

Report on Examination

of

John Knox Village of Florida, Inc.

Pompano Beach, Florida

as of

December 31, 2022

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SCOPE OF EXAMINATION

The Florida Office of Insurance Regulation (“OIR”), Life & Health Financial Oversight unit, conducted a routine examination of John Knox Village of Florida, Inc. (“John Knox”), pursuant to Section 651.105, Florida Statutes. The objective of the examination was to determine the extent of compliance with the provisions of Chapter 651, Florida Statutes, and Rule Chapter 69O-193, Florida Administrative Code. The scope period of the examination was July 1, 2019, through December 31, 2022.

COMPANY HISTORY

John Knox Village of Florida, Inc., a Florida not-for-profit corporation was granted a certificate of authority by the OIR to offer continuing care contracts on February 15, 1980. John Knox Village of Florida operates a continuing care retirement community (“CCRC”) facility located in Pompano Beach, Florida.

John Knox operates on a calendar year from January 1 through December 31. As of December 31, 2022, John Knox reported in its Annual Report filed with the OIR: 925 Continuing Care Units consisting of 660 Independent Living Units and 58 Assisted Living Units; 194 Skilled Nursing Units, and 13 Rental Units. As of December 31, 2022, there were 960 individuals reported residing at John Knox Village. The facility reports, pursuant to a continuing care contract, 733 residents in Independent Living, 44 residents in Assisted Living and Memory Care, and 95 residents in Skilled Nursing. The facility reported 88 residents without a continuing care contract.

SUMMARY OF FINDINGS

Annual Statements

Finding 1:

In two instances, pursuant to section 651.026(2)(b), Florida Statutes, John Knox failed to provide a financial report audited by an independent certified public accountant.

Finding 2:

In three instances, pursuant to section 651.026(8), Florida Statutes, John Knox failed to submit, within the annual statement, financial reports and/or any supplemental financial information prepared in conformity with generally accepted accounting principles.

Finding 3:

In four instances, pursuant to section 651.026(2)(b)1, Florida Statutes, John Knox failed to supply a separate balance sheet, statement of income and expenses, statement of equity or fund balances, and statement of changes in cash flows for the individual provider and other members of the obligated group in the annual reports for 2019 to 2022.

Finding 4:

In three instances, pursuant to section 651.026(4), Florida Statutes, John Knox failed to provide documentation demonstrating that the annual statement was attested to be true and correct, if the provider is an individual, the annual statement shall be sworn to by him or her; if a limited partnership, by the general partner; if a partnership other than a limited partnership, by all the partners; if any other unincorporated association, by all its members or officers and directors; if a trust, by all its trustees and officers; and, if a corporation, by the president and secretary thereof.

Resident Council Required Disclosures

Finding 5:

In three instances, pursuant to section 651.091(2)(f), Florida Statutes, John Knox failed to provide documentation demonstrating that a copy of the full annual statement was distributed to the President or Chair of the Residents' Council within 30 days after filing the Annual Report with the OIR.

Finding 6:

In one instance, pursuant to section 651.091(2)(h), Florida Statutes, John Knox failed to provide documentation demonstrating that a summary of entrance fees collected, and refunds made during the time-period covered in the Annual Report and the refund balances due at the end of the report period was given to the President or Chair of the Residents' Council.

Finding 7:

In three instances, pursuant to section 651.091(2)(f), Florida Statutes, John Knox failed to provide documentation demonstrating that a copy of the most recent third-party financial audit filed with the Annual Report was distributed to the President or Chair of the Residents' Council within 30 days after filing the Annual Report with the OIR.

Finding 8:

In 12 instances, pursuant to section 651.091(2)(i), Florida Statutes, John Knox failed to provide documentation demonstrating that a copy of each quarterly statement was delivered to the President or Chair of the Residents' Council within 30 days after the quarterly statement is filed with the OIR.

Disclosure Documents

Finding 9:

In one instance, pursuant to section 651.091(4), Florida Statutes, John Knox failed to provide documentation demonstrating a true and complete copy of the current full disclosure document to be used was filed with the OIR before use.

Finding 10:

In one instance, pursuant to section 651.091(3)(k), Florida Statutes, John Knox failed to provide a statement that distribution of the provider's assets or income may occur or a statement that such distributions will not occur.

Finding 11:

In one instance, pursuant to section 651.091(3)(l), Florida Statutes, John Knox failed to provide a notice of any holding company system or obligated group of which the provider is a member.

Quarterly Meetings with Residents

Finding 12:

In 12 instances, pursuant to section 651.085(1), Florida Statutes, John Knox failed to provide documentation demonstrating that at least a 7 day's advance notice of each quarterly meeting was provided to the residents.

Finding 13:

In 16 instances, pursuant to section 651.105(5), Florida Statutes, John Knox failed to provide to the OIR, upon request, the dates of the quarterly meetings for the full scope period of the exam.

Notifications to the OIR

Finding 14:

In two instances, pursuant to section 651.026(1), Florida Statutes and Rule 69O-193.005(3), Florida Administrative Code, John Knox failed to file the OIR Form OIR-A3-970 within 120 days of the last day of the fiscal year.

Finding 15:

In seven instances, pursuant to section 651.0261(1), Florida Statutes and Rule 69O.193.005(2), Florida Administrative Code, John Knox failed to file the OIR Form OIR-A3-974 within 45 days after the end of the fiscal quarter.

Finding 16:

In four instances, pursuant to section 651.043(2), Florida Statutes, John Knox failed to provide notification to the OIR in writing or electronically of any change in management within 10 business days.

Finding 17:

In two instances, pursuant to section 651.026(2)(a), Florida Statutes, John Knox failed to notify the OIR of any change in status with respect to the information required to be filed under 651.022(2), Florida Statutes, for each new management company or manager not employed by a management company.

MINIMUM LIQUID RESERVE

As of December 31, 2022, John Knox Village of Florida's Minimum Liquid Reserve was funded in accordance with section 651.035, Florida Statutes.

SUMMARY OF RECOMMENDATIONS

Annual Statements

Finding 1: The OIR recommends that John Knox files, as part of its Annual Report, to the OIR financial reports audited by an independent certified public accountant, in accordance with section 651.026(2)(b), Florida Statutes.

- Subsequent event: John Knox has self-corrected as of the 2023 annual statement.

Finding 2: The OIR recommends that John Knox submits all financial reports, and any supplemental financial information submitted to the office, shall be prepared in conformity with generally accepted accounting principles, in accordance with section 651.026(8), Florida Statutes.

- Subsequent event: John Knox has self-corrected as of the 2023 annual statement.

Finding 3: The OIR recommends that John Knox supplies a separate a separate balance sheet, statement of income and expenses, statement of equity or fund balances, and statement of changes in cash flows for the individual provider and other members of the obligated group in the annual reports, in accordance with section 651.026(2)(b)1, Florida Statutes.

- Subsequent event: John Knox has self-corrected as of the 2023 annual statement.

Finding 4: The OIR recommends that John Knox establish adequate procedures and controls to ensure that required filings properly attested.

Resident Council Required Disclosures

Findings 5, 6, 7, and 8: The OIR recommends that John Knox establishes adequate procedures and controls to ensure the statutory availability, distribution, and posting of reports and records are distributed to the President or Chair of the Residents' Council, in accordance with Section 651.091(2), Florida Statutes.

Disclosure documents

Findings 9, 10, and 11: The OIR recommends that John Knox files with the OIR a true and complete copy of the full disclosure documents to the Regulatory Electronic Filing System ("REFS") as outlined in section 651.091(4), Florida Statutes, containing all items listed and described in section 651.091(3), Florida Statutes.

Quarterly Meetings with Residents

Finding 12: The OIR recommends that John Knox maintains documentation to demonstrate that the statutory quarterly meetings with residents are properly notified, in accordance with section 651.085(1), Florida Statutes.

Finding 13: The OIR recommends that John Knox respond to written correspondence from the OIR and provide data and pertinent information as requested by the OIR.

Notifications to the OIR

Findings 14 and 15: The OIR recommends that John Knox establish adequate procedures and controls to ensure that required filings are submitted within the statutorily required timeframe.

Findings 16 and 17: The OIR recommends that John Knox ensures the OIR is timely provided information and documentation for managers or management companies, in accordance with requirements of Chapter 651, Florida Statutes and Rule Chapter 69O-193, Florida Administrative Code.

CONCLUSION

This Final Report of Examination is based upon the information provided to the OIR from John Knox Village of Florida, Inc., and additional research conducted by the OIR.

The following individuals from the Florida Office of Insurance Regulation participated in the examination: Michael Rockwell, Financial Administrator; Steven Waites, Financial Specialist; Al Garabedian, Financial Specialist.

Respectfully submitted,



Carolyn M. Morgan
Director, Life & Health Financial Oversight
Florida Office of Insurance Regulation

Date Signed: 10/22/25

