

## DISCLOSURE STATEMENT

DATE: January 25, 2019

Name of Facility: **STANLEY TOTAL LIVING CENTER, INC.**

Located at: 514 Old Mount Holly Road  
Stanley, NC 28164 Phone: (704) 263-1986  
Fax: (704) 263-8959

Stanley Total Living Center, Inc.  
514 Old Mount Holly Road  
Stanley, NC 28164

In accordance with Chapter 58, Article 64 of The North Carolina General Statutes of the State of North Carolina:

**\*this Disclosure Statement may be delivered until revised, but not after June 23, 2020.**

**\*delivery of the Disclosure Statement to a contracting party before execution of a contract for continuing care is required.**

**\*this Disclosure Statement has not been reviewed or approved by any government agency or representative to ensure accuracy or completeness of the information set out.**

Note: Stanley Total Living Center, Inc. believes this information is accurate and complete in all material respects, so far as compliance with the disclosure requirements for Continuing Care Facilities in the State of North Carolina.

## TABLE OF CONTENTS

<b>I.</b>	<b>ORGANIZATION, INTRODUCTION, &amp; INFORMATION</b>	
	Narrative Description of the Organization and its Operation	4
	Non-Profit/For- Profit Status	4
	Affiliation(s)	4
	Accreditation(s)	4
<b>II.</b>	<b>FACILITY INTRODUCTION &amp; INFORMATION (Facility)</b>	
	Narrative Description of the Facility and its Operation	5
	Legal Description, (ie., corporation partnership, etc.)	5
	Identification and background of officers, directors, and management Staff, owners including addresses and professional services.	6-10
	Criminal Violations Statement	11
	Location and Description of Physical Property	11
	Estimated Number of Residents	11
<b>III.</b>	<b>POLICIES</b>	
	Admission	12
	Health Criteria	13
	Financial and Insurance Criteria	13
	Age Requirements	13
	Changes of Condition of Resident Prior to Occupancy	13
	Cancellation/Termination-Refund(s) Applicable/Not Applicable/ Time Frame of Refund(s)	14-16
	Moves/Pet policy/smoking	16
	Marriages/New Second Occupant	16
	Marriages between Two Occupants	17
	Inability to Pay	17
	Conditions for Refunds	17
<b>IV.</b>	<b>SERVICES</b>	
	Standard Services Available	18
	Services Available at Extra Charge Identified	18
	Health Services Available	18
	Maintenance Services Available	19
<b>V.</b>	<b>FEES</b>	
	Application/Registration Fee	20
	Monthly Fees	21-22
	Notification of Fee Increase(s)	23
	Change in Fees for Previous Six Years	24
<b>VI.</b>	<b>FINANCIAL INFORMATION</b>	
	Financial Overview Statement	25
	Reserves, Escrow and Trusts (Description of each, describing circumstances under which funds will be released, including a copy of documentation. (Complies with G.S. 58-64-20(a)(9). G.S.58-64-35)	25
<b>VII.</b>	<b>OTHER MATERIAL INFORMATION, AS APPLICABLE</b>	26
	Description of any past/current litigation, bankruptcy filings, receivership, liquidation, impending actions or perils, etc., or any other material information.	

<b>VIII. ATTACHMENT 1</b>	
Current Certified Financial Statements	27
<b>IX. ATTACHMENT 2</b>	
Five Year Forecasted Statements (Balance Sheet, Statements of Operations, Statement of Cash Flow, and Statement detailing all significant assumptions), including an independent CPA compilation statement.	28
<b>X. ATTACHMENT 3</b>	
Resident's Agreement/Contract for Independent Apartments And Assisted Living Units	29
<b>XI. EXPLANATION OF DIFFERENCES</b>	
Financials actuals vs. Proforma	30-34
<b>XII. ADDITIONS AND RENOVATIONS</b>	
	35

# STANLEY TOTAL LIVING CENTER, INC.

## DISCLOSURE STATEMENT

### Organization, Introduction and Information

#### **Description of the Organization and its Operation**

Stanley Total Living Center, Inc. is a not for profit retirement center offering retirement apartments, assisted living, and nursing care in a spirit of compassion. The official motto is "A Ministry of Compassion." Envisioned and planned by the First Presbyterian Church, Stanley Total Living Center, Inc. gained the support of other local churches and the Town of Stanley. A Board of Directors composed of local town representatives, governs the operation of Stanley Total Living Center, Inc.

The center officially opened in November of 1983 with sixty beds and twenty-one apartments. In August of 1993 the 20-bed Alzheimer's Unit (Unit 400) and the 50-bed acute Nursing Unit (Unit 500) opened. In October, 2006, eight additional ILU's were licensed and opened with a new total of 29 units.

**In 2013, a master plan was developed to convert existing ILU'S to ALU'S and to add 20-40 new and larger ILU'S off site. Twenty (20) new ILU's were completed in July, 2016. Forty (40) ALU'S were completed in 2017 and approved. 12 units with Private room nursing were completed and approved. This will result in 24 private rooms for Medicare and Private nursing.**

The primary objective of Stanley Total Living Center, Inc. is to provide the highest level of resident care possible with due regard for the individual resident's specific medical, social, emotional, and spiritual needs.

#### **Non-Profit/For Profit Status**

Stanley Total Living Center, Inc. is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Stanley Total Living Center, Inc. is also exempt from property taxes in the State of North Carolina under G.S.105-278.6A.

#### **Affiliations**

Stanley Total Living Center, Inc. is not affiliated with any other organization except for its membership in Leading Age North Carolina, formerly known as The North Carolina Association of Non Profit Homes for the Aging.

The Board of Directors is selected by local churches and the Town of Stanley, but the churches and town are in no way responsible for the financial or contractual obligations of the corporation.

#### **Accreditation**

Stanley Total Living Center, Inc. is licensed by the North Carolina Department of Insurance as a Continuing Care Retirement Community. It is governed by its Board of Directors who develops and has oversight over policies. No Board member is responsible for day-to-day management of the Company or has any financial interest in STLC.

# STANLEY TOTAL LIVING CENTER, INC.

## DISCLOSURE STATEMENT

### Facility Introduction and Information

#### **Description of the Facility and Its Operation**

Stanley Total Living Center, Inc. is a full service retirement community located on a ten acre site at 514 Old Mt. Holly Rd., Stanley, NC. The main building consists of a 106 bed skilled nursing section, a 40 bed Assisted Living, an eight (8) apartment independent living section and numerous public and service areas.

**STLC Foundation had secured 9.5 acres located about 300 yards from the current site. STLC Foundation has leased this land to STLC, Inc. and has completed twenty (20) ILU'S on this site. These units are named THE PARKE.**

**Current status has 106 skilled beds, 40 ALU beds, and 28 ILU.**

#### **Legal Description**

Stanley Total Living Center, Inc. owns and operates Stanley Total Living Center. Stanley Total Living Center, Inc. is a non-profit corporation chartered under laws of the State of North Carolina.

#### **Identification and Background**

The Board of Directors of Stanley Total Living Center, Inc. employs an Administrator to manage on a day-to-day basis. Jennifer DeFelice is the Administrator (NCNHA #2389). Mrs. DeFelice is a licensed North Carolina Nursing Home Administrator (October, 2008). She is a graduate of Presbyterian Hospital of Nursing and Queens College in 1997. She began her nursing duties at Stanley after graduation and had worked as Director of Nursing for six years before going into the AIT program.

No Board Member or Administrator has a 10% or greater interest in any entity, nor any entity that has a 10% or greater interest in any Board Member or Administrator that has or will provide goods or services of \$500 or more in a year, except for two Board Members. These Board Members have signed the necessary exception clauses and have been approved by the Board of Directors following the Conflict of Interest Policy of the facility.

Michael Dixon, 1940 Rhyne Road, Dallas, NC 28034, is the Chief Financial Officer of Stanley Total Living Center, a paid financial consultant managing the investments for the facility and also the Treasurer of the Executive Board of Directors.

Steve Smith is a Partner of InSouth Insurance, 119 N Maxwell Avenue, P O Box 3206, Huntersville, NC 28070, which provides general insurance coverage for Stanley Total Living Center. Steve Smith is also the Vice-President of the Executive Board of Directors.

**The following is a list of Board members and officers:**

**STANLEY TOTAL LIVING CENTER**

**BOARD OF DIRECTORS**

**EXECUTIVE OFFICERS**

President:	Ron Ensley
Vice-President:	Steve Smith
Executive member	George Ross
Secretary:	Rob R. McMinn
Treasurer:	Mike Dixon

UPDATED CORRECTED 2019  
STANLEY TOTAL LIVING CENTER  
BOARD OF DIRECTORS

OFFICE	TERM ON BOD ENDS	NAME	ADDRESS	HOME (704)	WORK
President	12/31/20	<b>Ron Ensley</b> First Presbyterian	619 Killian Road Stanley NC 28164 Ron.ensley13@gmail.com	827-7905	704-231-2488 (cell)
CFO/ Treasurer	12/31/19	<b>Mike Dixon</b> First Presbyterian	1940 Rhyne Road Dallas NC 28034 mwwraydixon@earthlink.net	263-8125	704-263-7156
Exec Board Secretary	12/31/19	<b>Rob R. McMinn</b> At Large	3013 JR Court Stanley, NC 28164 rrmcminn@bellsouth.net	263-3888	980-721-6824 (cell)
Executive Committee	12/31/20	<b>George Ross</b> At Large	171 Upper Spencer Mtn. Road Stanley, NC 28164 Geross48@gmail.com	263-3888 980-7216824	
<b>FIRST Vice President</b>	12/31/19	<b>Steve Smith</b> First Presbyterian	P O Box 3206 Huntersville, NC 28078	408-7514	
	12/31/21	Mark Beatty First Presbyterian	P O Box 284 Stanley NC 28164	609-1351 (cell)	704-659-7152
	12/31/19	Allison Crotts First Baptist Church	1527 Stanley Lucia Rd. Mt. Holly, NC	263-0704	704-854-1391 (cell)
	12/31/22	Teresa West Stanley Methodist	200 Redding Road Stanley NC 28164	263-4160	
	12/31/22	Melissa Smith First Presbyterian	123 Citation Lane Gastonia, NC 28056 Honeysmith56@gmail.com	263-8919 860-4996 cell	561-4510 Ext 301
	12/31/21	Steven Denton Town of Stanley	3000 JR Court Stanley, NC 28034		704-460-9382 (cell)
Gen Board Secretary	12/31/20	Teresa Neely First Presbyterian	212 Dogwood Drive Mt Holly NC 28120	836-6668	
	12/31/22	Lisa Grice First Presbyterian	2016 Lee Ellen Court Stanley, NC 28164 lgrice@bheiss.com	704 488-1342	
Ex-officio Executive Board		Sharon Bryant Controller	1802 C R Jonas Hwy. Mt. Holly, NC 28120	704-616-5351	704 263-7155
	12/31/19	Jerry Ratchford First Presbyterian	3004 J R Court Stanley, NC 28164	263-3858	616-9744
	12/31/20	Judy Abernathy Christ Lutheran Church	P O Box 873 Stanley, NC 28164 J10abernathy@att.net	263-8258 813-6212	843-2978
	12/31/21	Debbie Harper First Presbyterian	327 Franklin Court Stanley, NC 28164	263-4466	689-1522 (cell)
Ex-officio Executive Board		Jennifer DeFelice Administrator	603 S. Hwy 27 Stanley NC 28164	263-2064	263-1986
		Kevin Mauney At Large	P O Box 88 Alexis, NC 28006 krockridge@bellsouth.net	263-4662 813-6212 (cell)	
	12/31/19	Tommy Stewart. Community Pentecostal	3116 Cedar St. Gastonia, NC 28056	879-4461	704-460-6877 cell

Updated: January 22, 2019

# STANLEY TOTAL LIVING CENTER, INC.

## DISCLOSURE STATEMENT

### Background Information on Board of Directors

The Board of Directors of Stanley Total Living Center, Inc. is composed of an entirely voluntary group, except for Mike Dixon who receives modest compensation for managing investments. The Administrator is salaried and receives an annual review, at the discretion of the Board of Directors.

#### Mark Beatty

Product Manager of CIM Service for Barco for 10 years.  
Product Manager at Keller Technology Corp. for 6 years.(current employer)  
Board Member for 12 years  
Home Address: 220 General Stonewall Jackson Drive, Stanley, NC 28164  
Represents First Presbyterian Church

#### Mike Dixon

Retired from Clariant Chemicals after 28 years of service in  
Marketing and Business Management  
Treasurer and Executive Board member for 35 years.  
Currently is Chief Financial Officer for Stanley Total Living Center, Inc.  
NC NHA license #1920 Represents First Presbyterian Church  
Business Address: 514 Old Mt Holly Rd - Box 489, Stanley NC 28164

#### Ron Ensley

Senior Vice President Manufacturing Worldwide for American & Efird  
Textiles for 30 years (Now Retired)  
Member of Executive Board for 23 years  
President of Executive Board  
619 Killian Road, Stanley, NC 28164  
Represents First Presbyterian Church

#### Allison Crotts

Represents First Baptist Church of Stanley, NC. Member of General Board for 4 years  
Address: 11527 Stanley Lucia Road, Mt Holly, NC 28120. Graduate of VPI in Horticulture.  
And Belmont Abby in Special Education. Taught in High School and Belmont.

#### Teresa West

Represents Stanley Methodist Church.  
General Board member for 12 years.  
Attended Western Carolina University  
Worked for Industrial Electroplating for 14 years.  
Work experience in Accounting, A/R, A/P, HR  
Home Address: 200 Redding Road, Stanley, NC 28164



**Tommy Stewart**

Represents Community Pentecostal Church. General board member for 3 years.  
Graduate of West Mecklenburg; attended Belmont Textiles for 2 years. Retired from Duke Energy as Technician.

**Melissa Smith**

Office Manager for Crisp, Summerville & Company for 22 years.  
General Board member for 12 years and currently Secretary of the General Board  
Business address: 1422 Burtonwood Drive, Gastonia, NC 28054  
Represents First Presbyterian Church

**Debbie Harper**

Member of the General Board for 6 years. B. S. in Nursing from UNCC  
Worked as a Nurse from 1993-1998. Employed with Bank Of America as SAP analyst. Since 2011.  
Home Address: 327 Franklin Court, Stanley, NC 28164  
Represents First Presbyterian Church

**Teresa Neely**

Ultra Sound Technologist for Gaston Radiology  
General Board Member for 22 years from First Presbyterian Church  
Business Address: 620 Summit Crossing Place, Gastonia NC 28054

**Lisa Grice**

Represents First Presbyterian Church  
Newly elected General Board of Directors  
Chief Financial Officer for Brooks Investment Holdings Corp.  
B S in Business Adm. Masers of Accounting from UNC in 1994 and is CPA  
Home Address: 2016 Lee Ellen Court, Stanley, NC 28164

**Jerry Ratchford**

Computer Consultant for Vanguard Investments and has 27 years experience in computer operations and consulting.  
15 years service as General Board Member from First Presbyterian Church  
Home Address: 3004 J R Court, Stanley, NC 29164

**Steve Smith**

Represents First Presbyterian Church. Executive Board member for 5 years.  
Vice-President of the Executive Board.  
Holds a B S in Economics for UNC-Charlotte in 1991. Has represented Nationwide Insurance and began his independent insurance agency in 1991. Is currently sole Owner of InSouth Insurance Services. He is certified at CIC, CWCA, and CBIA.

**Rob McMinn**

Currently employed at Tempur-Seely as Project Manager.  
Employed at FXI since 1994. Regional Sales Manager.  
Attended St. Pete Junior College and Belmont Abbey College.  
Rob and Traci (wife) have lived in Stanley for 17 years.  
General Board member for 6 years.  
Serves as at-large member on the Executive BOD.

**Steven Denton**

Mayor of Stanley and is into his 2<sup>nd</sup> year on the General Board. Steve has a B. S. from UNC-Charlotte and a M.B.A from U.S.C. in Columbia, SC. He has been employed in the Financial Sector of Vanguard Investments for 16 years and is Senior Financial Advisor. Steve and his wife Paige, have two young sons.

**Jennifer DeFelice**

Current Administrator licensed in NC. NCNHA # 2389 for Stanley Total Living Center, Inc. 6 years experience as DON for STLC.

A salaried position reporting to and directed by the Board of Directors

Business Address: 514 Old Mt Holly Rd, PO Box 489, Stanley NC 28164

**Judy Abernathy**

Represents Christ Lutheran Church of Stanley

General Board member for 5 years.

Graduate of Gaston Memorial School of Nursing in 1969,

Worked for CaroMont Health since 1070 and as Director of Case Management for past 10 years. Is also on BOD for Advanced Home Care in High Point, NC

She is married, with 2 children, and four Grandchildren and lives in Stanley.

**George Ross**

Two years as selected member at-large. He is employed at Carolina Healthcare in Charlotte. As Quality control coordinator. He has 21 years in the medical field, holding a M.B.A. from East Carolina And a Masters certificate in Healthcare Management. George and family are members of First Presbyterian Church in Stanley and serves as Deacon and is on various committees. Home address: 171 Upper Spencer Mtn. Rd., Stanley, NC 28164

**Kevin Mauney**

Newly appointed general board member is at-large from the Alexis community.

Owns is own business: Rock Ridge Nursery and Majestic Lawn and Landscape.

Worked 28 years for International Dyeing and Mfg.

Graduate of East Lincoln High and N C Textile School (Gaston College)

### **Criminal Violations Statement**

Neither the Administrator nor any member of the Board of Directors has been convicted of a felony or pleaded nolo contendere to a felony charge or judgment, for a felony or civil action involved in fraud, embezzlement, fraudulent conversion, or misappropriation of property; or is subject to a currently effective injunction or restrictive court order, or within the past five years has had any State or Federal license or permit suspended or revoked as a result of any action brought by a governmental agency or department, arising out of or relative to business activity of health care, including actions affecting a license to operate a foster care facility, nursing home, retirement home, Home for the Aged or facility subject to the North Carolina G.S.58-64 or similar law in another state.

### **Location and Description of Physical Property**

See the description of the facility on page 5.

### **Estimated Number of Residents**

Stanley Total Living Center, Inc. is currently serving approximately 175 residents.

# STANLEY TOTAL LIVING CENTER DISCLOSURE STATEMENT

## Policies

### Admission

The admission requirements for residency with Stanley Total Living Center Inc. are as follows: Stanley Total Living Center Inc. is open to married couples in accordance with the laws of the State of North Carolina, or to men and women of all races, religion, and without regard to place of former residence. Married couples must not be related to each other in a way forbidden by law. The resident is required to meet the following standards prior to admission to Stanley Total Living Center:

- A. In the New Independent Apartments (The Parke), Both residents must be **55 years of age or older**, except that in the case of a married couple in which one spouse must be **55 years of age or older**. Exceptions to this age requirement can be made as deemed necessary and approved by the Executive Board of Directors. In the Current Independent Apartments Resident must be **55 years of age or older**, except that in the case of a married couple in which one spouse must be **55 years of age or older**. Exceptions to this age requirement can be made as deemed necessary and approved by the Executive Board of Directors.
- B. Resident shall submit for review by the Stanley Total Living Center Admissions Committee an Application for Admission. This includes recent personal health history, credit check, and financial information.
- C. Resident shall have an interview with a representative from Stanley Total Living Center prior to acceptance at Stanley Total Living Center. After reviewing all information required to be furnished herein, additional personal interviews may be required by Stanley Total Living Center.
- D. Resident shall submit a report of a physical examination of resident made by a Physician selected by resident within thirty (30) days of the projected occupancy date. Such report shall include a statement by such physician that resident is in good health, is ambulatory or can move about independently and is able to take care of himself or herself in normal living activities. Stanley Total Living Center may require resident to have another physical examination by the Medical Director or by another physician approved by Stanley Total Living Center. If the health of resident as disclosed by such physical examination differs materially from that disclosed in Resident's Application for Admission and Personal Health History, Stanley Total Living Center shall have the right to decline admission of the resident and to terminate this Agreement or, in the discretion of Stanley Total Living Center, to permit the resident to take occupancy of accommodations at Stanley Total Living Center suitable to the needs of the resident.
- E. It is understood that Stanley Total Living Center through its Admission Committee has the right to reject any application for admission to Stanley Total Living Center.
- F. The resident affirms that the representations made in the Application for Admission, Personal Health History and Confidential Financial Information are true and correct and may be relied upon by Stanley Total Living Center as a basis for entering into this Agreement.

## STANLEY TOTAL LIVING CENTER, INC.

### Health Criteria

#### STANLEY TOTAL LIVING CENTER, INC. IS FOR ACTIVE SENIORS

Stanley Total Living Center, Inc. is committed to providing a safe and secure environment where active seniors can lead the independent life-style they choose. Our apartments are for people who can live independently without direct assistance from others for routine personal activities. Our Health Center provides three areas of care: Assisted Living, Intermediate, and Skilled nursing care. Residents join Stanley Total Living Center, Inc. in the apartments and may move to the Health Center in the future if the need arises, either on a temporary or permanent basis at the prescribed fee rate. Health Center fees would apply.

Staff is not normally available for direct personal assistance in the residential areas, so we place a lot of emphasis on our residents' ability to live independently. Functional ability is the primary criteria for residency in the apartments of Stanley Total Living Center, Inc. We define this as having sufficient mobility, dexterity, sensory function and mental status to live without direct assistance of another. This includes activities of daily living and getting to meals. Of course, adaptive devices which enhance abilities are encouraged and welcomed, such as aids for ambulation, mobility, dexterity or sensory improvement.

#### FINANCIAL AND INSURANCE CRITERIA

Financial eligibility is determined on a case by case basis. Consideration is given to the age of the applicant and the type of unit to be occupied. In general, an applicant's total resources, income plus assets, must equal the cost of lifetime residency.

It is suggested that residents maintain Traditional Medicare Part A, Traditional Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage.

#### AGE CRITERIA

In the New Independent Apartments (The Parke), Resident must be **55 years of age or older**, except that in the case of a married couple in which one spouse must be **55 years of age or older**. Exceptions to this age requirement can be made as deemed necessary and approved by the Executive Board of Directors. In the Current Independent Apartments, Resident must be **55 years of age or older**, except that in the case of a married couple in which one spouse must be **55 years of age or older**. Exceptions to this age requirement can be made as deemed necessary and approved by the Executive Board of Directors.

#### CHANGES OF CONDITION PRIOR TO OCCUPANCY

Admission requirements must be met immediately prior to admission. The health and financial condition of applicants would be re-evaluated prior to occupancy.

## **CANCELLATION/TERMINATION**

### **Prior to Occupancy**

The reason for canceling an apartment contract of a Resident and an explanation of the refund provisions are explained below.

- A. This agreement will be automatically canceled if, in the event of resident's death or if a resident should become physically or mentally incapacitated or if, on account of illness, injury or other reasons of incapacity before occupying a living unit and to the extent that the facilities available at Stanley Total Living Center, Inc. cannot provide adequate care for the resident under the terms of the contract for continuing care.  
Any deposits will be refunded in full within 30 days after this determination is made.
- B. This agreement may be terminated by the resident less than ten years after execution of the contract and prior to taking occupancy at Stanley Total Living Center, Inc., by giving written notice to the Company. Resident shall receive a refund in full plus interest based upon Fidelity Money Market rate of the month the contract was signed, accrued to the date of receipt of said request, thereon of the portion of the Entrance Deposit paid by the resident. This refund and any interest will be made within 30 days of agreement termination by the resident.
- C. Less than ten (10) years after execution of the contract and prior to occupancy, The resident may at his written request have applied toward the reduction of the remaining portion of the entrance fee, an amount equal to the interest based upon Fidelity Money Market rate of the month the contract was signed. No interest will be paid or accrued after 10 years of accumulated interest.
- D. Less than ten (10) years after execution of the contract and prior to occupancy at Stanley Total Living Center, Inc. the resident may at his/her written request have applied toward the reduction of the Monthly Fee an actuarial amount equal to the interest that would have accrued on his/her initial payment based upon Fidelity Money Market rate of the month the contract was signed. No interest will be paid or accrued after 10 years of accumulated interest.

## **CANCELLATION/TERMINATION**

### **After Occupancy**

- E. This agreement may be terminated by the resident after occupancy and within thirty (30) days from the date of occupancy and within 30 days of signing a contract to occupy a living unit by serving Stanley Total Living Center with written Notice of Termination. The resident will receive a refund in full without interest thereon of the portion of the Entrance Deposit paid by the resident within 30 days after the unit is vacated. The apartment must be vacated in less than thirty (30) days from the date of occupancy for this policy to be effected.
- F. This agreement may be terminated by the resident at any time, for any reason, after occupancy has been established at Stanley Total Living Center, Inc. by serving the Company thirty (30) days written notice of such termination. The Company shall refund to residents in the New Independent Apartments (The Parke) \$4,800.00 of the Entrance Deposit reduced by \$100.00 for each month of residency up to forty eight (48) months. After forty eight (48) months of residency Stanley Total Living Center, Inc. shall be under no obligation to make a refund to the resident. The Company shall refund to residents in the Current Independent Apartments \$3,600.00 of the Entrance Deposit reduced by \$100.00 for each month of residency up to thirty-six (36) months. After thirty-six (36) months of residency Stanley Total Living Center, Inc. shall be under no obligation to make a refund to the resident. The amount of the refund due will be made within 30 days after vacated.
- G. The agreement shall be terminated on the death of a resident if the resident was a single resident of an apartment. The refund of the Entrance Deposit will be made to the resident's estate based on the same formula as E and F above.

- H. The Company may terminate this agreement at any time if there is a material misrepresentation or omission made by the resident in the Application for Admission, Personal Health History, Medical History and Evaluation, or Confidential Financial Information, if a material change takes place before occupancy, if the resident fails to make the appropriate Entrance Deposit or Monthly Fee payments to the Company or for repeated failure to abide by the policies of Stanley Total Living Center, Inc. In such an event, the resident shall be entitled to any refunds as outlined in A, E, and F above.
- I. At the effective date of termination of this Agreement, the resident shall vacate the apartment and shall leave it in good condition except for normal wear and tear. The resident shall be liable to Stanley Total Living Center, Inc. for any cost incurred in restoring the apartment to good condition except for normal wear and tear. Monthly fees will be continued until all personal effects have been removed from the apartment. Any refunds will then be made within 30 days.
- J. This agreement may be terminated by the resident within thirty (30) days following the later of execution of the contract or receipt of current Disclosure Statement by serving Stanley Total Living Center, Inc. with written notice of termination. The resident is not required to move into the facility before the expiration of the thirty (30) day period, but Stanley Total Living Center may require a non-refundable service fee of 2% of the Entrance Fee. Any refunds will be made within 30 days of receiving the written termination of agreement or 30 days after the unit is vacated by the resident in the contract.
- K. This agreement may be terminated by the Stanley Total Living Center in the event of any activity on the part of the resident that is illegal, any language that is offensive to others, any actions that may be offensive to others, or any conduct that is found to be socially unacceptable by Stanley Total Living Center that would unduly make unpleasant or unacceptable living arrangements to others. The refund of any Entrance Fees will be based upon as outlined in Paragraph A, E, and F above.

## **MOVES**

- A. It is understood that Stanley Total Living Center, Inc. has the right to make or change living accommodation assignments if necessary, in order to best serve the needs of the resident and Stanley Total Living Center, Inc.
- B. The resident agrees that Stanley Total Living Center, Inc. shall have the authority to determine when or if the resident should be transferred from the resident's apartment to the Stanley Total Living Center, Inc. Health Center or from one level of care to another level of care within Stanley Total Living Center, Inc. Health Center. Such a determination shall be based on the professional opinion of the Medical Director and/or the resident's personal physician, as well as the Administrator of Stanley Total Living Center, Inc. and shall be made only after consultation to the extent practical with the resident, a representative of the resident's family or the sponsor of the resident, and the resident's attending physician. Health Center fees would apply.
- C. If it is determined by the Medical Director and/or the resident's personal physician and the Administrator that the resident needs care beyond that which can be provided by the facility and personnel of Stanley Total Living Center, Inc., the resident may be transferred to hospital, center or institution equipped to give such care, which care will be at the expense of the resident. Such transfer of the resident will be made only after consultation with the resident, to the extent possible, a representative of the resident's family or the sponsor of the resident, and the resident's attending physician.

### **Pets Policy**

Pets that are already owned (dogs/cats only) from home prior to moving in are allowed. The resident must make the facility aware of the pet moving in with the resident at the time the contract is signed. The pet must be 30 pounds or less, have a current registration and vaccination tag. They must be established with a veterinarian and routine well visits and maintain all vaccinations. Pets must be housebroken and kept on a leash at all times outside the apartment. Policies and procedures address the rules involving pets.

Damages to the apartments due to an animal will be the financial responsibility of the resident (carpet cleaning or replacement, extermination, etc.)

### **No Smoking**

STLC is smoke free for staff, visitors, and residents.

## **MARRIAGES/NEW SECOND OCCUPANT**

Should a resident marry, the new spouse would need to be approved by the Admissions committee. The new spouse then could move into the apartment and the Monthly Fee would be adjusted accordingly. If the resident marries a person who does not meet the requirements for admission to an apartment due to health reasons, the new marriage partner (who does not meet the health requirements) would have the opportunity to be admitted into the assisted living or nursing section of the facility or to locate to another facility as he/she desires. These are the same options a married couple has who may occupy an apartment and one member of the couple has health problems that prevents independent living. Should a resident marry and the new spouse does not meet the age requirement, the age requirement would be waived for the new spouse.



## **MARRIAGE BETWEEN TWO OCCUPANTS**

In the event two residents living separately having two separate contracts/agreements marry and move into one unit of the two, their monthly fees would reflect the amount normally charged for the unit in which they choose to occupy. Any refunds due would apply to the person from the vacated unit and would be refunded within 30 days after the unit is vacated. Since entrance fees carry into the future, the resident who moved out of the unit could return to a similar unit after paying back any refunds, and additional entrance fees if applicable, and the monthly rate in force at that time whenever any empty unit becomes available. If it suits the two occupants, they may cancel the existing resident agreements and enter into a new agreement with full credit allowed for the highest entrance fee paid toward either of the two units or any available unit that is not under contract. The refund terms from Paragraph F on Page 14 would apply.

## **ENTRANCE FEE REFUNDS**

The facility does not withhold refunds dependent upon re-occupancy of another resident. Under Paragraph J on page 15, if a resident moves furnishings into a unit and then elects not to occupy the unit, the terms in Paragraph J on page 15 would apply since a unit would not be available to the public in a timely manner. The concept of a 30 day notice allows the facility to market a unit in a timely manner.

## **INABILITY TO PAY**

If the resident becomes unable to pay the appropriate Monthly Fees, the facility would have the right to discharge the resident.

# STANLEY TOTAL LIVING CENTER, INC.

## DISCLOSURE STATEMENT

### Services

#### Standard Services Available

Monthly Fees cover the costs of providing the following services for apartment residents. Services not designated as The Parke or Current Apartments are available to both.

- \*2 meals per day (The Parke)
- \*3 meals per day (Current Apartments)
- \*Special diets when ordered by a physician
- \*All utilities except phone and LD calls and cable costs
- \*Trash removal
- \*Weekly housekeeping services
- \*Washer & Dryer available for use
- \*Laundry service available, if requested (Current Apartments)
- \*Maintenance and repair of property owned by Stanley Total Living Center, Inc.
- \*Smoke detectors
- \*Grounds keeping
- \*Parking spaces as needed for daily use by apartment resident
- \*Use of common facilities
- \*Social activities program
- \*Exercise room/computer room/library/card room (The Parke)
- \*Scheduled Shopping trips (Current Apartments)
- \*Wireless Internet Services

#### Services Available at an Extra Charge:

Rates are based upon latest market conditions

- \*Extra Meals for guests/family/residents
- \*Cable television
- \*Any room in the Health Center, when available
- \*Supplies, drugs and equipment used for care
- \*Beauty and barber shop
- \*Phone service & Long distance telephone calls

Resident's computer must be compatible with STLC server. Any upgrades needed for Resident's computer will be at their expense. Any ongoing maintenance of resident's computer must be at their expense.

#### Health Services Available

This apartment is considered to be independent living. Residents living here are expected to be able to perform basic activities of daily living without assistance (bathing, dressing, eating, for example). If there is a noted decline in function due to acute illness and the resident is unable to dress, bathe, or feed self, temporary/permanent services will be available at STLC Health Center. An assessment will be done by a nurse and/or the physician to determine further needs. Health Center fees would apply.

Medications must be kept in each individual apartment. Residents, if needed, will be given a 7-day pill organizer to help as a reminder for timely medication. If a resident needs assistance with medication, the physician will reassess the ability to continue living in an independent environment.

Stanley Total Living Center, Inc. Health Center is licensed as a combination facility by the State of North Carolina. Current Skilled Nursing beds are 106. Current number of Assisted Living beds are 40. Only 24 beds are licensed for Medicaid. There are 20 (1 or 2 bedroom) apartments at THE PARKE and 8 (1 or 2 bedroom) apartments located at the main health care center.

In addition to the services normally provided by a licensed Nursing home, Stanley Total Living Center, Inc. also has a contract with a licensed therapy firm to provide physical therapy, speech therapy, and occupational therapy. The billing for this as well as other outside professional services is done directly between the resident and the provider.

### **Maintenance Services Available**

\*Stanley Total Living Center is responsible for normal wear and tear to the property, furnishings and equipment owned by Stanley Total Living Center, as well as continued capital repairs and improvements.

\*The resident is responsible for any extraordinary repair, maintenance, or damage caused by the negligence of the resident, pets, or guest to Stanley Total Living Center property.

\*The resident is responsible for any/all repairs to personal property and equipment brought with them into the facility.

\*Flowers, shrubs, or vegetables may be added at the residents' expense in the grounds area outside of each apartment with prior approval of the administration.

**STANLEY TOTAL LIVING CENTER, INC.**  
**DISCLOSURE STATEMENT**

**Fees**

**Application Registration Fees**

There are no fees required to have your name placed on the waiting list.  
10 % of Entrance fee required to hold an apartment in future construction.

**Entrance Fees**

**DEFINITION:** The Entrance Fee paid by the resident entitles the resident to lifetime residency in the facility as long as all terms and conditions of the residency agreement are adhered, including ability to pay the monthly residency fees.

After occupancy has been established at Stanley Total Living Center, Inc. the resident is entitled to a full refund if the resident leaves the apartment within the first thirty (30) days of occupancy; afterward, the facility shall refund to residents in the **(The Parke) \$4,800.00** of the Entrance Deposit reduced by \$100.00 for each month of residency up to **forty eight (48) months**. After forty-eight (48) months of residency Stanley Total Living Center, Inc. shall be under no obligation to make a refund to the resident. The Company shall refund to residents in **the Original Independent Apartments \$3,600.00** of the Entrance Deposit reduced by \$100.00 for each month of residency up to **thirty-six (36) months**. After thirty-six (36) months of residency Stanley Total Living Center, Inc. shall be under no obligation to make a refund to the resident. Refunds will be within thirty (30) days of contract termination.

Less than ten (10) years after execution of the contract and **prior to apartment occupancy** at Stanley Total Living Center, Inc. and after giving written notice, the resident shall receive a refund in full within 30 days with an interest rate based upon Fidelity Money Market rate of the month the contract was signed, accrued to the date of receipt of said request, thereon of the portion of the Entrance Deposit paid by the resident. No interest will be paid or accrued after 10 years of accumulated interest.

After occupancy has been established at Stanley Total Living Center in the Independent Living Center (apartments), should a resident decide to vacate the facility, the resident would be entitled to any refunds under **CANCELLATION/TERMINATION PARAGRAPH E or F**. The resident has the option of returning at a later date as apartments become vacant. Any refunds from the former occupancy would then become immediately due. Should the resident elect to move to a higher priced unit and/or if the entrance fee has been increased, the entrance fee previously paid would be credited toward the current entrance fee for the same or upgraded unit at the time a renewed contract is signed. The resident would not have any priority over any prospective resident who has obligated themselves for the next available unit for occupancy. They would be given every consideration possible in occupying a suitable unit, but would be given equal treatment as any prospective resident. They would also be obligated for the current monthly fees in effect at the time of re-occupancy. In effect, the returning resident would be treated as a new resident, but would be given credit for any entrance fees previously paid.

Should a resident elect to forgo an entrance fee upon entering the **INDEPENDENT LIVING UNITS** and pay the additional \$1,000 per month over normal monthly fees, after a period of 48 months, the monthly fees will be reduced by \$1,000 and the charges would be the same as those who paid an entrance fee, The monthly fees are subject to change, but are normally reviewed annually. There are no refunds available under this option.

Refer to **Cancellation/Termination** for further information on refunds.



# Stanley Total Living Center, Inc.

514 OLD MT.HOLLY ROAD, STANLEY, NC 28164-2191 704-263-1986 FAX 704-263-8959

The following list is a breakdown of costs for Current Skilled Nursing, Assisted Living, and Independent Apartments. as of October 1, 2018.

## ASSISTED LIVING AND NURSING HOME RATE

NH	Private Room	.	.	.	.	\$283.00/day	Telephone.	\$15.00/mth
NH	Semi-Private Room	.	.	.	.	\$261.00/day	Cable TV	\$15.00/mth
							Oxygen conc.	\$130.00/mth
							Guest meals	\$5.00 each meal

## ASSISTED LIVING RATE SCHEDULE

**\*NOTE—there are no private RH/ALU rooms available (all are semi-private)**  
 24 Semi-Private beds are available for Private Pay or Medicaid. (Studio unit with shared bath)  
 16 additional beds will be available for those having a CCRC apartment contract or Assisted Living contract that is 30 days or longer. These will be 2 bedroom units with a shared Living Room and Bath. (435 sq. ft, shared by 2)

<b>Level 1</b> —BASE (\$4,349/mo)	\$143/day	<b>Level 3</b> —BASE + \$800/mo	\$170/day
<b>Level 2</b> —BASE + \$400/mo	\$156/day	<b>Level 4</b> —BASE + \$1,200/mo	\$185/day

\$250 non-refundable deposit required upon admission.

<b>Level 1</b> —BASE (\$4502/mo.)	\$148/day	<b>Level 3</b> —BASE + \$800/mo	\$176/day
<b>Level 2</b> —BASE + \$400/mo	\$161/day	<b>Level 4</b> —BASE + \$1,200/mo	\$190/day

## ORIGINAL APARTMENTS RATES

Age 55+

## MONTHLY RATE

WITH  
ENTRANCE FEE

## MONTHLY RATE

NO  
ENTRANCE FEE

	<u>ENTRANCE FEE</u>	<u>WITH</u> <u>ENTRANCE FEE</u>	<u>NO</u> <u>ENTRANCE FEE</u>
1 BEDROOM	\$24,000.00	\$2,673.00	\$3,673.00
2 BEDROOM	\$28,000.00	\$3,035.00	\$4,035.00

An additional person (spouse/sibling) will add \$450/month in any apartment unit including The Parke

**STANLEY TOTAL LIVING CENTER, INC**

**CURRENT RATES: October 1, 2018**

<b><u>THE PARKE APARTMENT RATE</u></b>	<b><u>ENTRANCE FEE</u></b>	<b><u>MONTHLY RATE WITH ENTRANCE FEE</u></b>	<b><u>MONTHLY RATE NO ENTRANCE FEE</u></b>
1 Bedroom (716 sq ft)	\$26,000.00	\$2,752.00	\$3,752.00
1 Bedroom (849 sq ft)	\$28,000.00	\$2,868.00	\$3,868.00
2 Bedroom(969 sq ft)	\$30,000.00	\$2,991.00	\$3,991.00
2 Bedroom(1159 sq ft)	\$32,000.00	\$3,325.00	\$4,325.00

Additional person (Spouse, Sibling) would add \$450 to base rate.

Our disclosure statement is part of the apartment contract and provides the details that Accompanies the Apartment Agreement.

Each current and future Apartment resident will be evaluated by the Medical committee To determine if health care assistance is needed. Assisted Living will be available for those who Need additional health care. Health care center fees would apply.

Apartments are seniors who are still independent and able to function without assistance from Staff. AGE +55.

**OTHER AVAILABLE SERVICES AT THE PARKE**

Telephone	\$ 20.00 / Mth
Cable TV	\$ 25.00 / Mth
Oxygen Concentrator/IFill Machine	\$130.00 / Mth
Guest Meals	\$ 5.00 (each meal)

Any room in the Health Care center when available

Beauty Shop

Exercise Room with equipment

Note – You may contact our beautician directly to make appointments for your family member.

Perm, Cut & Set	\$ 50.00	Haircut With Shampoo	\$ 13.00	Haircut	\$ 10.00
Long Pass Shoulder Perm	\$ 60.00	Shampoo, Cut & Set	\$ 24.00	Shampoo	\$ 8.00
Set Only	\$ 8.00	Color/Highlights	\$ 45.00	Cut & Set	\$ 15.00
Shampoo & Set	\$ 16.00	Family Provides Color	\$ 35.00	Beard Trim	\$ 3.00

**Primary physicians, Podiatrists, Dentists, Psychiatrists, and Ophthalmologists come to the facility routinely, but will bill insurances and private pay separately.**

**Notification of Fee Increases and Fee Change Policies:**

The monthly charge is assessed to provide the facilities, programs, and services described in this agreement and is intended to meet the cost associated with the establishment, operation and management of Stanley Total Living Center, Inc. Stanley Total Living Center, Inc. shall have the authority to adjust the monthly charge from time-to-time during the term of this agreement as Stanley Total Living Center, Inc. at its discretion deems necessary in order to reflect changes in such costs of providing such facilities, programs and services described herein consistent with operating on a sound financial basis and maintaining the quality of services called for herein. Any such increase in monthly charges or other charges may be made by Stanley Total Living Center, Inc. upon thirty (30) days written notice to residents. Stanley Total Living Center, Inc. also reserves the right to revise and amend the basis of all charges.

**FEE CHANGE POLICIES:**

Fees are generally changed once annually but may be changed at any time. At least thirty days' notice is provided to residents before new fees take effect. The objective in setting fees is to keep them at the lowest feasible rates consistent with sound fiscal practices and maintenance of the quality of service.

Entrance Fees and Monthly Service Fees are also determined using actuarial modeling. The goal is to set fees that are sufficient to cover residents' projected future needs as well as current needs.

**HISTORICAL CHANGES IN MAJOR FEES:**

The following table shows average changes in the monthly service fees and health center daily charges over time. Note that it is the average dollar amount of the CHANGE in fees from year to year that is shown – NOT the fees themselves. All changes during this period occurred once per year.

	<u>2013- 2014</u>	<u>2014- 2015</u>	<u>2015- 2016</u>	<u>2016- 2017</u>	<u>2017- 2018</u>	<u>2018- 2019</u>
<b>Monthly Service Fee Changes-\$'s per month-Apartments Located at Stanley Total Living Center:</b>						
One Occupant	49	47	65	97	75	103
Two Occupants	76	61	76	176	75	103
Approx. Percent Increase	2.5%	2%	3%	4-6%	3%	4%

<b>Health Center Room Fee Changes-\$'s per day</b>						
Skilled	7	3	8	8	8	3
Approx. Percent Increase	3%	1%	3%	3%	3%	1%

	<u>2015- 2016</u>	<u>2016- 2017</u>	<u>2017- 2018</u>	<u>2018- 2019</u>
<b>Monthly Service Fee Changes-\$'s per month-Apartments Located at The Parke</b>				
One Occupant	NA 1 <sup>st</sup> Year	99	77	106
Two Occupants	NA 1 <sup>st</sup> Year	107	77	106
Approx. Percent Increase	NA 1 <sup>st</sup> Year	4%	3%	4%

**Fees for the Previous Five Years 2011-2016-Apartments Located at Stanley Total Living Center.**

<u>Apartment Units</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
1 BR-Single Occupant	\$2,140	\$2,172	\$2,237	\$2,495	\$2,570	\$2,673
1 BR-Double Occupant	\$2,490	\$2,527	\$2,603	\$2,945	\$3,020	\$3,123
2 BR-Single Occupant	\$2,475	\$2,512	\$2,587	\$2,833	\$2,918	\$3,035
2 BR-Double Occupant	\$2,804	\$2,862	\$2,948	\$3,283	\$3,368	\$3,485

**Recurring Monthly Fees- Apartments Located at Stanley Total Living Center:**

Cable	\$15	\$15	\$15	\$25	\$25	\$25
Phone	\$15	\$15	\$15	\$20	\$20	\$20

**Daily fees for the Previous Five Years 2013-2018-Skilled Nursing**

Private Room	\$253	\$256	\$264	\$272	\$280	\$283
Semi-Private	\$233	\$236	\$243	\$250	\$258	\$261

There has been no change in other recurring fees for the Health Center.

**Fees for the Previous Applicable Years 2015-2018-Apartments Located at The Parke:**

<u>Apartment Units-The Parke</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
1 BR-Single Occupant	\$2,569	\$2,646	\$2,752
1 BR-Double Occupant	\$3,019	\$3,096	\$3,202
2 BR-Single Occupant	\$2,792	\$2,876	\$2,991
2 BR-Double Occupant	\$3,242	\$3,326	\$3,441

There has been no change in other recurring fees since The Parke opened July 2016.



# STANLEY TOTAL LIVING CENTER, INC.

## DISCLOSURE STATEMENT Fiscal Year September 30, 2018 Financial Information

### Financial Overview

An overview of the financial results of the operation of Stanley Total Living Center, Inc. is contained in the audited financial statements found in Attachment 1.

### Operating Reserve Calculation

Total operating expenses	<u>\$11,426,681</u>
Principle Payment on long-term debt Add	<u>\$323,963</u>
Less Depreciation, if applicable:	<u>\$ 699,123</u>
Less Amortized Expenses, if applicable:	<u>\$ 7,953</u>
Less Extraordinary Items, as approved by the Commissioner of Insurance:	<u>-0-</u>
Operating Cost Calculation:	<u>\$11,043,568</u>
Occupancy Factor:	<u>.50</u>
Operating Reserve Requirement:	<u>\$ 5,521,784</u>
Operating Reserve	<u>\$ 5,521,784</u>

The security by which Stanley Total Living Center, Inc. intends to fulfill its contractual financial obligations rests with the financial strength of the organization, its conservative methods of operation, and the integrity of the Board of Directors. The integrity and conservative nature of the individuals who serve on the Board of Directors and the churches they represent are well known in Stanley Total Living Center's service area.

All of Stanley Total Living Center's investments have been, for the past twenty two years and are currently, handled by Mr. Michael Dixon, Treasurer/CFO of the corporation and member of the Executive Committee of the Board of Directors. Mr. Dixon handles investments upon the direction of the Board of Directors. He has a bachelor's of science (BS) degree in chemistry and retired in 1998 after having been employed for the previous twenty-seven (27) years by the Clariant Corporation in various positions, such as General Business Manager and Sales & Marketing Manager. If needed, these investments could be released at any time, upon approval by the Executive Committee of the Board of Directors. Mr. Dixon also is a licensed NC NH Administrator #1920.

### Reserves, Trusts, Escrow accounts:

There are no accounts provided for as a result of any contracts with a lending institution. Our auditor has specified a reserved account to meet the requirements from the Department of Insurance who provides the license for ILU units.

## **SECTION VII**

### **OTHER MATERIAL INFORMATION, AS APPLICABLE**

There have been no past or current litigation, bankruptcy filings, receivership, liquidation, or impending action regarding the Stanley Total Living Center, Inc.

**ATTACHMENT 1**

**CERTIFIED FINANCIAL STATEMENTS**  
**Audited Financial Statement for 2017 & 2018**

FINANCIAL STATEMENTS  
STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
Years Ended September 30, 2018 and 2017

THOMAS E. GATEWOOD, JR., C.P.A., P.C.

TABLE OF CONTENTS

Independent Auditor's Report	Page 1
Statements of Financial Position	Exhibit "A"
Statements of Activities and Changes in Net Assets	Exhibit "B"
Statements of Cash Flows	Exhibit "C"
Notes to Financial Statements	

*Thomas E. Gatewood, Jr., C.P.A., P.C.*

Member American Institute of Certified Public Accountants

Thomas E. Gatewood, Jr., C.P.A.

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To the Board of Directors  
Stanley Total Living Center, Inc.  
Stanley, North Carolina

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Stanley Total Living Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stanley Total Living Center, Inc. as of September 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Thomas E. Gatewood, Jr.*  
THOMAS E. GATEWOOD, JR., CPA, PC

December 18, 2018

STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2018 AND 2017

EXHIBIT "A"

ASSETS

	<u>2018</u>	<u>2017</u>
<u>CURRENT ASSETS:</u>		
Cash - operating accounts	\$ 1,727,827	\$ 2,902,024
Accounts receivable:		
Intermediaries and residents	\$ 667,225	\$ 848,587
Other	12,250	12,396
	<u>\$ 679,475</u>	<u>\$ 860,983</u>
Prepaid expenses	\$ 52,573	\$ 39,730
Inventories (Note 1)	43,575	53,212
	<u>\$ 96,148</u>	<u>\$ 92,942</u>
<u>TOTAL CURRENT ASSETS</u>	<u>\$ 2,503,450</u>	<u>\$ 3,855,949</u>
<u>PROPERTY, PLANT AND EQUIPMENT: (Note 1)</u>		
Land	\$ 280,000	\$ 280,000
Buildings and improvements	17,386,765	16,061,907
Equipment	2,433,682	2,483,076
Vehicles	98,492	98,492
	<u>\$20,198,939</u>	<u>\$18,923,475</u>
Less accumulated depreciation	5,753,548	5,420,311
<u>NET PROPERTY, PLANT AND EQUIPMENT</u>	<u>\$14,445,391</u>	<u>\$13,503,164</u>
<u>OTHER ASSETS:</u>		
Investments - Other (Notes 1, 2 and 3)		
Unrestricted - cash and investments	\$ 2,740,881	\$ 1,994,815
Restricted for operating reserve:		
Cash and investments	5,521,784	5,408,188
<u>TOTAL INVESTMENTS</u>	<u>\$ 8,262,665</u>	<u>\$ 7,403,003</u>
<u>TOTAL OTHER ASSETS</u>	<u>\$ 8,262,665</u>	<u>\$ 7,403,003</u>
<u>TOTAL ASSETS</u>	<u>\$25,211,506</u>	<u>\$24,762,116</u>

The accompanying notes of these financial statements are an integral part of this statement. See Accountants' Report.

LIABILITIES AND NET ASSETS

	<u>2018</u>	<u>2017</u>
<u>CURRENT LIABILITIES:</u>		
Mortgage payable - current portion (Note 3)	\$ 323,963	\$ 323,963
Accounts payable:		
Trade	\$ 278,624	\$ 439,104
Patient	16,228	13,434
	<u>\$ 294,852</u>	<u>\$ 452,538</u>
Accrued expenses:		
Salaries and wages	\$ 155,365	\$ 133,208
Interest	14,930	13,514
	<u>\$ 170,295</u>	<u>\$ 146,722</u>
<u>TOTAL CURRENT LIABILITIES</u>	<u>\$ 789,110</u>	<u>\$ 923,223</u>
<u>LONG-TERM LIABILITIES:</u>		
Refundable entrance fees (Note 1)	\$ 11,700	\$ 15,350
Deferred revenue from advance fees (Note 1)	217,400	214,870
Mortgage payable-long term portion (Note 3)	4,157,526	4,481,489
Less: Unamortized debt issuance expense	(23,689)	(31,643)
<u>TOTAL LONG-TERM LIABILITIES</u>	<u>\$ 4,362,937</u>	<u>\$ 4,680,066</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 5,152,047</u>	<u>\$ 5,603,289</u>
<u>NET ASSETS:</u>		
Unrestricted Net Assets	\$20,059,459	\$19,158,827
<u>NET ASSETS</u>	<u>\$20,059,459</u>	<u>\$19,158,827</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$25,211,506</u>	<u>\$24,762,116</u>



## EXHIBIT "B"

STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

<u>CHANGES IN UNRESTRICTED NET ASSETS</u>	<u>2018</u>	<u>2017</u>
<u>OPERATING REVENUE:</u>		
Residents' room, board and nursing care (Note 6)	\$11,354,801	\$11,022,829
<u>OPERATING EXPENSES:</u>		
General operations and administration	10,429,481	9,847,051
Depreciation and amortization	\$ 925,320	\$ 1,175,778
	697,076	664,847
	\$ 228,244	\$ 510,931
<u>OTHER REVENUES (EXPENSES) AND SUPPORT:</u>		
Contributions received - Foundation	\$ 21,000	\$ 2,600
Contributions received - Other	6,267	11,818
Interest income	1,937	4,025
Investment income on long term investments	330,243	218,261
Gain (loss) on disposal of assets	(45,595)	(45,313)
Realized gains losses on long term investments	486,411	387,253
Unrealized gain (loss) on long term investments	43,009	292,207
Interest paid	(170,884)	(127,878)
<u>TOTAL OTHER REVENUES (EXPENSES) AND SUPPORT</u>	<u>\$ 672,388</u>	<u>\$ 742,973</u>
<u>INCREASE IN UNRESTRICTED NET ASSETS</u>	<u>\$ 900,632</u>	<u>\$ 1,253,904</u>
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>19,158,827</u>	<u>17,904,923</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$20,059,459</u>	<u>\$19,158,827</u>

The accompanying notes of these financial statements are an integral part of this statement. See Accountants' Report.

STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

EXHIBIT "C"

	<u>2018</u>	<u>2017</u>
<u>OPERATIONAL CASH FLOWS:</u>		
Increase in net assets (Exhibit "B")	\$ 900,632	\$ 1,253,904
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	697,076	664,847
Amortization of deferred revenue from advance fees	(62,120)	(85,955)
Advance fee deposits received	61,000	40,400
Loss on disposal of assets	45,595	45,313
Net unrealized (gains) losses on long term investments	<u>(43,009)</u>	<u>(387,253)</u>
	<u>\$ 1,599,174</u>	<u>\$ 1,531,256</u>
Changes in operating asset and liability items:		
(Increase) decrease in accounts receivable	\$ 181,508	\$ (70,526)
(Increase) decrease in prepaid expenses	(12,843)	(4,193)
(Increase) decrease in inventories	9,637	(7,419)
Increase (decrease) in accounts payable	(157,686)	109,732
Increase (decrease) in accrued expenses	23,573	39,085
	<u>\$ 44,189</u>	<u>\$ 66,679</u>
<u>NET CASH FLOWS PROVIDED BY OPERATIONS</u>	<u>\$ 1,643,363</u>	<u>\$ 1,597,935</u>
<u>INVESTING ACTIVITIES:</u>		
Acquisition of property, construction in progress and equipment	\$ (1,676,944)	\$ (1,413,348)
Proceeds on sale of securities	9,397,036	12,137,352
Purchase of investments	<u>(10,213,689)</u>	<u>(12,647,820)</u>
<u>NET CASH FLOWS (USED) BY INVESTING ACTIVITIES</u>	<u>\$ (2,493,597)</u>	<u>\$ (1,923,816)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Increase in long term debt	\$ -0-	\$ 592,872
Repayment of long term debt	(323,963)	(53,994)
<u>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</u>	<u>\$ (323,963)</u>	<u>\$ 538,878</u>
Net increase (decrease) in cash balance	\$ (1,174,197)	\$ 212,997
Cash at beginning of year	2,902,024	2,689,027
Cash at end of year	<u>\$ 1,727,827</u>	<u>\$ 2,902,024</u>

The accompanying notes of these financial statements are an integral part of this statement. See Accountants' Report.

STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES:

Stanley Total Living Center, Incorporated is a nonprofit organization under the laws of the State of North Carolina. The primary purpose of the organization is for developing and owning health care facilities. The organization operates a full service retirement facility in Stanley, North Carolina.

The Organization is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and classified as a non-private foundation under IRS Code section 509(a)(2).

SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting, and accordingly reflect all significant receivables, payables and other liabilities.

Financial Statement Presentation

The Organization presents its financial statements in accordance with Financial Accounting Standards Codification (ASC) 958 (formerly Statement of Financial Accounting Standards No. 117, Financial Statements for Non-for-Profit Organizations). Accordingly, the Organization reports information regarding its financial position and activities according to three classes of net assets; unrestricted, temporarily restricted, and permanently restricted.

Unrestricted Net Assets

Unrestricted net assets include unrestricted resources which represent the portion of funds that are available for the operating objectives of the Organization. Board-designated net assets represent amounts the Organization has set aside for a specific purpose.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of donor restricted contributions and grants. Amounts restricted by donors for a specific purpose are deemed to be earned and reported as temporarily restricted revenue, when received, and such unexpended amounts are reported as temporarily restricted net assets at year-end. When the donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions." At September 30, 2018 and 2017, the Organization had no temporarily restricted net assets.

STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued):

Permanently Restricted Net Assets

Permanently restricted net assets consist of donor restricted contributions, which are required to be held in perpetuity. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations. The Organization had no permanently restricted net assets at September 30, 2018 and 2017.

Contributions

Contributions received, including unconditional promises to give, are recognized as revenues in the period received at their fair values.

Contributions are presented as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organization has implemented the policy of recognizing as unrestricted revenue donor-restricted contributions whose restrictions are met in the same reporting period.

Donated Materials and Services

Donated materials are reflected as contributions at the estimated value at date of receipts. No amounts have been reflected in the statements for donated services in as much as no objective basis is available to measure the value of such services.

Cash

For the purpose of the statement of cash flows, cash with a maturity date no longer than ninety (90) days consists of the following:

	<u>2018</u>	<u>2017</u>
Cash in bank	\$ 1,727,477	\$ 2,901,674
Petty cash	350	350
	<u>\$ 1,727,827</u>	<u>\$ 2,902,024</u>

The Organization maintains their cash in banks at federally insured institutions. The balance of some of the accounts during the year, and at September 30, 2018 and 2017 exceeded the federally insured limits.

Accounts Receivable - Intermediaries:

Accounts receivable from intermediaries - Division of Medical Assistance and Blue Cross /Blue Shield of North Carolina - represents the balances due at September 30, 2018 and 2017 for patient services rendered. Management fees that because the preponderance of the Company's accounts receivables are due from Medicaid or Medicare intermediaries no allowance for bad debts is recognized. The Organization's management reviews the accounts receivables due from non-governmental sources at year end to determine the accounts to be written off for the year.

STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued):

Inventories

Inventories consist of medical, food, dietary and housekeeping supplies. The inventories are stated at cost. Cost is determined by the first-in, first-out (FIFO) method.

Property, Plant and Equipment

Property, plant and equipment is stated at cost when acquired by purchase and at estimated market values when acquired by gift. Depreciation is computed on the straight-line basis using the following estimated useful lives:

Building	30 - 50 years
Equipment	5 - 10 years
Furniture	10 years
Vehicles	5 years

Major additions over \$1,000 are capitalized and expenditures for maintenance and repairs are charged to income as incurred.

Fair Value Measurement

The Organization's financial instruments consist primarily of cash, and investments.

The carrying amount of cash, grants receivable, accounts receivable and accounts payable approximate their fair value due to the short-term nature of such instruments.

Investments

The Organization follows the Not-For-Profit Entities subtopic of the FASB Accounting Standards Codification with respect to investments. Under this subtopic, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Estimates and Assumptions

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.

Debt Issuance Expense

The debt issuance expense is being amortized over the life of the bonds payable.

Refundable Entrance Fees - Advance entrance fee deposits are fully refundable prior to becoming a resident of the facility. After becoming a resident (occupancy for 30 days), these fees are non-refundable except for independent living units which are refundable at \$3,600 reduced by \$100 per month of occupancy. All non-refundable fees are reclassified to deferred revenue from advanced fees.

STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued):

Tax Exempt Status

The Organization is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Deferred Revenue from Advanced Fees

Advanced fees that are not refundable represent payment for future services. The Organization amortizes these fees to income on the straight-line method. The amortization period is based on the residents' expected remaining life span at their date of entrance into the facility. The expected remaining life span is determined by using ordinary life annuity tables. If a resident vacates the facility, any non-refundable fees will be taken into income in the current period.

Advertising

The Organization's policy is to expense advertising costs as the costs are incurred.

NOTE 2: INVESTMENTS, RESTRICTED CASH AND UNREALIZED GAINS ON INVESTMENTS

Investments are as follows:

As of September 30, 2018

	<u>COST</u>	<u>UNREALIZED GAIN</u>	<u>FAIR VALUE</u>
Cash and cash equivalent	\$ 483,016	\$ -0-	\$ 483,016
Stock Equity	740,241	216,499	956,740
Mutual Funds	6,609,146	213,763	6,822,909
	<u>\$7,832,403</u>	<u>\$ 430,262</u>	<u>\$8,262,665</u>

As of September 30, 2017

	<u>COST</u>	<u>UNREALIZED GAIN</u>	<u>FAIR VALUE</u>
Cash and cash equivalent	\$1,052,929	\$ -0-	\$1,052,929
Stock Equity	1,339,714	184,412	1,524,126
Mutual Funds	4,623,107	202,841	4,825,948
	<u>\$7,015,750</u>	<u>\$ 387,253</u>	<u>\$7,403,003</u>

Cash and investments restricted for operating reserve is as follows:

	<u>2018</u>	<u>2017</u>
Fidelity	\$7,851,635	\$7,046,464
T. Rowe Price	411,030	356,539
	<u>\$8,262,665</u>	<u>\$7,403,003</u>

STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 3: FAIR VALUE MEASUREMENTS

The Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs would be used only when Level 1 or Level 2 inputs were not available. The Organization elected under Section 825 of the code to value the investments as of the beginning of their respective current year.

The fair values were computed as follows:

As of September 30, 2018

	<u>FAIR VALUE</u>	<u>QUOTED MARKET PRICE LEVEL 1</u>
Stock Equity	\$ 956,740	\$ 956,740
Mutual Funds	6,822,909	6,822,909
	<u>\$7,779,649</u>	<u>\$7,779,649</u>

As of September 30, 2017

	<u>FAIR VALUE</u>	<u>QUOTED MARKET PRICE LEVEL 1</u>
Stock Equity	\$1,524,126	\$1,524,126
Mutual Funds	4,825,948	4,825,948
	<u>\$6,350,074</u>	<u>\$6,350,074</u>

STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 4: PROMISSORY NOTE

On July 8, 2015, Stanley Total Living Center entered into a promissory note arrangement with Park Sterling Bank. The note is for the building of twenty (20) new independent living apartments, furniture for those apartments and improvements to the existing nursing center, and is secured by the new construction and the existing building and equipment.

The Organization paid interest only through July 15, 2017 based on the adjusted LIBOR rate per annum. Beginning August 15, 2017, the Center began paying principal of 1/180 of the existing principal plus interest per month. At September 30, 2018, the interest rate was 3.861335%.

Maturities of long-term debt is as follows:

Year Ended September 30,

2019	\$ 323,963
2020	323,963
2021	323,963
2022	3,509,600
	<u>\$4,481,489</u>

NOTE 5: DERIVATIVE FINANCIAL INSTRUMENT

The Organization entered into an interest rate swap arrangement with Park Sterling Bank effective July 18, 2017 that in effect fixed the interest rate on the Company's long-term bank note payable at 3.85%. The arrangement is scheduled to expire on July 8, 2022. The notional amount of the contract as of September 30, 2018 was \$2,273,056, (original amount July 18, 2017 was \$2,450,000). The Company's purpose in entering into the swap arrangement was to hedge against the risk of interest rate increases on the related variable rate debt and not to hold the instrument for trading purposes. Accordingly, the swap arrangement, which is a derivative financial instrument, is classified as a cash flow hedge. As such, the derivative financial instrument is reflected on the balance sheet at its estimated fair value. Because the hedge is considered effective, the results of the swap arrangement are included in interest expense on the statement of operations. The effect for the year end September 30, 2018 was to increase interest expense by \$10,836, (\$4,881 for 2017).

NOTE 6: CONCENTRATION - MEDICAID/MEDICARE REVENUE

Revenues of \$7,296,330 (\$6,951,995 in 2017) under the Medicare and Medicaid program were received during the year and are subject to subsequent audit with possible retroactive adjustments by the intermediaries.

NOTE 7: RETIREMENT PLAN

The Organization adopted a 403(b) retirement plan effective January 1, 1997. The plan covers all employees with one year of service (1,000 or more hours of service are required to constitute a year of service). The Organization's contribution is based on matching 50% of the first 4% of salary deferral elected by each eligible employee. The Organization's contributions for the year ended September 30, 2018 were \$14,475, (\$11,750 in 2017).



STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 8: OPERATING LEASE

The Organization currently has the following operating leases:

1 - Physical Therapy Equipment	<u>ANNUAL LEASE</u>
Minimum Term - One Year	
Rate - \$1,818 per month	
	\$21,816
2 - Copier Equipment	
Minimum Term - Through December 1, 2019	
Rate - \$512 per month	
	<u>6,144</u>
Total Operating Rent for 2018	<u>\$27,960</u>

NOTE 9: SUPPLEMENTAL DISCLOSURES - STATEMENT OF CASH FLOWS

Interest paid for the year ended September 30, 2018 amounted to \$169,468, (\$121,841, for 2017). The Organization is exempt from paying income taxes under IRS Code section 501(c)(3).

NOTE 10: CONTINGENT LIABILITY

Interest on the Refundable Advance Fees - The Residency Agreement provides for payment of interest on the refundable portion of the advance fee under certain conditions of termination of the agreement.

NOTE 11: STANLEY TOTAL LIVING CENTER FOUNDATION

Stanley Total Living Center Foundation, a 501(C)(3) non-profit organization was formed for the purpose of raising funds and providing support to Stanley Total Living Center, Inc. The assets of the Foundation are not carried on the books of the Center since they do not meet the requirements of the Financial Accounting Standards Board FASB ASC 958. The total net fair market value of the investment assets in the Foundation at September 30, 2018 was \$3,687,142 (\$3,249,817 for 2017). The Foundation is a guarantor of the Center's notes payable.

NOTE 12: CHARITY CARE

Stanley Total Living Center provides services at no charge, or amounts less than its established rates, to residents who meet the criteria of its charity care policy. Usually, criteria is based on the ability to pay for the financial obligations of health care services.

Charity care also extends to the community in providing health care clinics and other activities.

The net cost of charity care provided was approximately \$1,925,368 during the year ended September 30, 2018, (\$1,638,988 for 2017).

STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

NOTE 13: LONG TERM DEBT SERVICE COVERAGE RATIO

Stanley Total Living Center's long term debt service ratio was 98.98 for 2018 (17.64 for 2017) calculated as follows:

	<u>2018</u>	<u>2017</u>
Increase in Unrestricted Net Assets (Exhibit "B")	\$ 900,632	\$ 1,253,904
Additions (deductions)		
Depreciation	689,123	656,894
Amortization	7,953	7,953
Interest expense	170,884	127,878
Unrealized (gains) losses	(43,009)	(387,253)
	<u>\$ 1,725,583</u>	<u>\$ 1,659,376</u>
Debt Service Obligation		
Principal	\$ 323,963	\$ 323,963
Interest	167,312	134,326
	<u>\$ 491,275</u>	<u>\$ 458,289</u>
Long Term Debt Service Coverage Ratio	<u>3.51</u>	<u>3.62</u>

NOTE 14: SUBSEQUENT EVENTS

Management has evaluated the subsequent events through December 18, 2018, the date of these financial statements were available to be issued, and has determined no additional disclosures are required based upon their evaluation.

NOTE 15: RECLASSIFICATION

Certain amounts on the prior year financials have been reclassified to be comparable to the current year. The reclassifications had no effect on the statement of income or the retained earnings.

**ATTACHMENT 2**

**FIVE YEAR FORECASTED STATEMENTS  
FOR 2019-2023; INCLUDES EXPECTED  
REVENUE AND INCOME FOR ALL FACILITIES  
OF STANLEY TOTAL LIVING CENTER, INC.**

FORECASTED FINANCIAL STATEMENTS  
STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
September 30, 2019, 2020, 2021, 2022 and 2023

THOMAS E. GATEWOOD, JR., C.P.A., P.C.

TABLE OF CONTENTS

Independent Accountant's Report	Page 1
Forecasted Statements of Financial Position	Page 2
Forecasted Statements of Activity and Changes in Net Assets	Page 3
Forecasted Cash Flow	Page 4
Forecasted Financial Statement Assumptions	Page 5 - 7

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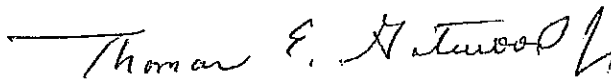
INDEPENDENT ACCOUNTANT'S REPORT

To The Board of Directors  
Stanley Total Living Center, Inc.  
Stanley, North Carolina

We have compiled the accompanying forecasted statements of financial position, statements of activities, changes in net assets and statements of cash flows of Stanley Total Living Center, Inc. as of September 30, 2019, 2020, 2021, 2022 and 2023, and for the year's then ending, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation of forecasted statements is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying forecasted statements or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management has elected to omit from the years forecast the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows for the periods presented. Accordingly, the accompanying presentations are not designed for those who are not informed about such matters.



THOMAS E. GATEWOOD, JR., CPA, PC

December 18, 2018

STANLEY TOTAL LIVING CENTER, INC  
 FORECASTED STATEMENTS OF FINANCIAL POSITION  
 SEPTEMBER 30,

	<u>2019</u>	<u>2020</u>
<b>ASSETS</b>		
CURRENT ASSETS		
CASH AND CASH EQUIVALENT	\$ 1,750,000	\$ 1,750,000
NET PATIENT ACCOUNTS RECEIVABLE	569,324	586,553
OTHER CURRENT ASSETS	103,368	105,569
TOTAL CURRENT ASSETS	<u>\$ 2,422,692</u>	<u>\$ 2,442,122</u>
NET PROPERTY PLANT, EQUIPMENT AND CONSTRUCTION	<u>\$ 13,962,004</u>	<u>\$ 13,424,928</u>
INVESTMENTS:		
RESTRICTED FOR OPERATING RESERVE	\$ 5,673,663	\$ 5,830,286
UNRESTRICTED	2,698,199	3,228,636
TOTAL INVESTMENTS	<u>\$ 8,371,862</u>	<u>\$ 9,058,923</u>
OTHER ASSETS	-	-
	<u>\$ 22,333,866</u>	<u>\$ 22,483,851</u>
 TOTAL ASSETS	 <u>\$ 24,756,558</u>	 <u>\$ 24,925,973</u>
 <b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES (INCLUDING CURRENT PORTION OF OF LONG-TERM DEBT)		
	\$ 1,082,170	\$ 1,104,916
DEFERRED REVENUES - REFUNDABLE	12,428	9,506
DEFERRED REVENUES - NON REFUNDABLE	209,792	204,714
LONG-TERM DEBT - NET OF UNAMORTIZED DEBT ISSUANCE	<u>3,833,563</u>	<u>3,509,600</u>
TOTAL LIABILITIES	<u>\$ 5,137,953</u>	<u>\$ 4,828,736</u>
NET ASSETS		
UNRESTRICTED FUND	\$ 19,618,605	\$ 20,097,237
RESTRICTED FUND	-	-
	<u>\$ 19,618,605</u>	<u>\$ 20,097,237</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 24,756,558</u>	 <u>\$ 24,925,973</u>

<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 1,750,000	\$ 1,750,000	\$ 1,750,000
604,300	622,579	641,406
<u>107,836</u>	<u>110,171</u>	<u>112,577</u>
\$ 2,462,136	\$ 2,482,750	\$ 2,503,983
\$ 12,857,852	\$ 12,260,776	\$ 11,633,700
\$ 5,991,796	\$ 6,153,340	\$ 6,337,940
3,815,627	4,465,987	5,168,710
<u>\$ 9,807,423</u>	<u>\$ 10,619,327</u>	<u>\$ 11,506,650</u>
-	-	-
\$ 22,665,275	\$ 22,880,103	\$ 23,140,350
\$ 25,127,411	\$ 25,362,853	\$ 25,644,333
\$ 1,128,344	\$ 1,152,476	\$ 1,177,331
6,584	3,662	740
199,636	194,558	189,480
<u>3,185,637</u>	<u>2,861,673</u>	<u>2,537,710</u>
\$ 4,520,201	\$ 4,212,369	\$ 3,905,261
\$ 20,607,210	\$ 21,150,484	\$ 21,739,072
-	-	-
\$ 20,607,210	\$ 21,150,484	\$ 21,739,072
\$ 25,127,411	\$ 25,362,853	\$ 25,644,333

The Accompanying Notes of these Financial Statements are an Integral Part of This Statement.  
See Accountants' Report



STANLEY TOTAL LIVING CENTER, INC  
 FORECASTED STATEMENTS OF ACTIVITY AND CHANGES IN NET ASSETS  
 FOR THE YEARS ENDED SEPTEMBER 30,

	<u>2019</u>	<u>2020</u>
CHANGE IN UNRESTRICTED NET ASSETS		
OPERATING REVENUE:		
HEALTH CARE FEES	\$ 9,804,699	\$ 10,098,840
ASSISTED LIVING	942,035	970,296
APARTMENT FEES	899,272	926,250
ENTRANCE FEES - AMORTIZED	48,000	48,000
OTHER OPERATING REVENUE	26,000	26,000
TOTAL OPERATING REVENUE	<u>\$ 11,720,006</u>	<u>\$ 12,069,386</u>
OPERATING EXPENSES:		
SALARIES AND BENEFITS	\$ 7,436,968	\$ 7,660,076
OTHER OPERATING EXPENSES:		
HEALTH CARE	1,437,746	1,480,878
SOCIAL AND ACTIVITIES	30,625	31,543
MAINTENANCE, LAUNDRY AND HOUSEKEEPING	583,277	600,775
DIETARY	653,272	672,870
ADMINISTRATIVE	388,759	400,422
DEPRECIATION AND AMORTIZATION	707,076	737,076
INTEREST	177,312	164,803
BAD DEBT EXPENSE	11,646	11,995
	<u>\$ 11,426,681</u>	<u>\$ 11,760,438</u>
GAIN FROM OPERATIONS	\$ 293,325	\$ 308,948
NON OPERATING INCOME		
INVESTMENT INCOME AND REALIZED GAINS	130,000	130,000
UNREALIZED GAINS	35,253	38,484
CONTRIBUTIONS RECEIVED	1,200	1,200
INCREASE IN NET UNRESTRICTED ASSETS	<u>\$ 459,778</u>	<u>\$ 478,632</u>
INCREASE IN NET UNRESTRICTED ASSETS, DEPRECIATION AND INTEREST	<u>\$ 1,260,913</u>	<u>\$ 1,294,027</u>
LONG-TERM DEBT SERVICE COVERAGE	<u>2.87</u>	<u>3.00</u>

	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	10,401,805	\$ 10,713,859	\$ 11,035,274
	999,405	1,029,387	1,060,269
	954,038	982,659	1,012,139
	48,000	48,000	48,000
	26,000	26,000	26,000
\$	<u>12,429,248</u>	<u>\$ 12,799,905</u>	<u>\$ 13,181,682</u>
\$	7,889,878	\$ 8,126,574	\$ 8,370,372
	1,525,304	1,571,063	1,618,195
	32,490	33,465	34,469
	618,798	637,362	656,483
	693,056	713,848	735,263
	412,435	424,808	437,552
	767,076	797,076	827,076
	152,293	139,783	117,275
	12,355	12,726	13,108
\$	<u>12,103,685</u>	<u>\$ 12,456,705</u>	<u>\$ 12,809,793</u>
\$	325,563	\$ 343,200	\$ 371,889
	130,000	130,000	130,000
	53,210	68,874	85,499
	1,200	1,200	1,200
\$	<u>509,973</u>	<u>\$ 543,274</u>	<u>\$ 588,588</u>
\$	<u>1,328,132</u>	<u>\$ 1,363,259</u>	<u>\$ 1,399,440</u>
	<u>3.13</u>	<u>3.27</u>	<u>3.50</u>

The Accompanying Notes of these Financial Statements are an Integral Part of This Statement.  
See Accountants' Report

STANLEY TOTAL LIVING CENTER  
 FORECASTED CASH FLOW  
 FOR THE YEARS ENDED SEPTEMBER 30,

	<u>2019</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	\$ 459,778	\$ 478,632
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
DEPRECIATION AND AMORTIZATION	707,076	737,076
PROVISION FOR BAD DEBTS	11,646	11,995
AMORTIZATION OF DEFERRED REVENUE	(48,000)	(48,000)
ADVANCE FEE DEPOSITS RECEIVED	40,000	40,000
UNREALIZED GAINS ON LONG-TERM INVESTMENTS	(35,253)	(38,484)
NET CHANGE IN ASSETS AND LIABILITIES:		
PATIENT ACCOUNTS RECEIVABLE	98,505	(29,224)
OTHER CURRENT ASSETS	(7,220)	(2,201)
CURRENT LIABILITIES	293,060	22,746
	<u>1,519,592</u>	<u>1,172,540</u>
NET CASH FROM OPERATING ACTIVITIES	\$ 1,519,592	\$ 1,172,540
CASH FLOWS FROM INVESTING ACTIVITIES		
PURCHASE OF PROPERTY AND EQUIPMENT	\$ (200,000)	\$ (200,000)
(INCREASE) DECREASE IN LONG-TERM INVESTMENTS	(973,456)	(648,577)
NET CASH FROM (USED BY) INVESTING ACTIVITIES	<u>\$ (1,173,456)</u>	<u>\$ (848,577)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
REPAYMENT OF LONG-TERM DEBT	\$ (323,963)	\$ (323,963)
NET CASH (USED BY) FINANCING ACTIVITIES	<u>\$ (323,963)</u>	<u>\$ (323,963)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 22,173	\$ -
BEGINNING CASH AND CASH EQUIVALENTS	1,727,827	1,750,000
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 1,750,000</u>	<u>\$ 1,750,000</u>

The Accompanying Notes of these Financial Statements are an Integral Part of This Statement.  
 See Accountants' Report

<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 509,973	\$ 543,274	\$ 588,588
767,076	797,076	827,076
12,355	12,726	13,108
(48,000)	(48,000)	(48,000)
40,000	40,000	40,000
(53,210)	(68,874)	(85,499)
(30,102)	(31,005)	(31,935)
(2,267)	(2,335)	(2,406)
23,428	24,131	24,855
<u>\$ 1,219,253</u>	<u>\$ 1,266,993</u>	<u>\$ 1,325,787</u>
\$ (200,000)	\$ (200,000)	\$ (200,000)
(695,290)	(743,030)	(801,824)
<u>\$ (895,290)</u>	<u>\$ (943,030)</u>	<u>\$ (1,001,824)</u>
\$ (323,963)	\$ (323,963)	\$ (323,963)
<u>\$ (323,963)</u>	<u>\$ (323,963)</u>	<u>\$ (323,963)</u>
\$ -	\$ -	\$ -
1,750,000	1,750,000	1,750,000
<u>\$ 1,750,000</u>	<u>\$ 1,750,000</u>	<u>\$ 1,750,000</u>

The Accompanying Notes of these Financial Statements are an Integral Part of This Statement.  
See Accountants' Report

STANLEY TOTAL LIVING CENTER  
FORECASTED FINANCIAL STATEMENT ASSUMPTIONS

GENERAL: The projections are based on the Stanley Total Living Center's September 30, 2018 Financial Statements and adjusted, based on the following assumptions:

ASSETS

Cash:

Cash is maintained for operations at \$1,750,000 after satisfying the restricted reserve

Net Patient Accounts Receivable:

Days in accounts receivable is forecasted to be 18 days. The bad debt reserve is forecasted to be approximately \$5,000.

Other Current Assets:

Other current assets are made up of the following components:

1. Inventories are forecasted to be 3% of medical and dietary supplies
2. Other receivables are kept constant for the five year period at \$30,000
3. Prepaid expenses are estimated to be 2.5% of general administrative expense

Net Property, Plant and Equipment:

Current plant and plant equipment was used to forecast depreciation cost plus additional purchases, were forecasted as follows:

2018	\$ 200,000
2019	\$ 200,000
2020	\$ 200,000
2021	\$ 200,000
2022	\$ 200,000

Restricted Assets:

Restricted assets and investments recorded at fair market value and are increased or decreased based on the forecasted earnings and anticipated cash flow requirements in the forecast. They are restricted for operating reserves and debt servicing.

Loan Issuance Costs:

Anticipated loan issuance costs reduced by the anticipated amortization.

LIABILITIES AND FUND BALANCES:

Current Liabilities:

Current liabilities are forecasted to be 7.20% of total operating expenses plus current portion of long-term debt.

STANLEY TOTAL LIVING CENTER  
FORECASTED FINANCIAL STATEMENT ASSUMPTIONS

Other Operating Revenue:

Other operating revenues are forecasted based on history will remain relatively constant.

Contributions are fixed at \$1,200.

DEPRECIATION

Forecasts reflect plant asset depreciation schedules for 2018, 2019, 2020, 2021 and 2022 as well as depreciation from expected expenditures. Computed on the following lives:

Building and improvements	40 years
Furniture and equipment	5 to 10 years

INTEREST EXPENSE

Interest is for the \$4,481,489 promissory note on the LIBOR rate plus 1.6%, therefore 3.8613335% for 2019, 2020, 2021, 2022 and 2023) the assumed rate. (See long term liability footnote for annual interest expense).

BAD DEBT

Bad debt is forecasted to 0.1% of net patient revenue. This percent is within the current facility historical experience as well as the industry norm.

NON-OPERATING INCOME

Investment Income:

Investment income and realized and unrealized gains are assumed to have a growth of two percent (2%) and will have cash additions (deletions) as follows:

	<u>EARNINGS</u>	<u>CASH ADDITIONS</u>
2019	2.00%	\$ 109,197
2020	2.00%	687,061
2021	2.00%	748,500
2022	2.00%	811,904
2023	2.00%	887,323

LONG-TERM DEBT SERVICE RATIO

The long-term debt service ratio excludes unrealized gains and entrance fee amortization forecasted during the five years.

OPERATING EXPENSES

Forecasted to Increase By:

Salaries and Benefits (23% of Salaries) for 2019, 2020, 2021, 2022, 2023

STANLEY TOTAL LIVING CENTER  
FORECASTED FINANCIAL STATEMENT ASSUMPTIONS

Long-Term Liabilities:

Notes payable are for the payoff of bonds and construction of 20 new apartments and renovations, reduced by expected annual payments of principal less current portion as follows:

<u>SEPTEMBER 30,</u>	<u>LOAN PAYMENTS</u> <u>CASH FLOW</u>	<u>NOTES PAYABLE</u> <u>CURRENT</u>	<u>NOTES PAYABLE</u> <u>LONG-TERM</u>
2019	\$491,275	\$ 323,963	\$ 3,833,563
2020	478,266	323,963	3,509,600
2021	466,256	323,963	3,185,637
2022	453,747	323,963	3,861,673
2023	441,238	323,963	2,537,710

INTEREST EXPENSE FOR THE PROJECTIONS AS FOLLOWS:

	<u>OPERATING</u>	<u>SWAP</u> <u>INTEREST</u>	<u>TOTAL</u>
2019 - 3.861335%	\$ 167,312	\$10,000	\$ 177,312
2020 - 3.861335%	154,803	10,000	164,803
2021 - 3.861335%	142,293	10,000	152,293
2022 - 3.861335%	129,783	10,000	139,783
2023 - 3.861335%	117,275	-0-	117,275

Refundable entrance fees will be increased by addition of \$40,000 per year and reduced by the forecasted amortization of \$48,000 per year.

Fund Balance: The fund balance is increased by net income.

OPERATING REVENUES

Net Patient Revenue:

Patient revenues are forecasted on the following assumptions:

Patient per diem revenues are forecasted to increase as follows:

2019, 2020, 2021, 2022 and 2023                      3.0%

Stanley Total Living Center, Inc. does not anticipate Medicare or Medicaid paybacks from the revenues they receive.

STANLEY TOTAL LIVING CENTER  
FORECASTED FINANCIAL STATEMENT ASSUMPTIONS

Other Expenses - Health Care

2019	3.00%
2020	3.00%
2021	3.00%
2022	3.00%
2023	3.00%

Social and Activities

2019	3.00%
2020	3.00%
2021	3.00%
2022	3.00%
2023	3.00%

Maintenance, Laundry  
and Housekeeping

2019	3.00%
2020	3.00%
2021	3.00%
2022	3.00%
2023	3.00%

Dietary

2019	3.00%
2020	3.00%
2021	3.00%
2022	3.00%
2023	3.00%

Administrative

2019	3.00%
2020	3.00%
2021	3.00%
2022	3.00%
2023	3.00%

Investments restricted for operating reserve are calculated each year based on 50% of the sum of the subsequent year's expenses plus debt service less depreciation and amortization. For the year 2023 the 2022 restricted operating reserve was increased by 3%.

The Stanley Total Living Center Foundation, a 501(c)(3) Non-Profit Organization has pledged their support for Stanley Total Living Center's project. The invested assets of the Foundation (which are not carried on the books of the Center) have a fair market value of approximately \$3,687,142, as of September 30, 2018.



**ATTACHMENT 3**

**RESIDENT'S BINDING AGREEMENT/CONTRACT  
FOR APARTMENTS LOCATED AT STLC ADDRESS,  
ASSISTED LIVING UNITS AND THE PARKE.**

# **Stanley Total Living Center, Inc.**

## **Residency Agreement**

Whereas, anyone desirous of becoming a resident of Stanley Total Living Center, Inc., the following are the obligations of each party:

### **A. Stanley Total Living Center's Obligation**

Stanley Total Living Center agrees to make available to \_\_\_\_\_, hereafter known as the Resident, subject to the terms of this agreement and in consideration of the Entrance Fee referred to below, the use of common facilities and Apartment Unit/Room \_\_\_\_\_ and to provide the amenities, programs, and facilities as described in Section B.

**NOTE for admission to Assisted Living**—due to the specifications of the facility license, the initially assigned room will be \_\_\_\_\_ for the 1<sup>st</sup> 30 days and the resident will then be relocated to room \_\_\_\_\_ once the obligation has been met requiring a CCRC contract for services.

### **B. Amenities, Programs, Facilities Provided**

Stanley Total Living Center, Inc. agrees to provide the Resident, in consideration of the monthly fee referred to below the following:

\_\_\_\_\_ **Assisted Living Standard Services Available located at 514 Old Mount Holly Road**

Monthly Fees cover the costs of providing the following services for apartment residents:

- \*3 meals and all snacks daily including specialty diets as ordered by the primary physician
- \*All utilities except telephone and cable fees
- \*Daily Housekeeping services and trash removal
- \*Maintenance and repair of property owned by Stanley Total Living Center
- \*Smoke detectors
- \*Grounds keeping
- \*Use of common facilities
- \*Social activities program (recreational, educational, spiritual, and cultural)
- \*Central Spa/Bath
- \*Physician services
- \*Medication Management by a licensed nurse for 24/7 needs
- \*Laundry Services except dry cleaning
- \*Certified Nursing Assistants for 24/7 needs
- \*Transportation to/from routine, non-emergency medical appointments within 20-mile radius of the facility
- \*Basic furniture (each bedroom will contain a manual bed, pressure-reduction mattress, nightstand, bedside table, TV, and recliner while each shared living room will contain a loveseat, 2 chairs, and 2 tables)
- \*Wireless Internet Services

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**Apartment Standard Services Available located at 514 Old Mount Holly Road**

Monthly Fees cover the costs of providing the following services for apartment residents:

- \*3 meals per day including No Added Salt and/or No Sugar Added diets as requested
- \*All utilities except telephone and cable fees
- \*Weekly Housekeeping services and trash removal
- \*Maintenance and repair of property owned by Stanley Total Living Center
- \*Smoke detectors
- \*Grounds keeping
- \*Use of common facilities
- \*Social activities program (included with residents in the Assisted Living unit)
- \*Parking Space if car is driven daily by the resident
- \*Laundry Services (except dry cleaning) including change of personal bed/bath linens as needed
- \*Transportation to/from routine, non-emergency medical appointments within 20-mile radius of the facility
- \*Wireless Internet Services

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**Apartment Standard Services Available located at 151 East Dallas Road (The Parke)**

Monthly Fees cover the costs of providing the following services for apartment residents:

- \*2 meals per day (continental breakfast and lunch—dinner can be ordered from the menu at lunch and taken back daily)
- \*All utilities except telephone and cable fees
- \*Weekly Housekeeping services and trash removal
- \*Maintenance and repair of property owned by Stanley Total Living Center
- \*Smoke detectors
- \*Grounds keeping
- \*Use of common facilities
- \*Social activities program
- \*Parking Space if car is driven daily by the resident
- \*Washer & Dryer for personal laundry
- \*Fitness Center
- \*Computer Room
- \*Library
- \*Small Conference Room
- \*Transportation to/from routine, non-emergency medical appointments within 20-mile radius of the facility
- \*Wireless Internet Services

\*\*For the Wireless Internet Services—each resident's personal computer must be compatible with the wireless internet services provided by the facility. Any upgrades needed or ongoing maintenance services for a resident's personal computer will be at their own expense.

**Services Available at additional fees in ANY area (Assisted Living or Apartments) include:**

- \*Meal for guest (\$5.00 per person per meal)
- \*Cable television
- \*Newspaper delivery
- \*Priority in assisted living (if in an apartment) or in skilled nursing when needed and when available
- \*Medical supplies, pharmaceuticals, and equipment used to provide care including nutritional supplements provided by the facility

- \*Beauty/Barber shop services
- \*Phone service and Long distance calls
- \*Rehabilitation services
- \*Transportation for non-emergency appointments outside of 20-mile radius of the facility as well as any emergency transportation

**Health Services Available:**

Stanley Total Living Center, Inc. is licensed as a CCRC (Continuing Care Retirement Community) by the State of North Carolina, with a capacity for 106 nursing facility beds, 40 Home for the Aged beds (Assisted Living/Adult Care Home), and 28 independent living apartments—20 units off site at The Parke and 8 units on site.

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**Assisted Living located at 514 Old Mount Holly Road**

Residents in the Assisted Living Unit require assistance in basic activities of daily living at various levels (bathing, dressing, toileting, and transfers) from Certified Nursing Assistants. If there is a noted decline in function and the resident is unable to function with the extended services that are available in the Assisted Living unit, services will be available in a skilled nursing bed. An assessment will be done by a licensed nurse and/or the physician to determine further needs if and when relocation is necessary.

Medications will be dispensed according to written physician's orders by licensed nurses and must be obtained from the contracted pharmacy for proper packaging and oversight by a licensed Pharmacist. Residents may be able to self-medicate/manage personal medications only through an assessment for safety and a written care plan by a licensed nurse.

As a resident ages and declines in physical function, nursing staff and the physician will assess and determine the need for placement in a skilled nursing bed. If a resident is hospitalized and requires skilled nursing placement, he or she will be placed in the appropriate skilled nursing bed, if available. If there is no availability and the resident must be placed in a different nursing home, he or she will be given the first opportunity as an appropriate bed becomes available.

Stanley Total Living Center, Inc. has a contract with a therapy firm to provide physical therapy, speech therapy, and occupational therapy. The billing for this as well as other outside professional services is done directly between the resident and the provider. A physician's order is required for any therapy service. Medicare B services will be utilized if possible.

**Levels of Health Services Available In Assisted Living**

Both licensed nurses and certified nursing assistants provide services in Assisted Living. The amount of assistance each individual requires will vary from time to time and from person to person. A resident's placement at any level will be based on the hours of nursing care required each day by both licensed nurses and certified nursing assistants. The fees for each level are also based on the amount of time required by nursing staff on a daily basis.

Prior to admission to Assisted Living, an FL2 must be completed within 30 days of the review to determine the appropriate level of care. The resident may also require an assessment by a licensed nurse either at the facility or in the resident's current setting. Based on the initial assessment and review of the FL2 or other medical information upon moving into an assisted

living bed, each resident will be placed into a specific level (listed below)—this level will determine the daily rate until further notice.

Within 14 days of admission to assisted living, an assessment will be conducted by a licensed nurse—this assessment will determine the true level at which the resident will be placed and what the required daily rate will be at that point. The rate may be lower or higher than the initial rate and **any changes in the daily rate with a level change will be effective on the day immediately following completion of the assessment and will be provided to the resident and/or Responsible Party via phone contact within 2 business days.**

Assessments will then be conducted at least on a quarterly basis by a licensed nurse to determine what, if any changes are necessary to the level for each resident— **any changes in the daily rate with a level change will be effective on the day immediately following completion of the assessment and will be provided to the resident and/or Responsible Party via phone within 2 business days.**

If at any time the resident experiences a change in his/her health condition which creates an improvement or a decline in function that is not acute (lasting more than 2-3 weeks), the licensed nurse will conduct a significant change assessment to determine what, if any changes are necessary to the level for each resident—**any changes in the daily rate with a level change will be effective on the day immediately following completion of the assessment and will be provided to the resident and/or Responsible Party via phone within 2 business days.**

The Care Plan Team (nursing, social services, dietary, and activity staff) involved in planning resident care will conduct resident/family meetings to discuss resident needs and care planning at least quarterly and with significant changes in the resident's overall health. This meeting will allow for a review of the assessment, any changes noted to the level of care, and any changes to the rates based on such assessments.

Level (1) is considered to be the basic assisted living level while level (4) is considered to be the highest level of care that can and will be provided in assisted living—any health concerns or needs that go beyond this level will require the resident to move into skilled nursing as a bed is available.

#### **LEVEL (1)—BASIC ASSISTED LIVING**

- Basic medication management of 9 or less routine oral medications per day given by a licensed nurse (medications may be altered if needed for swallowing)
- Basic medication management of oral “as needed” medications given by a licensed nurse (medications may be altered if needed for swallowing)
- Routine weekly or as needed vital signs
- Continent of both bowel and bladder  
--if a colostomy or suprapubic catheter, the resident must be able to manage without staff assistance. Skilled nursing is required once a resident cannot manage without assistance
- Able to ambulate with or without a device (cane, walker) OR able to propel self in wheelchair (if in wheelchair, able to transfer self with only supervisory assistance)
- Able to dress/undress, toilet, eat, bathe, and able to position self in bed with only supervision for safety by a certified nursing assistant
- Use of oral nutritional supplements for weight loss made by the kitchen following the Fortified Foods Program (super cereal, super pudding, etc.)

- Basic or simple oversight and supervision by certified nursing assistants (ex: reminders to complete activities of daily living)

#### **LEVEL (2)**

- Medication management of 10+ oral medications per day (medications may be altered if needed for swallowing) OR the inclusion of medicated patches, suppositories, eye drops, ear drops, nasal sprays, or inhalers with any number of oral medications given by a licensed nurse
- Routine use of medicated creams, lotions, or topical ointments
- Daily vital sign monitoring related to diagnosis or specific medication(s)
- Nursing assistant must provide cueing with dressing, transfers, toileting, bathing, bed mobility and/or eating by a certified nursing assistant
- Use of incontinent products for bladder leakage (not full bladder incontinence)—must be continent of bowel
- Use of liquid nutritional supplements required to be given by nursing staff (not considered part of the Fortified Foods Program)

#### **LEVEL (3)**

- Medication management which includes any routine injections (IM, SQ), nebulizers, enemas, or blood sugar checks weekly/monthly PRN use of oxygen with monitoring of oxygen saturation levels
- Minimum hands on assistance with dressing, transfers, toileting, bathing, eating, and/or bed mobility by a certified nursing assistant
- Daily use of incontinence products day or night for bladder and/or bowel incontinence requiring staff assistance for personal care
- Able to propel self in wheelchair for short distances but requires staff to take to/from if longer distances
- Altered diet (mechanical soft or puree) for chewing purposes only
- Stage I pressure ulcer(s)

#### **LEVEL (4)**

- Blood sugar monitoring on a daily basis with or without insulin injections given by a licensed nurse
- Routine use of oxygen (day, night, or both)
- Maximum hands-on assistance with dressing, toileting, bathing, and/or bed mobility by certified nursing staff
- Certified nursing staff must provide cueing at meals to ensure resident is eating
- Licensed nursing staff must provide monitoring throughout the meal due to swallowing or concerns
- Use of a sit-to-stand lift for transfers by a certified nursing assistant
- Unable to ambulate/propel self from room to other areas of the unit/facility such as dining and activities—must be taken by staff to other locations
- Bowel and/or bladder incontinent care required day and night
- High risk for falling requires the use of some type of device to alert staff of unsafe movements and/or increased monitoring for safety
- Requires a staff member to be present for medical appointments for safety and/or cognition concerns
- Requires daily redirection and monitoring for wandering behaviors including the use of a wanderguard

- PT/INR monitoring with use of blood thinners and daily monitoring for bruising/bleeding by a licensed nurse
- Lab testing at least monthly for any diagnosis/condition
- Stage II pressure or stasis ulcer(s)

\*Dialysis will only be considered in assisted living with a written agreement that family will provide or pay privately for transportation to and from each dialysis appointment AND if the resident has no other significant health concerns—resident must otherwise fit into a Level (2) category or will be considered as skilled nursing.

\*Hospice will be considered for any level provided he/she meets all requirements of that level with Hospice services.

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### **Apartment Standard Services Available located at 514 Old Mount Holly Road**

The apartments are considered to be independent living. Residents living here are expected to be able to perform basic activities of daily living without assistance (bathing, dressing, eating, for example). If there is a noted decline in function due to acute illness and the resident is unable to dress, bathe, or feed self, help will be provided on a short-term basis (2 weeks), as appropriate and available. Should assistance be needed longer than 2 weeks, an assessment will be done by a licensed nurse and/or a physician to determine the ability to remain in an independent living environment.

Medications must be kept in each individual apartment. Residents who need assistance and/or reminders to take medicine will be given a 7-day pill organizer and will be assisted weekly in filling this appropriately following current physician orders. A simple reminder to take any medications can be given daily by facility staff as necessary. If a resident is unable to self-medicate with this assistance, a licensed nurse and/or a physician will reassess the ability to safely remain in an independent living environment.

Residents will be assisted with making physician appointments, as requested. Transportation to and from appointments within a 20-mile radius of the facility can be arranged at no charge as long as Stanley Total Living Center staff makes the appointment. Transportation to and from appointments outside of a 20-mile radius of the facility, those without enough notice that are urgent, or those that have not been made by facility staff can be arranged with an outside agency for a fee (amount determined by the individual agency providing the service).

Stanley Total Living Center, Inc. also has a contract with a therapy firm to provide physical therapy, speech therapy, and occupational therapy. The billing for this as well as other outside professional services is done directly between the resident and the provider. A physician's order is required for any therapy service.

As a resident ages and declines in physical function, licensed nursing staff and a physician will assess and determine the need for placement in another level of care (assisted living or skilled nursing). If a resident is hospitalized and requires another level of care, he or she will be placed in the appropriate bed, if available. If there is no availability and the resident must be placed in a different nursing home, he or she will be given the first opportunity as an appropriate bed becomes available.

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## **Apartment Standard Services Available located at 151 East Dallas Road (The Parke)**

The apartments are considered to be independent living. Residents living here are expected to be able to perform basic activities of daily living without assistance (bathing, dressing, eating, for example). If there is a noted decline in function due to acute illness and the resident is unable to dress, bathe, or feed self, help will be provided on a short-term basis (2 weeks), as appropriate and available. Should assistance be needed longer than 2 weeks, an assessment will be done by a licensed nurse and/or a physician to determine the ability to remain in an independent living environment.

Medications must be kept in each individual apartment. Residents, if needed, will be given a 7-day pill organizer to help as a reminder for timely medication. If a resident needs any further assistance with medication, the physician will reassess the ability remain in an independent living environment.

Residents will be assisted with making physician appointments, as requested. Transportation to and from appointments within a 20-mile radius of the facility can be arranged at no charge as long as Stanley Total Living Center staff makes the appointment. Transportation to and from appointments outside of a 20-mile radius of the facility, those without enough notice that are urgent, or those that have not been made by facility staff can be arranged with an outside agency for a fee (amount determined by the individual agency providing the service).

Stanley Total Living Center, Inc. also has a contract with a therapy firm to provide physical therapy, speech therapy, and occupational therapy. The billing for this as well as other outside professional services is done directly between the resident and the provider. A physician's order is required for any therapy service.

As a resident ages and declines in physical function, licensed nursing staff and a physician will assess and determine the need for placement in another level of care (assisted living or skilled nursing). If a resident is hospitalized and requires another level of care, he or she will be placed in the appropriate bed, if available. If there is no availability and the resident must be placed in a different nursing home, he or she will be given the first opportunity as an appropriate bed becomes available.

### **Maintenance Services Available:**

- Stanley Total Living Center, Inc. is responsible for normal wear and tear to the property, furnishings, and equipment owned by Stanley Total Living Center, Inc., as well as continued capital repairs and facility improvements.
- The resident is financially responsible for any extraordinary repairs, maintenance, or damage caused by the negligence of the resident, pets, or guests of the resident of Stanley Total Living Center, Inc. property.
  - Carpet cleaning due to pet damage, excessive spillage of any kind (urine, makeup, bleach, etc.), which is beyond normal wear and tear, will be billed directly to the resident including labor and chemical expenses. A \$500.00 fee will be added should the facility not be able to clean the carpet and it must be replaced.
  - The facility maintains a contract for pest control services; however, should there be problems with pests of any kind directly related to the resident due to pets or personal cleanliness—the rates for these additional services will be billed directly to the resident.



- The resident is financially responsible for any/all repairs to personal property and equipment brought with them into the facility.
- Flowers, shrubs, or vegetables may be added at the resident's expense in the grounds area outside of each apartment with prior approval of Administration.
- Resident is provided with (2) keys for each apartment unit upon moving in. If a key is lost, an additional key can be made for a replacement fee of \$250.00 to cover the cost of replacing the locks when the resident vacates the unit for security purposes. This \$250.00 will be refunded if the missing key is located and turned in. ALL keys provided must be returned upon vacating the apartment—failure to do so will result in a \$250.00 fee to cover replacement of the locks.

**HIPAA:**

A notice of HIPAA Privacy Practices will be given to the Resident/Representative upon admission. This notice explains in detail how medical information about the Resident may be used and disclosed and how the Resident and/or Representative can get access to this information. Resident will be able to place names in his/her medical record to make clinical information available as necessary.

**C. Fees Paid By Resident**

1. The Resident shall pay Stanley Total Living Center, Inc. the sum of \$ \_\_\_\_\_ as an Entrance Fee to become a Resident of Stanley Total Living Center, Inc. It is agreed that the payment terms of the Entrance Fee will be made as follows:

\_\_\_\_\_

\_\_\_\_\_

(This entrance fee is separate and apart from the monthly fee which is charged by Stanley Total Living Center, Inc. for programs, food, utilities, maintenance, housekeeping, and other amenities offered by Stanley Total Living Center, Inc.).

2. The Monthly Fee (for an apartment) or the daily rate/fee (for an Assisted Living room) is charged by Stanley Total Living Center, Inc. to provide the Programs and Amenities as outlined in Section B and to provide for all other financial requirements in excess of the Entrance Fee including, but not limited to, debt service, property taxes, insurance, and staffing of the facility. The Monthly Fee shall be paid to Stanley Total Living Center, Inc. on the first day of each month in advance during the term of the Agreement. Any Monthly Fee not paid by the tenth (10<sup>th</sup>) of each month is subject to a late charge. Increases in the Monthly Fee or other charges may be made by Stanley Total Living Center, Inc. upon thirty (30) days written notice.
3. If a prospective resident wishes to hold an Apartment/Assisted Living room after paying an entrance fee, the monthly fee/daily rate would be reduced by the current raw food cost until it is occupied.
4. A table is attached indicating the monthly apartment unit rates and the daily Assisted Living room rates. It should be noted that rates differ based on the size of each unit/room and living space provided as well as the type of Assisted Living room as each has been certified by the state of NC.

**D. Admission Requirements**

The admission requirements for residency with Stanley Total Living Center, Inc. are as follows:

1. Stanley Total Living Center, Inc. is open to married couples in accordance with the laws of the State of North Carolina, as well as to men and women of all races, religions, and without regard to place of former residence. The Resident is required to meet the following standards prior to admission to Stanley Total Living Center, Inc.:
  - For initial admission into an apartment, resident must be 55 years of age or older, except that in the case of a married couple in which one spouse must be 55 years of age or older.
  - For initial admission into Assisted Living, resident must be 65 years of age or older.
  - Two residents of the opposite sex sharing a room must be legally married (as accepted by the state of NC) or both of the ability to consent to such living arrangements. If not legally married (as accepted by the state of NC) or one becomes unable to consent to such an arrangement at any point in time, he/she must be relocated to another room with someone of the same sex.
2. Resident shall submit for review by the Stanley Total Living Center, Inc. Admissions Committee an Application for Admission, a Personal Health History, and the financial status of the applicant to determine whether the applicant has sufficient assets and income to reasonably expect that he will be self-supporting while living at Stanley Total Living Center, Inc.
3. Resident shall have an interview with a representative of Stanley Total Living Center, Inc. prior to acceptance at Stanley Total Living Center, Inc. After reviewing all information required to be furnished herein, additional personal interviews may be required by Stanley Total Living Center, Inc. to determine which level is most appropriate to meet his/her current needs (independent living/Assisted Living, or Skilled Nursing).
4. Resident shall submit a report of physical examination of Resident made by a physician selected by Resident within thirty (30) day of the projected occupancy date.
  - For an independent apartment, this report must include a statement by the primary physician that Resident is in good health, is able to get self to and from common areas (dining room and living room) without assistance and activities as desired, and is able to take care of himself or herself in normal living activities including taking medications properly and safely.
  - For an Assisted Living room, this report must be on an FL2 form specifically noting the needs for this particular level of care.
  - Stanley Total Living Center, Inc. may require Resident to have another physical examination by the Medical Director or by another physician approved by Stanley Total Living Center, Inc. if there are any concerns related to physical function/health status during the interview process.
  - If the health of Resident as disclosed by such physical examination differs materially from that disclosed in Resident's Application for Admission and Personal Health History, Stanley Total Living Center, Inc. shall have the right to decline admission of Resident and to offer occupancy of accommodations at Stanley Total Living Center, Inc. suitable to the needs of the Resident.
5. It is understood that Stanley Total Living Center, Inc. through its Admissions Committee has the right to reject any application for admission to Stanley Total Living Center, Inc.
6. The Resident affirms that the representations made in the Application for Admission, Personal Health History and Confidential Financial Statement are true and correct and may be relied upon by Stanley Total Living Center, Inc. as a basis for entering into this Agreement.

**E. Terms of Residence**

1. The Resident has the right to occupy and enjoy the described living space unless terminated as provided in Section G. It is understood that the Resident is not given ownership and exclusive

possession of the unit and that this agreement is not a sale, lease, or easement and does not transfer or grant any interest in the real or personal property owned by Stanley Total Living Center, Inc. The rights of the Resident are not assignable nor shall benefit the heirs, assigns or successors of the Resident.

2. The Resident has the right to use and enjoy (as described under Section B of this agreement) all common facilities of the facility, but may not abuse or damage the facilities or the furnishings and equipment within the facility.
3. Stanley Total Living Center, Inc. has the right to change an apartment unit or assisted living room and the requirements to meet any applicable statute, law, or regulation. Resident rooms may not be used for a business or a profession or in any manner or violation of any law or zoning ordinance.
4. The Resident must have approval from Stanley Total Living Center, Inc. for any physical change or remodeling of any kind within or about the apartment. The Resident shall pay the cost of any changes by the Resident, unless agreed in writing by Stanley Total Living Center, Inc.
5. Residents' pets are NOT allowed to live in the assisted living unit for any reason—they may be brought in for visits provided the appropriate shot records are on file and the person bringing in the animal maintains responsibility for cleaning up any accidents or for any injuries caused by the animal.
6. Residents' pets ARE allowed to live in the apartments following very specific guidelines as noted in the Resident Handbook.
7. Except for short term visitors or guests, no person other than the Resident may reside in the Apartment unit/Assisted Living room. Stanley Total Living Center, Inc. may also limit the number of visitors and the length of stay as necessary.
8. The Resident shall provide all other furnishings and furniture not provided by Stanley Total Living Center, Inc. as outlined under Section B of this Agreement. Such furnishings by Residents shall not interfere with the health, safety, and general welfare of all the Residents.
9. Stanley Total Living Center and The Parke are both smoke free properties. This includes inside the building and the grounds/property surrounding the building. Smoking in the room is grounds for discharge for the safety of other residents.
10. Stanley Total Living Center, Inc. shall not be financially responsible for the loss of any property belonging to a Resident in an apartment unit due to theft, mysterious disappearance, fire, or any other cause, it being understood that the Resident will have the responsibility of providing any desired insurance protection covering any such loss. Stanley Total Living Center, Inc. shall have the right to promptly remove all property from the accommodations of a Resident who is deceased or whose accommodations others have released for occupancy, or whose Agreement has been terminated. The Resident or his estate will have the obligation for the payment of normal charges and shall reimburse Stanley Total Living Center, Inc. for its expense in such matters.

11. The Resident understands and agrees that all rights of the Resident under this agreement are subject to and subordinate to the mortgage liens and other documents creating liens encumbering Stanley Total Living Center, Inc. The Resident is not liable for any indebtedness of Stanley Total Living Center, Inc.
12. The Resident agrees to pay or reimburse Stanley Total Living Center, Inc. for any loss of damage suffered by Stanley Total Living Center, Inc. as the result of intentional misconduct of the Resident or guest. Stanley Total Living Center, Inc. assumes no responsibility for any injury or illness resulting from such intentional misconduct.
13. In the event it is determined that the Resident requires a level of care change or can no longer live independently in the apartment unit or in the Assisted Living under the highest level of care, the resident must relocate to the most appropriate level of care within the facility or must transfer/discharge from the facility. Such determination shall be based on professional opinion of the Medical Committee composed of the Medical Director, Administrator, Director of Nursing, and/or other licensed nursing staff.
14. In the event the Resident is relocated or transferred to more protective accommodations or level of care that best provides for the Resident's safety and care, Stanley Total Living Center, Inc. has the right to assign the Resident's apartment unit or Assisted Living bed to others. If, however, Stanley Total Living Center, Inc. subsequently determines that the Resident can resume occupancy in accommodations equivalent to those he previously occupied, he shall have over-riding priority right to such accommodations as soon as they are available. Such decision to transfer the Resident will be made only after consultation to the extent practical with the Resident, representative(s) of the Resident's family, or the Resident's physician.
15. If in the Assisted Living, Resident may be transferred or discharged if necessary for the residents' welfare, if the residents' needs cannot be met, if the residents' health has improved sufficiently so that services are no longer necessary, if other residents' safety/health is endangered, or if the resident has failed after reasonable and appropriate notice, to pay for a stay. Proper notice will be given prior to transfer and/or discharge following state & federal regulations.
16. As apartments become available, Stanley Total Living Center, Inc.; if it so desires, can lease those available apartments at less than the normal entrance fee and monthly fees. If an apartment becomes available, Stanley Total Living Center, Inc. may allow an existing resident to change to a smaller or larger apartment and pay the monthly rate associated with that unit. The difference in entrance fees will be required for a larger unit, but no refund will be returned if resident chooses to move to a smaller unit.
17. In the event that two (2) Residents occupy an apartment unit under the terms of this agreement; upon the death, termination, or permanent leaving of the Apartment by one of the Residents, the remaining resident has the rights and options to:
  - a. retain the same apartment, but with the Monthly Fee changed to the rate for one Resident; or;
  - b. move to a smaller apartment when available with no reduction or refund in the initial Entrance Fee and pay the Monthly Fee for one Resident in the new apartment; or;
  - c. move to a larger apartment when available and paying the difference in the amount of Entrance Fee for these two apartments and paying the Monthly Fee for one Resident in an apartment.

## **F. Obligations of a Resident**

1. Stanley Total Living Center, Inc. shall not be liable or responsible for any expense incurred or debt or obligation of any nature or any kind contracted by the Resident on his own account, and is not obligated to furnish, supply, or give the Resident any support, maintenance, board, or lodging when the Resident is absent from Stanley Total Living Center, Inc. premises.
2. The Resident agrees to follow and abide by policies of Stanley Total Living Center, Inc., as outlined in the Resident Handbook & Disclosure Statement, both of which are designed for the comfort, safety, and security of all residents. The Resident will be furnished a current copy of the Resident Handbook (specific to the level of care) & Disclosure Statement at the time of admission, or prior to, the transfer of any money to Stanley Total Living Center, Inc. by, or on behalf of a prospective resident. Any changes and/or revisions to either the Resident Handbook or the Disclosure Statement will be provided to the Resident at that time.
3. Stanley Total Living Center has a limited number of beds in Assisted Living and Skilled Nursing that are licensed for Medicaid in the event of depleted funds by the Resident at any time. The Resident or his/her family should contact Gaston County Social Services to determine if he/she is qualified at least 45 days before the resident has used all funds available and plan as necessary based on individual financial situations.
4. The Resident living in the apartment unit will maintain his living accommodations in clean, sanitary, and orderly conditions and perform all usual light housekeeping tasks in between scheduled housekeeping services.

## **G. Cancellation/Termination**

The reason for canceling a contract of a Resident and an explanation of the refund provisions are explained below:

### **PRIOR TO OCCUPANCY**

1. This agreement will be automatically canceled if, in the event of resident's death or if a resident should become physically or mentally incapacitated or if, on account of illness, injury or other reasons of incapacity before occupying a unit and to the extent that the facilities available at Stanley Total Living Center, Inc. cannot provide adequate care for the resident under the terms of the contract for continuing care. Any deposits will be refunded in full within 30 days after this determination is made.
2. This agreement may be terminated by the resident, after five years, But less than ten years and prior to taking occupancy at Stanley Total Living Center, Inc., by giving written notice to Stanley Total Living Center, Inc. Resident shall receive a refund in full with interest based upon Fidelity Money Market rate of the month the contract was signed, accrued to the date of receipt of said request, thereon of the portion of the Entrance Deposit paid by the resident. This refund and any interest will be made within 30 days of agreement termination.
3. When a deposit is made toward an entrance fee, if after five (5) years but less than ten (10) years and prior to occupancy, the prospective resident may at his/her written request have applied toward the reduction of the remaining portion of the entrance fee or toward the reduction on any Monthly Fees an amount equal to the interest that would have accrued on his/her initial payment with interest based upon Fidelity Money Market rate of the month the

contract was signed. The deposits and any accrued interest may be applied toward an admission to Assisted Living or Nursing home care if occupancy of independent living unit is omitted. Otherwise the refund plus interest will be made within 30 days.

4. This agreement may be terminated by the resident within thirty (30) days following the later of execution of the contract or receipt of current Disclosure Statement by serving Stanley Total Living Center, Inc. with written notice of termination. The resident is not required to move into the facility before the expiration of the thirty (30) day period, but Stanley Total Living Center may require a non-refundable service fee of not more than 2% of the Entrance Fee. Any refunds will be made within 30 days of receiving the termination of the agreement or 30 days after the unit is vacated by the resident in the agreement.

## **AFTER OCCUPANCY**

1. This agreement may be terminated by the resident after occupancy and within thirty (30) days from the date of occupancy and within 30 days of signing a contract to occupy a unit/room by serving Stanley Total Living Center with written Notice of Termination. The resident will receive a refund in full without interest thereon of the portion of the entrance deposit paid by the resident within 30 days after the unit is vacated. The unit/room must be vacated in less than (30) days from the date of occupancy for this policy to be effected.
2. This agreement may be terminated by the resident at any time, for any reason, after occupancy has been established at **Stanley Total Living Center Apartments** by serving Stanley Total Living Center, Inc. thirty (30) days written notice of such termination. Stanley Total Living Center, Inc. shall refund apartment residents \$3,600.00 of the Entrance Deposit reduced by \$100.00 for each month of residency up to thirty six (36) months. After thirty six (36) months of residency, Stanley Total Living Center, Inc. shall be under no obligation to make a refund to the resident. The amount of the refund due will be made within 30 days after vacated. There is no refund of the \$250.00 **Assisted Living** Entrance Fee after the initial 30 days. This agreement may be terminated by the resident at any time, for any reason, after occupancy has been established at **The Parke**, by serving Stanley Total Living Center, Inc. thirty (30) days written notice of such termination. Stanley Total Living Center, Inc. shall refund \$4,800.00 of the Entrance Deposit reduced by \$100.00 for each month of residency up to forty eight (48) months. After forty eight (48) months of residency, Stanley Total Living Center, Inc. shall be under no obligation to make a refund to the resident. The amount of the refund due will be made within 30 days after vacated.
3. Should an apartment resident elect to forgo an entrance fee upon entering the apartment unit and pay the additional \$1,000 per month over normal monthly fees, after a period of 48 months, the monthly fees will be reduced by \$1,000 and the charges would be the same as those who paid an entrance fee, The monthly fees are subject to change, but are normally reviewed annually. There are no refunds available under this option.
4. This agreement, after occupancy, shall be terminated on the death of a resident, if the resident was a single resident of an apartment, any refunds due from the entrance fees will be paid to the resident's Estate as outlined in paragraphs 2 above.
5. At the effective date of termination of this Agreement, the resident shall vacate the unit and shall leave the unit in good condition except for normal wear and tear. The resident shall be liable to Stanley Total Living Center, Inc. for any cost incurred in restoring the apartment to

good condition except for normal wear and tear. Monthly fees will be continued until all personal effects have been removed from the unit.

## GENERAL INFORMATION

1. For those residents in an Assisted Living room, the Resident may be transferred or discharged if necessary for the residents' welfare, if the residents' needs cannot be met by the facility, if the residents' health has improved significantly so that services are no longer necessary, if the safety/health of other residents' is in danger, or if the resident has failed after reasonable and appropriate notice to pay for a stay. Proper notice will be given prior to transfer and/or discharge following state and federal regulations.
2. For those residents in an apartment unit, this agreement may be terminated by Stanley Total Living Center in the event of any activity on the part of the resident that is illegal, any language that is offensive to others, any actions that may be offensive to others, or any conduct that is found to be socially unacceptable to Stanley Total Living Center that would unduly make unpleasant or unacceptable living arrangements to others. The refund of any entrance fees will be based upon as outlined in Paragraph 2 (After Occupancy) above.
3. For those residents in the apartment unit, Stanley Total Living Center, Inc. may terminate this agreement at any time if there is material misrepresentation or omission made by the resident in the Application for Admission, Personal Health History, Medical History and Evaluation, Confidential Financial Statements, material change takes place before occupancy, if the resident fails to make the appropriate Entrance Deposit or Monthly Fee payments to Stanley Total Living Center, Inc. or for repeated failure to abide by the policies of Stanley Total Living Center, Inc. In such an event, the resident shall be entitled to the refund as outlined under Paragraph 2 (After Occupancy).
4. Entrance fee refunds: The facility does not withhold refunds dependent upon occupancy of another resident. Under PRIOR TO OCCUPANCY. Paragraph 4, if a resident moves furnishings into a unit and then elects not to occupy the unit, the terms under Paragraph 4. would apply since a unit would not be available to the public in a timely manner. The concept of a 30-day notice allows the facility to market a unit timely.

## H. Miscellaneous

1. The absolute right of management is reserved to Stanley Total Living Center, Inc., its administrators as delegated by Stanley Total Living Center, Inc. Stanley Total Living Center, Inc. reserves the right to determine admissions or terms of admission of any Resident.
2. The Agreement constitutes the Entire contract between Stanley Total Living Center, Inc. and Resident. Stanley Total Living Center, Inc. is neither liable for nor bound in any manner by any statement, representations or promises not set forth in this Agreement.
3. This Agreement shall bind and ensure to the benefit of the successors and assigns of Stanley Total Living Center, Inc. and the heirs, executors, administrators, and assigns of the Resident.
4. The Stanley Total Living Center, Inc. has no religious affiliation nor is supported by any charitable organization and has no means of financial support other than routine pay-for-service fees charged by the facility.

5. There is no requirement that any resident apply for Medicaid, Medicare, public assistance, or any public benefit program. The pay-for-service fees will not be waived for any resident unable to meet the financial obligations of occupancy at Stanley Total Living Center, Inc.



**I. Payments**

- 1. Total Entrance Fee Due \$ \_\_\_\_\_
- 2. Entrance Fee Paid \_\_\_\_\_ \$ \_\_\_\_\_  
(Date)
- 3. Balance of Entrance Fee due on admission \$ \_\_\_\_\_
- 4. Balance of Entrance Fee Paid \_\_\_\_\_ \$ \_\_\_\_\_  
(Date)
- 5. Monthly rent—Apartment # \_\_\_\_\_ \$ \_\_\_\_\_  
PLUS \$450 fee for additional person \$ \_\_\_\_\_  
PLUS \$1,000 for Entrance Fees NOT paid \$ \_\_\_\_\_

(rates are reviewed annually with increases effective 10/1 of each subsequent year)

Daily rate—Assisted Living # \_\_\_\_\_ \$ \_\_\_\_\_

@ Level \_\_\_\_\_ upon admission

(rates are reviewed annually with increases effective 10/1 of each subsequent year)

Conditions and explanation of any changes or preferences:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

In witness thereof, the parties have set their hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**Stanley Total Living Center, Inc.:** By: \_\_\_\_\_

Witness: \_\_\_\_\_

**Resident (or Responsible Party):** \_\_\_\_\_

Witness: \_\_\_\_\_

Revised 1/9/18

\_\_\_\_\_ I acknowledge that I have been given a copy of the most recent Disclosure Statement AND Resident Handbook for the appropriate level of care as on \_\_\_\_\_ (Date).



"A Ministry  
of Compassion"

# Stanley Total Living Center, Inc.

514 OLD MT.HOLLY ROAD, STANLEY, NC 28164-2191 704-263-1986 FAX 704-263-8959

## Assisted Living Rate Schedule EFFECTIVE 10/1/18

An entrance fee of \$250.00 is required—this is non-refundable after the 1<sup>st</sup> 30 days.

24 beds available that are certified for Medicaid or private pay --Private studio bedroom with shared bathroom—380 square feet shared by (2):

Level 1— \$143/day    Level 3—\$170/day

Level 2— \$156/day    Level 4—\$185/day

16 beds available that are certified for private pay (may only be admitted from the CCRC after 30 days in a non-nursing area with a signed CCRC contract)--Private bedroom with shared bathroom and sitting area—435 square feet shared by (2):

Level 1—\$148/day    Level 3—\$176/day

Level 2—\$161/day    Level 4—\$190/day

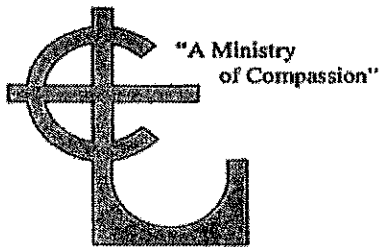
### OTHER AVAILABLE SERVICES

Telephone	\$15.00 per month
Cable TV	\$15.00 per month
Oxygen Concentrator	\$130.00 per month + supplies
Guest Meals	\$5.00 per meal

### Beauty Shop Services:

Perm/Cut/Set	\$50	Cut & Shampoo	\$13	Cut Only	\$10
Long Past Shoulder Perm	\$60	Shampoo/Cut/Set	\$24	Shampoo Only	\$8
Set Only	\$8	Color/Highlights	\$45	Cut & Set	\$15
Shampoo & Set	\$16	Family provide color	\$35	Beard Trim	\$3

Primary physicians, Podiatrists, Dentists, Psychiatrists, and Ophthalmologists come to the facility routinely, but will bill insurances separately. Daily rates do not include medication not covered by insurance or additional supplies used for care.



# Stanley Total Living Center, Inc.

514 OLD MT.HOLLY ROAD, STANLEY, NC 28164-2191 704-263-1986 FAX 704-263-8959

## Skilled Nursing Daily Rate Schedule Effective 10/1/18

Private Room	\$283.00 per day
Semi-Private Room	\$261.00 per day

**NOTE**—The Medicaid per diem rate is for a semi-private room only. Any resident receiving Medicaid benefits for skilled nursing care may choose to pay the difference between the daily private room rate and the daily semi-private room rate should he/she want a private room.

**\$22.00 per day in addition to the Medicaid payment**

### OTHER AVAILABLE SERVICES

Telephone	\$ 15.00 per month
Cable TV	\$ 15.00 per month
Oxygen Concentrator	\$ 130.00 per month + supplies
Guest Meals	\$ 5.00 per meal

### Beauty Shop Services

Perm/Cut/Set	\$50	Cut & Shampoo	\$13	Cut Only	\$10
Long Past Shoulder Perm	\$60	Shampoo/Cut/Set	\$24	Shampoo Only	\$8
Set Only	\$8	Color/Highlights	\$45	Cut & Set	\$15
Shampoo & Set	\$16	Family provide color	\$35	Beard Trim	\$3

Primary physicians, Podiatrists, Dentists, Psychiatrists, and Ophthalmologists come to the facility routinely, but will bill insurance separately.

Rates do not include medications not covered by insurance plan(s) or additional supplies necessary for daily care and medical needs.



# Stanley Total Living Center, Inc.

514 OLD MT.HOLLY ROAD, STANLEY, NC 28164-2191 704-263-1986 FAX 704-263-8959

## STLC INDEPENDENT APARTMENT RATES EFFECTIVE 10/1/18

### APARTMENTS LOCATED AT THE PARKE

\*Residents age 55+ must be able to live independently and not require any additional assistance in any capacity, and are able to drive/have personal transportation, and are able to do basic cooking as needed. There are NO nursing staff on site.

	<u>ENTRANCE FEE</u>	<u>MONTHLY RATE</u>
One Bedroom (716 sq ft)	\$26,000	\$2,752
One Bedroom (849 sq ft)	\$28,000	\$2,868
Two Bedroom (969 sq ft)	\$30,000	\$2,991
Two Bedroom (1,159 sq ft)	\$32,000	\$3,325

### APARTMENTS LOCATED AT STANLEY TOTAL LIVING CENTER

\*Residents age 65+ must be able to live independently and not require any additional health assistance BUT are provided with (3) meals/day, snacks, a daily scheduled activities program, medical appointment assistance/transportation, and nursing services accessible in the event of an emergency on a 24/7 basis.

	<u>ENTRANCE FEE</u>	<u>MONTHLY RATE</u>
One Bedroom	\$24,000	\$2,673
Two Bedroom	\$28,000	\$3,035

### For BOTH The Parke and STLC apartments:

\*Additional person (spouse/sibling) will add **\$450/month** in any apartment unit.

\*Anyone wishing to waive the Entrance Fee would pay an additional **\$1,000 per month** over the base monthly rate in any apartment unit.

### OTHER AVAILABLE SERVICES

Telephone	\$ 20.00 per month				
Cable TV	\$ 25.00 per month				
Guest Meals	\$ 5.00 per meal				
Beauty Shop Services:					
Perm/Cut/Set	\$50	Cut & Shampoo	\$13	Cut Only	\$10
Long Past Shoulder Perm	\$60	Shampoo/Cut/Set	\$24	Shampoo Only	\$8
Set Only	\$8	Color/Highlights	\$45	Cut & Set	\$15
Shampoo & Set	\$16	Family provide color	\$35	Beard Trim	\$3

**DIFFERENCES BETWEEN 2018 AUDIT AND 2018 PROFORMA**  
**January 25, 2019**

Both operating revenue and operating expenses were within expected ranges.

Gains from operations were less than projected while expenses were slightly higher. The differences were under the material exceptions.

Non-operating income (Investments and interest) were higher than forecast by \$688,591 which led to an increase in Net Unrestricted Assets of \$504,533. Financial markets were much higher because of reduced tax rates, that led to more spending in the marketplace. Investments increased more than forecast.

**Note:**

A complete renovation of the existing kitchen and enlargement cost was just under \$2.0 million and completed during 2018. This cost was paid from cash flow and accumulated cash assets. A portion of this cost was paid near the end of 2017. The increase in Capital Assets reflect an increase of \$1,676,944.

**Operational Cash Flows:**

This increase was higher than proforma by \$504,533 because of increases in investments gains.

Current Liabilities: There was a decrease in A/P and accrued expenses by \$134,113, while the proforma predicted an increase of \$145,705. This showed a difference of (\$279,818).

**Investing Activities:**

Acquisition of Capital Assets was (\$1,676,944) from the New Kitchen and other capital assets, while the Proforma anticipated the completion taking longer and using less cash assets. This resulted in a difference of (\$676,944). There were more investments by \$436,175 than sold (showing greater assets than forecast.)

Net Cash Flows used by investing activities Was \$1,113,119 greater than forecasted. More cash and cash flow were used in paying for kitchen construction and purchase of investments.

Net Increase (Decrease) in cash balance: (\$1,174,197) was used in paying kitchen construction while the proforma anticipated much of the construction costs would come from investments. This resulted in a decrease in cash balance of (\$972,173). Investments held a large position in cash at the end of 2017 in case it was needed for payables or payroll.

**Total Current Assets:**

Cash Operating Account difference answered in paragraph above. The A/R was \$112,326 was higher than forecast which reduced the difference in Total Current Assets to (\$852,064).

**Other Assets:**

**Unrestricted Investments** were higher than forecast having investment gains higher than forecast. Cash in investments was higher since General Fund cash was used to pay for Kitchen construction. This resulted in unrestricted investments being \$1,243,717 higher than forecast and Total investments being \$1,204,424 higher than forecasted.

**Liabilities and Net Assets:**

**Current liabilities including current portion of Long Term Debt:**

Mortgage payable, A/P, and accrued expenses were forecast to be higher than actual by \$279,818 based upon historical data.

**Total Liabilities:**

Forecast liabilities were \$296,627 higher than audit for the same reasons in previous paragraph.

**Unrestricted Net Assets:** Increase in assets of \$504,533

Differences reflect having higher gains in investments (assets) and lower liabilities than forecast.

**Stanley Total Living Center, Inc.**

Explanation of Material Differences between Previous Projected Statements  
of Operations and Change in Net Assets Prepared 12/18/2018  
and Year Ended 9/30/18 Actual Results:

The following explanation is furnished pursuant to Section 58-64-30 of the General Statutes of North Carolina. The explanation pertains to material differences between the Projected Statements of Activities and Change in Net Assets for the year ended September 30, 2018 contained as part of the Disclosure Statement dated January 25, 2019 and the actual results of operations for the year ended September 30, 2018 as shown in the audited financial statements. Stanley Total Living Center, Inc. considers "material" variances to be \$250,000

	Actual 2018 Audit	Forecast 2018	Audit minus forecast Difference
Change in Unrestricted Net Assets			
Operating Revenue:			
Residents' room, board, nursing care	11,354,801	11,427,513	(72,712)
Operating Expenses:			
General Operations & Administration:	10,429,481	10,346,732	82,749
Depreciation and Amortization	697,076	688,262	8,814
Interest Paid	170,884	134,326	36,558
Bad Debt Expense	0	11,354	(11,354)
Total	\$11,297,441	\$ 11,180,674	\$116,767
Gain from Operations:	57,360	246,839	(189,479)
Non Operating Income:			
Investment Income and Realized Gains	818,591	130,000	688,591
Unrealized Gains (losses)	43,009	18,060	24,949
Gain (loss) on disposal of assets	(45,595)	-	(45,595)
Contributions Received	27,267	1,200	26,067
Increase in Net Unrestricted Assets	\$ 900,632	\$ 396,099	\$ 504,533
Long-Term Debt Service Coverage	3.51	2.91	.60

Operational Cash Flows:	2018 Audit	2018 Forecast	
Increase in net assets	900,632	396,099	504,533
Adjustments to reconcile increase in net assets to net cash provided by operating activities:			
Depreciation & Amortization	697,076	688,262	8,814
Provision for Bad Debts	-	11,354	(11,354)
Amortization of deferred revenue from:			
advance fees	(62,120)	(48,000)	(14,120)
Advance fee deposits received	61,000	40,000	21,000
Loss on disposal of assets	45,595		45,595
Earnings on long term investments:			
Net realized and unrealized (gains) losses on long term investments	(43,009)	(18,060)	(24,949)
Changes in operating asset and liability items:			
Patient Accounts Receivable	181,508	294,730	(113,222)
Other Current Assets	(3,206)	(7,673)	4,467
Current Liabilities	(134,113)	145,705	(279,818)
<u>Net Cash Flows From Operating Activities</u>	<u>\$ 1,643,363</u>	<u>\$ 1,502,417</u>	<u>\$140,946</u>
Investing Activities:			
Acquisition of Capital Assets	(1,676,944)	(1,000,000)	(676,944)
(Increase) Decrease in long term investments	(816,653)	(380,478)	(436,175)
<u>Net Cash Flows (Used by) Investing Activities</u>	<u>\$(2,493,597)</u>	<u>\$ (1,380,478)</u>	<u>\$(1,113,119)</u>
Financing Activities:			
Proceeds From Notes Payable			
Repayment of long-term debt	(323,963)	(323,963)	0
<u>Net Cash Flows (Used by) Financing Activities</u>	<u>\$ (323,963)</u>	<u>\$ (323,963)</u>	<u>0</u>
Net Increase (Decrease) in Cash balance	(1,174,197)	( 202,024)	(972,173)
Beginning Cash & Cash Equivalents	2,902,024	2,902,024	0
Ending Cash and Cash Equivalents	<u>\$ 1,727,827</u>	<u>\$2,700,000</u>	<u>\$(972,173)</u>



Current Assets:	2018 Audit	2018 Forecast	Difference
Cash-Operating Accounts	1,727,827	2,700,000	(972,173)
Accounts Receivable:			
Intermediaries and Residents	667,225	554,899	112,326
Other Current Assets	108,398	100,615	7,783
<u>Total Current Assets</u>	<u>\$ 2,503,450</u>	<u>\$ 3,355,514</u>	<u>\$(852,064)</u>
Net Property, Plant and Equipment:	14,445,391	14,589,845	(144,454)
Other Assets:			
Investments Restricted for Operating Reserve	5,521,784	5,561,077	(39,293)
Investments Unrestricted	2,740,881	1,497,164	1,243,717
<u>Total Investments</u>	<u>\$ 8,262,665</u>	<u>\$ 7,058,241</u>	<u>\$1,204,424</u>
<u>Total Assets</u>	<u>\$25,211,506</u>	<u>25,003,600</u>	<u>\$ 207,906</u>
Liabilities and Net Assets:			
Current Liabilities (Including Current Portion of Long-Term Debt)	789,110	1,068,928	(279,818)
Deferred Revenues-Refundable	11,700	12,428	(728)
Deferred Revenues-Non-Refundable	217,400	209,792	7,608
Long Term Debt	4,157,526	4,157,526	--
Less Unamortized Debt Issuance Expense	(23,689)		(23,689)
<u>Total Liabilities</u>	<u>\$ 5,152,047</u>	<u>\$ 5,448,674</u>	<u>\$(296,627)</u>
Unrestricted Net Assets	<u>20,059,459</u>	<u>19,554,926</u>	<u>\$504,533</u>
<u>Total Net Assets</u>	<u>\$20,059,459</u>	<u>\$19,554,926</u>	<u>\$504,533</u>
<u>Total Liabilities and Net Assets</u>	<u>\$25,211,506</u>	<u>\$25,003,600</u>	<u>\$207,906</u>

## **RENOVATIONS**

**The renovations of the outdated kitchen was completed in May, 2018. The cost of this project, including re-paving the construction area, was about \$1,925,000.**

**No major projects are planned for the near future.**

**Minor projects involve landscaping and grounds.**