the Agreement in accordance with Paragraph 16(b) based on the findings of the CDA review. A copy of the Confidential Data Application is found as Attachment B.

The Resident(s) shall not be required to provide information regarding physical or mental health conditions as a condition of acceptance for occupancy. However, all Resident(s) are subject to the Termination for Good Cause conditions found in section 16(d).

15. **Subordination:** This Agreement and the Resident’s(s’) interest hereunder are and shall be subject and subordinate to any lien, encumbrance, mortgage, deed of trust or other security instrument now or hereafter placed on the Project by the Owner. The Resident(s) agrees to attorn to and recognize the holder of any such security instrument as the Resident’s(s’) landlord hereunder in the event the holder of the security instrument shall succeed to the Owner’s interest in the Property.

16. **Termination and Payment Obligations from Termination:**

- (a) Termination *Prior* to the Effective Date by the Resident . The Resident(s) is entitled to a full refund of the Entrance Fee Account and any other funds paid to the Owner for the selected unit under any one of the following conditions:
- (i) If the Resident(s) terminate this Agreement within seven (7) days from the date on which the Resident(s) signed this Agreement and paid the Entrance Fee; or
 - (ii) If the Resident(s) dies before occupying the Premises at Brandermill Woods, or if, because of illness, injury, or incapacity, the Resident(s) would be precluded from occupying the Premises; or
 - (iii) If the Owner terminates the Agreement by the Premises not being available for occupancy within three years after the date of execution of the Agreement.

The Owner shall return such amount within thirty (30) days of the termination date.

(b) Termination *Prior* to the Effective Date by the *Owner*:

- (i) The Owner may terminate this Agreement, in its sole discretion, if the Resident(s) does not take possession of the Premises within sixty (60) days of the Effective Date and the Agreement is not terminated in accordance with Paragraph 16(a) above.
- (ii) The Owner may terminate this Agreement based on the findings of the CDA review and a determination of the financial condition of the Resident(s) to occupy the Premises. In the event of such termination, Owner shall provide the Resident(s) with written notice of such termination at least thirty (30) days in advance of the termination. Owner shall pay to the Resident(s) a full refund of the Resident's Entrance Fee Account.

(c) Termination by Resident with Notice After the Effective Date: The Resident may terminate this Agreement by giving the Owner at least thirty (30) days advance written notice of such termination. In the event of such termination, the Resident's monthly fee shall be assessed to include the last day of the calendar month and shall be paid by the Resident(s). In the case of a double occupancy Residence, both Residents must notify the Owner, in writing, of the intent to terminate the Agreement. Resident(s) shall be entitled to a refund of the Entrance Fee Refund Account, less any monies due the Owner according to the terms of this Agreement.

(d) Termination by Owner after the Effective Date with Good Cause: The Owner may terminate this Agreement and/or the Resident(s) right to continue to live at Brandermill Woods by providing written notice to the Resident(s) of the cause for termination at least thirty (30) days in advance of such termination date. The notice shall reasonably describe the conduct alleged to warrant the termination of this Agreement and shall set the time, place and date for a meeting between the Resident(s) and Owner's representative(s). Resident(s) may have up to twenty-one (21) days to cure such good cause ("Cure Period") and if Resident(s) cures such good cause during the Cure Period to Owner's sole satisfaction, the Owner may cancel the termination.

Good cause means any of the following:

- (i) Proof that the Resident(s) is a danger to self or others;
- (ii) Nonpayment by the Resident of a monthly, periodic or other fee due the Owner;
- (iii) Repeated conduct by the Resident(s) that interferes with other residents' quiet enjoyment of the Community;
- (iv) Persistent refusal by the Resident(s) to comply with reasonable written rules and regulations of the Owner; or

- (v) A material misrepresentation made intentionally or recklessly by the Resident(s) in the CDA, or related materials, regarding information which, if accurately provided, would have resulted in either a failure of the Resident(s) to qualify for residency or a material increase in the cost of providing services to the Resident(s); or
- (vi) A material breach by the Resident(s) of the terms and conditions of this Agreement.

(e) Termination after the Effective Date by Death

- (i) If the Premises is occupied by a single Resident, this Agreement terminates automatically after the death of the Resident. Such termination shall occur at: (1) the time the Premises is vacated and (ii) either the Premises' keys are returned to the Owner and the Resident's final bill has been paid. Resident (or Resident's estate) shall be entitled to a refund of the Entrance Fee Refund Account, less any monies due the Owner according to the terms of this Agreement.
- (ii) If the Premises is occupied by more than one Resident and there is a death of a single Resident, then the Agreement shall not automatically terminate and Owner shall instead reduce the monthly fee by removing the amount allocated to the second resident. Such reduction shall occur on the first day of the month following the death of the Resident.

(f) Termination/Transfer to Health Care Facility after the Effective Date

- (i) Should a Resident require a permanent transfer to Brandermill Woods' Health Care Facilities, Resident(s) shall provide Owner with reasonable notice requesting such transfer and Owner shall attempt to transfer Resident(s) to Brandermill Woods' Health Care Facilities at such facility's earliest reasonable opportunity. For purposes of this Agreement, Brandermill Woods' Health Care Facilities ("Facilities") means The Chesterfield Assisted Living, The Holly Inn, and The Haven at Brandermill Woods.

Resident and Owner hereby acknowledge that the Facilities may take up to ninety (90) days to fulfill that request and that the Facilities may each have a wait list. If Resident(s) requests a permanent transfer to the Health Care Facilities and the facilities makes an offer of admission to the Resident(s), the Resident(s) must accept that offer within the time period prescribed for the acceptance of an offer of admission, which is currently twenty-four (24) hours but may change from time-to-time. If the Resident(s) do not accept the offer for admission within such time, the offer of admission is cancelled automatically and another person on the wait list will receive an offer of admission to that facility. The Resident(s) will be assessed the monthly fee until the Resident(s)

- vacates the Premises. The Entrance Fee refund is **not** due upon permanent transfer to the Brandermill Woods' Health Care Facilities, but the Resident(s) may provide written request that any funds in the Resident's Entrance Fee Account be used to pay fees due under the terms of this Agreement. The Resident(s)' Entrance Fee would not be refunded until the Resident(s) dies or terminates the Agreement in accordance with Sections 16(c), 16(d), 16(e) or 16(f)(ii).
- (ii) Should a Resident require permanent transfer to the Health Care Facilities and such facility is at full occupancy or unable to accommodate such transfer for more than ninety (90) consecutive days, then the Resident(s) may terminate this Agreement immediately upon written notice to the Owner. Owner shall retain the monthly fee paid for that month but Resident(s) shall not be responsible for the monthly fee in any subsequent month. Resident may not terminate the Agreement based on unit or bed preference, or if one Resident retains possession of the Premises. If the Resident(s) terminates the Agreement based upon this provision, the Resident(s) shall be entitled to a refund of the Entrance Fee Refund Account, less any monies due the Owner according to the terms of this Agreement within ten (10) days of vacating the Premises and settlement of any monies due.
- (iii) Resident(s) retains the right to refuse medical treatment, including temporary or permanent transfer to the Brandermill Woods' Health Care Facilities. The selection of medical provider and the decision to receive or decline medical services, including those provided in the Brandermill Woods' Health Care Facilities, is the sole responsibility of the Resident(s). Notwithstanding the previous two statements, should the Resident(s)'s continued occupancy of the Premises be considered by the Owner to be a danger to the Resident(s), other residents and/or staff, the Owner may seek to terminate this Agreement for Good Cause using the process noted in Section 16(d).
- (g) Premises and Personal Property after Termination: After termination of this Agreement for any reason, the Owner will inspect the exterior and interior of the Premises, including the fixtures and any of the Facility's or Owner's personal property. If in the Owner's sole discretion the Premises, fixtures or personal property require repair, cleaning or remodeling beyond normal wear and tear then the Resident(s) shall be responsible for, and reimburse the Owner for, the cost of repair, cleaning, remodeling or replacement of such Premises, fixtures or property, in Owner's sole discretion. Such fees assessed for repairs, cleaning, remodeling or replacement shall be charged to the Resident(s) monthly statement. A brief description and reason for such charges will be provided to the Resident(s). If the Resident(s) does not remove the Resident's(s') personal property on or before the termination date, the Resident(s) shall also reimburse the Owner

upon demand for the moving and storage of the Resident's(s') personal property.

(h) *Financial Assistance:* It is the Owner's policy that this Agreement will not be terminated solely because of the Resident(s) financial inability to continue to pay the monthly service fee or other charges payable under the terms of this Agreement by reason of circumstances beyond the Resident's(s) control; provided, however, this policy shall not be construed to qualify or limit the Owner's right to terminate this Agreement in accordance with its terms. The Owner, in accordance with its Resident Financial Assistance Policy may give careful consideration to subsidizing the monthly service fee and other charges so long as such subsidy can be made without impairing the ability of the Owner to attain its objectives while operating on a sound financial basis. Any determination by the Owner, or the Brandermill Woods Foundation, with regard to the granting of financial assistance shall be within the sole discretion of the Owner and any decision to provide such financial assistance shall continue in effect only so long as the Owner, in its sole discretion, determines that it can continue to operate for the benefit of all Residents on a sound basis.

In the event a Resident requires financial assistance or subsidy, the Owner may charge such amounts, plus interest, against the Resident's Entrance Fee Account, after providing written notice to the Resident(s). The cost of any such financial assistance provided is accrued and remains an obligation of the Resident and his or her estate. Furthermore, the Resident(s) may be required to relocate to a smaller or less expensive unit.

In the event Resident(s) do not qualify for financial assistance or subsidy, the Owner shall refer the Resident(s) to the appropriate community resources at no charge to the Resident(s).

17. Changes in Occupancy:

(a) If the Premises are occupied by two Residents and one Resident surrenders possession of the Residence to the other, except by death or by a transfer covered by Section 16(f)(i), the obligations of the Resident remaining in the Premises under this Agreement remain in legal force and effect, except that the monthly fee will be adjusted to the single resident monthly service fee then in effect for the Premises. The Resident not remaining in the Premises will receive no services or benefits under this Agreement but will continue to be jointly and severally liable for the obligations of the Resident remaining in the Premises. No refund of any portion of the Entrance Fee Account will be made until the remaining Resident leaves regardless of which Resident surrenders possession. The Owner reserves the right to require at least thirty (30) days written notice of voluntary changes in occupancy.

(b) In the event the joint occupants of a Residence desire separate living accommodations at Brandermill Woods, and one (1) Resident remains in the Premises designated hereunder, the monthly service fee shall be adjusted to the single resident monthly service fee then in effect for the Premises. There shall be no refund of the Entrance Fee to either Resident until the conditions of Section 16 requiring a refund of the Entrance Fee Account have been met. If the departing joint occupant desires to obtain a new residence at Brandermill, a new Entry Fee/CCRC or Rental Agreement must be executed and submitted for approval by the Owner, accompanied by the then current Entrance Fee and the then current monthly service fee, for the second living accommodations.

(c) In the event of the marriage of a Resident to another Resident, they may: (i) continue to maintain two Residences and pay the single resident monthly service fees then in effect; or (ii) release either Residence occupied by them and pay the monthly service fee for the Residence in which the Residents remain and the second person occupancy fee then in effect. All benefits provided in each Entry Fee/CCRC Agreement shall remain and continue in effect. There shall be no refund of the Entrance Fee to either Resident until the conditions of Section 16 requiring a refund of the Entrance Fee Account have been met.

(d) If the Resident and a non-Resident (including a new spouse) desire to share the Premises, the non-Resident may become a Resident and live in the Residence only if both persons execute a new Entry Fee/CCRC Agreement or Addendum to the existing Agreement adjusting the additional charge per month for a second person. The non-Resident may be required to pay a Second Person Entrance Fee in accordance with the then current policies established by the Owner.

18. Resident's Obligation to Insure:

(a) The Owner does not carry personal property insurance on the Resident's(s') property and shall not be liable for any loss or damage to any of the Resident's (s') personal property caused by fire, water, acts of God or other casualty. Each Resident is required to secure and maintain personal property and liability insurance, also known as "Renter's Insurance", at all times. This policy must include liability insurance damage caused to the Owner's property or harm to others due to the Resident's (s') negligence. A copy of this policy is to be made available to the Owner or its agent at the time of move in to the Premises and the Resident(s) must provide updated copies to the Owner upon policy changes and renewal.

(b) The Owner's insurance will not protect Resident(s) against any loss or damage to personal property from fire, water, acts of God or other casualty which is not the fault of the Owner, nor does the Owner agree to

indemnify the Resident(s) against personal liability for injury to guest(s) or other persons in the Premises, including but not limited to services provided by outside contractors hired to perform services on behalf of Resident(s).

19. **Notices:** All notices and demands authorized or required to be given to Resident(s) hereunder may be served upon Resident(s) in person or by mail addressed to him or her (them) at the Premises. All notices required to be given to the Owner may be served upon the Owner at 14311 Brandermill Woods Trail, Midlothian, Virginia 23112, or at such other place as the Owner may designate.
20. **Binding Effect:** Subject to any provisions hereof restricting assignment or subletting by the Resident(s), the covenant, terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto, and to their respective heirs, personal representatives, successors and assigns.
21. **Virginia Law to Govern:** This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia. Resident(s) consent to the jurisdiction and venue of the General District and/or Circuit Courts of Chesterfield County, Virginia, upon service of process made in accordance with the statutes of the Commonwealth of Virginia. They further agree that any and all causes of action whether or not arising under this Agreement by and between the parties hereto shall only be brought in the General District or Circuit Courts of Chesterfield County, Virginia.
22. **Construction:** Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural, and the masculine shall include the feminine and neutral genders, and vice versa.
23. **Severability:** If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.
24. **Headings:** The headings in this Agreement are inserted for convenience and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.
25. **Entire Agreement:** This Agreement sets forth all of the promises, agreements, conditions and understandings between the parties respecting the subject matter hereof and supersedes all prior negotiations, conversations, discussions, correspondence, memoranda and agreements between the parties concerning such subject matter.

26. **Assignment:** This Agreement shall not be assignable by the Resident(s) except with the prior written consent of the Owner. The Owner may assign this Agreement upon giving written notice to the Resident(s) prior to the assignment.

27. **Waiver:** The failure of the Owner to enforce promptly a right hereunder shall not constitute a waiver of such right and a waiver of a right by the Owner upon the breach of this Agreement by the Resident(s) shall not constitute a waiver with respect to subsequent breaches.

28. **Survival:** Paragraphs 3, 4, 8, 9, 11, 12, 13, 14, 15, 16, and 17 shall survive the termination of this Agreement.

IN WITNESS HEREOF, the Owner and Resident(s) have executed this Agreement this ____ day of _____, 202_.

Occupancy Date: _____

OWNER:

Senior Living Choices, Inc.

BY: _____
Management Representative

RESIDENT(s):

Applicant: _____ *SS#* _____

Date of Birth _____

Applicant: _____ *SS#* _____

Date of Birth _____

ATTACHMENT C

Certified Financial Statements

**SENIOR LIVING CHOICES OF VIRGINIA, INC.
(A VIRGINIA NON-PROFIT CORPORATION)**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT**

YEARS ENDED JUNE 30, 2023 AND 2022

**SENIOR LIVING CHOICES OF VIRGINIA, INC.
(A VIRGINIA NON-PROFIT CORPORATION)**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Senior Living Choices of Virginia, Inc.
(A Virginia Non-Profit Corporation)

Opinion

We have audited the accompanying financial statements of Senior Living Choices of Virginia, Inc., which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Senior Living Choices of Virginia, Inc. as of June 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Senior Living Choices of Virginia, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Senior Living Choices of Virginia, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Senior Living Choices of Virginia, Inc.'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.

August 28, 2023
Carmel, Indiana

Dauby O'Connor & Zaleski, LLC
Dauby O'Connor & Zaleski, LLC
Certified Public Accountants

**SENIOR LIVING CHOICES OF VIRGINIA, INC.
(A VIRGINIA NON-PROFIT CORPORATION)**

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022**

	ASSETS	
	<u>2023</u>	<u>2022</u>
Current assets		
Cash and cash equivalents		
Cash	\$ 18,404,824	\$ 17,853,388
Resident security deposits held in trust	445,922	374,703
	<u>18,850,746</u>	<u>18,228,091</u>
Total cash and cash equivalents		
Accounts receivable, net	778,066	707,403
Accounts receivable - other	206,739	373,130
Prepaid expenses and inventory	373,858	185,282
	<u>20,209,409</u>	<u>19,493,906</u>
Total current assets		
Property and equipment, net	<u>83,834,678</u>	<u>83,317,717</u>
Other assets		
Interest rate swap asset	6,022,082	3,632,134
	<u>6,022,082</u>	<u>3,632,134</u>
Total other assets		
	<u>\$ 110,066,169</u>	<u>\$ 106,443,757</u>

See notes to financial statements

SENIOR LIVING CHOICES OF VIRGINIA, INC.
(A VIRGINIA NON-PROFIT CORPORATION)

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

LIABILITIES AND NET ASSETS

	<u>2023</u>	<u>2022</u>
Current liabilities		
Accounts payable - trade	\$ 1,073,896	\$ 878,943
Accrued expenses:		
Accrued interest	149,436	187,064
Accrued payroll taxes and benefits	881,005	807,765
	<u>1,030,441</u>	<u>994,829</u>
Prepaid revenue	7,965	77,077
Resident security deposits held	445,922	374,703
Current maturities of long-term liabilities	3,434,821	3,344,075
	<u>5,993,045</u>	<u>5,669,627</u>
Total current liabilities		
	5,993,045	5,669,627
Long term liabilities		
Notes payable	81,674	69,688
Capital lease note payable	24,249	49,228
Bonds payable - Series 2014 bonds	37,409,195	38,895,078
Less: unamortized debt issuance costs, Series 2014 bonds	(569,408)	(618,922)
Loan payable	29,010,403	30,829,459
Less: unamortized debt issuance costs, loan payable	(455,756)	(490,158)
Less: current maturities	(3,434,821)	(3,344,075)
	<u>62,065,536</u>	<u>65,390,298</u>
Total long term liabilities		
	62,065,536	65,390,298
Total liabilities		
	68,058,581	71,059,925
Net assets		
Net assets - without donor restrictions	<u>42,007,588</u>	<u>35,383,832</u>
	<u>\$ 110,066,169</u>	<u>\$ 106,443,757</u>

See notes to financial statements

SENIOR LIVING CHOICES OF VIRGINIA, INC.
(A VIRGINIA NON-PROFIT CORPORATION)

STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Operating revenue		
Health Care Center:		
Nursing Home (net of ancillary costs of \$609,327 and \$630,301)	\$ 6,324,605	\$ 5,467,169
Assisted Living (net of ancillary costs of \$197,766 and \$109,132)	4,104,173	4,135,261
Independent Living (including restaurant) (net of ancillary costs of \$125,643 and \$239,807)	17,719,128	17,220,798
Total operating revenue	<u>28,147,906</u>	<u>26,823,228</u>
Operating expenses		
Nursing and patient services	4,893,159	4,324,075
Administrative	3,217,163	3,471,460
Plant operations and maintenance	3,031,888	2,842,636
Dietary	3,562,412	3,244,044
Social Services	106,077	107,268
Taxes	682,308	639,141
Marketing	702,088	912,700
Housekeeping	1,275,773	1,153,105
Activities	1,056,645	1,031,926
Insurance and licenses	337,642	403,837
Miscellaneous	147,224	142,783
Total operating expenses	<u>19,012,379</u>	<u>18,272,975</u>
Excess operating revenue over operating expenses before non-operating items	<u>9,135,527</u>	<u>8,550,253</u>
Add:		
Interest income	304,480	21,853
Less:		
Interest expense - Series 2012 bonds	-	(2,081,851)
Interest expense - Series 2014 bonds	(1,077,135)	(1,196,325)
Interest expense - Loan	(695,144)	(591,366)
Bond trustee fees and Board of Director fees	(77,000)	(74,500)
Depreciation	(3,356,920)	(3,310,719)
Increase (decrease) in net assets before derivative	<u>4,233,808</u>	<u>1,317,345</u>
Unrealized gain (loss) on derivative	2,389,948	6,435,148
Increase (decrease) in net assets without donor restrictions	<u>\$ 6,623,756</u>	<u>\$ 7,752,493</u>

See notes to financial statements

**SENIOR LIVING CHOICES OF VIRGINIA, INC.
(A VIRGINIA NON-PROFIT CORPORATION)**

**STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2023 AND 2022**

Balance, July 1, 2021	\$ 27,631,339
Increase (decrease) in net assets without donor restrictions	<u>7,752,493</u>
Balance, June 30, 2022	35,383,832
Increase (decrease) in net assets without donor restrictions	<u>6,623,756</u>
Balance, June 30, 2023	<u>\$ 42,007,588</u>

SENIOR LIVING CHOICES OF VIRGINIA, INC.
(A VIRGINIA NON-PROFIT CORPORATION)

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flow provided by (used in) operating activities		
Increase (decrease) in net assets - without donor restrictions	\$ 6,623,756	\$ 7,752,493
Adjustments to reconcile increase (decrease) in net assets - without donor restrictions to net cash provided by (used in) operating activities:		
Depreciation	3,356,920	3,310,719
Amortization of debt issuance costs	83,916	856,534
Original issue discount amortization	-	419,624
Unrealized (gain) loss on derivative	(2,389,948)	(6,435,148)
Net changes in operating assets and liabilities:		
Accounts receivable	95,728	581,895
Prepaid expenses and inventory	(188,576)	(19,759)
Accounts payable - trade	194,953	108,936
Accrued payroll and taxes	73,240	1,106
Accrued interest	3,530	(815,220)
Accrued interest - swap agreement	(41,158)	(16,066)
Resident security deposits held	71,219	41,957
Prepaid revenue	(69,112)	(1,993)
Net cash provided by (used in) operating activities	7,814,468	5,785,078
Cash flow from investing activities		
Purchase of property and equipment	(3,873,881)	(4,185,870)
Net cash provided by (used in) investing activities	(3,873,881)	(4,185,870)
Cash flows from financing activities		
Proceeds from notes payable	31,539	75,297
Proceeds from capital lease note payable	-	74,208
Proceeds from loan payable	-	32,027,000
Principal payments on notes payable	(44,532)	(39,703)
Principal payments on bonds payable - Series 2012 bonds	-	(34,605,000)
Principal payments on bonds payable - Series 2014 bonds	(1,485,883)	(1,442,068)
Principal payments on loan payable	(1,819,056)	(1,197,541)
Debt issuance costs paid	-	(515,955)
Net cash provided by (used in) financing activities	(3,317,932)	(5,623,762)
Net change in cash and cash equivalents	622,655	(4,024,554)
Cash and cash equivalents, beginning	18,228,091	22,252,645
Cash and cash equivalents, ending	\$ 18,850,746	\$ 18,228,091
Supplemental disclosure		
Interest paid	\$ 1,866,290	\$ 3,424,670

See notes to financial statements

**SENIOR LIVING CHOICES OF VIRGINIA, INC.
(A VIRGINIA NON-PROFIT CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Senior Living Choices of Virginia, Inc. is a non-profit, non-stock corporation (the Corporation), existing under the laws of the Commonwealth of Virginia. The Corporation is a continuing care retirement community as defined by the code of Virginia, as amended, in Section 38.2-4900, et seq. The Corporation was organized under Section 501(c)(3) of the Internal Revenue Code. The Corporation owns and operates a residential and health care center known as Brandermill Woods (the Community) for the aged. The Community consists of 275 Cottages and Club Homes for independent senior living (Independent Living Units), 59 assisted living units for the elderly (Assisted Living Units), and a nursing facility with 60 skilled and intermediate-care nursing beds (Nursing Home Units), together with a clubhouse containing common areas, administrative offices, certain dining venues and lounges, beauty salon/barber, wellness center with indoor pool, movie theater, activity rooms and other amenities.

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial statements

The financial statements are in conformity with the provisions required by the Not-for-Profit Entities Presentation of Financial Statements topic of the FASB Accounting Standards Codification (ASC) 958-205. This statement established standards for external financial reporting for Not-for-Profit Organizations.

The Not-for-Profit Entities Presentation of Financial Statements topic of the FASB ASC primarily affects the display of the financial statements and requires that the amounts for each of two classes of net assets - with or without donor restrictions - be displayed in an aggregate statement of financial position and the amounts of change in each of those classes of net assets be displayed in a statement of changes in net assets. All assets held by the Corporation at June 30, 2023 and 2022 are classified as without donor restrictions.

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

New accounting pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases, which requires the lessee to recognize leased assets and corresponding lease liabilities on the balance sheet. This standard was effective for the Corporation on January 1, 2022. The adoption of the lease standard did not have a material impact on the financial statements.

**SENIOR LIVING CHOICES OF VIRGINIA, INC.
(A VIRGINIA NON-PROFIT CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

In March 2020, FASB issued Accounting Standards Update (ASU) 2020-04, Reference Rate Reform (Topic 848), which provides optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. The standard is effective from March 2020 through December 31, 2022 and will allow the Corporation to adopt other reference rates without applying the contract modifications provisions of accounting standards generally accepted in the United States of America. During the years ended June 30, 2023 and 2022, ASU 2020-04 did not have a material impact on the Corporation. Management expects to apply the provisions of ASU 2020-04 once the LIBOR reference rate related to the debt in Note 2 is discontinued.

Cash

For the statements of cash flows, all unrestricted investments with original maturities of three months or less are cash. At June 30, 2023 and 2022, cash consists of operating checking and savings accounts.

Resident receivables and bad debt policy

Resident rent charges for the current month are due on the first of the month. Other resident receivables are charged as services are rendered. The Corporation does not accrue interest on resident receivables.

The allowance for doubtful accounts is estimated based on the aging of accounts receivable and the Corporation's history of collections of past due amounts. Resident receivables are charged against the allowance when they are determined to be uncollectible based upon a periodic review of the accounts by management. Resident accounts receivable is recorded net of allowance for expected losses. Bad debts expense is included in administrative expense in the statements of activities.

Health Care Center

The Health Care Center operating revenue includes amounts estimated by management to be reimbursable by third party programs under the provisions of cost reimbursement formulas in effect. Final determination of amounts earned is subject to cost reporting and audit by third parties. These differences are not deemed to be material in relation to the financial statements taken as a whole. The Corporation has adopted the allowance method for estimating uncollectible accounts.

Net patient service revenue

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

Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued at interim and final settlements are reported in operations in the year of settlement.

**SENIOR LIVING CHOICES OF VIRGINIA, INC.
(A VIRGINIA NON-PROFIT CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

Inventory of supplies

Inventory of supplies is stated at the lower of cost or market value. Cost is determined using the first-in, first-out method.

Property and equipment

Depreciation of property and equipment, stated at cost, is computed on the straight-line method over the estimated useful lives of the assets, which is 40 - 50 years for the building, 3 - 12 years for furniture, fixtures and equipment, and 12 - 20 years for site improvements. The present value of capital lease obligations is included in long term notes payable and the related assets are included with property and equipment. Amortization of property and equipment under capital lease is included with depreciation expense.

The Corporation is subject to the provisions of the Impairment or Disposal of Long-Lived Assets topic of the FASB ASC 360-10. Impairment or Disposal of Long-Lived Assets has no retroactive impact on the Corporation's financial statements. The standard requires impairment losses to be recorded on long-lived assets when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets (excluding interest) are less than the carrying amount of the assets. In such cases, the carrying value of assets to be held and used are adjusted to their estimated fair value and assets held for sale are adjusted to their estimated fair value less selling expenses. No impairment losses were recognized during the years ended June 30, 2023 and 2022.

Debt issuance costs

The Corporation is subject to the provisions of the Interest-Imputation of Interest topic of the FASB ASC 835-30 which requires unamortized debt issuance costs to be presented as a reduction of the outstanding debt and the amortization of the debt issuance costs to be presented as a component of interest expense. Generally accepted accounting principles require that the effective yield method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not material to the financial statements for the years ended June 30, 2023 and 2022.

Derivatives

The Corporation has adopted Statement of FASB ASC 815-10-05 Accounting for Derivatives and Hedging Activities, as amended. The Corporation uses derivatives to manage risks related to interest rate movements. The fair value of the interest rate swap contracts are reported in the statements of financial position. The current change in fair value of the swap contract is included as a component of increase (decrease) in unrestricted net assets. The valuation technique is classified as Level 2 (see below) under the fair value measurements fair value hierarchy.

**SENIOR LIVING CHOICES OF VIRGINIA, INC.
(A VIRGINIA NON-PROFIT CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

Fair value

The Corporation is subject to the provisions of the Fair Value Measurement topic of the FASB ASC 820-10 (the Codification) which provides guidance for assets and liabilities which are required to be measured at fair value and requires expanded disclosure for fair value measurement. The Codification clarifies the principle that fair value should be based on the assumptions that market participants would use when pricing the asset or liability and establishes the following fair value hierarchy:

- Level 1 - Inputs utilize quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access;
- Level 2 - Inputs may include quoted prices for similar assets or liabilities in active markets; and
- Level 3 - Unobservable inputs for the asset or liability based on the best available information

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

Advertising costs

General advertising costs are expensed as incurred and are included in marketing expenses in the statements of activities.

Property taxes

Property taxes are expensed in the year of the lien on the property such that twelve months of expense is charged to operations each year.

Use of estimates in the preparation of financial statements

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

Accounting for uncertainty in income taxes

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and state income tax and has been classified as an other than private foundation. Accordingly, no provision for federal and state taxes on revenue and income has been recognized in the accompanying financial statements. Generally, the Federal and State tax returns were subject to examinations from the three years after the later of the original or extended due date or the date filed with the applicable tax authority.

**SENIOR LIVING CHOICES OF VIRGINIA, INC.
(A VIRGINIA NON-PROFIT CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

Subsequent events

Management performed an evaluation of the Corporation's activity through August 28, 2023, the audit report date, and has concluded that there are no significant subsequent events requiring disclosure through the date these financial statements were available to be issued.

NOTE 2-FINANCING

Series 2012 Bonds Payable

The Economic Development Authority of the County of Chesterfield (the Authority) issued the Series 2012 Bonds at the request of the Corporation for the purpose of (i) refunding the outstanding principal amount of the Series 1998 Bonds, (ii) financing a portion of the costs of the expansion project and (iii) paying the costs related to the issuance of the Series 2012 Bonds. The Series 2012 Bonds were issued pursuant to a Trust Agreement dated as of November 1, 2012 (the Trust Agreement) between the Authority and Branch Banking and Trust Company, as bond trustee (in such capacity, the Bond Trustee). The Corporation and the Authority entered into a Loan Agreement pursuant to which the Authority loaned the proceeds of the Series 2012 Bonds to the Corporation and the Corporation agreed to make payments (Loan Repayments) sufficient, among other things, to provide for the payment of the principal or redemption price of and interest on the Series 2012 Bonds. To evidence the Corporation's obligations under the Loan Agreement, the Corporation executed and delivered its promissory note dated November 1, 2012 in the original principal amount of \$41,110,000 (the Series 2012 Note) which was issued as an obligation under the Master Trust Indenture dated as of November 1, 2012 (the Master Trust Indenture) between the Corporation and Branch Banking and Trust Company, as master trustee (in such capacity, the Master Trustee). Pursuant to the Master Trust Indenture, the Corporation, as the sole member of the Obligated Group (as defined in the Master Trust Indenture), has granted to the Master Trustee a security interest in its Pledged Assets as security for the payment of amounts due on any Obligations issued under the Master Trust Indenture, including the Series 2012 Note. Pledged Assets consist of all Gross Receipts, Accounts, Equipment, general intangibles, inventory, documents, instruments and chattel paper of each Member of the Obligated Group, now owned or hereafter acquired, and all proceeds thereof; provided, however, that Pledged Assets shall not include contract rights consisting of charitable pledges. See the Master Trust Indenture for defined terms.

In addition, the Corporation has executed and delivered a Deed of Trust dated November 1, 2012 (the Deed of Trust) to secure Obligations issued under the Master Trust Indenture, including the Series 2012 Note. The Deed of Trust creates a lien on the Corporation's real property, fixtures and personal property described in the Deed of Trust. The Master Trustee is the beneficiary under the Deed of Trust, on behalf of the holders of Obligations under the Master Trust Indenture.

The Series 2012 Note has been assigned by the Authority to the Bond Trustee under the Trust Agreement as security for the Series 2012 Bonds.

**SENIOR LIVING CHOICES OF VIRGINIA, INC.
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The Series 2012 Bonds are dated the date of delivery and bore interest at various fixed rates with an average rate of 4.6344% at issuance and were to mature subject to prior redemption on January 1, 2043. The Series 2012 Bonds were not secured by any letter of credit, insurance policy, or other credit enhancement. The Series 2012 Bonds bore interest from the date of delivery, and were payable semi-annually on January 1 and July 1 of each year (Interest Payment Date), commencing January 1, 2014. The Series 2012 Bonds were subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount received plus interest accrued to the date of redemption, but without premiums.

Interest expense on the Series 2012 Bonds for the year ended June 30, 2022 was \$881,005. Interest accrued at June 30, 2022 totaled \$0.

On October 5, 2021, the 2012 bonds were refinanced with a conventional loan.

Optional redemption

The Series 2012 Bonds were subject to optional redemption prior to maturity in whole or in part at the direction of the Corporation on any date on or after January 1, 2022 in denominations as outlined in the Indenture at a redemption price of 100% of the principal amount redeemed, plus interest accrued to the date of redemption.

Debt service and trust fund deposit requirements

All note payments, revenues and amounts receivable by the Authority under the Loan Agreement and pledged and assigned by the Trust Agreement to the Bond Trustee, were to be paid to the Bond Trustee and deposited in funds established under the Trust Agreement for the purposes as specified in the Trust Agreement.

Bond Fund

The Bond Trustee were to deposit in the Bond Fund, which includes the principal account and the interest account, the Loan Repayments required under the Loan Agreement. Interest on and gains realized from amounts held in the accounts of the Bond Funds were to be retained in their respective accounts. Money in the Bond Fund were to be applied in the manner as outlined in the Trust Agreement. The Bond Trustee were to determine whether the amount in the Bond Fund was sufficient to pay principal and interest due on the Series 2012 Bonds on such Interest Payment Date. If on any Interest Payment Date, the Bond Fund does not contain an amount sufficient to pay the amounts due, the Bond Trustee would notify the Corporation of such deficiency and if the Corporation did not correct the deficiency, the Bond Trustee shall deliver written notice to the Master Trustee to the effect that the amount available to the Bond Trustee to pay interest and/or principal on the Series 2012 Bonds was less than the amount due and specifying the amount of such deficiency. The Bond Trustee was to deposit into the Bond Fund all amounts received from the Reserve Fund No. 1 to cure such deficiency. The bond fund was closed during the year ended June 30, 2022 in connection with the refinancing of the bonds.

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**NOTES TO FINANCIAL STATEMENTS
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Debt Service Reserve Fund (Reserve Fund No. 1)

The Master Trustee established the Reserve Fund No. 1 in the amount of \$2,655,631 at the time of the issuance of the Series 2012 Bonds. The Corporation was required to maintain an amount equal to Debt Service Reserve Fund Requirement in Reserve Fund No. 1. The debt service reserve fund was closed during the year ended June 30, 2022 in connection with the refinancing of the bonds, however the calculation of the Long-Term Debt Service Coverage Ratio and Liquidity Requirement is still required by the Master Trust Indenture as outlined below.

In addition, the Master Trust Indenture requires the Corporation to set and charge rents, fees and other charges relating to the Community, and to restrict operating expenses, as necessary, to achieve a Long-Term Debt Service Coverage Ratio as calculated as of the end of each fiscal year of at least equal to 1.20. The Master Trust Indenture defines the Long-Term Debt Service Coverage Ratio as the ratio determined by dividing the income available for debt service for such fiscal year by the maximum annual debt service. If the Long-Term Debt Service Coverage Ratio is 1.20 or above, no Event of Default shall be deemed to have occurred and no further action need be taken.

If the Long-Term Debt Service Coverage Ratio is less than 1.20 but greater than 1.10 for any fiscal year and the Reserve Ratio determined by dividing available cash reserves by outstanding long-term debt as of the end of such fiscal year is not less than 0.35, no Event of Default shall be deemed to have occurred and no further action need be taken. If the Long-Term Debt Service Coverage Ratio for any fiscal year is less than 1.20 but greater than 1.10 and the Reserve Ratio as of the end of such fiscal year is less than 0.35, the Corporation shall retain a management consultant to analyze the reasons for the failure to achieve a 1.20 Long-Term Debt Service Coverage Ratio and to make recommendations to increase the Long-Term Debt Service Coverage Ratio for the following fiscal year. If, for two successive fiscal years, the Long-Term Debt Service Coverage Ratio is less than 1.20 but greater than 1.10 and the Reserve Ratio as of the end of each such fiscal year is less than 0.35, it shall be an Event of Default. If the Long-Term Debt Service Coverage Ratio for any fiscal year is less than 1.10, the Corporation shall retain a management consultant to provide recommendations to increase the Long-Term Debt Service Coverage Ratio for the following fiscal year, or if the Reserve Ratio as of the end of such fiscal year is not less than 0.35, to 1.10. If the Debt Service Coverage Ratio is less than 1.10 for two successive fiscal years, it shall be an Event of Default.

In addition, the Master Trust Indenture requires the Corporation to have no less than one hundred fifty days' cash on hand (the Liquidity Requirement), as defined by the Master Trust Indenture. The Corporation is required to calculate the Days' Cash on Hand of the Obligated Group as of June 30 and December 31 of each fiscal year. The Corporation shall, not less than 45 days after June 30 and not less than 120 days after June 30, deliver a report with the calculation to the Master Trustee. If the Days' Cash on Hand is less than the Liquidity Requirement, the Corporation shall deliver a written report within 45 days after the original report setting forth the reasons for such deficiency and adopting a specific plan with steps to achieve the Liquidity Requirement.

**SENIOR LIVING CHOICES OF VIRGINIA, INC.
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**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

In addition, the Master Trust Indenture requires the Corporation to file a copy of the financial statements as of the end of the fiscal year, accompanied by the report of an accountant to the Master Trustee within 120 days after the end of the fiscal year or audit period. Simultaneously, the Corporation must file an officer's certificate stating the Debt Service Coverage Ratio and the Reserve Ratio.

Trust Funds

Restricted cash and trust funds are invested by the Bond Trustee pursuant to the Trust Agreement.

Series 2014 Bonds Payable

The Economic Development Authority of the County of Chesterfield (the Authority) issued Series 2014A Bonds in the amount of \$18,000,000 and Series 2014B Bonds in the amount of \$27,500,000 in connection with the Expansion Project on July 11, 2014 (collectively, the Series 2014 Bonds). The Series 2014 Bonds were issued pursuant to a Bond Purchase and Loan Agreement dated as of July 1, 2014 (the Bond Purchase and Loan Agreement) among the Authority, the Corporation and Atlantic Union Bank (formerly Union First Market Bank), as bondholder (the Series 2014 Bondholder). Pursuant to the Bond Purchase and Loan Agreement, the Authority effectively loaned the proceeds of the Series 2014 Bonds to the Corporation and the Corporation agreed to make payments (Loan Repayments) sufficient, among other things, to provide for the payment of the principal or redemption price of and interest on the Series 2014 Bonds. To evidence the Corporation's obligations under the Bond Purchase and Loan Agreement, the Corporation executed and delivered its promissory note dated July 11, 2014 in the original principal amount of \$18,000,000 (the Series 2014A Note) and its promissory note dated July 11, 2014 in the original principal amount of \$27,500,000 (the Series 2014B Note), which were issued as obligations under the Master Trust Indenture. The Series 2014 Bondholder agrees to purchase the Series 2014 bonds from the Authority and to pay the purchase price by making from time to time, advances of principal in an aggregate principal amount of \$45,500,000. The Corporation also entered into a construction and term loan (the Loan) with Atlantic Union Bank (the Bank). The Loan is structured as a non bank qualified, tax-exempt bond issued by the Authority and purchased by the Bank. The Loan is comprised on an interest-only construction phase, thereafter converting to a loan with a term of 98 months, with a mandatory put to the Corporation at the end of such term. The original interest-only construction phase of 30 months was extended by 12 months, due to construction delays. The term loan will be payable in equal monthly installments based on a 25-year amortization schedule.

On August 15, 2019, the Corporation, the Authority, and Atlantic Union Bank amended the Bond Purchase and Loan Agreement (the Amended and Restated Bond Purchase and Loan Agreement) to refinance the bonds in order to extend the term, among other things. The balance of the bonds did not change as a result of the refinance. At the time of the amendment, new Swap Agreements were entered into for both 2014A and 2014B bonds over the new life of the bonds.

SENIOR LIVING CHOICES OF VIRGINIA, INC.
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The Series 2014A Note and the Series 2014B Note are secured under the Master Trust Indenture and the Deed of Trust. The Series 2014A Note and the Series 2014B Note have been assigned by the Authority to the Series 2014 Bondholder as security for the Series 2014 Bonds. The Loan is an obligation under the Corporation's existing Master Trust Indenture. As a result of the refinancing of the Series 2012 Bonds, the calculation of the Long-Term Debt Service Coverage Ratio, required by the Master Trust Indenture, will be calculated using the required debt payments on the Series 2014A Bonds and the Series 2014B Bonds. For the year ended June 30, 2023, the Long-Term Debt Service Coverage Ratio was 3.57. In addition, the Liquidity Requirement is still in effect under the Master Trust Indenture. On June 30, 2023, the Days' Cash on Hand was 308 days.

The amortization schedule for the principal amount was determined by the Bondholder on the swap effective date and annual payments for the Series 2014A Bonds are as follows:

June 30, 2017	\$ 209,784 (paid)	June 30, 2026	\$ 642,194
June 30, 2018	505,651 (paid)	June 30, 2027	660,043
June 30, 2019	476,912 (paid)	June 30, 2028	677,514
June 30, 2020	552,485 (paid)	June 30, 2029	697,219
June 30, 2021	559,960 (paid)	June 30, 2030	716,597
June 30, 2022	575,523 (paid)	June 30, 2031	736,514
June 30, 2023	591,519 (paid)	June 30, 2032	756,329
	<u>\$ 3,471,834</u>	June 30, 2033	778,006
June 30, 2024	606,890	June 30, 2034	799,630
June 30, 2025	624,827	June 30, 2035	6,832,403
			<u>\$14,528,166</u>

The Series 2014B Bonds are dated the date of delivery and bear interest at the Bank Rate, which is 65% of LIBOR, as defined, plus 1.70% per annum, at issuance and mature subject to prior redemption on January 1, 2042. The Series 2014B Bonds are not secured by any letter of credit, insurance policy, or other credit enhancement. The Series 2014B Bonds bear interest from the date of delivery, and are payable monthly commencing February 1, 2018. At June 30, 2023 and 2022, the interest rate on the Series 2014A and 2014B bonds were 3.899% and 1.304%, respectively.

The amortization schedule for the principal amount was determined by the Bondholder on the effective date and annual payments for the Series 2014B Bonds are as follows:

June 30, 2018	\$ 323,215 (paid)	June 30, 2027	\$ 1,013,414
June 30, 2019	637,444 (paid)	June 30, 2028	1,044,008
June 30, 2020	1,057,239 (paid)	June 30, 2029	1,078,741
June 30, 2021	840,164 (paid)	June 30, 2030	1,112,993
June 30, 2022	866,840 (paid)	June 30, 2031	1,148,332
June 30, 2023	894,364 (paid)	June 30, 2032	1,183,597
	<u>\$ 4,619,266</u>	June 30, 2033	1,222,375
June 30, 2024	920,837	June 30, 2034	1,261,187
June 30, 2025	952,000	June 30, 2035	10,961,023
June 30, 2026	982,227		<u>\$22,880,734</u>

So long as the Series 2014 Bonds are outstanding, the Corporation shall comply with each and every covenant, condition and agreement in the Master Trust Indenture.

SENIOR LIVING CHOICES OF VIRGINIA, INC.
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Effective May 25, 2016, the Corporation entered into an interest rate swap agreement whereby the Corporation paid interest at a fixed rate of 2.77% on the Series 2014A Bonds. Effective June 8, 2018, the Corporation entered into an interest rate swap agreement whereby the Corporation was to pay interest at a fixed rate of 4.46% on the Series 2014B Bonds. The termination date for the swap agreements on both the Series 2014A bonds and the Series 2014B bonds was March 1, 2025. Effective August 15, 2019, the Corporation entered into interest rate swap agreements whereby the Corporation will pay interest at a fixed rate of 2.693% on the Series 2014A Bonds and 3.073% on the Series 2014B Bonds. The termination date for the swap agreement is March 1, 2035.

Interest incurred on the Series 2014 Bonds for the years ended June 30, 2023 and 2022 was \$1,027,616 and \$1,146,812, respectively. Accrued interest at June 30, 2023 and 2022 was \$19,209 and \$125,173, respectively.

Loan Payable

On October 5, 2021, the Corporation entered into a Bond Purchase and Loan Agreement with the Authority and Atlantic Union Public Finance whereas the Authority has agreed to issue and sell the bond and loan the proceeds of \$32,027,000 to the Corporation. The loan was issued as an obligation under the Master Trust Indenture. The loan documents provide for, among other things, the following:

- a. A term of 15 years, ending on October 1, 2036;
- b. Monthly principal and interest payments commencing November 1, 2021; and
- c. Interest calculated at the Bank Rate, as defined.

Also effective October 5, 2021, the Corporation entered into an interest rate swap agreement whereby the Corporation pays interest at a fixed rate of 2.409% on the loan payable. The termination of the swap agreement is October 1, 2036.

Interest incurred on the loan payable for the years ended June 30, 2023 and 2022 was \$660,747 and \$565,568, respectively. Prepaid interest at June 30, 2023 was \$10,072. Accrued interest at June 30, 2022 was \$61,891.

Estimated principal payments for each of the next five years and thereafter are as follows:

2024	\$ 1,862,116
2025	1,909,980
2026	1,957,157
2027	2,005,498
2028	2,053,757
Thereafter	<u>19,221,895</u>
	<u>\$29,010,403</u>

**SENIOR LIVING CHOICES OF VIRGINIA, INC.
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**NOTES TO FINANCIAL STATEMENTS
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Interest Rate Swap Agreement

In July 2019, the Corporation terminated the previous interest rate swap agreements for both the 2014A and 2014B Bonds and entered into new swap agreements effective September 1, 2019. In addition, the trustee adjusted the interest rate on the 2014A and 2014B Bonds to the Bank Rate, which is 79% of LIBOR, as defined, plus 1.15% per annum. Under the new interest rate swap agreements, the Corporation will pay a fixed interest rate of 2.693% on the 2014A Bonds and 3.073% on the 2014B bonds. The termination date of the new swap agreements was extended to February 1, 2035. The amount paid/received under the swap agreements are based on the same notional amount as the underlying bonds. The swap agreements are valued separately and are reported as an asset or liability, as appropriate. The value represents the fair value of the current difference in interest paid and received under the swap agreements over the remaining term of the agreements. At June 30, 2023 and 2022, the fair value of the combined swap agreements represents an asset of \$3,053,572 and \$1,552,357, respectively. These swap agreements are reported as other assets and other liabilities on the statements of financial position.

The Corporation also entered into an interest rate swap agreement, effective October 5, 2021, with the Bondholder for the loan payable. Under the swap agreement, the Corporation pays interest at a fixed rate of 2.409%. Principal payments on the loan payable commenced November 1, 2021. Payments on the swap agreement for the loan payable commenced on the same date and thereafter on the first day of each month ending on the original termination date of October 1, 2036. The amount paid/received under this swap agreement is valued separately and is reported as an asset or liability, as appropriate. The value represents the fair value of the current difference in interest paid and received under the swap agreements over the remaining term of the agreements. At June 30, 2023 and 2022, the fair value of this swap agreement represents an asset of \$2,968,510 and \$2,079,777, respectively, and is reported as other assets on the statement of financial position.

Debt issuance costs

Financing fees of \$1,097,608 were incurred with the issuance of the Series 2012 Bonds. These fees were being amortized on the straight-line method over the life of the Series 2012 Bonds. The fees related to the 2012 bonds were fully amortized during the year ended June 30, 2022 in connection to the refinance of the bonds. Financing fees of \$861,451 were incurred with the issuance of the Series 2014 Bonds. These fees are being amortized on the straight-line method over the life of the Series 2014 Bonds. Fees were incurred relating to the swap agreements in the amount of \$58,724. These fees are being amortized over the life of the agreements. Financing fees of \$515,955 were incurred in relation to the loan payable. These fees are being amortized on the straight-line method over the life of the loan. Amortization expense for the years ended June 30, 2023 and 2022 totaled \$83,916 and \$856,534, respectively, and is included in interest expense on the Series 2012 Bonds, 2014 Bonds and Loan on the statements of activities. As of June 30, 2023 and 2022, accumulated amortization was \$410,966 and \$1,424,658, respectively.

SENIOR LIVING CHOICES OF VIRGINIA, INC.
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NOTES TO FINANCIAL STATEMENTS
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Long term debt consists of the following at June 30:

	<u>2023</u>	<u>2022</u>
Series 2014A Bonds Payable, interest at 2.693%, due March 2035	\$ 14,528,276	\$ 15,119,795
Series 2014B Bonds Payable, interest at 3.073%, due March 2035	22,880,919	23,775,283
Loan payable, interest at 1.403%, due October 2036	29,010,403	30,829,459
Notes payable with interest rate of 3.94%, due January 2027	81,674	69,688
Capital lease note payable, interest at 0%, due June 2024	<u>24,249</u>	<u>49,228</u>
	\$66,525,521	\$69,843,453
Less: unamortized debt issuance costs Series 2014 bonds	\$(569,408)	\$(618,922)
Less: unamortized debt issuance costs, loan payable	<u>(455,756)</u>	<u>(490,158)</u>
	65,500,357	68,734,373
Less: current maturities	<u>(3,434,821)</u>	<u>(3,344,075)</u>
Total long term debt	<u>\$62,065,536</u>	<u>\$65,390,298</u>

NOTE 3-NOTES PAYABLE

The Corporation has \$69,688 in a loan agreement for the purchase of a truck. The interest rate is 3.94% and the note matures in January 2027.

The Corporation has \$31,539 in a loan agreement for the purchase of a vehicle. The interest rate is 4.59% and the note matures in August 2027.

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**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

Capital Lease Note Payable

On April 28, 2021, the Corporation entered into a master lease agreement with Apple Financial Services with an original balance of \$74,208 for 205 Apple iPad tablets. The lease term is 36 months and the interest rate on the capital lease is 0%. The Corporation has the option to purchase the equipment at fair market value at the end of the lease term. The original lease term ends in June 2024.

NOTE 4-PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2023 and 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ 2,070,000	\$ 2,070,000
Independent Living Units - site improvements	1,751,729	1,258,448
Independent Living Units - buildings	71,861,461	70,581,718
Independent Living Units - furniture, fixtures and equipment	5,846,718	5,846,718
Health Care Center - site improvements	3,257,517	3,257,517
Health Care Center - building	22,810,551	22,810,551
Health Care Center - furniture, fixtures and equipment	12,197,832	12,197,832
Maintenance building	<u>771,863</u>	<u>771,863</u>
Total	121,663,042	118,794,647
Less: Accumulated depreciation	<u>(37,828,364)</u>	<u>(35,476,930)</u>
Property and equipment, net	<u>\$83,834,678</u>	<u>\$83,317,717</u>

The assets are being depreciated over their estimated useful lives using the straight-line method. The estimated useful lives were determined as disclosed in the Certificate of Economic Life. For the years ended June 30, 2023 and 2022, depreciation expense totaled \$3,356,920 and \$3,310,719, respectively.

Equipment under capital lease

The Corporation entered into a capital lease in the original amount of \$74,208, for the purchase of 205 Apple iPad tablets. The assets are included in Independent Living Units - furniture, fixtures and equipment and are depreciated in accordance with the Corporation's depreciation policy. Accumulated depreciation as of June 30, 2023 is \$3,700.

**SENIOR LIVING CHOICES OF VIRGINIA, INC.
(A VIRGINIA NON-PROFIT CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 5-ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023 and 2022, consists of the following:

Health Care Center:

	<u>2023</u>	<u>2022</u>
Medicare	\$ 623,164	\$ 717,896
Medicaid	<u>314,771</u>	<u>126,406</u>
Total accounts receivable	937,935	844,302
Less allowance for doubtful accounts	<u>(159,869)</u>	<u>(136,899)</u>
Accounts receivable, net	<u>\$ 778,066</u>	<u>\$ 707,403</u>

The Corporation provides an allowance for doubtful accounts, as needed, for accounts deemed uncollectible. This amount is \$159,869 and \$136,899 as of June 30, 2023 and 2022, respectively. Bad debts expensed for the years ended June 30, 2023 and 2022 totaled \$54,600 and \$700,450, respectively.

NOTE 6-LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Corporation has financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. This amount consists of cash and accounts receivable as presented on the accompanying statements of financial position. None of these amounts are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statements of financial position.

The Corporation manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. The Corporation maintains financial assets on hand to meet normal operating expenses.

The following reflects the Corporation's financial assets as of June 30, 2023, reduced by amounts not available for general use within one year of June 30, 2023 because of internal designations. Amounts not available include amounts set aside as payable on mortgages and investments designated by the Board of Directors as held for future development or currently in development. These amounts could be drawn upon if needed with approval from the Board of Directors.

Cash	\$ 18,404,824
Accounts receivable, net	778,066
Accounts receivable - other	206,739
Resident security deposits held in trust	<u>445,922</u>
	<u>19,835,551</u>
Internal designations	
Resident security deposit liability	<u>(445,922)</u>
	<u>(445,922)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$19,389,629</u>

**SENIOR LIVING CHOICES OF VIRGINIA, INC.
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**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 7-FUNCTIONAL ALLOCATION OF EXPENSES

The Corporation's program is to provide, manage, and develop housing and those costs have been summarized on a functional basis in the table below. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Corporation.

	<u>Program</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Administrative	\$ 6,807,178	\$ 1,295,152	\$ -	\$ 8,102,330
Salaries and benefits	10,943,443	77,000	-	11,020,443
Taxes and insurance	1,738,885	-	-	1,738,885
Depreciation	<u>3,356,920</u>	<u>-</u>	<u>-</u>	<u>3,356,920</u>
Total	<u>\$22,846,426</u>	<u>\$ 1,372,152</u>	<u>\$ -</u>	<u>\$24,218,578</u>

NOTE 8-CONTINGENCIES AND CONCENTRATION OF CREDIT RISK

The Corporation is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contracted obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties.

Health care industry

The health care industry is facing various challenges, including increased government and private payor pressure on health care providers to control costs. In addition to the reforms enacted and considered by Congress from time to time, state legislatures periodically consider various health care reform proposals. Congress and state legislatures can be expected to continue to review and assess alternative health care delivery systems and payment methodologies, and public debate of these issues can be expected to continue in the future. Changes in the law, new interpretations of existing laws, and changes in payment methodology may have a dramatic effect on the definition of permissible or impermissible activities, the relative costs associated with doing business and the amount of reimbursement by both government and other third-party payors. These changes may be applied retroactively. The ultimate timing or effect of legislative efforts cannot be predicted and may impact the Corporation in different ways. Any future action by the Federal government with respect to Medicare or Medicaid, or by the Commonwealth of Virginia with respect to Medicaid, which limits or reduces the total amount of funds available for such programs, limits or reduces the amount of reimbursement for items and services rendered, or limits the ability of the Corporation to maintain or increase the level of services provided to patients, could negatively affect the revenues of the Corporation. A significant portion of revenues is derived from Medicare and Medicaid patients. Therefore, any changes to these programs could have a material effect upon those facilities' revenues. To help mitigate the effects of governmental cuts to the Medicaid program reimbursements, the Corporation decertified 30 Medicaid beds, which reduces the number of Medicaid residents that are required to be admitted.

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**NOTES TO FINANCIAL STATEMENTS
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NOTE 9-403(B) RETIREMENT PLAN

The eligible employees of the Corporation can participate in the Senior Living Choices, Inc. 403(B) Plan (the Plan). Employees become eligible to participate in the plan when they have completed one year of service, as defined, and are age eighteen or older. If a participant meets certain requirements related to employment date and service hours, the Corporation may contribute to the participant's account. The matching amount was 50% for each dollar of salary reduction contributions made by an employee, not to exceed 3% of income contributed by the employee. Effective July 1, 2019, the matching contribution was increased to 100% of the first 3% of income contributed by the employee.

ATTACHMENT D

Summary of Financial Information

Summary of Financial Information
Senior Living Choices of Virginia, Inc. / Brandermill Woods
As of June 30, 2023 (fiscal year end)

	Current Year	Prior Year
	2023	2022
Total Assets	\$104,795,239	\$103,404,748
Total Liabilities	\$62,787,652	\$68,020,915
Total Net Assets	\$42,007,587	\$35,383,833
Total Revenue	\$29,903,536	\$28,234,607
Total Expenses	\$20,408,930	\$18,962,052
Operating Income (Loss)	\$9,494,605	\$9,272,556
Net Income(Loss)	\$6,623,754	\$7,752,494

Narrative on Financial Condition

Revenue

Total operating revenues were \$29,903,536, a decrease of \$1,127,244 or 3.63% compared to fiscal year 2023 budget. The decrease in operating revenue related to the Healthcare, Assisted Living and Memory Care and Independent Living census coming in under budget.

The Board of Directors for Brandermill Woods voted for a 3% increase in rental rates for Independent Living Community, Assisted Living and Memory Care and a 3% increase in all daily rental rates and monthly room and board rates for the Health Care Facility, for the fiscal year 2022-2023. In 2023, the average occupancy for the Community stood at 91%.

Expenses

Total operating expenses were \$20,408,930. Fiscal year 2023 expenses were \$82,288 (.40%) ABOVE the approved 2023 budget. Expenses were managed effectively based on census throughout the facility. Management experienced staffing shortages throughout the year. Housekeeping and Nursing Departments had to utilize staffing agencies to fill positions.

The overall financial outlook and performance met bond covenants as noted below:

- Long-Term Debt Service Ratio on a pro-forma basis was 2.59 per YE 06.30.22 annual financial audit.
- Day's Cash on Hand was 308.
- Unrestricted Funds total \$18,384,867 total Cash & Investments \$18,850,497.

Occupancy Area	Total Units	Average Occupancy	Percentage Occupancy
Residential Independent Living*	275	259	94%
Assisted Living			
The Chesterfield	40	36	89%
The Holly Inn	19	17	89%
Skilled/Intermediate Care- The Haven	60	47	79%
Total	394	358	91%

**Total IL units excludes two (2) units, one used as a Marketing office and one as a resident quest quarters.*