

Greetings and warmest wishes for a wonderful New Year

John Datillo
President and CEO



As we begin a new year, it is a pleasure to bring you the first BHI “Year in Review”. In this digital publication, you’ll learn about the most notable undertakings and achievements at BHI and at the individual communities. Also provided, an overview of year-end financials, an update from the BHI and affiliate Foundations, news about our corporate and community partnerships and information regarding the coming year.

Recognizing that opportunities for organizational strength and operational efficiencies may be found within larger corporations, BHI Senior Living continues with our multi-year plan for strategic growth. We are actively pursuing affiliation and acquisition opportunities and anticipate bringing a new community into the BHI family in 2024.

The efficiencies and shared costs gained through growth will be helpful at a time when we anticipate continued organizational headwinds. Inflation, staffing costs, and higher interest rates affect every aspect of BHI community operations. In addition to these challenges, licensed nursing home providers, such as BHI, now face proposed federally mandated increases in staffing levels. This mandate calls for increasing staffing to a

degree likely not achievable with the current number of available nurses and other caregivers. We can all agree that we want the best for individuals living in nursing centers. However, we must also face the reality of a declining number of people in the workforce.

The commitments made to residents through our Life Plan agreements and other contracts demand that we are good stewards of resources entrusted to us. Understanding the impact that rate increases have on residents, significant efforts are being made by all levels of leadership to reduce costs and promote fiscal responsibility. Throughout the current budget process, we kept increases to the lowest possible levels while maintaining the quality for which BHI communities are known. Nonetheless, difficult decisions were made, some resulting in small changes which you may notice in your community.

There are many positive notes to share. Census in all communities has rebounded to pre-pandemic levels. Capital projects and innovative programs are underway, and we look forward to a successful year ahead.



2023

The Year in Review



Front Entrance

HOOSIER VILLAGE

A BHI Senior Living Community

Zionsville, Indiana

Hoosier Village, located in Zionsville, IN is BHI's largest community, with 300+ acres and over 600 residences. BHI was founded on this property as an orphanage in 1905.

2023 brought innovation and noteworthy construction to Hoosier Village, including the following:

- A La Carte supportive living services in Hawthorn and Cedarwood, allowing residents to choose according to their preferences and needs.
- Chaplain Ron May established a resident volunteer visiting program. This new program enlists and trains Hoosier Village residents to provide additional social interaction to fellow residents in Memory Care and the Health Center.
- Rock Steady Boxing, a program serving individuals living with Parkinson's Disease, has been established to offer residents and individuals from the larger community with new ways to maintain their independence.
- Additional religious services, including Catholic and Presbyterian services have been added. For the first time, a Chaplaincy Intern has been hired.



Chapel



Rock Steady Boxing

Pickleball Courts



Dining Room



- Four new pickleball courts were built.
- A quarterly series providing educational sessions on navigating the continuum of care has been launched.
- Construction has begun on new Townhomes located on the south side of the campus. A successful pre-sale event saw 16 deposits in one day.
- The main campus kitchen and dining room were renovated to accommodate future growth of the community.
- Many residents and staff participated in events promoting Alzheimer's awareness on The Longest Day.

Magnolia Trace Townhomes





Front Entrance, The Towne House



Fort Wayne, Indiana

The Towne House, one of three original BHI Life Plan communities located in north Fort Wayne. Prairie Landing, built in the fast-growing southwest area of Fort Wayne, is a satellite active adult community which opened in 2020.

Notable in 2023:

- The Towne House was named the Journal Gazette's People's Choice Award Winner. The Journal Gazette is the primary area newspaper.
- Construction was completed at the Prairie Landing Pavilion, community gardens, Pickleball courts and dog park.
- Renovations have begun in the Health Center with plans to update the nursing stations, hair salon, and dining venues. Other renovations will include common areas and resident suites.
- The Medicare.gov rating remained at five stars in all categories.

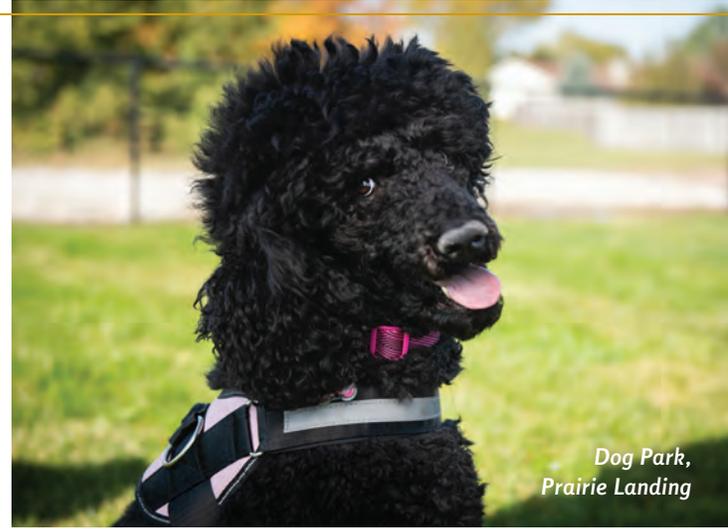


Pavilion, Prairie Landing

COMMUNITY HIGHLIGHTS:
THE TOWNE HOUSE &
PRAIRIE LANDING



Indoor Pool,
Prairie Landing



Dog Park,
Prairie Landing



Teacher Celebration Luncheon, The Towne House

- For the 29th consecutive year The Towne House residents coordinated a fundraising effort supporting teachers in the Holland Elementary School. A celebration luncheon was held and substantial gift cards for supplies given to each teacher.
- Both Prairie Landing and The Towne House residents and staff members joined in The Longest Day fundraising and awareness efforts supporting the Alzheimer's Association.



Four Seasons

A BHI COMMUNITY



Columbus, Indiana

Four Seasons in Columbus, Indiana is the third original BHI Life Plan community. Athens Crossing, a satellite active adult community located just a few miles from Four Seasons, welcomed the first residents in 2022. In 2023 construction and renovation were front and center at both communities.

- Construction on phase one of the residences at Athens Crossing has been completed.
- The Clubhouse at Athens Crossing is slated to be completed in early 2024. Amenities include an indoor pool, fitness center, spacious indoor and outdoor gathering areas and pickleball courts.
- The Four Seasons Health Center dining room was renovated. The residential building lobby and dining rooms were also remodeled.
- The Health Center at Four Seasons maintained a CMS Five-Star rating.

Clubhouse, Athens Crossing



Chapel, Four Seasons



**COMMUNITY HIGHLIGHTS:
FOUR SEASONS &
ATHENS CROSSING**

- Successful employee retention initiatives have been implemented, meeting and exceeding set goals.
- Residents and staff members participated in events supporting The Longest Day for the Alzheimer's Association.



Dining, Four Seasons

Duplex Home, Athens Crossing





THE BARRINGTON
OF CARMEL
A BHI COMMUNITY

Carmel, Indiana

The Barrington of Carmel became part of the BHI family of communities in September 2019. Located in the popular Indianapolis suburb of Carmel, The Barrington offers a full continuum of care under one roof. The community gained momentum this year with a strong census and renewed engagement with the larger community.

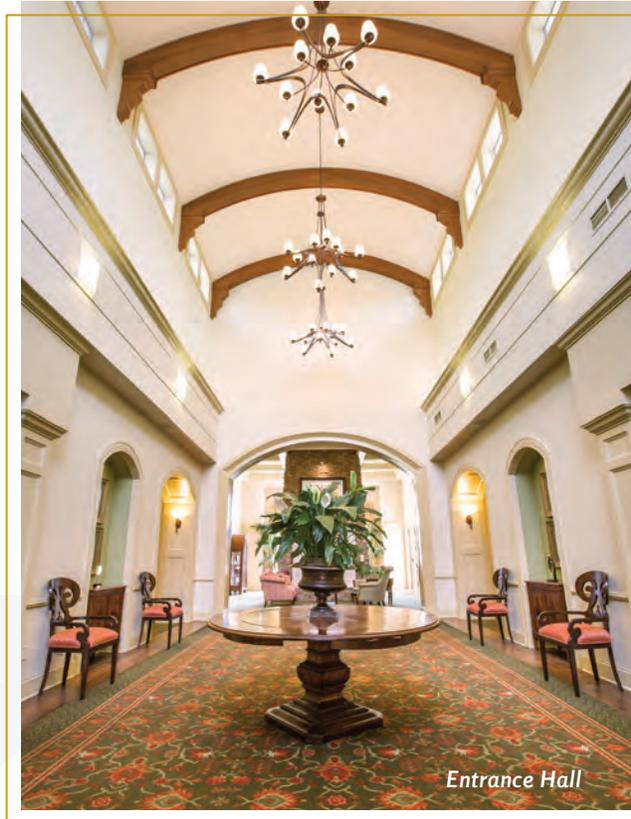
- The Barrington team celebrated their ten-year anniversary as a community. Notably, the first resident and the first staff member hired are still there!
- Renovations and remodeling are taking place in selected areas including Memory Support and the Health Center.
- A five-star rating was maintained with Medicare.gov.
- A new home care program, BHI at Home was introduced.
- Eight scholarships were awarded to employees through the Foundation.



Movie Theatre



Outdoor Patio

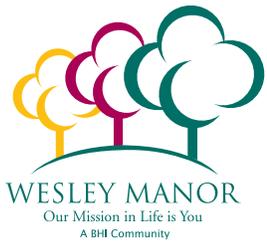


- A partnership with Community Health Network's Healthy Aging Transitions Services has been established to provide support to residents, their families, and the outside community.
- The Barrington of Carmel is proud to host Indy Honor Flight for monthly meetings.
- Residents and Barrington team members participated in both The Longest Day and The Walk to End Alzheimer's, raising nearly \$5,000.00 for the Alzheimer's Association.





Main Entrance



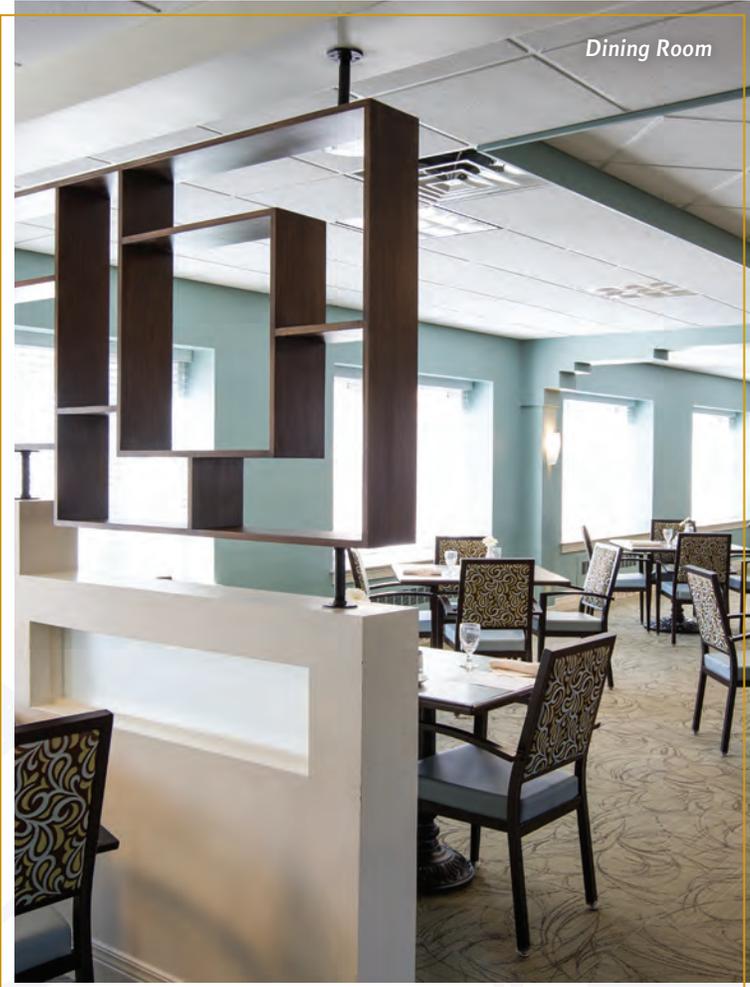
Frankfort, Indiana

Wesley Manor, located in Frankfort, IN was founded in 1961 by the Northwest Indiana Conference of the United Methodist Church. It became BHI's first affiliate in 2016. Since that time, significant capital improvements have been made, creating more contemporary common areas throughout the campus. In addition to common areas, several wings in the main building have been completely renovated. Homes in the Village are being remodeled as they become available. These updates, along with innovative new programs ensure the continued success of the community with many highlights to share.

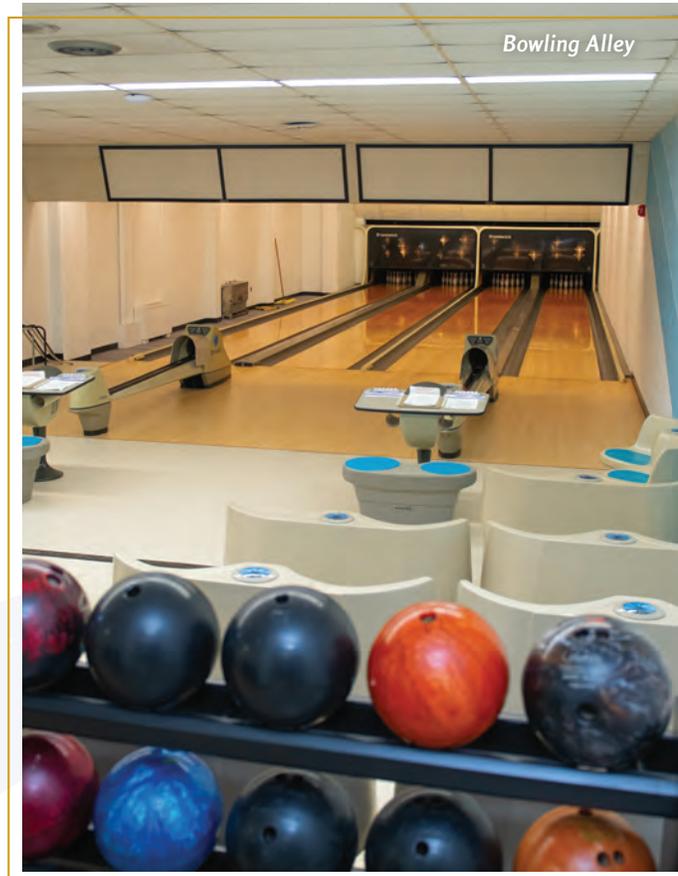


Woodworking Shop

- Voted Clinton Country's Best-Retirement Center and Assisted Living Community for 2023
- Dedicated a Veteran's Garden underwritten by the BHI Foundation.
- CMS rating has increased to 4 stars.
- Census has rebounded in all areas of the community following the pandemic.
- An employee recognition event brought together 75 loyal employees with a combined 998 years of service to Wesley Manor residents.



Dining Room



Bowling Alley



Veteran's Memorial Wall



Maple Knoll Village – Independent Living



mapleknoll



theknolls
OF OXFORD

Cincinnati and Oxford, Ohio

Maple Knoll Communities, located in Cincinnati and Oxford, OH are the newest BHI affiliate, joining the BHI family of communities in 2022. A long-time provider, Maple Knoll Communities offers a wide range of accommodations, care, and services in Life Plan communities. Census momentum is excellent at both Maple Knoll campuses with residents and team members looking forward to a great 2024.

- The formal affiliation between Maple Knoll and the University of Cincinnati has been renewed for five years. The Knolls at Oxford has a formal affiliation with Miami of Ohio. These affiliations benefit residents in a wide range of areas.
- Maple Knoll was voted the #1 Independent Living Community in the Non-profit category by Cincy Magazine.



Knolls of Oxford and Miami of Ohio Affiliation

COMMUNITY HIGHLIGHTS:
MAPLE KNOLL VILLAGE &
THE KNOLLS OF OXFORD



Coventry Court Pavilion



Chapel, Maple Knoll

- Ground has been broken on the new Coventry Court Community center. This will provide a new, more eco-friendly space for resident gatherings of all types. Additionally, a new outdoor area will be used for concerts, outdoor movies, and other events. This project is slated to be completed in Fall 2024. Of particular interest, Maple Knoll Village residents felt so strongly about adding sustainable and renewable features to the new building that they donated over 140K to make it possible.

Maple Knoll Village





Clark at Franklin



Grand Rapids, Michigan

Clark Retirement, a legacy provider located in Grand Rapids, has two campuses, Clark at Keller Lake, and Clark at Franklin. Clark became part of the BHI family of communities in 2022. As with other communities, Clark has seen a resurgence in the census following the Pandemic. There were many new projects underway at Clark in the past year, including the completion of Franklin Chapel renovation and enhancement of Veteran Gardens at both campuses.

- Six artist receptions and exhibitions were held in the Donna Chase Gallery. Additionally, the Foundation funded an art studio at the Keller Lake Campus.
- Formed support groups for residents with low vision.
- All new Clark team members take part in the Dementia Live program which helps build empathy and understanding of residents living with memory loss.
- Implemented two new programs to honor and provide comfort for residents who are in their final stage of life.

Apartment, Keller Lake



Bistro, Keller Lake





Patio, Clark at Keller Lake

- Clark welcomed Percell Smith as the Regional Vice-President of Operations. He takes the place of Brian Pangle who has moved to a corporate role as VP of Philanthropy and Development. Percell has an extensive background as a healthcare executive in long term care, and senior living operations with over 25 years of experience. He is a career coach and mentor for long term care professionals; and has taught at the collegiate level, preparing students aspiring to become administrators. Percell is a licensed nursing home administrator in the State of Michigan. He received both his undergraduate and graduate degrees from the University of Michigan.



*Percell Smith
Regional VP, Operations*



Clark at Franklin – Independent Living

BHI's long-term financial strength and stability is a top priority and has made our recent growth possible. Our mission and our sound business practices enable us to serve our current residents and expand our organization to serve others. After our two affiliations in 2022, BHI was the 22nd largest not-for-profit senior living organization (ranked by number of units).

With a proactive approach to our operations and carefully crafting annual operating budgets and capital budgets, we continue to move forward to enhance the lives and experiences of our current residents while offering attractive options for our prospective future residents.

Roger Weideman



Roger Weideman, CPA
Senior Vice-President/CFO

BHI Financial Statement

OCCUPIED UNITS	<u>12/31/22</u>	<u>12/31/23</u>
Independent Living	1,091	1,117
Licensed Residential	500	508
Assisted Living	166	176
Memory Care	110	128
Health Center	428	442
Total	2,295	2,371

Condensed Consolidated Financial Statements (in Thousands)

We are Still in the Process of Closing the 2023 Accounting Records, so November 30, 2023 Amounts are Shown and Have Not Yet Been Audited 2022 Amounts are from the December 31, 2022 Consolidated Audit Report

BALANCE SHEET (IN THOUSANDS)	<u>12/31/22</u>	Unaudited <u>11/30/23</u>
ASSETS		
Cash and Cash Equivalents	37,841	34,124
Investments	81,248	99,797
Accounts Receivable	12,921	12,997
Prepays and Other Current Assets	3,165	4,547
Assets Limited As to Use	44,621	45,013
Property and Equipment, Net	578,989	567,534
Goodwill and Intangibles	10,846	9,902
Interest Rate Swap Asset	4,377	3,208
Employee Retention Credit Receivable	7,264	7,264
Land Held for Investment, Development Costs, and Equity Investments	7,822	12,492
Other Noncurrent Assets	3,353	2,047
Total Assets	792,447	798,925

	<u>12/31/22</u>	Unaudited <u>11/30/23</u>
LIABILITIES		
Current Liabilities	40,421	36,113
Long Term Unamortized and Refundable Entrance Fees	242,342	262,605
Long Term Debt	376,218	372,599
Other Long Term Liabilities	3,894	699
Total Liabilities	662,875	672,016
NET ASSETS		
Without Donor Restrictions	105,955	103,108
With Donor Restrictions	23,617	23,801
Total Net Assets	129,572	126,909
Total Liabilities and Net Assets	792,447	798,925

Condensed Statement of Revenues and Expenditures and Changes in Unrestricted Net Assets (in Thousands)

	Year Ended <u>12/31/22</u>	Unaudited 11 months ended <u>11/30/23</u>
REVENUE		
Net Service Revenue	114,879	135,585
Amortized Entrance Fees	10,909	12,942
Contributions and Other Service Revenue	9,655	12,858
Grant Revenue	8,022	399
Total Revenues	143,465	161,784
EXPENSES		
Salaries,Wages,Benefits and Payroll Taxes	60,222	76,096
Contract Services,Maintenance, Supplies and Expenses	45,829	41,720
Utilities	7,096	7,064
Administration	8,464	10,549
Interest	16,492	16,439
Total Expenses	138,103	151,868
Net Service Income	5,362	9,916
Depreciation and Amortization Expense	22,718	25,362
Net Service Income after Depreciation and Amortization Expense	(17,356)	(15,446)
Other Income(Loss)		
Investment Return (Net)	(10,087)	11,883
Gain(Loss) on Equity Investments	(144)	178
Change in Fair Value of Interest Rate Swaps	4,792	(1,169)
Gain (Loss) on Sale on Land/Fixed Assets	499	270
Other	330	1,460
Total Other Income(Loss)	(4,610)	12,622
Inherent Contributions from Affiliations-without Restrictions	43,646	0
Increase(Decrease) in Net Assets without Donor Restrictions	21,680	(2,824)

BHI is pleased to welcome Brian Pangle in the newly created position of Vice President of Philanthropy and Development. Brian formerly served as President of Clark Retirement, our Michigan affiliate.



Brian Pangle
VP, Philanthropy &
Development

BHI FOUNDATION

The BHI Foundation was created in 1986 to support a wide variety of initiatives throughout the communities. Over the past three and a half decades, the Foundation has made a considerable impact in several key areas. 2023 is most notable for the significant growth of the employee scholarship program.

- 61 employees were assisted with their education through the Scholarship Tuition Assistance Program as well as the Student Loan Assistance Program.
- The 5th Veterans' Tribute was completed on our Wesley Manor Campus. All campuses now have tributes with individualized bricks honoring resident veterans.
- Over \$325,000 was contributed to support residents who needed financial assistance.
- The BHI Foundation funded the "Journey" Program development and employee training in a collaboration with the Alzheimer's Association.
- The Foundation partnered with our residents in supporting their community outreach initiatives. This included support for local education, emergency responders, school age children, service men and women, adults with disabilities, and community ministry and mission fairs.
- 6 Christian Service Awards were granted recognizing current and future residents who have been dedicated to a lifetime of service.
- 20% of the overall Wellness budget for each community was funded by the Foundation. This provided support for staffing, equipment and programming contributing to the better health of our residents.

CLARK FOUNDATION

Founded in 1995 to support the Clark commitment to benevolent care, the Clark Foundation has had a significant impact in a wide range of areas throughout both campuses as well as the larger community. 2023 again saw great work from the Foundation with several important initiatives:

- 250K in benevolent care was provided to residents through the Clark Promise. An annual appeal further contributed to the benevolent care fund for the future.
- A Spring Appeal raised funds for campus beautification and Veterans' Gardens.
- The Franklin Chapel renovation was completed at Clark at Franklin.
- An art studio and golf cart were provided to the Keller Lake campus.
- A woodshop was added to the Franklin campus.
- The Leading Ladies group grew to 65 in number. The mission of Leading Ladies is *"To create a social network of dynamic and engaged multi-generational women committed to the support of the Clark Promise through philanthropy, education, and community partnerships."*

MAPLE KNOLL COMMUNITIES FOUNDATION

Maple Knoll Communities began an annual fund campaign in 1989 and continues to see great success in raising money for a variety of funds. Foundation Board Member and Annual Fund Chair, Dave Wallace, led the "A Beacon of Hope" campaign which raised an impressive 1.99M in annual gifts. These donations will support:

- Future Care Fund
- Employee Engagement Fund
- Spiritual life
- WMKV Radio
- Maple Knoll outreach
- Arboretum Fund
- Sustainability Fund
- Skilled nursing and rehabilitation services

COMMUNITY PARTNERSHIPS

Being a good neighbor is a priority at BHI Senior Living. Each campus and the corporate office engage in a wide range of initiatives connecting residents and team members to the larger community. While the types of outreach may vary by community, the goal of creating strong relationships through being a good neighbor does not. To further support and enhance the excellent work done by our communities, in mid-2023 BHI developed the new position of Director of Corporate Outreach. Jennifer Zvokel, formerly The BHI Foundation Director, agreed to step into this new role in late 2023. Through knowledge from her work with the Foundation and a comprehensive discovery process at the individual communities, four key areas have been selected for 2024 corporate outreach.

The corporate office will provide organizational and financial support as well as volunteer assistance. These areas may change from year to year according to resident and team member interests. Individual community outreach initiatives will, of course, remain active.

1. VETERANS' INITIATIVES

Honoring Veterans and their service to our country has long been a priority at BHI. The Foundation has funded memorials and gardens at each community. Those who are able are encouraged to participate in an Honor Flight. The Foundation funds the cost of the family member or friend who accompanies the Veteran in this profoundly moving day in Washington, DC. We look forward to learning how we can further support our Veterans.



“ BHI believes in its employees and invests in them. It’s motivating to have someone in your corner believing in you. ”

Alicia Green, RN | *The Barrington of Carmel*



“ Working at BHI has been a joy for me, and being given the opportunity to progress and expand in my career was a blessing. ”

Keyahna Harris, LPN | *Hoosier Village*



2. ALZHEIMER'S DISEASE

As we grow older, most of us know someone who is living with memory loss. It could be a loved one, a neighbor, or a long-time friend. We see how this disease affects not only individuals, but their families. There is no cure, but we can help work towards one through our efforts with the Alzheimer's Association. Every BHI community participates in a variety of events to raise funds for the Alzheimer's Association. In 2024 we will help coordinate these efforts to maximize our impact.

3. EDUCATION

Empowering employees through education has been a mainstay of the BHI Foundation since its inception in 1986. Scholarships provided through the Employee Education fund have been the gateway for many outstanding careers in healthcare and administration, as well as other areas. Many BHI communities have built mutually beneficial relationships with local colleges and universities providing educational opportunities for students and residents. Maple Knoll Communities, our Ohio affiliate, has forged long-time formal affiliations with Miami of Ohio and University of Cincinnati. In the coming year we will focus on building relationships with colleges and universities, supporting employee education initiatives and building lifelong learning opportunities for residents.

4. WELLNESS AND LIVING WITH PURPOSE

Longevity and extending healthy years have moved to the top of mind for many people. In addition to maintaining the greatest possible degree of health and independence, for many individuals it also includes exploring ways to share a lifetime of knowledge, skills, and experience. We will facilitate opportunities for engagement in the larger community along with providing support for wellness and lifestyle programs.



NEW IN 2024!

We're excited to announce the formation of a BHI-wide travel organization, the BHI Explorers' Club. Most of us are familiar with travel opportunities offered by colleges, clubs, and other organizations. With nine communities, we thought it was time to "explore" our options for group travel. We'll begin with a survey to learn more about the types of travel which may be of interest to residents and their families. We'll then give the results to a highly recommended, professional travel agent who will provide a few carefully selected options to our group.

These could include multi-generational travel, trips for individuals who require more accessible travel and destinations, and voyages for single individuals who would prefer traveling with a group of people they know. Everything will be done through the travel agency to ensure seamless service.

If you missed the travel survey, here's a link to let us know your thoughts:

bhiseniorliving.org/travel-survey/