

## DISCLOSURE STATEMENT

DATE: January 25, 2020

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

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 22, 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.

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# 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 North Carolina Health Care Facilities Association.

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  
Second Vice President Rob R. McMinn  
Treasurer: Mike Dixon  
Secretary: Melissa Smith

### BOARD OF DIRECTORS-2020

OFFICE	TERM ENDS	NAME	ADDRESS	HOME	WORK
<b>President</b>	12/31/20	<b>Ronnie Lee Ensley</b> First Presbyterian	619 Killian Road Stanley NC 28164 Ron.ensley13@gmail.com	704-827-7905	704-231-2488 (cell)
<b>CFO/ Treasurer</b>	12/31/23	<b>Michael Wray Dixon</b> First Presbyterian	1940 Rhyne Road Dallas NC 28034 mwraydixon@earthlink.net	704-263-8125	704-263-7156
<b>Exec Board Secretary</b>	12/31/23	<b>Rob R. McMinn</b> First Presbyterian	3013 JR Court Stanley, NC 28164 rrmcminn@bellsouth.net	704-263-3888	980-721-6824 (cell)
<b>FIRST Vice President</b>	12/31/23	<b>Steve Ray Smith</b> First Presbyterian	P O Box 3206 Huntersville, NC 28078 steve@insouthins.com	704-408-7514	
	12/31/21	Mark Beatty First Presbyterian	P O Box 284 Stanley NC 28164 markbeatty21@aol.com	704-609-1351 (cell)	704-659-7152
	12/31/23	Allison Crotts First Baptist Church	1527 Stanley Lucia Rd. Mt. Holly, NC adcrotts@caralina.rr.com	704-263-0704	704-854-1391 (cell)
	12/31/22	Teresa West Stanley Methodist	200 Redding Road Stanley NC 28164 teresawest@electroplate.biz	704-263-4160	704-867-4547
<b>Executive &amp; General Board Secretary</b>	12/31/22	Melissa Smith First Presbyterian	123 Citation Lane Gastonia, NC 28056 honeysmith56@gmail.com	704-263-8919 860-4996 cell	
	12/31/21	Steven Denton Town of Stanley	3000 JR Court Stanley, NC 28034 mayordenton@townofstanley.org		704-460-9382 (cell)
	12/31/20	Teresa Neely First Presbyterian	212 Dogwood Drive Mt Holly NC 28120 neelyultrasound@bellsouth.net	704-836-6668	
	12/31/22	Lisa Grice First Presbyterian	2016 Lee Ellen Court Stanley, NC 28164 lgrice@bheiss.com	704-488-1342	
	12/31/23	Vacant (2 positions) At-Large			
	12/31/20	Judy Abernathy Christ Lutheran Church	P O Box 873 Stanley, NC 28164 J10abernathy@att.net	704-263-8258 704-813-6212	704-843-2978
	12/31/21	Debbie Harper First Presbyterian	327 Franklin Court Stanley, NC 28164 dmharper@bellsouth.net	704-263-4466	704-689-1522 (cell)
Ex-officio Executive Board		Jennifer DeFelice Administrator	603 S. Hwy 27 Stanley NC 28164	263-2064	263-1986
Ex-officio Executive Board		Sharon Bryant Controller	514 Old Mount Holly Road Stanley, NC 28164		
	12/31/22	Kevin Mauney At Large	P O Box 88 Alexis, NC 28006 krockridge@bellsouth.net	263-4662 813-6212 (cell)	
	12/31/23	Lon Dennis Queen, Jr. Community Pentecostal	P O Box 566 Alexis, NC 28006 ldennisqueen@aol.com	704-263-0788	704-674-4480 cell

Updated: January 8, 2020

# 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 7 years.(current employer)  
Board Member for 13 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 36 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 24 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 5 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 13 years.  
Attended Western Carolina University  
Worked for Industrial Electroplating for 15 years.  
Work experience in Accounting, A/R, A/P, HR  
Home Address: 200 Redding Road, Stanley, NC 28164



**Lon Dennis Queen, Jr,**

Represents Community Pentecostal Church. New general board member.  
Dennis holds an Associate Degree in Business. Worked for H. M. Craig Metal for 35 years.  
He retired in 2007. Involved in community activities. Married for 47 years and has 2 children.  
He currently works as a consultant for American Stainless.

**Melissa Smith**

Office Manager for Crisp, Summerville & Company for 22 years.  
General Board member for 13 years and currently Secretary of the General Board  
Currently retired.  
Represents First Presbyterian Church

**Debbie Harper**

Member of the General Board for 7 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 23 years from First Presbyterian Church  
Business Address: 620 Summit Crossing Place, Gastonia NC 28054

**Lisa Grice**

Represents First Presbyterian Church  
Member of the General Board for 1 year.  
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

**Steve Smith**

Represents First Presbyterian Church. Executive Board member for 6 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 18 years.  
General Board member for 7 years.  
Serves as at-large member on the Executive BOD.

**Steven Denton**

Mayor of Stanley and is into his 3rd 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 17 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 6 years.  
Graduate of Gaston Memorial School of Nursing in 1969,  
Worked for CaroMont Health since 1070 and as Director of Case Management for 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.

**Kevin Mauney**

Member of the general board for 1 year and 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 Parke Independent Apartments: 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 STLC Independent Apartments, Resident must be **65 years of age or older**, except that in the case of a married couple in which one spouse must be **65 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 two areas of care: Assisted Living, 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 Parke 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. In the STLC Independent Apartments, Resident must be **65 years of age or older**, except that in the case of a married couple in which one spouse must be **65 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 affected.
- 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 Parke Independent Apartments \$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 STLC 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 STLC Apartments are available to both.

- \*2 meals per day (The Parke)
- \*3 meals per day (STLC 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 (STLC 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 (STLC 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

These 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, 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 STLC 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, 2019.

## ASSISTED LIVING AND NURSING HOME RATE

NH	Private Room	.	.	.	.	\$293.00/day	Telephone.	\$15.00/mth
NH	Semi-Private Room	.	.	.	.	\$270.00/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 380 sq. ft.)

<b>Level 1— \$148/day</b>	<b>Level 3---\$176/day</b>
<b>Level 2--- \$161/day</b>	<b>Level 4--- \$191/day</b>

\$250 non-refundable deposit required upon admission.

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 (434 sq ft shared by 2)

<b>Level 1—\$153/day</b>	<b>Level 3—\$182/day</b>
<b>Level 2—\$167/day</b>	<b>Level 4---\$197/day</b>

# STANLEY TOTAL LIVING CENTER, INC.

## CURRENT RATES: OCTOBER 1, 2019

### STLC APARTMENTS RATES

Age 65+

MONTHLY RATE  
WITH  
ENTRANCE FEE

MONTHLY RATE  
NO  
ENTRANCE FEE

	<u>ENTRANCE FEE</u>		
1 BEDROOM	\$24,000.00	\$2,767.00	\$3,767.00
2 BEDROOM	\$28,000.00	\$3,141.00	\$4,141.00

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

### THE PARKE APARTMENT RATE

MONTHLY RATE  
WITH  
ENTRANCE FEE

MONTHLY RATE  
NO  
ENTRANCE FEE

	<u>ENTRANCE FEE</u>		
1 Bedroom (716 sq ft)	\$26,000.00	\$2,848.00	\$3,848.00
1 Bedroom (849 sq ft)	\$28,000.00	\$2,968.00	\$3,968.00
2 Bedroom(969 sq ft)	\$30,000.00	\$3,096.00	\$4,096.00
2 Bedroom(1159 sq ft)	\$32,000.00	\$3,441.00	\$4,441.00

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

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 resident’s 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>2014- 2015</u>	<u>2015- 2016</u>	<u>2016- 2017</u>	<u>2017- 2018</u>	<u>2018- 2019</u>	<u>2019- 2020</u>
<b>Monthly Service Fee Changes-\$’s per month-Apartments Located at Stanley Total Living Center:</b>						
One Occupant	47	65	97	75	103	94
Two Occupants	61	76	176	75	103	106
Approx. Percent Increase	2%	3%	4-6%	3%	4%	3.5%

<b>Health Center Room Fee Changes-\$’s per day</b>						
Skilled	3	8	8	8	3	10
Approx. Percent Increase	1%	3%	3%	3%	1%	3.5%

	<u>2015- 2016</u>	<u>2016- 2017</u>	<u>2017- 2018</u>	<u>2018- 2019</u>	<u>2019- 2020</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	98
Two Occupants	NA 1 <sup>st</sup> Year	107	77	106	98
Approx. Percent Increase	NA 1 <sup>st</sup> Year	4%	3%	4%	3.5%

**Fees for the Previous Five Years 2014-2019-Apartments Located at Stanley Total Living Center.**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b><u>Apartment Units</u></b>						
1 BR-Single Occupant	\$2,172	\$2,237	\$2,495	\$2,570	\$2,673	\$2,767
1 BR-Double Occupant	\$2,527	\$2,603	\$2,945	\$3,020	\$3,123	\$3,217
2 BR-Single Occupant	\$2,512	\$2,587	\$2,833	\$2,918	\$3,035	\$3,141
2 BR-Double Occupant	\$2,862	\$2,948	\$3,283	\$3,368	\$3,485	\$3,591

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

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

**Daily fees for the Previous Five Years 2014-2019-Skilled Nursing**

Private Room	\$256	\$264	\$272	\$280	\$283	\$293
Semi-Private	\$236	\$243	\$250	\$258	\$261	\$270

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

**Fees for the Previous Applicable Years 2015-2019-Apartments Located at The Parke:**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b><u>Apartment Units-The Parke</u></b>				
1 BR-Single Occupant	\$2,569	\$2,646	\$2,752	\$2,848
1 BR-Double Occupant	\$3,019	\$3,096	\$3,202	\$3,298
2 BR-Single Occupant	\$2,792	\$2,876	\$2,991	\$3,096
2 BR-Double Occupant	\$3,242	\$3,326	\$3,441	\$3,546

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, 2019 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>\$11,558,644</u>
Principle Payment on long-term debt Add	<u>\$323,963</u>
Less Depreciation, if applicable:	<u>\$ 694,454</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>\$11,180,200</u>
Occupancy Factor:	<u>50%</u>
Operating Reserve Requirement:	<u>\$ 5,590,100</u>
Operating Reserve	<u>\$ 5,590,100</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 2018 & 2019**

FINANCIAL STATEMENTS  
STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
Years Ended September 30, 2019 and 2018

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

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Statements of Cash Flows	Exhibit "C" Page 5
Notes to Financial Statements	Pages 6 - 16

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

*Member American Institute of Certified Public Accountants*

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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, 2019 and 2018, 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

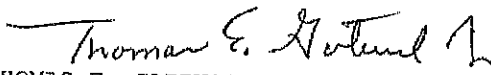
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, 2019 and 2018, 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., CPA, PC

December 16, 2019

## EXHIBIT "A"

STANLEY TOTAL LIVING CENTER, INC.  
 STANLEY, NORTH CAROLINA  
 STATEMENTS OF FINANCIAL POSITION  
 SEPTEMBER 30, 2019 AND 2018

## ASSETS

	<u>2019</u>	<u>2018</u>
<u>CURRENT ASSETS:</u>		
Cash - operating accounts	\$ 2,276,540	\$ 1,727,827
Accounts receivable:		
Intermediaries and residents	\$ 869,165	\$ 667,225
Other	43,188	12,250
	<u>\$ 912,353</u>	<u>\$ 679,475</u>
Prepaid expenses	\$ 39,860	\$ 52,573
Inventories (Note 1)	68,744	43,575
	<u>\$ 108,604</u>	<u>\$ 96,148</u>
	<u>\$ 3,297,497</u>	<u>\$ 2,503,450</u>
<u>TOTAL CURRENT ASSETS</u>		
<u>PROPERTY, PLANT AND EQUIPMENT:</u> (Note 1)		
Land	\$ 280,000	\$ 280,000
Buildings and improvements	17,453,566	17,386,765
Equipment	2,351,441	2,433,682
Vehicles	98,492	98,492
	<u>\$20,183,499</u>	<u>\$20,198,939</u>
Less accumulated depreciation	6,195,339	5,753,548
<u>NET PROPERTY, PLANT AND EQUIPMENT</u>	<u>\$13,988,160</u>	<u>\$14,445,391</u>
<u>OTHER ASSETS:</u>		
Investments - Other (Notes 2, 4 and 5)		
Unrestricted - cash and investments	\$ 3,079,541	\$ 2,740,881
Restricted for operating reserve:		
Cash and investments	5,590,100	5,521,784
	<u>\$ 8,669,641</u>	<u>\$ 8,262,665</u>
<u>TOTAL INVESTMENTS</u>	<u>\$ 8,669,641</u>	<u>\$ 8,262,665</u>
<u>TOTAL OTHER ASSETS</u>	<u>\$ 8,669,641</u>	<u>\$ 8,262,665</u>
<u>TOTAL ASSETS</u>	<u>\$25,955,298</u>	<u>\$25,211,506</u>

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



LIABILITIES AND NET ASSETS

	<u>2019</u>	<u>2018</u>
<u>CURRENT LIABILITIES:</u>		
Mortgage payable - current portion (Note 6)	\$ 323,963	\$ 323,963
Accounts payable:		
Trade	\$ 252,317	\$ 278,624
Patient	16,023	16,228
	<u>\$ 268,340</u>	<u>\$ 294,852</u>
Accrued expenses:		
Salaries and wages	\$ 167,871	\$ 155,365
Interest	14,930	14,930
	<u>\$ 182,801</u>	<u>\$ 170,295</u>
<u>TOTAL CURRENT LIABILITIES</u>	<u>\$ 775,104</u>	<u>\$ 789,110</u>
<u>LONG-TERM LIABILITIES:</u>		
Refundable entrance fees (Note 2)	\$ 15,300	\$ 11,700
Deferred revenue from advance fees (Note 2)	228,530	217,400
Mortgage payable-long term portion (Note 6)	3,833,563	4,157,526
Less: Unamortized debt issuance expense	(15,736)	(23,689)
<u>TOTAL LONG-TERM LIABILITIES</u>	<u>\$ 4,061,657</u>	<u>\$ 4,362,937</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 4,836,761</u>	<u>\$ 5,152,047</u>
<u>NET ASSETS:</u>		
Net assets without donor restrictions	\$21,118,537	\$20,059,459
 <u>NET ASSETS</u>	 <u>\$21,118,537</u>	 <u>\$20,059,459</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$25,955,298</u>	<u>\$25,211,506</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, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>CHANGES IN UNRESTRICTED NET ASSETS</u>		
<u>OPERATING REVENUE:</u>		
Residents' room, board and nursing care (Note 8)	\$11,919,537	\$11,354,801
<u>OPERATING EXPENSES:</u>		
General operations and administration	<u>10,411,543</u>	<u>10,429,481</u>
Depreciation and amortization	\$ 1,507,994	\$ 925,320
	<u>692,407</u>	<u>697,076</u>
	<u>\$ 815,587</u>	<u>\$ 228,244</u>
<u>OTHER REVENUES (EXPENSES) AND SUPPORT:</u>		
Contributions received - Foundation	\$ 12,500	\$ 21,000
Contributions received - Other	18,038	6,267
Interest income	2,130	1,937
Investment income on long term investments	543,419	330,243
Gain (loss) on disposal of assets	(23,203)	(45,595)
Realized gains losses on long term investments	(73,945)	486,411
Unrealized gain (loss) on long term investments	(62,499)	43,009
Interest paid	<u>(172,949)</u>	<u>(170,884)</u>
<u>TOTAL OTHER REVENUES (EXPENSES) AND SUPPORT</u>	<u>\$ 243,491</u>	<u>\$ 672,388</u>
<u>INCREASE IN NET ASSETS WITHOUT</u>		
<u>DONOR RESTRICTIONS</u>	\$ 1,059,078	\$ 900,632
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>20,059,459</u>	<u>19,158,827</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$21,118,537</u>	<u>\$20,059,459</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, 2019 AND 2018

EXHIBIT "C"

	<u>2019</u>	<u>2018</u>
<u>OPERATIONAL CASH FLOWS:</u>		
Increase in net assets (Exhibit "B")	\$ 1,059,078	\$ 900,632
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	692,407	697,076
Amortization of deferred revenue from advance fees	(96,270)	(62,120)
Advance fee deposits received	111,000	61,000
Loss on disposal of assets	23,023	45,595
Net unrealized (gains) losses on long term investments	<u>62,499</u>	<u>(43,009)</u>
	<u>\$ 1,851,737</u>	<u>\$ 1,599,174</u>
Changes in operating asset and liability items:		
(Increase) decrease in accounts receivable	\$ (232,878)	\$ 181,508
(Increase) decrease in prepaid expenses	12,713	(12,843)
(Increase) decrease in inventories	(25,169)	9,637
Increase (decrease) in accounts payable	(26,512)	(157,686)
Increase (decrease) in accrued expenses	<u>12,506</u>	<u>23,573</u>
	<u>\$ (259,340)</u>	<u>\$ 44,189</u>
<u>NET CASH FLOWS PROVIDED BY OPERATIONS</u>	<u>\$ 1,592,397</u>	<u>\$ 1,643,363</u>
<u>INVESTING ACTIVITIES:</u>		
Acquisition of property, construction in progress and equipment	\$ (250,426)	\$ (1,676,944)
Proceeds on sale of securities	8,396,584	9,397,036
Purchase of investments	<u>(8,865,879)</u>	<u>(10,213,689)</u>
<u>NET CASH FLOWS (USED) BY INVESTING ACTIVITIES</u>	<u>\$ (719,721)</u>	<u>\$ (2,493,597)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Repayment of long term debt	<u>(323,963)</u>	<u>\$ (323,963)</u>
<u>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</u>	<u>\$ (323,963)</u>	<u>\$ (323,963)</u>
Net increase (decrease) in cash balance	\$ 548,713	\$ (1,174,197)
Cash at beginning of year	<u>1,727,827</u>	<u>2,902,024</u>
Cash at end of year	<u>\$ 2,276,540</u>	<u>\$ 1,727,827</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  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES:

Stanley Total Living Center, Inc. (the Organization) is a nonprofit corporation, organized under the laws of the State of North Carolina for the purpose of developing and owning health care facilities. The Organization is exempt from income taxes under section 501 ©(3) of the Internal Revenue Code.

Management and general activities include the function necessary to provide support for the Organizations program activities. They include activities that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, human resources management and similar functions that ensure an adequate working environment and an adequate employment program.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES:

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements.

BASIS OF ACCOUNTING

The Organization prepares its financial statements using the accrual basis of accounting, and accounting principles generally accepted in the United States of America.

NET ASSETS

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors as follows:

NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued):

NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature. The Organization must continue to use the resources in accordance with the donor's instructions.

The Organization's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds and its beneficial interest in a perpetual charitable trust held by a bank trustee.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

CLASSIFICATION OF TRANSACTIONS

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions and net losses on endowment investments reduce that net asset class.

CASH AND CASH EQUIVALENTS

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

	<u>2019</u>	<u>2018</u>
Cash in Bank	\$ 2,276,190	\$ 1,727,477
Petty Cash	350	350
	<u>\$ 2,276,540</u>	<u>\$ 1,727,827</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, 2019 and 2018 exceeded the Federally insured limits.

STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued):

ACCOUNTS RECEIVABLE - INTERMEDIARIES

Accounts receivable from intermediaries - Division of Medical Assistance and Palmetto GBA - represents the balances due at September 30, 2019 and 2018 for patient services rendered. Management feels that because the preponderance of the Organization's accounts receivables are due from Medicaid or Medicare intermediaries no allowance for bed 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.

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.

PREPAID ASSETS

Prepaid assets are primary expenses prepaid for a future period.

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

FAIR VALUE MEASUREMENTS

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.

STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued):

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.

DEFERRED REVENUE FROM ADVANCED FEES

Advanced fees that are not refundable represent payment for future services. The Organization amortizes these fees 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.

STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued):

EXPENSE RECOGNITION AND ALLOCATION

The cost of providing the Organization's programs and other activities is summarized on a functional basis (see Note 15). Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied as follows:

Salaries and wages, benefits and payroll taxes are allocated based on activity reports prepared by key personnel.

Occupancy, depreciation and interest are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.

Telephone and internet services, insurance and supplies and other expenses that cannot be directly identified are allocated on the basis of employee headcount for each program and supporting activity.

Every three years the allocations are reevaluated.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities.



STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued):

CHANGES IN ACCOUNTING PRINCIPLES

The Organization implemented FASB ASU No. 2016-14 in the current year, applying the changes retrospectively. The new standards change the format of the financial statements:

The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.

The unrestricted net asset class has been renamed net assets without donor restrictions.

The financial statements include a disclosure about liquidity and availability of resources. (See Note 3).

The changes have the following effect on net assets at September 30, 2019:

	<u>PRIOR</u>	<u>CHANGED</u>
Unrestricted Net Assets	\$20,059,459	\$ -0-
Net Assets Without Donor Restrictions	-0-	20,059,459
	<u>\$20,059,459</u>	<u>\$20,059,459</u>

NOTE 3: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, 2019 are:

Financial Assets	
Cash and Cash Equivalent	\$ 2,276,540
Accounts Receivable - Net	869,165
Long Term Investments	<u>8,669,641</u>
Total Financial Assets	\$11,815,346
Less Financial Assets Held:	
Restricted for Operating Reserve	<u>5,590,100</u>
Amount Available for General Expenditures Within One Year	<u>\$ 6,225,246</u>

STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

NOTE 4: INVESTMENTS

Investments are as follows:

As of September 30, 2019

	<u>COST</u>	<u>UNREALIZED GAIN</u>	<u>FAIR VALUE</u>
Cash and cash equivalent	\$1,030,332	\$ -0-	\$1,030,332
Stock Equity	2,777,801	259,529	3,037,330
Mutual Funds	4,493,745	108,234	4,601,979
	<u>\$8,301,878</u>	<u>\$ 367,763</u>	<u>\$8,669,641</u>

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	416,912	128,798	545,710
Mutual Funds	6,932,475	301,464	7,233,939
	<u>\$7,832,403</u>	<u>\$ 430,262</u>	<u>\$8,262,665</u>

Cash and investments restricted for operating reserve is as follows:

	<u>2019</u>	<u>2018</u>
Fidelity	\$8,211,081	\$7,851,635
T. Rowe Price	458,560	411,030
	<u>\$8,669,641</u>	<u>\$8,262,665</u>

STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

NOTE 5: 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 Organization 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 has 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, 2019

	<u>FAIR VALUE</u>	<u>QUOTED MARKET PRICE LEVEL 1</u>
Cash and Cash Equivalents	\$1,030,332	\$1,030,332
Stock Equity	3,037,330	3,037,330
Mutual Funds	4,601,979	4,601,979
	<u>\$8,669,641</u>	<u>\$8,669,641</u>

As of September 30, 2018

	<u>FAIR VALUE</u>	<u>QUOTED MARKET PRICE LEVEL 1</u>
Cash and Cash Equivalents	\$ 483,016	\$ 483,016
Stock Equity	545,710	545,710
Mutual Funds	7,233,939	7,233,939
	<u>\$8,262,665</u>	<u>\$8,262,665</u>

NOTE 6: MORTGAGE PAYABLE

Stanley Total Living Center, Inc. has a loan agreement with South State 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, is secured by the new construction and the existing building and equipment.

Maturities of long-term debt are as follows:  
Year Ended September 30,

2020	\$ 323,963
2021	323,963
2022	3,509,600
	<u>\$ 4,157,526</u>

STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

NOTE 7: DERIVATIVE FINANCIAL INSTRUMENT

The Organization has an interest rate swap arrangement with South State Bank that in effect fixed the interest rate on the Organization's long-term bank note payable at 3.85%. The arrangement is scheduled to expire July 8, 2022. The notional amount of the contract as of September 30, 2019 was \$2,096,111 (original amount July 18, 2017 was \$2,450,000). The Organizations 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 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 ended September 30, 2019 was to decrease interest by \$3,871 (increased interest \$10,836 for 2018).

NOTE 8: CONCENTRATION - MEDICAID/MEDICARE REVENUE

Medicaid and Medicare revenues as of September 30, 2019 were \$8,036,670 and \$7,296,330 in 2018, under the Medicare and Medicaid Program were received during the year subject to subsequent audit with possible retroactive adjustments by the intermediaries.

NOTE 9: RETIREMENT PLAN

The Organization has a 403(b) Retirement Plan. The plan covers all employees with one year of service (1,000 or more hours are required to constitute one 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 contribution for the year ended September 30, 2019 was \$15,879 (\$14,475 in 2018).

NOTE 10: OPERATING LEASES

The Organization currently has the following operating leases:

	<u>ANNUAL LEASE</u>
1 - Copier Equipment	
Minimum Term-Through June 1, 2022	\$ 16,384
Rate - \$512 Per Month (2 months)	\$ 16,384

NOTE 11: SUPPLEMENTAL DISCLOSURES - STATEMENT OF CASH FLOWS

Interest paid for the year ended September 30, 2019 amounted to \$172,949 (\$169,468 for 2018). The Organization is exempt from paying income taxes under IRS Code Section 501 (c) (3).

STANLEY TOTAL LIVING CENTER, INC.  
STANLEY, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

NOTE 12: 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 Organization since they do not meet the requirements of the Financial Accounting Standards Board FASB ASC 958. The fair market value of the investment assets in the Foundation at September 30, 2019 and 2018 was \$3,751,803 and \$3,687,142, respectively. The Foundation is a guarantor of the Organization's notes payable.

NOTE 13: CHARITY CASE

Stanley Total Living Center, Inc. provides services at no charge, or amounts less than 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 \$1,602,367, during the year ended September 30, 2019 (\$1,925,368 for 2018).

NOTE 14: LONG TERM DEBT SERVICE COVERAGE RATIO

Stanley Total Living Center's long term debt service ratio was 4.15 for 2019 (3.51 for 2018) calculated as follows:

	<u>2019</u>	<u>2018</u>
Increase in Unrestricted Net Assets (Exhibit "B")	\$ 1,059,078	\$ 900,632
Additions (deductions)		
Depreciation	684,454	689,123
Amortization	7,953	7,953
Interest expense	172,949	170,884
Unrealized (gains) losses	62,499	(43,009)
	<u>\$ 1,986,933</u>	<u>\$ 1,725,583</u>
Debt Service Obligation		
Principal	\$ 323,963	\$ 323,963
Interest	154,803	167,312
	<u>\$ 478,766</u>	<u>\$ 491,275</u>
Long Term Debt Service Coverage Ratio	<u>4.15</u>	<u>3.51</u>

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

NOTE 15: EXPENSES BY NATURE AND FUNCTION

Effective June 1, 2018, not-for-profit organizations are required to analyze their expenses by nature and function as to operating and administrative expenses. These expenses are allocated by time studies, square footage and other appropriate measures.

The following is a summary of Stanley Total Living Center's expenses:

Operating Expense	<u>2019</u>	<u>2018</u>
Salaries, Benefits and Taxes	\$ 6,720,331	\$ 6,593,047
Nursing, Rehabilitation, Supplies and Contract Services	1,341,603	1,395,870
Operation and Maintenance	583,227	612,496
Food and Dietary	577,230	634,317
Activity and Social	27,938	29,741
Depreciation	623,167	627,368
Interest	155,654	153,796
	<u>\$10,029,150</u>	<u>\$10,046,635</u>
 Management and General		
Salaries, Benefits and Taxes	\$ 631,643	\$ 594,672
Administrative - Other	339,695	377,444
Operation and Maintenance	64,803	68,055
Depreciation and Amortization	69,240	69,708
Investment Expense	99,625	98,071
Contributions	25,448	25,768
Interest	17,295	17,088
	<u>\$ 1,247,749</u>	<u>\$ 1,250,806</u>
<u>TOTAL EXPENSES</u>	<u>\$11,276,899</u>	<u>\$11,297,441</u>

NOTE 16: RECLASSIFICATION

Various items on the financials for the year 2018 were reclassified to be comparable to 2019. These reclassifications had no effect to the net assets or statement of activities.

NOTE 17: SUBSEQUENT EVENTS

Management has evaluated the subsequent events through December 16, 2019, the date of these financial statements. No additional disclosures are required based upon their evaluation.

**ATTACHMENT 2**

**FIVE YEAR FORECASTED STATEMENTS  
FOR 2020-2024; 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, 2020, 2021, 2022, 2023 and 2024

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



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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, 2020, 2021, 2022, 2023 and 2024, 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 16, 2019

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

	<u>2020</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENT	\$ 2,250,000	\$ 2,250,000
NET PATIENT ACCOUNTS RECEIVABLE	598,009	616,099
OTHER CURRENT ASSETS	<u>103,773</u>	<u>105,986</u>
TOTAL CURRENT ASSETS	\$ 2,951,782	\$ 2,972,085
NET PROPERTY PLANT, EQUIPMENT AND CONSTRUCTION	<u>\$ 13,501,489</u>	<u>\$ 12,969,082</u>
INVESTMENTS:		
RESTRICTED FOR OPERATING RESERVE	\$ 5,744,366	\$ 5,903,447
UNRESTRICTED	<u>4,669,407</u>	<u>5,654,576</u>
TOTAL INVESTMENTS	\$ 10,413,773	\$ 11,558,024
OTHER ASSETS	<u>-</u>	<u>-</u>
	\$ 23,915,262	\$ 24,527,106
 TOTAL ASSETS	 <u>\$ 26,867,044</u>	 <u>\$ 27,499,191</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES (INCLUDING CURRENT PORTION OF OF LONG-TERM DEBT)		
	\$ 1,093,586	\$ 1,116,674
DEFERRED REVENUES - REFUNDABLE	12,378	9,456
DEFERRED REVENUES - NON REFUNDABLE	223,452	218,374
LONG-TERM DEBT - NET OF UNAMORTIZED DEBT ISSUANCE	<u>3,509,600</u>	<u>3,185,637</u>
TOTAL LIABILITIES	\$ 4,839,016	\$ 4,530,141
NET ASSETS		
WITHOUT DONOR RESTRICTIONS	\$ 22,028,028	\$ 22,969,050
	<u>-</u>	<u>-</u>
	\$ 22,028,028	\$ 22,969,050
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 26,867,044</u>	 <u>\$ 27,499,191</u>

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

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	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$	2,250,000	\$ 2,250,000	\$ 2,250,000
	634,732	653,924	673,692
	108,266	110,614	113,032
\$	<u>2,992,998</u>	\$ <u>3,014,538</u>	\$ <u>3,036,724</u>
\$	<u>12,406,675</u>	\$ <u>11,814,268</u>	\$ <u>11,191,861</u>
\$	6,067,492	\$ 6,236,642	\$ 6,423,741
	6,709,264	7,835,679	9,023,401
\$	<u>12,776,756</u>	\$ <u>14,072,321</u>	\$ <u>15,447,142</u>
	-	-	-
\$	<u>25,183,431</u>	\$ <u>25,886,589</u>	\$ <u>26,639,003</u>
\$	<u>28,176,429</u>	\$ <u>28,901,127</u>	\$ <u>29,675,727</u>
\$	1,140,456	\$ 1,164,951	\$ 1,190,180
	6,534	3,612	690
	213,296	208,218	203,140
	<u>2,861,673</u>	<u>2,537,710</u>	<u>2,213,747</u>
\$	<u>4,221,959</u>	\$ <u>3,914,491</u>	\$ <u>3,607,757</u>
\$	23,954,470	\$ 24,986,636	\$ 26,067,970
	-	-	-
\$	<u>23,954,470</u>	\$ <u>24,986,636</u>	\$ <u>26,067,970</u>
\$	<u>28,176,429</u>	\$ <u>28,901,127</u>	\$ <u>29,675,727</u>

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>2020</u>	<u>2021</u>
CHANGE IN UNRESTRICTED NET ASSETS		
OPERATING REVENUE:		
HEALTH CARE FEES	\$ 9,890,432	\$ 10,187,145
ASSISTED LIVING	1,279,028	1,317,399
APARTMENT FEES	1,058,222	1,089,969
ENTRANCE FEES - AMORTIZED	48,000	48,000
OTHER OPERATING REVENUE	26,000	26,000
TOTAL OPERATING REVENUE	<u>\$ 12,301,682</u>	<u>\$ 12,668,513</u>
OPERATING EXPENSES:		
SALARIES AND BENEFITS	\$ 7,504,314	\$ 7,729,443
OTHER OPERATING EXPENSES:		
HEALTH CARE	1,544,212	1,590,538
SOCIAL AND ACTIVITIES	28,776	29,638
MAINTENANCE, LAUNDRY AND HOUSEKEEPING	667,471	687,495
DIETARY	594,547	612,383
ADMINISTRATIVE	349,886	360,383
DEPRECIATION AND AMORTIZATION	702,407	732,407
INTEREST	154,803	142,293
BAD DEBT EXPENSE	12,228	12,595
	<u>\$ 11,558,644</u>	<u>\$ 11,897,175</u>
GAIN FROM OPERATIONS	\$ 743,038	\$ 771,338
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 ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 909,491</u>	<u>\$ 941,022</u>
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTION, DEPRECIATION AND INTEREST		
	<u>\$ 1,683,448</u>	<u>\$ 1,729,238</u>
LONG-TERM DEBT SERVICE COVERAGE	<u>4.04</u>	<u>4.23</u>

<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 10,492,759	\$ 10,807,542	\$ 11,131,767
1,356,921	1,397,629	1,439,558
1,122,668	1,156,348	1,191,038
48,000	48,000	48,000
26,000	26,000	26,000
<u>\$ 13,046,348</u>	<u>\$ 13,435,519</u>	<u>\$ 13,836,363</u>
\$ 7,961,326	\$ 8,200,166	\$ 8,446,171
1,638,254	1,687,402	1,738,024
30,528	31,444	32,387
708,120	729,364	751,245
630,754	649,677	669,167
371,194	382,330	393,800
762,407	792,407	822,407
129,783	117,275	104,765
12,972	13,362	13,762
<u>\$ 12,245,338</u>	<u>\$ 12,603,427</u>	<u>\$ 12,971,728</u>
\$ 801,010	\$ 832,092	\$ 864,635
130,000	130,000	130,000
53,210	68,874	85,499
1,200	1,200	1,200
<u>\$ 985,420</u>	<u>\$ 1,032,166</u>	<u>\$ 1,081,334</u>
<u>\$ 1,776,400</u>	<u>\$ 1,824,974</u>	<u>\$ 1,875,007</u>
<u>4.42</u>	<u>4.62</u>	<u>4.83</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>2020</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES	\$ 909,491	\$ 941,022
CHANGE IN NET ASSETS		
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS		
TO NET CASH PROVIDED BY OPERATING ACTIVITIES	702,407	732,407
DEPRECIATION AND AMORTIZATION	12,228	12,595
PROVISION FOR BAD DEBTS	(48,000)	(48,000)
AMORTIZATION OF DEFERRED REVENUE	40,000	40,000
ADVANCE FEE DEPOSITS RECEIVED	(35,253)	(38,484)
UNREALIZED GAINS ON LONG-TERM INVESTMENTS		
NET CHANGE IN ASSETS AND LIABILITIES:		
PATIENT ACCOUNTS RECEIVABLE	302,116	(30,685)
OTHER CURRENT ASSETS	4,831	(2,213)
CURRENT LIABILITIES	<u>318,482</u>	<u>23,088</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 2,206,302</u>	<u>\$ 1,629,730</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
PURCHASE OF PROPERTY AND EQUIPMENT	\$ (200,000)	\$ (200,000)
(INCREASE) DECREASE IN LONG-TERM INVESTMENTS	<u>(1,708,879)</u>	<u>(1,105,767)</u>
NET CASH FROM (USED BY) INVESTING ACTIVITIES	<u>\$ (1,908,879)</u>	<u>\$ (1,305,767)</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	\$ (26,540)	\$ -
BEGINNING CASH AND CASH EQUIVALENTS	<u>2,276,540</u>	<u>2,250,000</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 2,250,000</u>	<u>\$ 2,250,000</u>

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

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See

<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 985,420	\$ 1,032,166	\$ 1,081,334
762,407	792,407	822,407
12,972	13,362	13,762
(48,000)	(48,000)	(48,000)
40,000	40,000	40,000
(53,210)	(68,874)	(85,499)
(31,606)	(32,554)	(33,530)
(2,280)	(2,348)	(2,418)
<u>23,782</u>	<u>24,495</u>	<u>25,229</u>
\$ <u>1,689,485</u>	\$ <u>1,750,654</u>	\$ <u>1,813,285</u>
\$ (200,000)	\$ (200,000)	\$ (200,000)
<u>(1,165,522)</u>	<u>(1,226,691)</u>	<u>(1,289,322)</u>
\$ <u>(1,365,522)</u>	\$ <u>(1,426,691)</u>	\$ <u>(1,489,322)</u>
\$ <u>(323,963)</u>	\$ <u>(323,963)</u>	\$ <u>(323,963)</u>
\$ <u>(323,963)</u>	\$ <u>(323,963)</u>	\$ <u>(323,963)</u>
\$ -	\$ -	\$ -
<u>2,250,000</u>	<u>2,250,000</u>	<u>2,250,000</u>
\$ <u>2,250,000</u>	\$ <u>2,250,000</u>	\$ <u>2,250,000</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, 2019 Financial Statements and adjusted, based on the following assumptions:

ASSETS

Cash:

Cash is maintained for operations at \$2,250,000 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:

2020	\$ 200,000
2021	\$ 200,000
2022	\$ 200,000
2023	\$ 200,000
2024	\$ 200,000

Restricted Assets:

Restricted assets and investments recorded at fair market value 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 are 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

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>
2020	\$478,766	\$ 323,963	\$ 3,509,600
2021	466,256	323,963	3,185,637
2022	453,747	323,963	2,861,673
2023	441,238	323,963	2,537,710
2024	428,729	323,963	2,213,748

INTEREST EXPENSE FOR THE PROJECTIONS AS FOLLOWS:

	<u>OPERATING</u>
2020 - 3.861335%	\$ 154,803
2021 - 3.861335%	142,293
2022 - 3.861335%	129,783
2023 - 3.861335%	117,275
2024 - 3.861335%	104,765

Swap Interest is Deemed Immaterial.

Refundable entrance fees will be increased by the 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:

2020, 2021, 2022, 2023 and 2024                      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 Operating Revenue:

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

Contributions are fixed at \$1,200.

DEPRECIATION

Forecasts reflect plant asset depreciation schedules for 2020, 2021, 2022, 2023 and 2024 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 2020, 2021, 2022, 2023 and 2024 is 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 as follows:

	<u>EARNINGS</u>	<u>CASH ADDITIONS</u>
2020	2.00%	\$1,744,132
2021	2.00%	1,144,251
2022	2.00%	1,218,732
2023	2.00%	1,295,565
2024	2.00%	1,374,821

LONG-TERM DEBT SERVICE RATIO

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

STANLEY TOTAL LIVING CENTER  
FORECASTED FINANCIAL STATEMENT ASSUMPTIONS

OPERATING EXPENSES

Forecasted to Increase By:

Salaries and Benefits (23% of Salaries) for 2020, 2021, 2022, 2023, 2024.

Other Expenses - Health Care

2020	3.00%
2021	3.00%
2022	3.00%
2023	3.00%
2024	3.00%

Social and Activities

2020	3.00%
2021	3.00%
2022	3.00%
2023	3.00%
2024	3.00%

Maintenance, Laundry  
and Housekeeping

2020	3.00%
2021	3.00%
2022	3.00%
2023	3.00%
2024	3.00%

Dietary

2020	3.00%
2021	3.00%
2022	3.00%
2023	3.00%
2024	3.00%

Administrative

2020	3.00%
2021	3.00%
2022	3.00%
2023	3.00%
2024	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 years 2024 the 2023 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 \$3,751,083, as of September 30, 2019.

**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)**

- Medication management of oral medications given by a licensed nurse (routine and/or as needed)
- Continent of bowel and bladder  
\*if a colostomy or suprapubic catheter, the resident must be able to manage without staff 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
- General oversight and/or supervision by certified nursing assistants on a 24 hour basis (ex: reminders to complete activities of daily living)
- 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)
- Monitoring of health status by a licensed nurse as needed on a 24 hour basis

### **LEVEL (2)**

- Medication management of medications which includes routes other than oral including medicated patches, suppositories, eye drops, ear drops, nasal sprays, inhalers, and/or topical creams/ointments by a licensed nurse
- Certified Nursing Assistant must provide cues and reminders on a routine, daily basis for dressing/undressing, transfers, toileting, bathing, bed mobility and/or eating
- Bladder incontinence (must be continent of bowel)

### **LEVEL (3)**

- Medication management of medications includes any routine injections (IM, SQ) such as insulin, blood sugar checks weekly/monthly and/or the use of nebulizers by a licensed nurse
- Minimum hands on assistance with dressing, transfers, toileting, bathing, and/or bed mobility by a Certified Nursing Assistant
- Incontinence of bowel and bladder
- Able to propel self in wheelchair for short distances but requires staff to take to/from if longer distances

### **LEVEL (4)**

- Daily blood sugar monitoring by a licensed nurse
- Routine use of oxygen
- Maximum hands-on assistance with dressing, toileting, bathing, and/or bed mobility by Certified Nursing Staff
- Certified nursing staff must provide hands on assistance at meals
- Licensed nurse must provide monitoring throughout the meal due to swallowing concerns
- Use of a sit-to-stand lift for transfers
- 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 such locations
- Fall Risk Assessment score of 8 or higher which creates an increased need for monitoring by nursing staff
- Requires daily redirection and monitoring for wandering behaviors
- PT/INR monitoring with use of blood thinners and daily monitoring for bruising/bleeding by a licensed nurse

- Wounds requiring treatment by a licensed nurse
- Colostomy or suprapubic catheter which requires management by nursing staff

NOTE—A resident MUST meet 2 or more in a higher category to be “moved up” to a new level of care

\*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 \$1,000.00 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.
5. Telephone services can be purchased by Resident or Representative. There is a monthly fee of \$20.00. Resident or Representative is responsible for providing the telephone device.

\_\_\_\_\_ YES \_\_\_\_\_ NO

6. Cable television can be purchased by Resident or Representative. There is a monthly fee of \$25.00. Resident or Representative is responsible for providing the telephone device.  
\_\_\_\_\_ YES \_\_\_\_\_ NO

**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 at 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.
  - For initial admission into an apartment at Stanley Total Living Center or to the 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) days 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.

Revised 1/26/2020

**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 \$ \_\_\_\_\_

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—this will be for a total of 48 months after which time the monthly fees will be reduced by \$1,000 and the charges will then be the same as those who paid an entrance fee at the current rate.

(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: \_\_\_\_\_

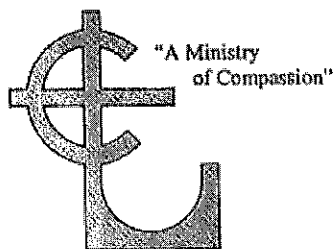
**Resident (or Responsible Party):** \_\_\_\_\_

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

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Revised 1/26/2020

\_\_\_\_\_ 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).



# 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 10/1/19

### 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	\$2,848
One Bedroom (849 sq ft)	\$28,000	\$2,968
Two Bedroom (969 sq ft)	\$30,000	\$3,096
Two Bedroom (1,159 sq ft)	\$32,000	\$3,441

### 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	\$2,767
Two Bedroom	\$28,000	\$3,141

### 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 and additional **\$1,000 per month** over the base monthly rate in any apartment. This will be for a total of 48 months after which time the monthly fees will be reduced by **\$1,000** and the charges will then be the same as those who paid an entrance fee at the current monthly rate.

## 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	\$45	Cut & Set	\$15
Shampoo & Set	\$16	Family provide color	\$35	Beard Trim	\$3
Highlights	\$45				

# 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 10/1/19

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— \$148/day    Level 3—\$176/day  
Level 2— \$161/day    Level 4—\$191/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—\$153/day    Level 3—\$182/day  
Level 2—\$167/day    Level 4—\$197/day

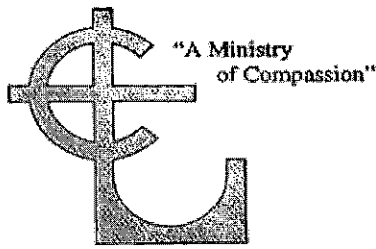
### OTHER AVAILABLE SERVICES

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	\$45	Highlights	\$45
Shampoo & Set	\$16	Family provide color	\$35	Beard Trim	\$3
Cut & Set	\$15				

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 10/1/19

Private Room	\$293.00 per day
Semi-Private Room	\$270.00 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.

**\$23.00 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	\$45	Highlights	\$45
Shampoo & Set	\$16	Family provide color	\$35	Beard Trim	\$3
Cut & Set	\$15				

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.



## **DIFFERENCES BETWEEN 2019 AUDIT AND 2019 PROFORMA January 25, 2020**

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, 2019 Contained as part of the Disclosure Statement dated January 25, 2020 and the actual results Of operations for the year ended September 30, 2019 as shown in the audited financial statements. Stanley Total Living Center, Inc considers "material" variances to be \$250,000.

Both operating revenue and operating expenses were within expected ranges.

Gains from operations were more by \$349,313 than projected, while expenses were slightly lower. The higher gains in revenue and lower expenses combined to reflect increased margins.

Non-operating income (Investments and interest) were higher than forecast by \$341,604 which led to an increase in Net Unrestricted Assets of \$599,300. Investments and contributions increased more than forecast.

### Operational Cash Flows:

This increase was higher than proforma by \$599,300 because of increases in operational revenue and decrease in operational costs. Increase in Investments added to the \$599,300.

### Changes in operating assets and liabilities items:

Patient Accounts Receivables were over forecast by \$331,383 due a Medicare targeted probe in Which all payments were frozen until the audit was completed. This took place the month prior to our year ending date of September 30, 2019. STLC was released from this audit on 12/29/2019.

Current Liabilities: Were forecast to be \$293,060. During 2019, we were able to reduce OT to under 2% while eliminating several positions. Department heads reduced operating cost by using an incentive plan and teamwork. Accounts Payables showed a decline by \$307,066 from the proforma. Forecast was based upon a percentage of operational earnings which at times is overstated.

### Investing Activities:

The proforma showed an increase in long term investments of \$973,456. The stock market went down and recovered somewhat by year-end and gains were \$469,295; less than expected by \$504,161. Expected cash flow is added to the proforma in investing activities.

Net Cash Flows used by investing activities: Were \$453,735 less than forecasted. Gains in investment and increase in cash flow was less than forecasted by \$453,735.

Net Increase (Decrease) in cash balance: Forecasted increase in cash balance was \$22,173. Actual increase in cash balance was \$548,713. This is a combination of increased revenue and decrease in expenses. The difference between forecasted increase and actual increase in cash was \$526,540.

**Total Current Assets:**

Cash Operating Account difference answered in paragraph above. The A/R was \$299,841 higher than forecast from the targeted Medicare probe which was covered under Patients Accounts Receivable. This reflects the increase of Total Current Assets to \$874,805 greater than forecast after including the increase in cash operating accounts.

**Other Assets:**

Unrestricted Investments were higher than forecast by \$381,342. Restricted investments were less than forecasted which made unrestricted investments higher. Total investments were higher by \$297,779.

Total Assets: Were higher than forecast by \$1,198,740. This is a combination of increased cash, increased investments, and increased A/R.

**Liabilities and Net Assets:**

Current liabilities including current portion of Long-Term Debt: This was forecasted to be \$1,082,170 but was actually lower by \$307,066. Cost reduction in expenses and labor (<2% OT) accounts for this savings. Operational costs was lower in 2019 than 2018. Projected to be 3% higher from the current audit.

**Total Liabilities:**

Forecast liabilities were \$301,192 higher than the audit for the same reasons in previous paragraph.

Unrestricted Net Assets: Increase in assets of \$1,499,932 over forecast reflects having higher gains in revenue, and lower expenses, increase in investments and cash flow: which reflects in better management practices.

**Stanley Total Living Center, Inc.**

Explanation of Material Differences between Previous Projected Statements of Operations and Change in Net Assets Prepared 12/16/2019 and Year Ending 9/30/19 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, 2019 contained as part of the Disclosure Statement dated January 25, 2019 and the actual results of operations for the year ended September 30, 2019 as shown in the audited financial statements.

Stanley Total Living Center, Inc. considers "material" variances to be \$250,000

	Actual 2019 Audit	Forecast 2019	Audit minus forecast Difference
Change in Unrestricted Net Assets			
Operating Revenue:			
Residents' room, board, nursing care	11,919,537	11,720,006	199,531
Operating Expenses:			
General Operations & Administration:	10,411,543	10,530,647	(119,104)
Depreciation and Amortization	692,407	707,076	(14,669)
Interest Paid	172,949	177,312	(4,363)
Bad Debt Expense	0	11,646	(11,646)
Total	\$11,276,899	\$ 11,426,681	(\$149,782)
Gain from Operations:	642,638	293,325	349,313
Non Operating Income:			
Investment Income and Realized Gains	471,604	130,000	341,604
Unrealized Gains (losses)	(62,499)	35,253	(97,752)
Gain (loss) on disposal of assets	(23,203)	-	(23,203)
Contributions Received	30,538	1,200	29,338
Increase in Net Unrestricted Assets	\$1,059,078	\$ 459,778	\$ 599,300
Long-Term Debt Service Coverage	4.15	2.87	1.28

	<u>2019 Audit</u>	<u>2019 Forecast</u>	<u>Difference</u>
Operational Cash Flows:			
Increase in net assets	1,059,078	459,778	599,300
Adjustments to reconcile increase in net assets to net cash provided by operating activities:			
Depreciation & Amortization	692,407	707,076	(14,669)
Provision for Bad Debts	-	11,646	(11,646)
Amortization of deferred revenue from: advance fees	(96,270)	(48,000)	(48,270)
Advance fee deposits received	111,000	40,000	71,000
Loss on disposal of assets	23,023		23,023
Earnings on long term investments:			
Net realized and unrealized (gains) losses on long term investments	62,499	(35,253)	97,752
Changes in operating asset and liability items:			
Patient Accounts Receivable	(232,878)	98,505	(331,383)
Other Current Assets	(12,456)	(7,220)	(5,236)
Current Liabilities	(14,006)	293,060	(307,066)
<u>Net Cash Flows From Operating Activities</u>	<u>\$1,592,397</u>	<u>\$ 1,519,592</u>	<u>\$72,805</u>
Investing Activities:			
Acquisition of Capital Assets	(250,426)	(200,000)	(50,426)
(Increase) Decrease in long term investments	(469,295)	(973,456)	504,161
<u>Net Cash Flows (Used by) Investing Activities</u>	<u>\$(719,721)</u>	<u>\$ (1,173,456)</u>	<u>\$453,735</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	548,713	22,173	526,540
Beginning Cash & Cash Equivalents	1,727,827	1,727,827	0
Ending Cash and Cash Equivalents	<u>\$ 2,276,540</u>	<u>\$1,750,000</u>	<u>\$526,540</u>

<u>Current Assets:</u>	<u>2019 Audit</u>	<u>2019 Forecast</u>	<u>Difference</u>
Cash-Operating Accounts	2,276,540	1,750,000	526,540
Accounts Receivable:			
Intermediaries and Residents	869,165	569,324	299,841
Other Current Assets	151,792	103,368	48,424
<u>Total Current Assets</u>	<u>\$ 3,297,497</u>	<u>\$ 2,422,692</u>	<u>874,805</u>
Net Property, Plant and Equipment:	13,988,160	13,962,004	26,156
Other Assets:			
Investments Restricted for Operating Reserve	5,590,100	5,673,663	(83,563)
Investments Unrestricted	3,079,541	2,698,199	381,342
<u>Total Investments</u>	<u>\$ 8,669,641</u>	<u>\$ 8,371,862</u>	<u>\$ 297,779</u>
<u>Total Assets</u>	<u>\$25,955,298</u>	<u>\$24,756,558</u>	<u>\$1,198,740</u>
Liabilities and Net Assets:			
Current Liabilities (Including Current Portion of Long Term Debt)	775,104	1,082,170	(307,066)
Deferred Revenues-Refundable	15,300	12,428	2,872
Deferred Revenues-Non-Refundable	228,530	209,792	18,738
Long Term Debt	\$3,833,563	\$3,833,563	0
Less Unamortized Debt			
Issuance Expense	(15,736)		(15,736)
<u>Total Liabilities</u>	<u>\$ 4,836,761</u>	<u>\$ 5,137,953</u>	<u>(\$301,192)</u>
Unrestricted Net Assets	21,118,537	19,618,605	1,499,932
<u>Total Net Assets</u>	<u>\$21,118,537</u>	<u>\$19,618,605</u>	<u>\$1,499,932</u>
<u>Total Liabilities and Net Assets</u>	<u>\$25,955,298</u>	<u>\$24,756,558</u>	<u>\$1,198,740</u>

## **RENOVATIONS**

**The renovations of the outdated kitchen were completed in May, 2018. The cost of this project, including re-paving the construction area, was about \$1,925,000. A courtyard is slowly being restored with improvements.**