



## Brooks-Howell Home

Brooks-Howell Home  
266 Merrimon Avenue  
Asheville, North Carolina 28801  
Telephone (828) 253-6712, Fax (828) 367-7978  
[www.brooks-howell.org](http://www.brooks-howell.org)  
Owned by: United Methodist Women

## DISCLOSURE STATEMENT

United Methodist Women (operating a continuing care community known as Brooks-Howell Home) must deliver a Disclosure Statement to a prospective resident prior to or at the time a prospective resident executes a Residency Agreement to provide continuing care, or prior to or at the time a prospective resident transfers any money or other property to United Methodist Women, whichever occurs first.

Brooks-Howell Home, like all other continuing care retirement communities in the State of North Carolina, is subject to the Continuing Care Retirement Communities Act. 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.

**May 28, 2021**

**Unless earlier revised, United Methodist Women intends for this Disclosure Statement to remain effective until October 25, 2022.**

# BROOKS-HOWELL HOME DISCLOSURE STATEMENT

## TABLE OF CONTENTS

PAGE	
1	ORGANIZATION
1-2	OFFICERS AND DIRECTORS
3	MANAGEMENT OF BROOKS-HOWELL HOME
3-4	AFFILIATIONS
4-5	PROPERTY LOCATION AND DESCRIPTION
5-7	SERVICES PROVIDED
7-17	RESIDENT TERMS & FEES
18	RESERVES
19	NUMBER OF RESIDENTS
20-25	COMPARATIVE FINANCIAL STATEMENTS FY 20 ACTUAL TO FORECASTED – UNITED METHODIST WOMEN
26-31	COMPARATIVE FINANCIAL STATEMENTS FY 20 ACTUAL TO FORECASTED – BROOKS-HOWELL HOME

### ATTACHMENTS:

- Contract for Continuing Care 1-1-2020 – 12-31-2020 (Including the Continuing Care Contract Addendum)
- Monthly Service Fee Contract
- Home Care Service Agreement
- Audited Financial Statements- United Methodist Women
- Reviewed Financial Statements- Brooks-Howell Home
- Compiled Forecasted Financial Statements for United Methodist Women with Compiled Forecasted Financial Statements for Brooks-Howell Home as a Supplemental Schedule
- Interim (Unaudited) Financial Statements-United Methodist Women

## **ORGANIZATION**

United Methodist Women (“UMW”) is a corporation organized under the State of New York not-for profit corporation law. United Methodist Women is exempt from the payment of income tax under Federal Internal Revenue Code 501 (c). United Methodist Women operates under the Book of Discipline of The United Methodist Church, as it is, from time to time, promulgated by the General Conference of The United Methodist Church, which is the ultimate governing body of The United Methodist Church. United Methodist Women may be contacted at 475 Riverside Drive, New York, New York 10115.

Brooks-Howell Home (“Brooks-Howell”) is a retirement facility in Asheville, North Carolina, which is owned and operated as a program of United Methodist Women. Brooks-Howell is unincorporated and operates under a Certificate of Authority to do business in the State of North Carolina.

## **OFFICERS AND DIRECTORS**

Harriett J. Olson, Chief Executive Officer of United Methodist Women of The United Methodist Church since 2007. A Harvard Law School graduate, Ms. Olson practiced real estate and environmental law (1983-96) at a N.J. law firm that is now part of Day, Pitney, before working for the church full-time. From 1996-2007, Ms. Olson was senior vice-president for publishing, editor for church school publications and United Methodist Church book editor at the United Methodist Publishing House in Nashville, TN. Ms. Olson also has a bachelor's degree from Houghton College in Houghton, N.Y., where she serves on the board of trustees.

Tamara Clark, Treasurer and CFO of United Methodist Women has been with UMW since October 2019. Ms. Clark holds an accounting degree from Temple University's Fox School of Business, Philadelphia, PA. Prior to working for United Methodist Women, Ms. Clark served as Treasurer for the Wisconsin Annual Conference of the United Methodist Church for three years. And prior to Wisconsin, Tamara served as Accountant for the Eastern Pennsylvania Conference of the United Methodist Church. In Tamara's career she has been a proponent for sound financial and business practices within churches, hosted church finance trainings, and advised churches who have experienced unfortunate situations when it comes to break down or the absence of internal controls. Tamara is a life-long Methodist, maintaining membership in her home church in Philadelphia. And prior to working professionally for the church, she held many ministry leadership roles, and worked for six years in public accounting.

All investment decisions for United Methodist Women are made by Ms. Olson and Ms. Clark.

**UNITED METHODIST WOMEN DIRECTORS**  
2021-2024

<b>Name</b>	<b>Profession/Business</b>	<b>Address</b>
Darlene Alred	Real Estate Professional	2811 Chisholm Trail, Salado, TX 76571
Bethany Amey Sutton	Office Administration	104 Hill St., Mt. Ephraim, NJ 08059
Ruby Anderson	Retired Teacher, Real Estate Agent	25180 Thorndyke St., Southfield, MI 48033
Dawn Armstrong	Helathcare/Nursing	5202 S Woodsedge Tr., Sioux Falls, SD 57108
Haejin Ban	Social Service	1822 Shenley Park Lane, Duluth, GA 30097
Heidi Careage	Office Administrator	1230 N Harmony Dr., Janesville, WE 53545
Delores Carhee	Retired Office Administrator	892 Cascade Crossing, Atlanta, GA 30331
Colleen Cates	Retired Program Analyst	5493 Moores Run Dr., Baltimore MD 21206
Valarie Clark	Education Professional	174 Hazelwood Ter, Rochester, NY 14609
Magdala Edmond	Wedding Planner/Florist	2314 State Road 17 N, Sebring, FL 33870
Betty Helms	Office Administrator	3043 Headland Ave., Dothan, AL 36303
Krishna Heyward	Business Finance	7642 Cherryberry Dr., Indianapolis, IN 46239
Roxie Hutsell	Retired	4936 Plainville Road, Cincinnati, OH 45227
Ainise Isama'u	Seminary Graduate Student	3568 W Christine Circle; Unit 1, Anaheim, CA 92804
Jana Jones	Retired Nurse	19948 E Union Dr., Centennial, CO 80015-3493
Daryl Junes-Joe	Retired Attorney	PO Box 607, Shiprock, NM 87420
Caroline Martin	Social Worker	2079 Stoney Meadow Dr., Murfreesboro, TN 37128
Melba McCallum	Community & Social Service	PO Box 1781, Rockingham, NC 28380
Hazel McIntosh	Retired – Education Volunteer	38 Buffalo Street, Elmont, NY 28380
Louise Niemann	Office Administration	3651 MN Road, David City, NE 68632
Debra Payne	Sales & Marketing	2172 Highway 26, Alabaster, AL 35007
Cynthia Rives	Retired Teacher	2006 Southridge Drive, Denton, TX 76205
Denise Nicole Stone	Graduate Student	1411 Atkinson Dr., Anchorage, AK 99504
Susan Raymond	Church leadership	3291 Garmon Dr., Loganville, GA 30052
Taylorie Bailey	Registered Nurse	16855 Rosemont, Detroit, MI 48219

## **MANAGEMENT OF BROOKS-HOWELL HOME**

Carole Gilham, Executive Director/Administrator has been an employee of Brooks-Howell Home since 1999. She assumed the role of Health Center Administrator in 2016, and took over as Executive Director in July 2019.

Other management staff includes the following:

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Years Employed</u></b>
Sherie Prince	Human Resources Director	1
Teri Wineland	Director of Nursing	0
Angie Littke	Director of Home Health & Wellness	3
Ethel Broadnax	Food Service Director	0
Ron Gowing	Director of Facility Services	4
Tracey Owens	Activities Director	10

None of the individuals listed have a 10% or greater interest in any entity, nor does any entity have a 10% or greater interest in any individual listed that presently or in the future intend to provide goods, leases or services to Brooks-Howell or the residents of Brooks-Howell of an aggregate of \$500 or more annually.

None of the individuals listed above has (i) been convicted of a felony or pleaded nolo contendere to a felony charge, or been held liable or enjoined in a civil action by final judgment, if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property; or (ii) is subject to a currently effective injunctive or restrictive court order, or within the past five years, had any State or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, if the order or action arose out of or related to business activity of health care, including actions affecting a license to operate a foster care facility, nursing home, retirement home, home for aged, or facility subject to Article 64 or a similar law in another state.

## **AFFILIATIONS**

United Methodist Women, and only United Methodist Women, is legally responsible for the operation of Brooks-Howell. The United Methodist Church is not responsible for the operation of Brooks-Howell; nor is any other organization that is affiliated with that church.

United Methodist Women is affiliated with the Scarritt-Bennett Center (the "Center"), a conference, retreat, and educational center (Nashville, Tennessee). United Methodist Women appoints certain of the Center's Board members and the Center operates on property, title to which is held by the United Methodist Women. General Council on Finance and Administration of The United Methodist Church (Evanston, Illinois and Nashville, Tennessee); and United Methodist Women each has an equitable interest in the property upon disposition.

United Methodist Women is exempt from the payment of income tax under the provision of Federal Internal Revenue Code 501 (c). United Methodist Women has owned and operated retirement facilities for over 100 years. Brooks-Howell has been in operation since 1956.

The management of Brooks-Howell Home is 100% dedicated to Brooks-Howell (i.e., do not share any responsibilities for other programs of United Methodist Women).

## **PROPERTY LOCATION AND DESCRIPTION**

Brooks-Howell is a continuing care retirement home located on a ten-acre site near downtown Asheville, North Carolina. Shopping, dining, hospitals, physicians' offices are all located within a three mile radius.

Brooks-Howell is a not-for-profit project owned by United Methodist Women. In 1956, property was purchased and a year later the first residents moved into a three-story, older home. The name Brooks-Howell honors Mrs. Frank Brooks, then president of the Woman's Division of Christian Service and Miss Mabel Howell, former professor of missions at Scarritt College. That first house was located in a garden outside the dining room. Construction of the main building, named the Bethea Building in 1988, was completed in 1961 and houses a kitchen, dining room, library, lounges, and other ancillary rooms. Nineteen suites are on the second floor, resulting from renovations in 1989. Thirty eight beds on the first floor are licensed for nursing care.

As the home grew, more land was purchased and ten Chandler-Burris Apartments were built in 1965 to accommodate up to twelve persons. Jones-Cadwallader Apartments were added in 1970 currently with fourteen apartments to house up to twenty-two persons.

As the number of residents grew, more health care space was needed. In 1977, Cummings Health Unit was built to house twenty patients as well as a laundry, a fellowship hall, and additional storage.

Purchase of additional property allowed construction of a driveway connecting the Home with Merrimon Avenue in 1993. Construction of four two-bedroom cottages near Merrimon Avenue was completed in 1995.

Better utilization of empty health-care beds brought the Outreach Ministry program in 1995 to accept a number of community residents into the health center.

A village housing eleven two-bedroom cottages and an activity building were constructed in 1998. Desire for water therapy led to construction of an aqua-therapy pool in 1999. In 2003, a chapel, along with four apartments, was completed on what was formerly the Thoburn Terrace Roof Garden. Living accommodations include the following:

<b>Type</b>	<b>Square Footage</b>	<b>Number</b>
<b>Units:</b>		
Single-family cottage	1,278	1
Duplex	940	8
Triplex	1000	3
Quad	930	4
Apartment (1 & 2 bedroom)	250 – 999	26
Independent suites	512	19
<b>Beds:</b>		
Health care		58

Brooks-Howell currently offers many amenities, including beauty/barber shop, Therapy gym, audio-visual center, aqua-therapy pool, and a chapel designed to seat 200. Also included are a well-stocked library operated by residents, an international room, housing artifacts from around the world along with histories of retired residents who were in missions, numerous lounges offering opportunities for card games, jigsaw puzzles, and meetings of various sorts. There is a formal dining area as well as two small dining areas designed primarily for persons needing assistance. A gift shop is open several days a week.

The estimated maximum number of residents of the facility to be provided services pursuant to the contract for continuing care is 125.

## **SERVICES PROVIDED**

- A. Furnishings in Residence.** United Methodist Women will provide in all residences wall-to-wall carpeting, vinyl flooring in kitchen and bath(s), refrigerator, stove, oven, cable services, rewiring for telephone service, and other features and fixtures as described in current literature. All other furniture, furnishings, decorations, bed and bath linens, and other personal property will be provided by resident.
- B. Options and Custom Features in Residence.** United Methodist Women will provide, and resident may select, certain options and custom features in their residence for an additional charge. The cost of options and custom features selected will be paid by resident at the time of selection and will become part of the Residence and the property of United Methodist Women. The value of such improvement will not be considered in computing Entrance Fee refunds, unless specifically agreed to in an Addendum to the Agreement. All options and custom features must be approved by Brooks-Howell administration in advance.
- C. Common Areas and Amenities.** Brooks-Howell's existing common areas and amenities are for the use and benefit of all residents and include a central dining room, chapel, library, International Room, aqua-therapy room, mail boxes, several multi-purpose rooms, lounges, activity areas, craft areas, beauty/barber shop, health unit day rooms, dining areas, and other common areas. Any future common areas and amenities will be for the use and benefit of all residents.
- D. Parking.** United Methodist Women will provide uncovered, lighted parking areas for residents' personal vehicles.
- E. Utilities.** United Methodist Women shall supply the water, heat, air conditioning, and electricity for each living unit. RESIDENT shall be responsible for any costs related to telephone service.
- F. Meals.** United Methodist Women will make available three meals a day served in the dining rooms. Special diets will be provided only upon the order of resident's physician and/or Director of Nursing Services. Temporary tray service is available to ill residents who live independently. This service must be approved through Nursing Service and a nominal charge will be made. RESIDENT shall pay for his/her meals at the end of each month, according to the meal rate, established by United Methodist Women, which rate may be changed from time to time upon thirty days' notice.
- G. Housekeeping Services.** The Monthly Fee includes one-hour housekeeping services weekly and one thorough cleaning annually. Additional housekeeping is available for an extra hourly

fee. Brooks Howell Home reserves the right to inspect the residence periodically for cleanliness and safety. If resident fails to maintain the residence in a clean, sanitary and orderly condition as determined by United Methodist Women, then United Methodist Women reserves the right to clean the residence and, resident shall pay the charges assessed by Brooks-Howell for cleaning the residence.

- H. **Grounds.** United Methodist Women will furnish basic grounds-keeping care including lawn service. Resident at his/her own expense, may plant and maintain the area adjacent to his/her residence, subject to the approval of United Methodist Women. All plants, trees, and shrubs so planted shall immediately become and remain the permanent property of Brooks Howell Home.
- I. **Maintenance and Repairs.** United Methodist Women will maintain and repair improvements, furnishings, appliances, and equipment owned by United Methodist Women. Residents will be responsible for the cost of repairing damage to property of Brooks-Howell caused by them or any of their guests, ordinary wear and tear excepted. Residents will also be responsible for the costs of repairs to his/her personal property.
- J. **Transportation.** Individual and group transportation is provided for residents on a regular, scheduled basis for shopping, medical appointments, and activities for an extra fee.
- K. **Security.** United Methodist Women will provide security during night hours, emergency response by trained Brooks-Howell staff, smoke detectors in each residence, a central fire alarm system and an emergency call system.
- L. **Activities.** United Methodist Women will provide social, recreation, spiritual, educational, and cultural activities, arts and crafts; exercise and health programs, and other activities designed to meet residents' interests. Some activities may require an extra fee.
- M. **Other Services and Programs at Additional Charge.** Other services and programs will be available to residents at their expense, including, but not limited to those previously mentioned, beauty and barber services, personal laundry or dry cleaning, special transportation, guest meals, repair of personal property, and other special services performed for resident beyond the normal scope of services offered by United Methodist Women. The availability and charges for additional services are itemized in United Methodist Women cost sheets.
- N. **Notice of Change in Scope of Services.** Except for changes required by law, United Methodist Women will notify resident of any proposed change in the scope of services provided in this Agreement at least 30 days before such change is effective. No change relating to a service included in the Monthly Fee under the terms of this Agreement shall be effective unless (a) consented to by Resident or (b) a reasonable adjustment is made in the Monthly Fee.

## **HEALTH CARE ACCOMMODATIONS AND SERVICES**

United Methodist Women will make available health care accommodations and services as follows:

- A. **Health Care Residences.** United Methodist Women will have accommodations, equipment, staffing, programs, services and supervision necessary for licensed nursing care. Health Care Residences and services are available to Resident either temporarily or permanently on a space available basis, if needed, as determined by United Methodist Women. Residents of Brooks-Howell have priority access to all Health Care Residences and services before non- residents.



- B. **Staffing.** 24-hour licensed nursing staff will be provided by United Methodist Women.
- C. **Medical Director.** The overall coordination and supervision of health care services within Brooks-Howell will be provided by a Medical Director who will be a licensed physician selected by United Methodist Women.
- D. **Health Care Services for an Additional Fee.** Other health services may be available to residents at their expense, including but not limited to pharmacy services, laboratory tests, physical therapy, occupational therapy, speech therapy, therapeutic activities, rehabilitative treatments, and wheelchairs and other medical equipment and supplies. The costs of such services are in addition to the regular monthly fees.
- E. **Personal Physician.** Resident will choose a personal physician who has admission privileges at a local hospital, in the event that resident needs to be hospitalized. Resident is responsible for the cost of physician services.
- F. **Privately Employed Private Duty Contractors.** Subject to the approval of United Methodist Women, resident may utilize the services of privately employed private-duty contractors, or other licensed agencies unrelated to United Methodist Women who provide personal or health care services in the residential unit. Such services are subject to United Methodist Women's prevailing policy and requirements, which are subject to change, and must be approved in advance and in writing by United Methodist Women. Resident is responsible to pay for all such services. In exchange for United Methodist Women's approval of resident's utilization of a private contractor or other licensed agencies unrelated to United Methodist Women, resident releases United Methodist Women from any liability for the acts or omissions of any individual or agency providing services to resident in the residential unit.

## **RESIDENT TERMS AND FEES POLICIES**

A copy of the Brooks-Howell Resident Handbook is provided to all independent and health center residents and additional copies are available upon request. The following information summarizes certain important aspects of current policies.

### **ADMISSIONS**

#### **Admission Requirements and Procedures**

- A. **Application Forms.** Applicant will provide an Application for Admission, and a Confidential Financial Statement, all on forms furnished by Brooks-Howell for initial approval by United Methodist Women and the Brooks-Howell Admissions Committee.
- B. **Health Requirements.** Within six months before the Date of Occupancy, applicants will provide United Methodist Women with a Physician's Examination Report completed by their personal physician. Such report shall include a statement by the physician that the applicant is able to live independently and undertake ongoing activities of daily living. United Methodist Women may now or in the future additionally require a history and physical from the physician to include physician progress notes. The applicant/resident shall be responsible for the cost of such physical examinations. If applicants do not meet the criteria for independent living established by United Methodist Women, they may move to other accommodations within Brooks-Howell more suitable to their needs, or terminate the agreement.

- C. **Financial Requirements.** Applicants must have assets and income sufficient to pay their financial obligations under the Residence and Services Agreement and to meet ordinary living expenses. Applicants must advise United Methodist Women of any change in their financial condition from the date of entering into a contract for continuing care and the date of initial occupancy of a living unit. Based upon this change in financial status United Methodist Women will disclose to the applicant any effect. As such United Methodist Women may require applicants to furnish additional or updated financial information prior to Occupancy.
- D. **Representations.** Applicant affirms that the representations made in all information furnished to United Methodist Women, including the Application for Admission, Personal Health History, Confidential Financial Statement, and Physician's Examination Report, is true and correct and may be relied upon by United Methodist Women as a basis for entering into the Agreement.
- E. **Statement as to Non-Discrimination.** United Methodist Women shall not limit residency to Brooks-Howell to persons on the basis of gender, religion, national origin, ethnic background, age, sexual/gender orientation or disabilities.
- F. **Cancellation of Contract and Refund Provisions.** The Contract for Continuing Care ("Contract") attached to this Disclosure Statement makes the following provisions:

**Cancellation by Resident Prior to Occupancy.**

1. **Cancellation During First Thirty (30) Days.** Resident may cancel contract within thirty days following the latter of 1) the execution of contract or 2) the receipt of the Disclosure Statement that is required under North Carolina law. In the event the Resident cancels the contract within that thirty-day period, United Methodist Women shall repay to Resident any money or property that has been paid to it by Resident other than periodic charges specified in the contract and applicable only for the period a living unit was actually occupied by the Resident. Resident is not required to move into Brooks-Howell Home before the expiration of the aforesaid thirty day period.

Any refund shall be paid within five business days following receipt of written notification of such cancellation by applicant to:

Executive Director  
Brooks-Howell Home  
266 Merrimon Avenue  
Asheville, NC 28801

2. **Voluntary Cancellation by Resident After Occupancy.** At any time after Occupancy, applicant may cancel the Contract by giving Brooks-Howell written notice of such cancellation. The entrance fee will not be refunded.

3. **Death of Resident Prior to Occupancy** If Resident dies before occupying a living unit, or if Resident, because of illness, injury, or incapacity would be precluded from occupying a living unit, the contract shall automatically be cancelled, and Resident shall receive a full refund of all money or property that has been transferred to the United Methodist Women, less those non-standard costs specifically incurred by the United Methodist Women at the request of Resident and described in contract and a service charge of \$500.
4. **Termination Upon Death After Occupancy**. In the event of death of a single Resident, or the survivor of two Residents, at any time after Occupancy, the entrance fee will not be refunded.
5. **Termination by Brooks-Howell After Occupancy**. United Methodist Women may terminate the Agreement at any time if there has been a material misrepresentation or omission made by the applicants on their Application for Admission, Personal Health History, confidential Financial Statement, or Physician's Examination Report; if the resident fails to make payment to Brooks-Howell of any fees or charges due within 60 days of the date when due; or if the resident does not abide by the rules and regulations adopted by United Methodist Women or breach any of the terms and conditions of the Agreement. In the event of termination due to any of such causes, the entrance fee will not be refunded.
6. **Payment of Refunds**. All Entrance Fee refunds after Occupancy will be paid upon removal of all personal belongings. In the case of dual-occupancy, refunds will not be paid until both Residents have permanently vacated the Residence, and removed their personal belongings.
7. **Condition of Residence**. Upon vacating the Residence, resident shall leave it in good condition except for normal wear and tear. The resident or estate of the resident shall be liable to United Methodist Women for costs required to restore the Residence to good condition or standard condition, except for normal wear and tear, and for the removal and disposition of abandoned personal belongings. Such costs will be deducted from the refundable portion of the Entrance Fee due the resident.

### **Transfers or Changes in Levels of Care**

The Residence and Services Agreement ("Agreement") makes the following provisions:

- A. **Transfer to a Health Care Residence**. United Methodist Women recognizes the right of self-determination of the Resident and will attempt to involve the Resident or the Resident's Representative in all decisions related to transfers and changes in level of care. United Methodist Women shall have authority to determine if residents should be transferred from their Residence to a Health Care Residence, or from one level of care to another within Brooks-Howell, in cases of potential harm to resident or others, to assure the health and wellbeing of the resident and others, or to provide for the highest quality of life possible. Such determination shall be based on the opinion of the Brooks-Howell administration and/or the Brooks-Howell Medical Director and shall be

made after consultation with residents and their representative and their attending Physician. Such decisions shall be made only in a resident's best interest and in the best interest of the larger community as determined by Brooks-Howell.

- B. **Transfer to Other Facility.** If it is determined by Brooks-Howell that the resident needs care beyond that which can be provided by Brooks-Howell, they may be transferred to a hospital or institution equipped to give such care at their expense. Such transfer will be made only after consultation with resident and/or their representative and attending physician.
- C. **Surrender of Residence.** If a determination is made by Brooks-Howell that any transfer is permanent, residents agrees to surrender their Residence. They will have priority to move to such Health Care Residences, determined to best meet their needs, as soon as such is available.

### **Terms of Residency**

- A. **Occupancy by Two Residents.** When two Residents occupy a Residence, upon the permanent transfer or the death of one Resident, or in the event of the termination of this Agreement with respect to one of the Residents, this Agreement shall continue in effect for the remaining Resident. The remaining Resident will thereafter pay the Single Person Monthly Fee associated with the Residence.
- B. **Medical Insurance.** Resident is encouraged to maintain Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage and is asked to furnish Brooks-Howell with evidence of such coverage.
- C. **Marriage During Occupancy.** Should resident marry a person who is also a Resident of Brooks-Howell, the two of them may occupy either Residence and shall surrender the unoccupied Residence. They will pay the Single Person and Double Person Monthly Fees upon Occupancy by both residents in the chosen Residence. If resident should marry a person who is not a resident of Brooks-Howell, the spouse may become a resident if the spouse meets all the requirements for admission, enters into a Residence and Services Agreement with United Methodist Women, and pays an Entrance Fee. Resident and spouse shall pay the Single- Person and Double-Person Monthly Fees. If the spouse does not meet the requirements of United Methodist Women for admission as a resident, the resident may terminate the Agreement with respect to a voluntary termination, or the spouse may be approved for admission under special circumstances as agreed to in writing by Brooks-Howell and the resident. If the resident does terminate the Agreement there will be no refund.

### **Fees**

- A. **Entrance Fee.** As a condition of becoming a Resident, resident agrees to pay to Brooks-Howell an Entrance Fee as set forth on page 12(H). Effective October 9, 2019, Brooks-Howell Home began offering a monthly fee for service contract for new entrants.
- B. **Terms of Payment of the Entrance Fee.** Entrance Fee will be due and payable prior to the Date of Occupancy, unless otherwise agreed to in writing by Brooks-Howell. Effective October 9, 2019, Brooks-Howell Home began offering a monthly fee for service contract for new entrants.

- C. **Monthly Fee.** In addition to the Entrance Fee, resident agrees to pay a Monthly Fee upon Occupancy for the term of the Agreement. The Monthly Fee shall be payable in advance by the fifth day of each month. Payment of the first month's Monthly Fee is due prior to the Date of Occupancy. Effective October 9, 2019, Brooks-Howell Home began offering a monthly fee for service contract for new entrants.
- D. **Adjustments in the Monthly Fee.** The Monthly Fee is paid to provide the facilities, programs, and services described in this Agreement, and is intended to cover costs of the expenses associated with the operation and management of Brooks-Howell. United Methodist Women, with the approval of the Board of Directors, may increase the Monthly Fee during the term of this Agreement. Monthly Fees will be adjusted as required, consistent with operating on a sound financial basis and maintaining quality service. Resident or resident's representative will receive a 30-day advance notice of increases in the Monthly Fee or other charges.
- E. **Monthly Statements.** Brooks-Howell will furnish resident a Monthly Statement showing the Monthly Fee payable for the month in advance, and any additional charges from the previous month, payable by the fifth day of the current month. Brooks-Howell may charge interest at a rate of one and one-half percent per month on any unpaid balance owed by resident 30 days after the monthly statement is dated.
- F. **Health Care Charges.**
1. **Fee for Services.** Upon permanently occupying a Health Care Residence, resident will surrender the Residence and will no longer pay the Monthly Fee for the Residence. Instead resident will pay the published current per diem fee for such Health Care Residence. Upon temporarily occupying a Health Care Residence, resident will continue to pay the Monthly Fee for the Residence (less any credit that may be given by Brooks-Howell) and resident will pay the published current per-diem fee for such Health Care Residence for the period of time that resident occupies same. Such per-diem fee shall cover the cost of services described in the Brooks-Howell Cost Sheet 2020. Resident may pay additional charges for ancillary services as described in the Cost Sheet. In addition, Brooks-Howell Home began offering Home Care Services to both its Independent Living and Health Center clients as described in the Home Care Service Rate Sheet.
  2. **Additional Charges for Ancillary Health Care Services.** Resident may be responsible for additional charges for ancillary health care services provided at Brooks-Howell. Ancillary services will include all services not provided by the staff of Brooks-Howell and not included in the per-diem fee. Examples of additional charges include, but are not limited to, the cost of prescription and non-prescription medications, physical examinations, laboratory tests, physical therapy, home health care, occupational therapy, rehabilitative treatments, wheelchairs and other medical equipment and supplies.
  3. **Care in Another Facility.** Should resident need a level of care or health services beyond that provided at Brooks-Howell, as determined by Brooks-Howell, and require transfer to another facility, resident will be responsible for all expenses of such transfer and services.

G. **Nonpayment of Fees or Charges.** As stated in Section IV.I. of the Contract for Continuing Care, in the event a resident becomes unable or refuses or fails to pay any monthly services, charges or any other fees or charges, United Methodist Women, after giving Resident written notice of the default and the opportunity to cure the default within thirty days of the giving of the notice, may terminate this contract, in which event resident shall vacate the independent living unit and be entitled to no further services of United Methodist Women under this contract. United Methodist Women shall be entitled to retain all payments made by resident including the entrance fee.

H. **Entrance Fee.** At the time of the execution of the contract, RESIDENT shall pay to UNITED METHODIST WOMEN thirty-five percent (35%) of all of RESIDENT’S current assets and thirty-five percent (35%) of all assets of whatever nature which the RESIDENT may at any time thereafter become entitled. RESIDENT shall pay no more than \$100,000 on the 35% asset entrance requirement. RESIDENT shall supply UNITED METHODIST WOMEN with a list of RESIDENT’S assets for verification purposes.

If the contract covers a married couple, the foregoing entrance fee is applicable to each person, and is based on assets owned individually or jointly.

Entrance fee assures resident a place in the facility for life as stated on page 5 of the contract for continuing care. Effective October 9, 2019, Brooks-Howell Home began offering a monthly fee for service contract for new entrants.

G. **Sliding Scale.** A sliding scale for the Health Center is available for consideration for low to mid income levels. For consideration, the resident would need to provide the last 2 years of tax returns and the last 3 months of bank statements. There are a limited number of these slots available.

Sliding Scale Tier	Annual Income	Total Assets	Monthly Fee for Health Center
Tier 1	\$40,000	0- \$50,000	\$3,000
Tier 2	\$45,000	\$50,000 – \$90,000	\$3,500
Tier 3	\$50,000	\$90,000 - \$110,000	\$3,750
Tier 4	\$55,000	\$90,000- \$125,000	\$4,250
Tier 5	\$60,000	\$125,000- \$150,000	\$4,500
Tier 6	\$65,000	\$150,000- \$175,000	\$5,000
Tier 7	\$75,000	\$175,000- \$200,000	\$6,000
Tier 8	\$80,000	\$200,000- \$225,000	\$6,250
Tier 9	\$85,000	\$225,000- \$275,000	\$6,500
Tier 10	\$90,000	\$275,000- \$350,000	\$7,250
Tier 11	>\$90,000	\$351,000 and >	Current Rate

## Cost Sheet 2020 Independent Living Resident Fees

An entrance fee for independent residency under the life care contract will be assessed and based upon a percentage of total assets.

Deaconesses or missionaries who were related to the Women’s Division of The Board of Missions of The Methodist Church as of 1964 or a missionary of the Evangelical United Brethren Church commissioned prior to Union in 1968 who served a minimum of fifteen (15) years after commissioning may be eligible for special rates if the Resident’s income is less than the established monthly charge.

If eligible for special rates, the monthly service charge is based on a percentage of total income:

Independent Living 60% | Intermediate Care 75% | Skilled Care 85%

Included amenities include; cable, electric, water, gas, trash pick-up, weekly grounds and housekeeping services, and one meal a day in the main dining room. Additional meal plans are available for purchase. If you choose to reside in a Bethea Second Floor Suite, these do not have kitchenette, so rate plans include either 2 meals a day or 3 meals a day.

Independent Living Residents under the Life Care Contract will receive 14 days of Health Center care per year without incurring any additional daily room rate charges. Other charges that may apply are listed below.

<u>Accommodations</u>	<u>Monthly Rate</u>	<u>Other Fees</u>												
Bethea Second Floor Suite With 2 Meals	\$1,632.00	<table border="1" style="width: 100%;"> <thead> <tr> <th>Meal Cost</th> <th>Per Meal</th> <th>Monthly Cost</th> </tr> </thead> <tbody> <tr> <td>Breakfast</td> <td style="text-align: right;">\$5.00</td> <td style="text-align: right;">\$130.00</td> </tr> <tr> <td>Lunch</td> <td style="text-align: right;">\$8.00</td> <td style="text-align: right;">\$200.00</td> </tr> <tr> <td>Dinner</td> <td style="text-align: right;">\$5.00</td> <td style="text-align: right;">\$130.00</td> </tr> </tbody> </table>	Meal Cost	Per Meal	Monthly Cost	Breakfast	\$5.00	\$130.00	Lunch	\$8.00	\$200.00	Dinner	\$5.00	\$130.00
Meal Cost	Per Meal		Monthly Cost											
Breakfast	\$5.00		\$130.00											
Lunch	\$8.00	\$200.00												
Dinner	\$5.00	\$130.00												
With 3 Meals	\$1,734.00													
Quad Cottage	\$2,244.00	Special and Holiday Meals \$15.00												
Single Home 2 bedrooms	\$2,305.00	Independent Living Transportation Fees Shopping \$5.00 per trip												
Terrace Level Apartments	\$1,992.00	Medical Appointments \$20.00 per trip												
Village Cottage	\$2,244.00	Laundry \$20.00 per month WiFi Service \$30.00 per month												
		Pet Fees: \$250 deposit, \$12/month per pet												
		Guest Rooms: \$80.00-160.00 per night												
		Guest meals: Breakfast \$7.50   Lunch \$12.00   Dinner \$7.50 Children ages 7-12 half price Children under age 6 free												
		Maint/EVS Requests \$15.00 hr minimum of \$7.50												
		Additional housekeeping services - varies by service												



## Cost Sheet 2020

### Independent Living Monthly Service Fee Program Schedule

Residents shall pay 100% of the monthly service charge as set from time to time by the United Methodist Women, National Office. The monthly service charge shall not exceed the actual monthly charge for the unit as determined by the United Methodist Women, National Office based upon audited operational costs.

Upon entering into Brooks-Howell under a monthly service fee agreement, the occupant acknowledges that this is a fee for service agreement and all services rendered are based on a fee structure in addition to the basic monthly fee for the independent living unit. The basic monthly fee covers utilities, trash, cable, and routine housekeeping services. All other services on campus will have additional fees associated with them.

If occupant transitions to the Health Center, the occupant will be charged the current daily rate of care in the Health Center, unless special sliding scale rates apply based on income levels.

<u>Accommodations</u>	<u>Monthly Rate</u>	<u>Other Fees</u>												
<b>Apartments</b> 1 Bedroom \$1,586.00 2 Bedroom \$1,792.00		<table border="1" style="width: 100%;"> <thead> <tr> <th>Meal Cost</th> <th>Per Meal</th> <th>Monthly Cost</th> </tr> </thead> <tbody> <tr> <td>Breakfast</td> <td>\$5.00</td> <td>\$130.00</td> </tr> <tr> <td>Lunch</td> <td>\$8.00</td> <td>\$200.00</td> </tr> <tr> <td>Dinner</td> <td>\$5.00</td> <td>\$130.00</td> </tr> </tbody> </table>	Meal Cost	Per Meal	Monthly Cost	Breakfast	\$5.00	\$130.00	Lunch	\$8.00	\$200.00	Dinner	\$5.00	\$130.00
Meal Cost	Per Meal	Monthly Cost												
Breakfast	\$5.00	\$130.00												
Lunch	\$8.00	\$200.00												
Dinner	\$5.00	\$130.00												
<b>Bethea Second Floor Suite</b> With 2 Meals \$1,846.00 With 3 Meals \$1,961.00		Special and Holiday Meals \$15.00 Independent Living Transportation Fees Shopping \$5.00 per trip Medical Appointments \$20.00 per trip												
<b>Quad Cottage</b> \$2,833.00		Laundry \$20.00 per month WiFi Service \$30.00 per month Pet Fees: \$250 deposit, \$12/month per pet												
<b>Single Home 2 bedrooms</b> \$2,884.00														
<b>Terrace Level Apartments</b> \$2,225.00														
<b>Village Cottage</b> \$2,833.00		Guest Rooms: \$80.00-160.00 per night Guest meals: Breakfast \$7.50   Lunch \$12.00   Dinner \$7.50 Children ages 7-12 half price Children under age 6 free Maint/EVS Requests \$15.00 hr minimum of \$7.50 Additional housekeeping services - varies by service												

[www.brooks-howell.org](http://www.brooks-howell.org)  
 266 Merrimon Ave. Asheville, NC 28801  
 828-253-6712





## Health Center

### Cost Sheet 2020

Brooks-Howell's Outreach Residency Program was created to provide health care services to individuals in the greater community. Outreach services are not limited to people of a particular faith or denomination. In addition, as a part of our Outreach Residency Program, we offer respite services for loved ones whose families are seeking short-term care and also Intermediate Care. Brooks-Howell is **not a licensed Medicare/Medicaid Facility**. Payment is by private funds and/or private LTC insurance coverage.

### Short-Term Respite Care

The fees for Short-Term Respite Care is \$225.00 per day from 3 days up to 30 days. These fees include room and board and 24/7 nursing care and services.

### Long-Term Care Stays

The fees for Skilled Care is \$260.00 per day. These fees include room and board and 24/7 nursing care and services for Nursing Home level of care. A sliding scale payment program is available for those who qualify financially, and based on availability in the program.

### Other Health Center Fees

TB Test/Inoculations	Market Rate
Medical Supplies	Market Rate
Restorative Rehab Therapy	\$ 7.00 per 15 minute treatment
Personal Laundry	\$20.00 per month
Wi-Fi Service	\$30.00 per month
Phone	\$25.00 per month (average)
Transportation	\$20.00 + current federal rate per mile (within Buncombe County*)
Travel assistant	\$20.00 per hour
	*Outside of Buncombe County other rates may apply

Additional fees may apply for specialty requests (Ex: hanging pictures, mounting TV, moving furniture)

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## Brooks-Howell Home Care Services and Rate Sheet

Brooks-Howell Home Care offers a variety of services to both its Independent and Health Center clients.

Upon entering into a service agreement with Brooks-Howell Home Care, clients have the option of the following service lines:

### **In Home Aide Care via a Certified Nursing Assistant:**

These services include assisting with mobility including ambulation, transfers and bed mobility. It also includes assistance with bathing, toileting, continence care, dressing, eating; help with prescribed exercises taught by a health care practitioner, and help with self-administration of medications ordered by a health care practitioner and the ability to report changes in the condition of the resident or home situation to the health care practitioner. This service also includes assistance to medical appointments.

### **Companion/Sitter Care:**

These services include assisting with meal prep, light housekeeping, laundry, medication reminders, basic home management tasks, shopping, companionship, socialization, and other home care tasks that do not require hands on assistance.

### **Respite Care:**

These services are to provide planned or emergency care in order to provide temporary relief to the family caregiver in the home.

<u>Service line</u>	<u>Hourly Rate</u>	<u>Other Fees</u>
<b>In Home Aide</b>	\$25.00/hour	A 2-week deposit may be required to begin services. A 2-hour service minimum is required.
<b>Companion/Sitter</b>	\$25.00/hour	Mileage will be billed at .575 a mile.
<b>Respite</b>	\$25.00/hour	Home care staff are not allowed to drive a client at any time.
		Holiday rates and scheduling requests with less than 24-hour notice are billed at time and a half the service fee.
		Weekend rates will incur an additional \$2/hour charge.

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MONTHLY FEES – FIVE YEAR HISTORY

	2016	(Increase)	2017	Avg	(Increase)	2018	Avg	(Increase)	2019	Avg	(Increase)	2020	Avg
Cottage	2,164.00	44.00	2,208.00	196.60	44.00	2,252.00	198.00	45.00	2,297.00	47.40	46.00	2,343.00	901.40
1 person	n/a	n/a	n/a	0.00		n/a	0.00		n/a	0.00		n/a	0.00
J-C Apts													
1 bed	1,298.00	26.00	1,324.00	63.80	26.00	1,350.00	63.00	27.00	1,377.00	28.20	28.00	1,405.00	540.60
2 bed	1,731.00	35.00	1,766.00	123.20	35.00	1,801.00	123.20	36.00	1,837.00	37.80	37.00	1,874.00	721.00
#2 person	n/a	n/a	n/a	0.00		n/a	0.00		n/a	0.00		n/a	0.00
C-B Apts													
1 bed	1,407.00	29.00	1,436.00	70.20	29.00	1,465.00	69.40	29.00	1,494.00	31.00	30.00	1,524.00	586.20
2 bed	1,731.00	35.00	1,766.00	123.20	35.00	1,801.00	123.20	36.00	1,837.00	37.80	37.00	1,874.00	721.00
#2 person	n/a	n/a	n/a	0.00		n/a	0.00		n/a	0.00		n/a	0.00
Quad Apt													
1 person	2,056.00	42.00	2,098.00	179.60	42.00	2,140.00	180.80	43.00	2,183.00	45.20	44.00	2,227.00	856.60
#2 person	n/a	n/a	n/a	0.00		n/a	0.00		n/a	0.00		n/a	0.00
Village													
1 person	2,056.00	42.00	2,098.00	174.60	42.00	2,140.00	175.60	43.00	2,183.00	45.20	44.00	2,227.00	856.60
#2 person	n/a	n/a	n/a	0.00		n/a	0.00		n/a	0.00		n/a	0.00
Terrace													
1 person	1,840.00	37.00	1,877.00	154.40	38.00	1,915.00	155.40	38.00	1,953.00	40.40	39.00	1,992.00	766.40
#2 person	n/a	n/a	n/a	0.00		n/a	0.00		n/a	0.00		n/a	0.00
Suite w/meals													
3 meals	1,623.00	33.00	1,656.00	73.20	33.00	1,689.00	72.00	34.00	1,723.00	35.60	34.00	1,757.00	676.00
Sec Person	n/a			0.00			0.00			0.00			0.00
2 meals	1,515.00	31.00	1,546.00	64.20	31.00	1,577.00	63.00	32.00	1,609.00	33.40	32.00	1,641.00	631.20
Sec Person	n/a	n/a	n/a	0.00		n/a	0.00		n/a	0.00		n/a	0.00
Intermediate nursing care													
Private room	n/a	n/a	n/a	0.00		n/a	0.00		n/a	0.00		n/a	0.00
Skilled nursing care													
Private	6,104.00	123.00	6,227.00	180.82	130.00	6,357.00	176.40	128.00	6,485.00	135.08	130.00	6,615.00	2543.80
Semi-private	n/a	n/a	n/a	0.00		n/a	0.00		n/a	0.00		n/a	0.00

## **RESERVES**

In accordance with North Carolina General Statute Section 58-64-33, United Methodist Women maintains an operating reserve equal to fifty percent (50%) of the total operating costs for the period ending December 31, 2020, based on an occupancy less than ninety percent (90%) (“Operating Reserve Requirement”).

All funds are held in investments (handled by the Board of Directors) that meet the requirements specified by the North Carolina Department of Insurance. As indicated in United Methodist Women’s audited financial statements for the year ended December 31, 2020, United Methodist Women had investments in short-term securities, U.S. Government securities, Corporate bonds, International common stocks (i.e., investments in stocks of international companies located primarily in Japan, United Kingdom, France, the Netherlands, and Germany), common stocks and United Methodist Foundation of Western North Carolina, Inc. Diversified Fund units. United Methodist Women Forecasted Statements of Financial Position for the year ending December 31, 2020, indicates a required statutory operating reserve, as it relates to the operations of Brooks-Howell, of \$3,062,000. The following indicates the adequacy of the United Methodist Women’s cash, cash equivalents and investments (at fair value) for the Operating Reserve Requirement at December 31, 2020.

<b><u>Description</u></b>	<b><u>December 31, 2020</u></b>
Cash and cash equivalents	\$ 3,062,000
Investments	115,573,738
Total cash, cash equivalents and investments	118,635,738
Less:	
Investments held in retirement fund	(18,961,146)
Net assets with donor restrictions	(78,444,614)
2021 estimated payments for unfunded medical plan and nursing home care for retirees	(856,360)
Total investments available for reserve	20,373,618
Operating Reserve Requirement	(3,062,000)
Excess reserves avail.	\$ 17,311,618

## **NUMBER OF RESIDENTS**

The following number of residents have signed continuing care contracts:

<b>Type of Continuing Care Contract</b>	<b># of Persons who have Signed</b>
20% Entrance - \$40,000 cap	1
25% Entrance - \$50,000 cap	0
25% Entrance - \$50,000 cap*	6
25% Entrance - \$75,000 cap**	0
25% Entrance - \$75,000 cap	15
35% Entrance - \$100,000 cap	10
Non-continuing care contracts	44
Total	76

**UNITED METHODIST WOMEN**  
**COMPARATIVE STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**  
**(IN THOUSANDS OF DOLLARS)**

	Actual 2020	Forecasted 2020	Variance
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 115,573	\$ 104,938	\$ 10,635 (1)
Receivables	5,169	6,301	(1,132) (2)
Inventories and other assets	433	1,100	(667)
Prepaid expenses	192	750	(558)
Total current assets	121,367	113,089	8,278
Restricted assets:			
Cash and cash equivalents - State of North Carolina operating reserve requirement for Brooks-Howell Home	3,062	3,047	15
Perpetual trusts held by others	1,779	1,700	79
Total restricted assets	4,841	4,747	94
Land, buildings, and equipment, net	8,925	8,386	539
Total assets	\$ 135,133	\$ 126,222	\$ 8,911
<b>Liabilities and Net Assets</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 1,735	\$ 1,700	\$ 35
Total current liabilities	1,735	1,700	35
Long-term liabilities:			
Long-term debt	2,278	-	2,278 (3)
Deferred revenue - refundable	-	-	-
Deferred revenue - nonrefundable	325	510	(185)
Annuities payable	190	195	(5)
Assets held for others	6,379	5,850	529
Accrued postretirement and pension benefit costs	9,982	20,325	(10,343) (4)
Total long-term liabilities	19,154	26,880	(7,726)
Total liabilities	20,889	28,580	(7,691)
Net assets:			
Without donor restrictions	35,799	23,964	11,835 (5)
With donor restrictions	78,445	73,678	4,767 (6)
Total net assets	114,244	97,642	16,602
Total liabilities and net assets	\$ 135,133	\$ 126,222	\$ 8,911

**UNITED METHODIST WOMEN**  
COMPARATIVE STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020  
(IN THOUSANDS OF DOLLARS)

Materiality is \$850 and is based on total assets of UMW.

(1) Based on actual market conditions in 2020, significant investment gains were recognized for the period. UMW forecasts investment returns, including investment income and realized and unrealized appreciation on investments, based on a long-term investment horizon. This includes using certain historical data and expected long-term rates of return. Actual returns can be significantly different from year-to-year, as was seen in the markets for 2020.

(2) The variance in receivables is due mainly to a decrease in giving at year end compared to the amount forecasted, which is directly related to the decrease in the amount of receivables from the amount forecasted. Giving decreased as a result of struggling economic conditions due to the COVID-19 pandemic, the extent of which was not anticipated at the time of the forecast.

(3) The COVID-19 pandemic led UMW to seek financing through the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"). UMW received approximately \$1,460 in PPP loan funds and BHH received approximately \$818 totaling \$2,278. The variance in long-term debt is primarily due to the proceeds of the PPP loan funds. It should be noted that the BHH PPP loan was forgiven subsequent to year end by the SBA; however, UMW has not received approval of their portion of the PPP loan funds. Although it has not yet been forgiven, management utilized the loan funds for their intended purposes and management expects the UMW PPP loan funds to ultimately be forgiven.

(4) Accrued postretirement benefit costs were lower than forecasted at year-end due to the following factors: 1) Participant count was down to 52 participants from 86 in the prior year, which resulted in an approximate decrease in the APBO of \$800k. 2) The benefit moved from a premium sharing model to an HRA subsidy model. By doing so, UMW no longer ties benefit amounts to medical trend. 3) Finally, the Brooks-Howell Home payment structure changed from an assumed 3% increase every year to a decreasing subsidy to \$0 as of 2024+. This change had the largest impact on the APBO, decreasing it by approximately \$9,400. These changes were slightly offset by the lowering of the discount rate and revising the mortality rates. None of these factors were anticipated at the time of the forecast.

(5) Net assets without donor restrictions were more than forecasted at year-end due primarily to the significant decreases in programs services related to the postretirement benefit costs as discussed in (4) above, which were not anticipated at the time of the forecast.

(6) Net assets with donor restrictions were more than forecasted at year-end due primarily to significant investment gains that were recognized for 2020 as discussed in (1) above, which were not anticipated at the time of the forecast.

**UNITED METHODIST WOMEN**  
**COMPARATIVE STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDING DECEMBER 31, 2020**  
**(IN THOUSANDS OF DOLLARS)**

	Actual 2020	Forecasted 2020	Variance
Net Assets Without Donor Restrictions:			
Operating revenues:			
Conference Giving	\$ 9,277	\$ 10,800	\$ (1,523) (1)
Benefits Trust reimbursement	857	750	107
Bequests and contributions	263	-	263
Investment income, including realized and unrealized appreciation	5,160	6,101	(941) (2)
Brooks-Howell Home:			
Fee revenues	4,990	4,244	746
Health care revenues	-	-	-
Publications, rental income and other program revenue	3,515	3,715	(200)
Amortization of entrance fees	-	90	(90)
Other revenues	-	1,460	(1,460) (3)
Net assets released from restrictions	5,394	700	4,694 (4)
Total operating revenues	29,456	27,860	1,596
Operating expenses:			
Program services	5,064	15,368	(10,304) (5)
Brooks-Howell Home:			
Operating expenses	4,953	4,340	613
Dietary expenses	853	862	(9)
Administrative expenses	799	1,164	(365)
Interest expense	-	-	-
Depreciation expense	1,076	1,160	(84)
Supporting services	5,490	5,366	124
Total operating expenses	18,235	28,260	(10,025)
Sale of properties	214	-	214
(Decrease) increase in net assets	11,435	(400)	11,835
Net Assets With Donor Restrictions:			
From United Methodist women and other agencies	458	590	(132)
Bequests and contributions	1,076	1,890	(814)
Rental and other program income	-	-	-
Investment income, including realized and unrealized appreciation	12,507	2,100	10,407 (2)
Net assets released from restrictions	(5,394)	(700)	(4,694) (4)
Increase in net assets with donor restrictions	8,647	3,880	4,767
Increase in net assets	20,082	3,480	16,602
Net assets, beginning of year	94,162	94,162	-
Net assets, end of year	\$ 114,244	\$ 97,642	\$ 16,602



**UNITED METHODIST WOMEN**  
COMPARATIVE STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDING DECEMBER 31, 2020  
(IN THOUSANDS OF DOLLARS)

Materiality is \$850 and is based on total assets of UMW.

(1) Conference giving was less than forecasted due primarily to the poor economic conditions caused by the COVID-19 pandemic. Church members generally did not have as much disposable income to contribute, the extent of which was not anticipated at the time of the forecast.

(2) Based on actual market conditions in 2020, significant investment gains were recognized for the period. UMW forecasts investment returns, including investment income and realized and unrealized appreciation on investments, based on a long-term investment horizon. This includes using certain historical data and expected long-term rates of return. Actual returns can be significantly different from year-to-year, as was seen in the markets for 2020. Overall, markets performed much better than what was forecasted. For budgeting purposes, UMW assumed a decrease in investment earnings due to the COVID-19 pandemic; however, the market performed much better than anticipated in Q3 and Q4 of 2020.

(3) Other revenues of \$1,400 were forecasted as UMW anticipated their PPP loan to be forgiven prior to year end, which would have been reclassified as other revenue - extinguishment of debt. However, UMW's PPP loan has not yet been forgiven; therefore, the PPP loan remains as long-term debt on the statements of financial position at year end, which was not anticipated at the time of the forecast.

(4) Net assets released from restrictions were more than forecasted due primarily to the fact that more net assets with donor restrictions met their time or purpose restriction than originally forecasted.

(5) Program services were less than originally forecasted mainly due to decreases in the postretirement benefit costs. These costs are based on an actuarial valuation and were lower than forecasted at year-end due primarily to changes in assumptions used in the 2020 calculation that were made to better reflect current market conditions, which was not originally forecasted and includes the following factors: 1) Participant count was down to 52 participants from 86 in the prior year, which resulted in an approximate decrease in the APBO of \$800. 2) The benefit moved from a premium sharing model to an HRA subsidy model. By doing so, UMW no longer ties benefit amounts to medical trend. 3) Finally, the BHH payment structure changed from an assumed 3% increase every year to a decreasing subsidy to \$0 as of 2024+. This change had the largest impact on the APBO, decreasing it by approximately \$9,400. These changes were slightly offset by the lowering of the discount rate and revising the mortality rates. None of these factors were anticipated at the time of the forecast.

**UNITED METHODIST WOMEN**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDING DECEMBER 31, 2020**  
**(IN THOUSANDS OF DOLLARS)**

	Actual 2020	Forecasted 2020	Variance
Cash flows from operating activities:			
Change in net assets	\$ 20,082	\$ 3,480	\$ 16,602 (1)
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Gain on sale of properties	(214)	-	(214)
Depreciation	1,076	1,160	(84)
Change in value of annuity obligations	14	(4)	18
Change in assets limited as to use	(113)	(20)	(93)
Change in working capital	<u>(11,013)</u>	<u>(3,405)</u>	<u>(7,608) (2)</u>
Net cash provided by operating activities	<u>9,832</u>	<u>1,211</u>	<u>8,621</u>
Cash flows from investing activities:			
Purchase of land, buildings, and equipment	(705)	(250)	(455)
Proceeds from sale of properties	<u>214</u>	<u>-</u>	<u>214</u>
Net cash used in investing activities	<u>(491)</u>	<u>(250)</u>	<u>(241)</u>
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	2,278	-	2,278 (3)
Payments of annuity obligations	<u>(23)</u>	<u>-</u>	<u>(23)</u>
Cash flows provided by financing activities	<u>2,255</u>	<u>-</u>	<u>2,255</u>
Increase in cash and investments	11,596	961	10,635
Cash and investments, beginning of year	<u>103,977</u>	<u>103,977</u>	<u>-</u>
Cash and investments, end of year	<u>\$ 115,573</u>	<u>\$ 104,938</u>	<u>\$ 10,635</u>

**UNITED METHODIST WOMEN**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDING DECEMBER 31, 2020**  
**(IN THOUSANDS OF DOLLARS)**

Materiality is \$850 and is based on total assets of UMW.

(1) The larger increase in net assets than forecasted was due primarily to significantly higher than expected investment returns. Based on actual market conditions in 2020, significant investment gains were recognized for the period. UMW forecasts investment returns, including investment income and realized and unrealized appreciation on investments, based on a long-term investment horizon. This includes using certain historical data and expected long-term rates of return. Actual returns can be significantly different from year-to-year, as was seen in the markets for 2020.

(2) The variance in the change in working capital relates primarily to timing differences and changes in current assets and current liabilities as described on the comparative statements of financial position.

(3) The variance in the cash flows provided by financing activities relates primarily to the PPP loans received by UMW and BHH during fiscal year 2020 related to the COVID-19 pandemic.

**UNITED METHODIST WOMEN  
SUPPLEMENTAL DISCLOSURE**

**BROOKS-HOWELL HOME**  
COMPARATIVE STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020  
(IN THOUSANDS OF DOLLARS)

	Actual 2020	Forecasted 2020	Variance
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,952	\$ 1,876	\$ 76 (1)
Accounts receivable - residents	104	69	35
Accounts receivable - other	21	11	10
Accounts receivable - United Methodist Women	14	14	-
Prepaid expenses	-	19	(19)
Inventories	160	64	96 (2)
Total current assets	2,251	2,053	198
Restricted assets:			
Assets limited as to use - current portion	26	27	(1)
Total restricted assets	26	27	(1)
Other assets:			
Investments	458	296	162 (3)
Assets limited as to use - long-term	688	628	60
Total other assets	1,146	924	222
Equipment and improvements, net	1,434	1,308	126 (4)
Total assets	\$ 4,857	\$ 4,312	\$ 545
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	\$ 152	\$ 73	\$ 79 (5)
Accrued wages and related liabilities	220	385	(165) (6)
Agency funds	26	27	(1)
Long-term debt - current maturities	667	-	667 (7)
Total current liabilities	1,065	485	580
Long-term debt - less current maturities	152	-	152 (7)
Total liabilities	1,217	485	732
Net assets:			
Without donor restriction	2,886	3,140	(254) (8)
With donor restriction	754	687	67
Total net assets	3,640	3,827	(187)
Total liabilities and net assets	\$ 4,857	\$ 4,312	\$ 545

**UNITED METHODIST WOMEN  
SUPPLEMENTAL DISCLOSURE**

**BROOKS-HOWELL HOME**  
COMPARATIVE STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020  
(IN THOUSANDS OF DOLLARS)

Materiality is \$68 and is based on total revenue of BHH.

Paycheck Protection Program ("PPP"). The variance in cash and cash equivalents is primarily due to the proceeds of the PPP loan funds of \$818. Other differences were caused by timing of cash flows associated with working capital.

(2) The variance in inventories is primarily a result of the COVID-19 pandemic. Due to the need for additional equipment and supplies as well as the uncertainty of the availability of certain items caused by the COVID-19 pandemic, BHH purchased and carried extra inventory throughout the year, which was not anticipated at the time of the forecast.

(3) The variance in investments is due to the receipt of a significant unrestricted gift from an estate, which was not anticipated at the time of the forecast, as well as more favorable market performance than expected at the time of the forecast.

(4) The variance in equipment and improvements is primarily due to the installation of a new generator, which was not anticipated at the time of the forecast.

(5) The variance in accounts payable is primarily due to timing of expenses at or near year end.

(6) The variance in accrued wages and related expenses is primarily due to two factors. 1) BHH had to lay-off staff in an attempt to cut expenses in response to the effects of the COVID19 pandemic, which resulted in a reduced accrual of wages and related expenses. This lay-off was not anticipated at the time of the forecast. 2) BHH changed insurance providers near the end of fiscal year 2019. The previous insurance provider required BHH to accrue significant amounts for BHH's self-funded insurance retention balance on a monthly basis. It was anticipated that the new insurance provider would require a more lenient accrual; however, the monthly accrual was not a requirement for the new insurance provider, which was not anticipated at the time of the forecast.

(7) The COVID-19 pandemic led BHH to seek financing through the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"). The variance in long-term debt is related to the proceeds of the PPP loan funds of \$818. It should be noted that the entire amount of BHH's PPP loan funds totaling \$818 was forgiven subsequent to the fiscal year 2020 year end.

(8) The variance in net assets without donor restrictions is due primarily to an increase in operating expenses mainly due to the COVID-19 pandemic, which was not anticipated at the time of the forecast.

**UNITED METHODIST WOMEN  
SUPPLEMENTAL DISCLOSURE**

**BROOKS-HOWELL HOME**  
COMPARATIVE STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(IN THOUSANDS OF DOLLARS)

	Actual 2020	Forecasted 2020	Variance
Operating revenues:			
Resident services	\$ 4,218	\$ 3,852	\$ 366 (1)
United Methodist Women support	1,913	1,909	4
United Methodist Women grants	-	-	-
Health care revenues	-	-	-
Amortization of entrance fees	-	-	-
Contributions	2	2	-
Investment earnings (loss)	90	(100)	190 (2)
Other operating revenue	772	1,279	(507) (3)
	<u>6,995</u>	<u>6,942</u>	<u>53</u>
Operating expenses:			
Nursing services	2,973	2,397	576 (4)
Food services	853	862	(9)
Administration	799	1,164	(365) (5)
Environmental services	425	404	21
Maintenance	855	832	23
Social service	24	62	(38)
Human resources	111	94	17
Marketing	89	85	4
Activities	223	205	18
Depreciation	172	242	(70) (6)
Other expense	12	15	(3)
Interest expense	-	-	-
Staff House	3	4	(1)
Home Care	67	-	67
	<u>6,606</u>	<u>6,366</u>	<u>240</u>
Change in net assets	389	576	(187)
Net assets, beginning of year	<u>3,251</u>	<u>3,251</u>	<u>-</u>
Net assets, end of year	<u>\$ 3,640</u>	<u>\$ 3,827</u>	<u>\$ (187)</u>

**UNITED METHODIST WOMEN  
SUPPLEMENTAL DISCLOSURE**

**BROOKS-HOWELL HOME**  
COMPARATIVE STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(IN THOUSANDS OF DOLLARS)

Materiality is \$68 and is based on total revenue of BHH.

- (1) The resident services balance will vary from the forecast depending on the number and mix of residents at BHH during the year as well as the rates. The variance in resident services revenues is due primarily to an increase in rates that was not expected at the time of the forecast.
- (2) The increase in investment earnings (loss) is due to unexpected favorable market conditions by the end of fiscal year 2020. Although the market saw a significant decrease due to the COVID-19 pandemic at the beginning of 2020, the markets rebounded by mid-year and were much stronger by the end of the year.
- (3) The variance in other operating revenue is due primarily to BHH receiving additional funds from an insurance refund in the prior year that was factored into the 2020 forecast; however, a similar refund was not received during fiscal year 2020.
- (4) The variance in nursing services is due primarily to an increase in salaries and benefits expenses related to additional nursing needs due to the COVID-19 pandemic that were not anticipated at the time of the forecast.
- (5) Beginning in 2020, BHH began allocating insurance expenses to the various departments; whereas, in the prior years, insurance expenses were all being recorded to the administration department. This allocation to the various departments was not anticipated at the time of the forecast.
- (6) The variance in depreciation is due primarily to a significant fixed asset item becoming fully depreciated in the prior year. Yearly depreciation expense for this item was approximately \$51, which was not considered at the time of the forecast.

**UNITED METHODIST WOMEN  
SUPPLEMENTAL DISCLOSURE**

**BROOKS-HOWELL HOME**  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(IN THOUSANDS OF DOLLARS)

	Actual 2020	Forecasted 2020	Variance
Cash flows from operating activities:			
Change in net assets	\$ 389	\$ 576	\$ (187) (1)
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation	172	242	(70) (2)
Change in investments	(84)	(6)	(78) (3)
Change in working capital	(208)	-	(208) (4)
Net cash provided by operating activities	269	812	(543)
Cash flows from investing activities:			
Purchase of equipment and improvements	(155)	(100)	(55)
Change in assets limited as to use	(65)	(6)	(59)
Agency funds	(1)	-	(1)
(Purchases) sales of investments, net	(84)	-	(84) (5)
Net cash used in investing activities	(305)	(106)	(199)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	818	-	818 (6)
Net cash provided by financing activities	818	-	818
Increase in cash and cash equivalents	782	706	76
Cash and cash equivalents, beginning of year	1,170	1,170	-
Cash and cash equivalents, end of year	\$ 1,952	\$ 1,876	\$ 76



**UNITED METHODIST WOMEN  
SUPPLEMENTAL DISCLOSURE**

**BROOKS-HOWELL HOME**  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(IN THOUSANDS OF DOLLARS)

Materiality is \$68 and is based on total revenue of BHH.

(1) The decrease in net assets over the forecasted amount is due primarily to more favorable operating revenues than expected due to an increase in rates during 2020, which was offset by an unanticipated increase in operating expenses mainly due to additional nursing services required as a result of the COVID-19 pandemic.

(2) The variance in the change in depreciation is due primarily to a significant fixed asset item becoming fully depreciated in the prior year. Yearly depreciation expense for this item was approximately \$51, which was not considered at the time of the forecast.

(3) The variance in the change in investments is due to better than expected market conditions subsequent to the peak of the COVID-19 pandemic, which was not anticipated at the time of the forecast.

(4) The variance in the change in working capital relates primarily to the change in inventories as well as accrued wages and related liabilities. BHH anticipated inventories of \$64; however, they were actually \$160, which was due primarily to the purchase of additional COVID-19 pandemic related supplies. This was not anticipated at the time of the forecast. The remaining variance relates to timing differences of other certain receivables and payables as described on the comparative statements of financial position.

(5) The variance in the change in (purchases) sales of investments fluctuates from year to year based on activity within the investment accounts. As new estate gifts are received and invested, this balance is expected to fluctuate.

(6) The COVID-19 pandemic led BHH to seek financing through the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"). The variance is related to the proceeds of the PPP loan funds of \$818. It should be noted that the entire amount of BHH's PPP loan funds totaling \$818 was forgiven subsequent to the fiscal year 2020 year end.

# CONTRACT FOR CONTINUING CARE



266 Merrimon Avenue  
Asheville, NC 28801-1218

Telephone (828) 253-6712  
FAX (828) 252-7589

Email [cgilham@brookshowell.org](mailto:cgilham@brookshowell.org)  
Website <http://www.brooks-howell.org>

## CONTRACT FOR CONTINUING CARE

AT

### BROOKS-HOWELL HOME

266 MERRIMON AVENUE

ASHEVILLE NC 28801-1218

This is a contract between UNITED METHODIST WOMEN, A New York not-for-profit corporation, which maintains its principal office at 475 Riverside Drive, New York, New York 10115 and

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(hereinafter referred to as "RESIDENT"), concerning RESIDENT'S entry into Brooks-Howell Home, (hereinafter referred to as "Home"), located at 266 Merrimon Avenue, Asheville, North Carolina, 28801-1218.

In consideration of the promises and mutual covenants and conditions herein contained, UNITED METHODIST WOMEN and RESIDENT agree as follows:

#### **I. CANCELLATION OF CONTRACT**

RESIDENT may cancel this contract within thirty days following the latter of 1) the execution of this contract or 2) the receipt of the Disclosure Statement that is required under North Carolina law. In the event RESIDENT cancels this contract within that thirty day period, UNITED METHODIST WOMEN shall repay to RESIDENT any money or property that has been paid to it by RESIDENT other than periodic charges specified in this contract and applicable only for the period a living unit was actually occupied by the RESIDENT.

RESIDENT is not required to move into Brooks-Howell Home before the expiration of the aforesaid thirty day period.

#### **II. DEATH OF RESIDENT PRIOR TO OCCUPANCY**

If RESIDENT dies before occupying a living unit in HOME, or if RESIDENT because of illness, injury, or incapacity would be precluded from occupying a living unit in HOME under the terms of this contract, this contract shall automatically be canceled, and RESIDENT shall receive a full refund of all money or property that has been transferred to UNITED METHODIST WOMEN, less those non-standard costs specifically incurred by UNITED METHODIST WOMEN at the request of RESIDENT and described in this contract and a service charge of \$500.

#### **III. FINANCIAL OBLIGATIONS OF RESIDENT**

RESIDENT, in consideration of the services to be provided by UNITED METHODIST WOMEN as is set forth in this contract, shall pay to UNITED METHODIST WOMEN the following fees and charges:

A. Entrance Fee. At the time of the execution of this contract, RESIDENT

shall pay to UNITED METHODIST WOMEN thirty-five percent (35%) of all RESIDENT'S current assets and thirty-five percent of all assets of whatever nature which the RESIDENT may at any time thereafter become entitled. RESIDENT shall pay no more than \$100,000 on the 35% asset entrance requirement. RESIDENT shall supply UNITED METHODIST WOMEN with a list of RESIDENT'S assets for verification purposes.

If this contract covers a married couple, the foregoing entrance fee is applicable to each person, and is based on assets owned individually or jointly.

#### **ENTRANCE FEE**

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- B. **No Refund of Entrance Fee** In the event RESIDENT decides to terminate this contract subsequent to the original thirty day period referred to in Section I. above, or in the event RESIDENT has breached the contract, or in the event it is determined by RESIDENT'S physician or HOME'S medical consultants that RESIDENT must vacate the independent living unit, UNITED METHODIST WOMEN shall retain the entrance fee. The entrance fee will not be refunded.
- C. **Other Financial Requirements**. RESIDENT shall make full financial provisions for funeral expenses and burial. RESIDENT shall provide for cost of hospital care, medical services, doctor's fees and drugs by Medicare and/or other forms of medical insurance. Medicare will not pay for services rendered by HOME.
- D. **Monthly Service Charges**. On the first day of each month Resident shall pay to UNITED METHODIST WOMEN the monthly rate then in effect as set by UNITED METHODIST WOMEN and as may be changed from time to time upon first giving RESIDENT thirty days prior notice. This monthly charge shall be applied to the RESIDENT, depending upon the status of RESIDENT, follows:

RESIDENT shall pay 100% of the monthly service charge as set from time to time by UNITED METHODIST WOMEN UNLESS RESIDENT was a deaconess or missionary who was related to the Women's division of The Board of Missions of the Methodist Church as of 1964, or a missionary of the Evangelical United Brethren Church commissioned prior to Union in 1968, who has served a minimum of fifteen (15) years since commissioning, IN WHICH CASE: RESIDENT shall pay UNITED METHODIST WOMEN on account of the monthly service charge 60% of income of RESIDENT if RESIDENT is occupying an apartment or one of the suites in the Bethea Building, or 75% of RESIDENT'S income if RESIDENT is in the intermediate care facility, or 85% of RESIDENT'S income if RESIDENT is in the skilled nursing care facility; income shall include all the income of RESIDENT including, but not limited to, pensions, annuities, social security, retirement benefits, interest and dividends; and monthly service charge shall not exceed the actual monthly

cost for the unit as determined from time to time by UNITED METHODIST WOMEN.

If this contract covers a married couple, the foregoing charges are applicable to each person. If RESIDENT is sharing an apartment or suite with another RESIDENT, the combined monthly service charge shall not exceed the actual monthly cost for the unit.

**MONTHLY SERVICE CHARGE** \_\_\_\_\_

E. **Miscellaneous Payments.** RESIDENT shall pay for other miscellaneous charges incurred at the request of RESIDENT.

Other Charges

APARTMENT RESIDENT MEALS

<u>Monthly Rate</u>	<u>Per Meal Rate</u>	
\$130.00 Breakfast	\$5.00	
\$130.00 Supper	\$8.00	
\$200.00 Dinner	\$5.00	\$15.00 Special meals

Charges for Extra Items

Treatments	Market Rate + \$15.00/hr nursing care (minimum \$7.50)	
TB Test/Inoculations	Market Rate	
Hydro Pack (per treatment)	\$ 3.00	
Restorative Rehab Therapy (per treatment)	\$ 5.00	
Medical Supplies	Market Rate	
Transportation		
Shopping	\$5.00	
Round trip to medical appt.		
Car	\$10.00	Bus \$20.00
Travel assistant (hourly rate)	\$15.00	
Other Transportation	varies	
Personal Laundry (per month)	\$20.00	
Pool assistance (per assistant, hourly rate, excluding Recreational Staff)		
Individual	\$15.00	Group of 3 or more—each resident \$ 5.00
Two—each resident	\$ 7.50	
Guest overnight stay	\$60-120.00	
Guest meals:		
Breakfast	\$6.00	
Lunch (“Dinner”)	\$10.00	
Guest group rate (6 or more)	\$9.00 (Lunch)	
Dinner (“Supper”)	\$7.00	
Children ages 7-12	half price	Children under age 6 free
Contractor	\$6.00	

F. **Setting of Periodic Charges and Fees.** The monthly service charges and fees are based primarily on what it costs UNITED METHODIST WOMEN to operate HOME. UNITED METHODIST WOMEN sets the monthly service

charges and fees from time to time and may change these charges and fees upon giving RESIDENT thirty days notice.

- G. **Adjustment of Monthly Service Charges and Periodic Payments.** All monthly service charges and other periodic payments will be adjusted on a pro rata basis should a Contract commence other than on the 1<sup>st</sup> day of a month.
- H. **Hospitalization and Other Absences from Home.** In the event of hospitalization or other absence, RESIDENT must pay the regular monthly rate during the period of absence if accommodations are to be held for RESIDENT upon RESIDENT'S return
- I. **Policies, Concerning Nonpayment of Fees or Charges** In the event a RESIDENT becomes unable or refuses or fails to pay any monthly services, charges or any other fees or charges, UNITED METHODIST WOMEN, after giving RESIDENT written notice of the default and the opportunity to cure the default within thirty days of the giving of the notice, may terminate this contract, in which event RESIDENT shall vacate the independent living unit and be entitled to no further services of UNITED METHODIST WOMEN under this contract. UNITED METHODIST WOMEN shall be entitled to retain all payments made by RESIDENT including the entrance fee.

#### IV. **SERVICES TO BE PROVIDED BY WOMEN'S DIVISION**

In consideration of the foregoing payments made by RESIDENT, UNITED METHODIST WOMEN agrees to allow RESIDENT to occupy a living unit at HOME for the term of RESIDENT'S life, so long as RESIDENT meets his/her obligations under this contract and HOME has the facilities and services available, in the opinion of HOME'S medical consultants, to provide the level of care needed by RESIDENT. Included in the occupation of a living unit are the following:

- A. **Furnishings in Residence.** UNITED METHODIST WOMEN will provide in all residences wall-to-wall carpeting, vinyl flooring in kitchen and bath(s), refrigerator, stove, oven, cable services, prewiring for telephone service, and other features and fixtures as described in current literature. All other furniture, furnishings, decorations, bed and bath linens, and other personal property will be provided by resident.
- B. **Options and Custom Features in Residence.** UNITED METHODIST WOMEN will provide, and resident may select, certain options and custom features in their residence for an additional charge. The cost of options and custom features selected will be paid by resident at the time of selection and will become part of the Residence and the property of Brooks-Howell. The value of such improvement will not be considered in computing Entrance Fee refunds, unless specifically agreed to in an Addendum to the Agreement. All options and custom features must be approved by Brooks-Howell administration in advance of the changes made.

- C. Common Areas and Amenities.** Brooks-Howell's existing common areas and amenities are for the use and benefit of all residents and include a central dining room, chapel, library, International Room, aqua-therapy room, mail boxes, several multi-purpose rooms, lounges, activity areas, craft areas, beauty/barber shop, health unit day rooms, dining areas, and other common areas. Any future common areas and amenities will be for the use and benefit of all residents.
- D. Parking.** UNITED METHODIST WOMEN will provide uncovered, lighted parking areas for residents' personal vehicles.
- E. Utilities.** UNITED METHODIST WOMEN shall supply the water, heat, air conditioning, and electricity for each living unit. RESIDENT shall be responsible for any costs related to telephone service.
- F. Meals.** UNITED METHODIST WOMEN will make available three meals a day served in the dining rooms. Special diets will be provided only upon the order of resident's physician and/or Director of Nursing Services. Temporary tray service is available to ill residents who live independently or who have moved to the infirmary from the apartments. This service must be approved through Nursing Service and a nominal charge will be made.. RESIDENT shall pay for his/her meals at the end of each month, according to the meal rate, established by UNITED METHODIST WOMEN, which rate may be changed from time to time upon thirty days' notice.
- G. Housekeeping Services.** The Monthly Fee includes one-hour housekeeping services weekly and one thorough cleaning annually. Additional housekeeping is available for an extra hourly fee. UNITED METHODIST WOMEN reserves the right to inspect the residence periodically for cleanliness and safety. If resident fails to maintain the residence in a clean, sanitary and orderly condition as determined by UNITED METHODIST WOMEN, then UNITED METHODIST WOMEN reserves the right to clean the residence and, resident shall pay the charges assessed by Brooks-Howell for cleaning the residence.
- H. Grounds.** UNITED METHODIST WOMEN will furnish basic grounds-keeping care including lawn service. Resident at his/her own expense may plant and maintain the area adjacent to his/her residence, subject to the approval of UNITED METHODIST WOMEN. All plants, trees, and shrubs so planted shall immediately become and remain the permanent property of UNITED METHODIST WOMEN.
- I. Maintenance and Repairs.** UNITED METHODIST WOMEN will maintain and repair improvements, furnishings, appliances, and equipment owned by UNITED METHODIST WOMEN. Residents will be responsible for the cost of repairing damage to property of Brooks-Howell caused by them or any of their guests, ordinary wear and tear excepted. Residents will also be responsible for the costs of repairs to his/her personal property.

- J. **Transportation.** Individual and group transportation is provided for residents on a regular, scheduled basis for shopping, medical appointments, and activities for an extra fee.
- K. **Security.** UNITED METHODIST WOMEN will provide security during night hours, emergency response by trained Brooks-Howell staff, smoke detectors in each residence, a central fire alarm system and an emergency call system.
- L. **Activities.** UNITED METHODIST WOMEN will provide social, recreation, spiritual, educational, and cultural activities, arts and crafts; exercise and health programs, and other activities designed to meet residents' interests. Some activities may require an extra fee.
- M. **Other Services and Programs at Additional Charge.** Other services and programs will be available to residents at their expense, including, but not limited to those previously mentioned, beauty and barber services, personal laundry or dry cleaning, special transportation, guest meals, repair of personal property, and other special services performed for resident beyond the normal scope of services offered by UNITED METHODIST WOMEN. The availability and charges for additional services are itemized in UNITED METHODIST WOMEN cost sheets.
- N. **Notice of Change in Scope of Services.** Except for changes required by law, UNITED METHODIST WOMEN will notify resident of any proposed change in the scope of services provided in this Agreement at least 30 days before such change is effective. No change relating to a service included in the Monthly Fee under the terms of this Agreement shall be effective unless (a) consented to by Resident or (b) a reasonable adjustment is made in the Monthly Fee.

## V. **LIVING QUARTERS**

The living unit which RESIDENT is to occupy is unit \_\_\_\_\_ and the floor plan of this unit is diagrammed in the separately attached floor plan.

## VI. **REQUIRED MOVE FROM LIVING UNIT**

If HOME, in consultation with its medical consultants, determines that a RESIDENT needs nursing care or other medical care which RESIDENT cannot obtain in the independent living unit, UNITED METHODIST WOMEN may require that RESIDENT vacate the independent living unit and move to a nursing care or other health care facility to be arranged by RESIDENT at RESIDENT'S expense for so long as it is deemed necessary by RESIDENT'S physician or HOME'S medical consultants. Except in emergency situations, no required move will be made without consultation with RESIDENT and, at the option of RESIDENT, RESIDENT'S representative as is designated herein. As HOME is not Medicare/Medicaid certified, resident will be required to pay all costs incurred for nursing care and contract may be terminated for non-payment.



- A. **Accommodations**. If RESIDENT needs nursing care, UNITED METHODIST WOMEN shall provide accommodations in either an intermediate or skilled nursing care unit of HOME in accordance with health needs of RESIDENT, and shall provide three meals a day as scheduled.
- B. **Health Care**. UNITED METHODIST WOMEN shall provide the nursing care by the regular staff of its intermediate or skilled nursing care unit in accordance with HOME'S procedures, rules, and regulations. UNITED METHODIST WOMEN, in consultation with its medical consultants reserves the right to designate RESIDENT'S level of care as required by medical necessity and the state and/or federal rules and regulations governing the operation of nursing facilities.
- C. **Medical Services**. UNITED METHODIST WOMEN shall make available at RESIDENT'S expense medical supplies, prescription drugs, podiatrist services, physical, occupational and speech therapies. RESIDENT shall have the right to select a physician, provided that said physician agrees to follow the policies and procedures of HOME, laws and licensure of the State of North Carolina, and the federal guidelines as applicable. Should the HOME or RESIDENT'S physician authorize a private duty nurse or nurse aide for care of RESIDENT, said nurse or nurse aide shall act under the supervision of HOME'S Director of Nursing Services or Charge Nurse. Payment for such service shall be the responsibility of the RESIDENT or the person responsible for payment of RESIDENT'S care.

## **VII. RELIGIOUS AFFILIATION**

UNITED METHODIST WOMEN is one of the Divisions of the denomination known as THE UNITED METHODIST CHURCH, but the UNITED METHODIST WOMEN, and only UNITED METHODIST WOMEN, is legally responsible for the operation of HOME. THE UNITED METHODIST CHURCH is not responsible for the operation of HOME, nor, is any other organization that is affiliated with that church.

## **VIII. PROPERTY RIGHTS OF RESIDENT**

Other than ownership of RESIDENT'S personal property, the RESIDENT has absolutely no property rights in any assets of UNITED METHODIST WOMEN, HOME, or any living unit. UNITED METHODIST WOMEN shall not be responsible for the loss of any property belonging to RESIDENT due to theft, mysterious disappearance, fire, or any other cause. RESIDENT will be responsible for securing personal property insurance.

## **IX. RELATIONSHIP TO BROOKS-HOWELL HOME**

While UNITED METHODIST WOMEN is the owner and ultimate operator of HOME, there is a separate organization known as BROOKS-HOWELL HOME, which is a North Carolina non-profit unincorporated organization. This organization, subject to the overall direction of UNITED METHODIST WOMEN, owners, manages the day-to-day operations of HOME. Actions taken by and directions given by BROOKS-

HOWELL HOME are to be considered the actions and the directions of UNITED METHODIST WOMEN.

**X. RESIDENT'S CONDUCT**

RESIDENT acknowledges that HOME is the residence of retired persons who have agreed to live in a community setting which requires consideration for the privacy of other residents as well as for their wellbeing and safety. UNITED METHODIST WOMEN may terminate this contract in the event the conduct of RESIDENT invades the privacy of other residents or disturbs their peaceful occupation of their living units or endangers their safety or the property of HOME. Termination for any such cause is not to be done lightly and will not be invoked without consultation with RESIDENT and, at the option of RESIDENT, RESIDENT'S REPRESENTATIVE as noted above.

**XI. RESIDENT TO ABIDE BY POLICIES**

RESIDENT agrees to abide by all reasonable policies that are adopted by UNITED METHODIST WOMEN, the Brooks-Howell Home, and the administrators of HOME with regard to the use and operation of HOME.

**XII. RESIDENT'S REPRESENTATIVE**

RESIDENT hereby designated his/her HEALTH CARE POWER OF ATTORNEY or GENERAL DURABLE POWER OF ATTORNEY to be his/her representative with regard to whether RESIDENT needs nursing care or other medical care which RESIDENT cannot obtain in the independent living unit, requiring that RESIDENT vacate the independent living unit and move to a nursing care or other health care facility and/or the termination of the Contract for cause.

Name (1) \_\_\_\_\_ (2) \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Relationship \_\_\_\_\_

Phone Number \_\_\_\_\_

E Mail \_\_\_\_\_

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

\_\_\_\_\_  
RESIDENT or RESIDENT'S REPRESENTATIVE

Present Address \_\_\_\_\_

\_\_\_\_\_

UNITED METHODIST WOMEN

BY: \_\_\_\_\_



## Continuing Care Contract Addendum 2019

This is a **contract addendum** between UNITED METHODIST WOMEN, A New York not-for-profit corporation, which maintains its principal office at 475 Riverside Drive, New York, New York 10115 and

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(hereinafter referred to as "RESIDENT"), concerning RESIDENT'S entry into Brooks-Howell Home, (hereinafter referred to as "BHH"), located at 266 Merrimon Avenue, Asheville, North Carolina, 28801-1218. The effective date of this contract addendum is January 1<sup>st</sup>, 2019.

The areas addressed in this contract addendum are intended to only supersede the items addressed in the previously signed contract, and by no means removes or dissolves any other section of the previously signed contract. For reference purposes, this addendum will reference the previous sections of the Continuing Care Contract, that these addendums apply to specifically.

Referenced sections are based on the Continuing Care Contract last revised in 2014. Previous versions may have different reference numbers, however, the changes addressed below, are intended to replace those sections.

### Addendum to Section III (I) - **Policies, Concerning Nonpayment of Fees or Charges**

In the event a RESIDENT becomes unable or refuses or fails to pay any monthly services, charges or any other fees or charges, UNITED METHODIST WOMEN, after giving RESIDENT written notice of the default and the opportunity to cure the default within thirty days of the giving of the notice, may terminate this contract, in which event RESIDENT shall vacate the independent living unit and be entitled to no further services of UNITED METHODIST WOMEN under this contract.

**Addendum** - If RESIDENT is unable to pay due to financial reasons, the RESIDENT could then apply and enter into a Lease agreement for low income and move to the appropriate accommodation on the campus. Leases are for 12 months at a time and upon entering into a Lease, the resident understands that all provisions provided under the Continuing Care Contract are null and void.

UNITED METHODIST WOMEN shall be entitled to retain all payments made by RESIDENT including the entrance fee.



Addendum to Section IV (F) - **Meals**

UNITED METHODIST WOMEN will make available three meals a day served in the dining rooms. Special diets will be provided only upon the order of resident's physician and/or Director of Nursing Services. Temporary tray service is available to ill residents who live independently. This service must be approved through Nursing Service and a nominal charge will be made. RESIDENT shall pay for his/her meals at the end of each month, according to the meal rate, established by UNITED METHODIST WOMEN, which rate may be changed from time to time upon thirty days' notice.

**Addendum** – RESIDENTS in independent living under a Continuing Care Contract, will receive one meal a day as a standard amenity. Effective 1/1/19.

Addendum to Section VI (A) - **Accommodations**

If RESIDENT needs nursing care, UNITED METHODIST WOMEN shall provide accommodations in either an intermediate or skilled nursing care unit of HOME in accordance with health needs of RESIDENT, and shall provide three meals a day as scheduled.

**Addendum** – RESIDENTS under a Continuing Care Contract, will be entitled to 14 days a year in the Health Center without incurring any additional daily charges. The RESIDENT would still be responsible for any other charges incurred during the 14 days in the Health Center, such as medical supplies, physician visits, and prescription medications. Beginning on day 15, the RESIDENT would be responsible for the current daily Health Center rate, unless RESIDENT qualified for a different rate based on application for Sliding Scale coverage, or had an already established rate based on income, from the previous Continuing Care Contract already in effect.

Addendum to Section VI (C) - **Medical Services**

UNITED METHODIST WOMEN shall make available at RESIDENT'S expense medical supplies, prescription drugs, podiatrist services, physical, occupational and speech therapies. RESIDENT shall have the right to select a physician, provided that said physician agrees to follow the policies and procedures of HOME, laws and licensure of the State of North Carolina, and the federal guidelines as applicable. Payment for such service shall be the responsibility of the RESIDENT or the person responsible for payment of RESIDENT'S care.



# BROOKS-HOWELL

A retirement community that is called, served, and serving still

**Addendum** – Emergency Response from BHH - First Aid may be performed, up to assisting RESIDENT from floor, bandaging minor breaks in skin, and providing advisement of additional medical follow-up. The RESIDENT will hold the professionals responding to the emergency notification harmless for services provided in good faith. RESIDENT will hold UNITED METHODIST WOMEN AND BHH harmless for actions taken by its employees during an emergency response.

The RESIDENT may use the Community Medical Clinic for any routine health concerns and needs. The RESIDENT acknowledges additional fees may apply for usage of the Community Medical Clinic, related to supply charges or insurance copays.

Name (1) \_\_\_\_\_

Name (2) \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Relationship \_\_\_\_\_

Phone Number \_\_\_\_\_

E Mail \_\_\_\_\_

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

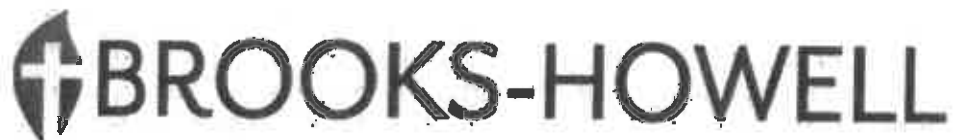
\_\_\_\_\_  
RESIDENT or RESIDENT'S REPRESENTATIVE SIGNATURE

\_\_\_\_\_  
RESIDENT or RESIDENT'S REPRESENTATIVE SIGNATURE

UNITED METHODIST WOMEN

BY: \_\_\_\_\_

# MONTHLY SERVICE FEE AGREEMENT



**266 Merrimon Avenue  
Asheville, NC 28801-1218**

**Telephone (828) 253-6712  
Website <http://www.brooks-howell.org>**

**MONTHLY SERVICE FEE  
AGREEMENT  
AT  
BROOKS-HOWELL HOME  
266 MERRIMON AVENUE  
ASHEVILLE NC 28801-1218**

This is a contract ("Agreement") between UNITED METHODIST WOMEN, a New York not-for-profit corporation, which maintains its principal office at 475 Riverside Drive, New York, New York 10115 and

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(hereinafter referred to as "RESIDENT"), concerning RESIDENT'S entry into Brooks-Howell Home, (hereinafter referred to as "HOME), located at 266 Merrimon Avenue, Asheville, North Carolina, 28801-1218. Where there are two people signing this Agreement as a RESIDENT of HOME, RESIDENT shall apply to both people, unless the context otherwise requires.

In consideration of the promises and mutual covenants and conditions herein contained, UNITED METHODIST WOMEN and RESIDENT agree as follows:

**I. CANCELLATION OF AGREEMENT**

RESIDENT may cancel this contract within thirty days following the latter of 1) the execution of this Agreement or 2) the receipt of the Disclosure Statement that is required under North Carolina law (the "Rescission Period"). In the event RESIDENT cancels this Agreement within the Rescission Period, UNITED METHODIST WOMEN shall repay to RESIDENT any money or property that has been paid to it by RESIDENT other than periodic charges specified in this Agreement and applicable only for the period a living unit was actually occupied by the RESIDENT, those non-standard costs specifically incurred by UNITED METHODIST WOMEN at the request of RESIDENT and described in this Agreement and a service charge of \$500.

RESIDENT is not required to move into Brooks-Howell Home before the expiration of the aforesaid thirty day period.

**II. DEATH OF RESIDENT PRIOR TO OCCUPANCY**

If RESIDENT dies before occupying a living unit in HOME, or if RESIDENT because of illness, injury, or incapacity would be precluded from occupying a living unit in HOME under the terms of this Agreement, this Agreement shall automatically be canceled, and RESIDENT shall receive a full refund of all money or property that has been transferred to UNITED METHODIST WOMEN, less those non-standard costs specifically incurred by UNITED METHODIST WOMEN at the request of RESIDENT and described in this Agreement and a service charge of \$500.

**III. NOTICE OF TERMINATION OF OCCUPANCY**

If after moving to HOME and the expiration of the Rescission Period, RESIDENT should decide to terminate this Agreement and residency at HOME, RESIDENT will



give HOME a minimum of thirty (30) days advance written notice stating the date on which RESIDENT plans to terminate residency. This Agreement, and RESIDENT's obligation to pay the Monthly Service Fee and other charges, shall continue in effect until RESIDENT vacates the accommodation and removes all personal property from the premises or until the end of the thirty (30) day notice period, whichever is later. If RESIDENT permanently vacates the accommodation, HOME reserves the right to remove RESIDENT's personal property from the accommodation and store such personal property, and RESIDENT shall be responsible for the reasonable costs of such removal and storage. Unclaimed personal property will become the property of UNITED METHODIST WOMEN after thirty (30) days, and UNITED METHODIST WOMEN may dispose of such personal property in its sole discretion.

If two RESIDENTS occupy a single accommodation under the terms of this Agreement and one RESIDENT permanently transfers to HOME's healthcare facility or to another healthcare facility, dies or this Agreement terminates as to that RESIDENT, this Agreement shall continue with respect to the remaining RESIDENT, and such RESIDENT shall have the option to remain in the same accommodation or relocate to a smaller accommodation, if available. The remaining RESIDENT shall be responsible for the monthly service charge for one resident associated with the accommodation occupied by such RESIDENT.

#### **IV. FINANCIAL OBLIGATIONS OF RESIDENT**

RESIDENT, in consideration of the services to be provided by UNITED METHODIST WOMEN as is set forth in this Agreement, shall pay to UNITED METHODIST WOMEN the following fees and charges:

A. **Entrance Fee.** RESIDENT is not required to pay any Entrance Fee.

B. **Other Financial Requirements in Addition to Monthly Service Charges.**

RESIDENT shall make full financial provisions for funeral expenses and burial. RESIDENT shall provide for cost of hospital care, medical services, doctor's fees and drugs not covered by Medicare and/or other forms of medical insurance. Medicare will not pay for services rendered by HOME. RESIDENT shall be responsible for the cost of all meals provided by HOME. RESIDENT shall also be responsible for the cost of any nursing care, home care or any other type of health care provided by HOME. The costs for HOME's services are subject to change from time to time upon giving RESIDENT thirty (30) days prior notice.

C. **Monthly Service Charges.** On the first day of each month, Resident shall pay to UNITED METHODIST WOMEN the monthly rate then in effect as set by UNITED METHODIST WOMEN and as may be changed from time to time upon first giving RESIDENT thirty (30) days prior notice ("Monthly Fee"). This monthly charge shall be applied to the RESIDENT, depending upon the status of RESIDENT, as follows:

RESIDENT shall pay 100% of the monthly service charge as set from time to time by UNITED METHODIST WOMEN.

If this Agreement covers a married couple, the foregoing charges are

applicable to each person. If RESIDENT is sharing an apartment or suite with another RESIDENT, the combined monthly service charge shall not exceed the actual monthly cost for the unit. When RESIDENT includes more than one individual, the rights and obligations under this Agreement are joint and several.

**MONTHLY SERVICE CHARGE** \_\_\_\_\_

**D. ACCOMMODATIONS and FEES** \_\_\_\_\_ **2020**

Accommodations		Monthly Rate	Other Fees		
Apartments			<b>Meal Cost</b>	<b>Per Meal</b>	<b>Monthly Meal Plan</b>
1 Bedroom		\$1,586.00	Breakfast	\$5.00	\$130.00
2 Bedroom		\$1,792.00	Lunch	\$8.00	\$200.00
Betha Second Floor Suite			Dinner	\$5.00	\$130.00
With 2 meals		\$1,846.00	Special and Holiday Meals \$15.00		
With 3 meals		\$1,961.00	Independent Living Transportation Fees		
Quad Cottage		\$2,833.00	Shopping	\$5.00 per trip	
Single Home 2 Bedrooms		\$2,884.00	Medical Appointments	\$20.00 per trip	
Terrace Level Apartments		\$2,225.00	Laundry	\$20.00 per month	
Village Cottage		\$2,833.00	Wi-fi Service	\$30.00 per month	
			Guest Rooms	\$80.00 - \$160.00 per night	
			Guest meals		
			Breakfast \$7.50	Lunch \$12.00	Dinner \$7.50
			Children ages 7-12 half price Children under age 6 free		
			Maint/EVS Requests \$15.00 hr. Minimum of \$7.50		
			Additional housekeeping services – varies by service		

**E. HEALTHCARE UNIT:** Brooks-Howell is not licensed for Medicare/Medicaid beds. RESIDENT is not eligible for UNITED METHODIST WOMEN's special rates in HOME's healthcare unit. For those not eligible for UNITED METHODIST WOMEN's special rates in HOME's healthcare unit, payment is by private funds and/or private medical insurance coverage (long-term care insurance). HOME is not obligated to provide RESIDENT a healthcare unit or any services provided in HOME's healthcare units. The provision of a healthcare unit and the services provided in HOME's healthcare units to RESIDENT shall be subject to the prior approval of HOME at HOME's sole discretion, the entering into a separate contract between UNITED METHODIST WOMEN and RESIDENT, RESIDENT meeting his or her obligations under this Agreement and the availability of healthcare unit facilities and services provided by HOME.

Room Rate:

\$260.00 per day

**F. Setting of Periodic Charges and Fees.** The monthly service charges and fees are based primarily on what it costs UNITED METHODIST WOMEN to operate HOME. UNITED METHODIST WOMEN sets the monthly service charges and other fees and costs from time to time and may change these charges and other fees and costs upon giving RESIDENT thirty (30) days' notice.

**G. Adjustment of Monthly Service Charges and Periodic Payments.** All monthly service charges and other periodic payments will be adjusted on a pro rata basis should this Agreement commence other than on the 1<sup>st</sup> day of a month.

**H. Hospitalization and Other Absences from HOME.** In the event of hospitalization or other absence, RESIDENT must pay the regular monthly rate during the period of absence if accommodations are to be held for RESIDENT upon RESIDENT'S return.

**I. Policies Concerning Nonpayment of Fees or Charges** In the event a RESIDENT becomes unable or refuses or fails to pay any monthly service fees, charges or any other fees, costs or charges, UNITED METHODIST WOMEN, after giving RESIDENT written notice of the default and the opportunity to cure the default within thirty (30) days of the giving of the notice, may terminate this Agreement, in which event RESIDENT shall vacate the independent living unit and be entitled to no further services of UNITED METHODIST WOMEN under this Agreement. UNITED METHODIST WOMEN shall be entitled to retain all payments made by RESIDENT.

**V. SERVICES TO BE PROVIDED BY UNITED METHODIST WOMEN**

In consideration of the foregoing payments made by RESIDENT, UNITED METHODIST WOMEN agrees to allow RESIDENT to occupy an independent living unit at HOME for a period of twelve (12) months, so long as RESIDENT meets his/her obligations under this Agreement; provided, however, RESIDENT or UNITED METHODIST WOMEN may terminate this Agreement with or without cause following thirty (30) days prior written notice. HOME is not obligated to provide RESIDENT a healthcare unit or any services provided in HOME's healthcare units. The provision of a healthcare unit and the services provided in HOME's healthcare units to RESIDENT shall be subject to the prior approval of HOME at HOME's sole discretion, the entering into a separate contract between UNITED METHODIST WOMEN and RESIDENT, RESIDENT meeting his or her obligations under this Agreement and the availability of healthcare unit facilities and services provided by HOME. Included in the occupation of a living unit are the following:

- A. **Furnishings in Residence.** UNITED METHODIST WOMEN will provide in all residences wall-to-wall carpeting, vinyl flooring in kitchen and bath(s), refrigerator, stove, oven, cable services, rewiring for telephone service, and other features and fixtures as described in current literature. All other furniture, furnishings, decorations, bed and bath linens, and other personal property will be provided by resident.
- B. **Options and Custom Features in Residence.** UNITED METHODIST WOMEN will provide, and resident may select, certain options and custom features in their residence for an additional charge. The cost of options and custom features selected will be paid by resident at the time of selection and will become part of the Residence and the property of Brooks-Howell. The value of such improvement will not be considered in computing Entrance Fee refunds, unless specifically agreed to in an Addendum to the Agreement. All options and custom features must be approved by Brooks-Howell administration in advance of the changes made.
- C. **Common Areas and Amenities.** Brooks-Howell's existing common areas and amenities are for the use and benefit of all residents and include a central dining room, chapel, library, International Room, aqua-therapy room, mail boxes, several multi-purpose rooms, lounges, activity areas, craft areas, beauty/barber shop, health unit day rooms, dining areas, and other common areas. Any future common areas and amenities will be for the use and benefit of all residents.
- D. **Parking.** UNITED METHODIST WOMEN will provide uncovered, lighted parking areas for residents' personal vehicles.
- E. **Utilities.** UNITED METHODIST WOMEN shall supply the water, heat, air conditioning, and electricity for each living unit. RESIDENT shall be responsible for any costs related to telephone service.
- F. **Meals.** UNITED METHODIST WOMEN will make available three meals a day served in the dining rooms. The cost of meals is not included in RESIDENT's Monthly Fee, and RESIDENT shall be responsible for the cost

of meals provided by HOME. Special diets will be provided only upon the order of RESIDENT's physician and/or Director of Nursing Services. Temporary tray service is available to ill residents who live independently or who have moved to the infirmary from the apartments. This service must be approved through Nursing Service and a nominal charge will be made in addition to the cost of the meal. RESIDENT shall pay for his/her meals at the end of each month, according to the meal rate, established by UNITED METHODIST WOMEN, which rate may be changed from time to time upon thirty (30) days' notice.

- G. Housekeeping Services.** The Monthly Fee includes one-hour housekeeping services weekly and one thorough cleaning annually. Additional housekeeping is available for an extra hourly fee. UNITED METHODIST WOMEN reserves the right to inspect the residence periodically for cleanliness and safety. If resident fails to maintain the residence in a clean, sanitary and orderly condition as determined by UNITED METHODIST WOMEN, then UNITED METHODIST WOMEN reserves the right to clean the residence and, resident shall pay the charges assessed by Brooks-Howell for cleaning the residence.
- H. Grounds.** UNITED METHODIST WOMEN will furnish basic grounds-keeping care including lawn service. Resident at his/her own expense may plant and maintain the area adjacent to his/her residence, subject to the approval of UNITED METHODIST WOMEN. All plants, trees, and shrubs so planted shall immediately become and remain the permanent property of UNITED METHODIST WOMEN.
- I. Maintenance and Repairs.** UNITED METHODIST WOMEN will maintain and repair improvements, furnishings, appliances, and equipment owned by UNITED METHODIST WOMEN. Residents will be responsible for the cost of repairing damage to property of Brooks-Howell caused by them or any of their guests, ordinary wear and tear excepted. Residents will also be responsible for the costs of repairs to his/her personal property.
- J. Transportation.** Individual and group transportation is provided for residents on a regular, scheduled basis for shopping, medical appointments, and activities for an extra fee.
- K. Security.** UNITED METHODIST WOMEN will provide security during night hours, emergency response by trained Brooks-Howell staff, smoke detectors in each residence, a central fire alarm system and an emergency call system.
- L. Activities.** UNITED METHODIST WOMEN will provide social, recreation, spiritual, educational, and cultural activities, arts and crafts; exercise and health programs, and other activities designed to meet residents' interests. Some activities may require an extra fee.
- M. Other Services and Programs at Additional Charge.** Other services and programs will be available to residents at their expense, including, but not

limited to those previously mentioned, beauty and barber services, personal laundry or dry cleaning, special transportation, guest meals, repair of personal property, and other special services performed for resident beyond the normal scope of services offered by UNITED METHODIST WOMEN. The availability and charges for additional services are itemized in UNITED METHODIST WOMEN cost sheets.

- N. **Notice of Change In Scope of Services.** Except for changes required by law, UNITED METHODIST WOMEN will notify resident of any proposed change in the scope of services provided in this Agreement at least thirty (30) days before such change is effective. No change relating to a service included in the Monthly Fee under the terms of this Agreement shall be effective unless (a) consented to by Resident or (b) a reasonable adjustment is made in the Monthly Fee.

## **VI. LIVING QUARTERS**

The independent living unit which RESIDENT is to occupy is unit \_\_\_\_\_ and the floor plan of this unit is diagrammed in the separately attached floor plan.

## **VII. REQUIRED MOVE FROM LIVING UNIT**

If HOME, in consultation with its medical consultants, determines that a RESIDENT needs nursing care or other medical care which RESIDENT cannot obtain in the independent living unit, UNITED METHODIST WOMEN may, but shall not be obligated to, require that RESIDENT vacate the independent living unit and move to a nursing care or other health care facility to be arranged by RESIDENT at RESIDENT'S expense for so long as it is deemed necessary by RESIDENT'S physician or HOME'S medical consultants. Except in emergency situations, no required move will be made without consultation with RESIDENT and, at the option of RESIDENT, RESIDENT'S representative as is designated herein. As HOME is not Medicare/Medicaid certified, RESIDENT will be required to pay all costs incurred for nursing or other care, including, but not limited to, the cost of accommodations, health care and medical services described below, and this Agreement may be terminated for non-payment.

HOME is not obligated to provide RESIDENT a healthcare unit or any services provided in HOME's healthcare units. The provision of a healthcare unit and the services provided in HOME's healthcare units to RESIDENT shall be subject to the prior approval of HOME at HOME's sole discretion, the entering into a separate contract between UNITED METHODIST WOMEN and RESIDENT, RESIDENT meeting his or her obligations under this Agreement and the availability of healthcare unit facilities and services provided by HOME.

First Aid may be performed, up to assisting RESIDENT from floor, bandaging minor breaks in skin, and providing advisement of additional medical follow-up. RESIDENT will hold the professionals responding to the emergency notification harmless for services provided in good faith. RESIDENT will hold UNITED METHODIST WOMEN and HOME harmless for actions taken by its employees and

agents during an emergency response. RESIDENT may use HOME's medical clinic for any routine health concerns and needs. RESIDENT shall be responsible for all costs, fees, charges, and expenses that may apply for usage of HOME's medical clinic, including, but not limited to, supply charges and insurance copays.

#### **VIII. RELIGIOUS AFFILIATION**

UNITED METHODIST WOMEN is one of the Divisions of the denomination known as THE UNITED METHODIST CHURCH, but the UNITED METHODIST WOMEN, and only UNITED METHODIST WOMEN, is legally responsible for the operation of HOME. THE UNITED METHODIST CHURCH is not responsible for the operation of HOME, nor, is any other organization that is affiliated with that church.

#### **IX. PROPERTY RIGHTS OF RESIDENT**

Other than ownership of RESIDENT'S personal property, the RESIDENT has absolutely no property rights in any assets of UNITED METHODIST WOMEN, HOME, or any living unit. UNITED METHODIST WOMEN shall not be responsible for the loss of any property belonging to RESIDENT due to theft, mysterious disappearance, fire, or any other cause. RESIDENT will be responsible for securing personal property insurance.

#### **X. RELATIONSHIP TO BROOKS-HOWELL HOME**

UNITED METHODIST WOMEN is the owner and ultimate operator of HOME. Actions taken by and directions given by BROOKS-HOWELL HOME are to be considered the actions and the directions of UNITED METHODIST WOMEN.

#### **XI. RESIDENT'S CONDUCT**

RESIDENT acknowledges that HOME is the residence of retired persons who have agreed to live in a community setting which requires consideration for the privacy of other residents as well as for their wellbeing and safety. UNITED METHODIST WOMEN may terminate this Agreement in the event the conduct of RESIDENT creates a danger to the life, health, safety or peace of other residents or staff; interferes with the functioning of staff; invades the privacy of other residents or disturbs their peaceful occupation of their living units; or endangers the property of HOME. Termination for any such cause is not to be done lightly and will not be invoked without consultation with RESIDENT and, at the option of RESIDENT, RESIDENT'S REPRESENTATIVE as noted above.

#### **XII. RESIDENT TO ABIDE BY POLICIES**

RESIDENT agrees to abide by all reasonable policies and procedures that are adopted by UNITED METHODIST WOMEN, which may be subject to change from time to time.

#### **XIII. MISCELLANEOUS**

A. Amendment. This Agreement shall not be modified, amended or changed in

any respect except in writing signed by UNITED METHODIST WOMEN and RESIDENT. Each waives any right to amend this Agreement in any other way. Notwithstanding the foregoing, UNITED METHODIST WOMEN may amend this Agreement to ensure compliance with applicable laws and regulations, provided that the changes do not substantially reduce RESIDENT's benefits under this Agreement.

- B. **Assignment**. This Agreement may not be assigned by RESIDENT.
- C. **Indemnity**. RESIDENT agrees to indemnify, defend and hold UNITED METHODIST WOMEN and Home harmless from any and all claims, damages or expenses (including reasonable attorneys' fees and court costs) resulting or arising from any injury or death to persons and/or damages caused by, resulting from or attributable to, directly or indirectly, the act or omission of RESIDENT or RESIDENT's guests, including private duty nurses, companions or others.
- D. **Governing Law**. This Agreement shall be governed by, interpreted, construed and enforced in accordance with the laws of the State of North Carolina, without giving effect to any choice of law or conflict of law rules or provisions that would cause the application of laws or any jurisdiction other than North Carolina.
- E. **Survival**. Those rights and obligations that have accrued under this Agreement shall survive its termination, as shall those rights and obligations that by their terms survive termination and any provisions that must survive to give effect to their terms, as shall any obligation of RESIDENT to pay costs or expenses of his or her residency at Home that remain unpaid as of such termination.
- F. **Entire Agreement**. This Agreement and any addenda, amendment, or exhibits hereto contain the entire agreement of RESIDENT and UNITED METHODIST WOMEN.

#### **XIV. RESIDENT'S REPRESENTATIVE**

RESIDENT hereby designated his/her HEALTH CARE POWER OF ATTORNEY or GENERAL DURABLE POWER OF ATTORNEY to be his/her representative with regard to whether RESIDENT needs nursing care or other medical care which RESIDENT cannot obtain in the independent living unit, requiring that RESIDENT vacate the independent living unit and move to a nursing care or other health care facility and/or the termination of the Agreement.

*[Signature page follows.]*



Name (1) \_\_\_\_\_ (2) \_\_\_\_\_

Address \_\_\_\_\_

Relationship \_\_\_\_\_

Phone Number \_\_\_\_\_

Email \_\_\_\_\_

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

**RESIDENT or RESIDENT'S REPRESENTATIVE**

Present Address \_\_\_\_\_

**UNITED METHODIST WOMEN**

BY: \_\_\_\_\_



# Brooks-Howell Home Home Care Service Agreement

I, \_\_\_\_\_ ("Client"), wish to enter into this Home Care Service Agreement (this "Agreement") with United Methodist Women DBA Brooks-Howell Home, a New York nonprofit corporation ("Provider"), pursuant to which Provider will provide Client with the non-medical and home care services (the "Services") indicated on Schedule I attached hereto at the following location: \_\_\_\_\_.

Client consents to the foregoing and all Services contemplated under this Agreement.

## **SERVICES AND RATES:**

The Services indicated on Schedule I will be provided at the rates provided for therein. Weekend rates apply, as described in Schedule I. Services and rates are subject to change if/when there is a request for care modification, or Provider determines that a Client's Plan of Care requires revisions, or upon thirty (30) days' advance written notice from Provider. In any such circumstances, Provider may update Schedule I to reflect the Services and applicable rates. If requests are made by Client to reduce the 2-hour standard shift to less than 2 hours, a minimum charge of the applicable 2-hour rate will apply. Rates for Services are computed at time and one half of scheduling request with less than 24 hours' notice and designated holidays including: New Year's Eve (after 2 pm), New Year's Day, Easter Sunday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Eve (after 2pm), and Christmas Day. Additional charges may be incurred for *requested* incidental tasks or *required* supplies for appropriate client care, as further described on Schedule I. As used herein, "Plan of Care" means a written plan of care services, including type of service, frequency of service, duration of service and any special considerations, which is developed and approved by Provider and Client.

A deposit of \$ \_\_\_\_\_ (the "Deposit"), equivalent to 2 weeks of Services, is due at the time of signing this Agreement. The Deposit will be refunded following payment of the final invoice under this Agreement. In the event the Services are canceled prior to the start of service, Provider, in its sole discretion, may withhold the Deposit or a portion thereof as reimbursement for Provider's expenses in establishing this Agreement. The Deposit may be increased in the event planned Services exceed the original Deposit calculated at the time of the signing of this Agreement. (Paid by Check # \_\_\_\_\_ Other \_\_\_\_\_)

## **PAYMENT TERMS:**

Provider will bill for Services on the 1<sup>st</sup> and 16<sup>th</sup> of each calendar month. Client agrees to pay Provider fees for the Services provided under this Agreement within ten (10) days from date of billing. Client may not withhold payment for any reason. Client acknowledges and agrees that Client or Client's estate (as applicable) shall be responsible for all fees and expenses incurred in connection with the Services. Client or Client's estate (as applicable) shall be responsible for all fees and expenses, including attorneys' fees and costs, which Provider incurs in connection with collecting any delinquent amounts owed to Provider under this Agreement. Invoices not paid by due date are subject to a \$30.00 late fee. Interest on delinquent balances will be charged at a rate of 1.5% per month. A \$25.00 service charge will apply to all dishonored checks.

All Services invoices will be sent to the mailing address or email address as indicated below. Please indicate preference for receipt of invoices below.

\_\_\_\_\_  
Name Address City State Zip Code

\_\_\_\_\_  
Email Address: \_\_\_\_\_

## **NON-SOLICITATION/SUBSTITUTION:**

Client agrees not to engage or employ any Caregiver while this Agreement is in effect and continuing for a period of one (1) year after the termination of this Agreement, unless Client receives Provider's prior written approval and pays Provider a referral fee equivalent to 3 months of Services provided to Client.

**It is against company policy for Caregivers and clients or their family members to exchange phone numbers or email addresses.** Client agrees not to give any Caregiver gratuities, cash, gifts, or loans without written permission from Provider.

Client understands that Provider may, at its discretion, replace or remove any Caregiver from an assigned Client for any reason. Provider may arrange for a suitable substitute of such Caregiver in order to provide Services.

**CANCELLATION/TERMINATION/SCHEDULING CHANGES:**

If Client wishes to make scheduling changes, interrupt, or terminate the Services provided under this Agreement for any reason, Client agrees to provide Provider with notice as soon as possible. Client agrees to communicate all schedule changes through Provider's business office. If notice of termination, scheduling reductions, or cancellation by Client is received less than twenty-four (24) hours prior to the start of the next scheduled shift, the minimum hours per visit as noted above, or the scheduled shift (whichever is higher) will be billed to Client. Provider may terminate the Services and this Agreement for any reason or for no reason upon forty-eight (48) hours' written notice to Client. Subject to the terms and conditions set forth in this Agreement, Client may terminate the Services and this Agreement for any reason or for no reason upon twenty-four (24) hours' written notice to Provider.

**ADDITIONAL TERMS & CONDITIONS:**

Client fully acknowledges and agrees that Provider: (a) is a provider of non-medical and non-nursing services; (b) is not licensed or insured to perform medical or nursing services; and (c) shall not be liable for any damages or liabilities except such damages as are caused directly by the willful or grossly negligent acts or omissions by Provider or any Caregiver and which result in bodily injury or property damage to Client.

Client understands that Provider will use reasonable efforts to provide uninterrupted Services to Client once scheduled, but cannot guarantee Services at any time. Client agrees to use reasonable efforts to arrange for alternate services in the event Provider is unable to provide Services (referrals will be provided upon request by Client).

Client agrees to provide a safe work environment for Caregivers at all times, free from hazards and conditions that may cause injury or illness to any Caregiver.

Client agrees that Client and his or her representatives shall at all times abide by the rules and regulations of Provider, which may be changed from time to time by Provider.

Provider shall keep all of Client's personal, medical and financial information confidential; provided, however, Client agrees that Provider may disclose such information to those who have a need, in its judgment, or right to know. Client understands that Provider will conduct monthly visits to Client to verify the quality of Services and update the Plan of Care.

Client agrees to indemnify, defend and hold Provider harmless from any and all claims, damages or expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to or in any way connected with Client's acts or omissions or his or her guests or representatives.

If any provision of this Agreement is deemed to be invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law. This Agreement constitutes the entire agreement between Client and Provider regarding the Services and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter herein. This Agreement shall bind and inure to the benefit of the successors and assigns of Provider and the heirs, executors, responsible parties, representatives, powers of attorney, administrators and assigns of Client.

This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina (without giving effect to any choice of law or conflict of law rules or provisions thereof that would cause the application of the laws of any jurisdiction other than the State of North Carolina). Any legal suit, action, or proceeding arising out of or relating to this Agreement, or the transactions contemplated hereby or shall be instituted in the federal courts of the United States of America or the courts of the

State of North Carolina, in each case located in the City of Asheville and County of Buncombe, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. The parties irrevocably and unconditionally waive any objection to venue of any suit, action, or proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS HEREIN.

This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto; provided, however, Provider may update Schedule I from time to time as provided for herein, and Provider may make any changes without Client's consent to comply with applicable laws and regulations.

Client acknowledges that he or she has read and fully understands this entire Agreement and that by signing below, agrees with and accepts all the terms and conditions contained herein. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

\_\_\_\_\_  
Signature of Client or Client's Attorney-in-Fact\* (SEAL)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Provider Representative

\_\_\_\_\_  
Date

\* If Attorney-in-Fact signs on behalf of Client, a Power of Attorney document must be attached to this Agreement.

**Schedule 1 for Brooks- Howell Residents:**

**In-home Aide rate of \$25/hour (2-hour weekly minimum, client may choose to split into 30 minute to 2-hour increments for no additional fee):**

**Duties include hands-on-care in the categories listed below and the following assistance:**

- a. **Assisting with mobility including ambulation, transfers and bed mobility**
- b. **Assisting with bath/shower**
- c. **Assisting with toileting**
- d. **Assisting with dressing**
- e. **Assisting with eating**
- f. **Assisting with continence needs**
- g. **Help with prescribed exercises that have been taught by the health care practitioner**
- h. **Help with self- administration of medications order by a health care practitioner**
- i. **Reporting a changes to the health care practitioner related to a change condition of the client or home situation or needs**
- j. **Assisting clients on medical appointments (no client may be transported by the in-home aide)**

**In-Home aide is the only service line that can provide hands on care to a client. This service line is appropriate for any level of companionship, If the above categories of hands on care could occur during the visit.**

**Companion/Sitter rate of \$25/hour (2-hour weekly minimum, client may choose to split into 30 minute to 2-hour increments for no additional fee):**

**Duties include the following:**

- a. **Preparing meals**
- b. **Light housework**
- c. **Laundry**
- d. **Medications reminders**
- e. **Basic home management tasks**
- f. **Shopping**
- g. **Companionship**
- h. **Socialization**
- i. **Transportation**
- j. **Other home items tasks that do not involve hands on assistance**

**Respite rate of \$25/hour (2-hour weekly minimum, client may choose to split into 30 minute to 2-hour increments for no additional fee):**

**Planned care or emergency care provided to an individual in order to provide temporary relief to the family caregiver in the home.**

A respite care provider cannot perform any hands on duties.

A respite provider cannot do any task that requires training or verification of skills by a Registered Nurse.

Supervision of all staff will occur at a minimum of every 90 days in the client environment and as needed.

Weekend hours are defined as Saturday and Sunday. Weekend hours will begin at 7:00 am Saturday and will end 7:00 am Monday. There is an additional \$2 per hour charge for services on the weekend.

Clients may give input on holiday coverage and weekend coverage. The client determines hours of coverage weekly and the client may assist in determining caregiver preferences and may choose not to replace a caregiver during any absence of a preferred caregiver.

Additional charges will be incurred for supplies.

Requested Weekly Services and rates:

Type of Service	# of hours/week	Weekday Rate	Weekend Rate	Holiday or request less than 24 hours Rate

Total hours/week requested \_\_\_\_\_

Brooks-Howell Clients will be billed monthly instead of bi-monthly with their regular monthly statement.

\_\_\_\_ U.S. Postal Service

Name of Responsible party \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip Code \_\_\_\_\_

**Email address** \_\_\_\_\_

**Signature of Client/Client Representative** \_\_\_\_\_

**Printed Name of Client/Client Representative** \_\_\_\_\_

**Date** \_\_\_\_\_

**Provider Representative** \_\_\_\_\_

**Printed name of Provider Representative** \_\_\_\_\_

**Date** \_\_\_\_\_

**UNITED METHODIST WOMEN**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**



**UNITED METHODIST WOMEN**

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT.....	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities .....	4 - 7
Statements of Functional Expenses.....	8 - 11
Statements of Cash Flows .....	12
Notes to Financial Statements.....	13 - 37



## Independent Auditor's Report

The Board of Directors of  
United Methodist Women  
New York City, New York

We have audited the accompanying financial statements of United Methodist Women ("UMW") (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, 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 audits 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 United Methodist Women as of December 31, 2020 and 2019, 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.

*Crosslin, PLLC*

Nashville, Tennessee  
May 25, 2021

**UNITED METHODIST WOMEN**

## Statements of Financial Position

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ -
Cash and cash equivalents - State of North Carolina operating reserve requirement for Brooks-Howell Home	3,062,000	3,062,000
Receivables:		
Due from conferences	3,551,176	3,382,298
Property sales	132,895	131,257
Other	1,484,042	1,698,771
Inventories and other assets, net	432,535	622,481
Prepaid expenses	192,208	747,993
Investments in debt securities of The United Methodist Development Fund	5,500	5,500
Investments	115,568,238	103,970,346
Land, buildings, and equipment, net	8,925,196	9,296,485
Perpetual trusts held by others	1,778,733	1,665,627
	<u>135,132,523</u>	<u>124,582,758</u>
Total assets	<u>\$ 135,132,523</u>	<u>\$ 124,582,758</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,735,009	\$ 1,763,065
Notes payable	2,278,219	-
Deferred revenue	325,272	513,325
Annuities payable	189,564	198,502
Assets held for others	6,378,468	5,854,032
Accrued postretirement and pension benefit costs	9,982,346	22,091,943
	<u>20,888,878</u>	<u>30,420,867</u>
Total liabilities	<u>20,888,878</u>	<u>30,420,867</u>
Net assets:		
Net assets without donor restrictions	35,799,031	24,364,225
Net assets with donor restrictions	78,444,614	69,797,666
	<u>114,243,645</u>	<u>94,161,891</u>
Total net assets	<u>114,243,645</u>	<u>94,161,891</u>
	<u>\$ 135,132,523</u>	<u>\$ 124,582,758</u>
Total liabilities and net assets	<u>\$ 135,132,523</u>	<u>\$ 124,582,758</u>

See accompanying notes to financial statements.

**UNITED METHODIST WOMEN**

Statement of Activities

Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating Revenues and Support:</b>			
Mission Giving:			
Pledge to Mission	\$ 9,173,898	\$ -	\$ 9,173,898
Special Edition SMR	9,000	-	9,000
Supplementary Giving	65,111	16,561	81,672
Designated Giving	29,007	440,971	469,978
Interest Income:			
Interest Income from Cash Equivalents	21	-	21
Investment Income (Net of Fees)	324,530	994,415	1,318,945
Bequests, Trusts, Other Long-term Gifts	262,894	300,846	563,740
Publications:			
Response Magazine	251,525	-	251,525
PBD/MRC	274,825	-	274,825
Rental and Service Fee Income:			
Resident Service Fees from Brooks-Howell Home	4,990,550	1,748	4,992,298
CCUN	2,206,907	-	2,206,907
Other Income:			
Benefits Trust	856,901	-	856,901
Miscellaneous Other Income	781,069	-	781,069
Net assets released from restrictions	5,393,603	(5,393,603)	-
Total operating revenues and support	<u>24,619,841</u>	<u>(3,639,062)</u>	<u>20,980,779</u>
<b>Operating Expenses:</b>			
Program Services:			
Programs Administered by UMW:			
Transformation	2,241,830	-	2,241,830
Position	269,973	-	269,973
Engage	165,613	-	165,613
Mobilize	278,115	-	278,115
Connectional	483,490	-	483,490
National Mission Institution Property Management:			
Insurance	1,262,159	-	1,262,159
Repairs and Maintenance	(172,443)	-	(172,443)
Mission Education	847,498	-	847,498
Response Magazine	223,458	-	223,458
Mission Resources	1,009,986	-	1,009,986
Christian Social Action	159,698	-	159,698
Deaconess, Home Missioners Office and Network	354,261	-	354,261
Other Programs Administered by UMW	1,179,724	-	1,179,724
Programs Administered by Other Organizations:			
United Methodist Organizations National Mission	1,759,642	-	1,759,642
United Methodist Organizations International Mission	1,349,536	-	1,349,536
Ecumenical Organization	65,128	-	65,128
Social Action Organizations	50,000	-	50,000
Grants from Designated Funds	2,738,711	-	2,738,711

Continued on next page.

**UNITED METHODIST WOMEN**  
Statement of Activities  
Year Ended December 31, 2020

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Program Support:</b>			
Church Center for the United Nations	2,521,048	-	2,521,048
Brooks-Howell Home Retirement Center:			
Retired Deaconess, Missionary Home Operations	4,692,447	-	4,692,447
Retired Deaconess, Missionary Pension and Health Benefits	3,058,113	-	3,058,113
Annuity Fund	20,583	-	20,583
Scarritt-Bennett Center	100,000	-	100,000
Organization-wide Program Support	195,842	-	195,842
Total program services	<u>24,854,412</u>	<u>-</u>	<u>24,854,412</u>
<b>Supporting Services:</b>			
Management and general	4,967,078	-	4,967,078
Fundraising	523,369	-	523,369
Total supporting services	<u>5,490,447</u>	<u>-</u>	<u>5,490,447</u>
Total operating expenses	<u>30,344,859</u>	<u>-</u>	<u>30,344,859</u>
Decrease in net assets from operations	<u>(5,725,018)</u>	<u>(3,639,062)</u>	<u>(9,364,080)</u>
<b>Non-operating Activities:</b>			
Net appreciation in fair value of investments	4,835,944	11,399,476	16,235,420
Net appreciation in perpetual trusts held by others	-	113,106	113,106
Change in postretirement and pension benefit costs	12,109,597	-	12,109,597
Gain on sale of properties	214,283	-	214,283
Endowment and other permanent contributions	-	773,428	773,428
Total non-operating activities	<u>17,159,824</u>	<u>12,286,010</u>	<u>29,445,834</u>
Increase in net assets	11,434,806	8,646,948	20,081,754
Net assets at beginning of year	<u>24,364,225</u>	<u>69,797,666</u>	<u>94,161,891</u>
Net assets at end of year	<u>\$ 35,799,031</u>	<u>\$ 78,444,614</u>	<u>\$ 114,243,645</u>

See accompanying notes to financial statements.

**UNITED METHODIST WOMEN**

Statement of Activities

Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating Revenues and Support:</b>			
Mission Giving:			
Pledge to Mission	\$ 9,959,378	\$ -	\$ 9,959,378
Special Edition SMR	36,377	-	36,377
Supplementary Giving	8,183	12,817	21,000
Designated Giving	37,719	578,230	615,949
Interest Income:			
Interest Income from Cash Equivalents	159	-	159
Investment Income (Net of Fees)	511,665	1,365,703	1,877,368
Bequests, Trusts, Other Long-term Gifts	317,925	584,483	902,408
Publications:			
Response Magazine	294,418	-	294,418
PBD/MRC	484,454	-	484,454
Rental and Service Fee Income:			
Resident Service Fees from Brooks-Howell Home	4,053,121	1,889	4,055,010
CCUN	2,610,613	-	2,610,613
Other Income:			
Benefits Trust	713,388	-	713,388
Miscellaneous Other Income	742,872	-	742,872
Net assets released from restrictions	613,627	(613,627)	-
Total operating revenues and support	<u>20,383,899</u>	<u>1,929,495</u>	<u>22,313,394</u>
<b>Operating Expenses:</b>			
Program Services:			
Programs Administered by UMW:			
Transformation	2,006,989	-	2,006,989
Position	218,523	-	218,523
Engage	363,355	-	363,355
Mobilize	458,252	-	458,252
Connectional	418,029	-	418,029
National Mission Institution Property Management:			
Insurance	1,630,820	-	1,630,820
Repairs and Maintenance	674,084	-	674,084
Mission Education	814,681	-	814,681
Response Magazine	245,726	-	245,726
Mission Resources	1,756,850	-	1,756,850
Christian Social Action	100,872	-	100,872
Deaconess, Home Missioners Office and Network	466,069	-	466,069
Other Programs Administered by UMW	843,838	-	843,838
Programs Administered by Other Organizations:			
United Methodist Organizations National Mission	1,619,566	-	1,619,566
United Methodist Organizations International Mission	1,462,911	-	1,462,911
Ecumenical Organization	31,591	-	31,591
Social Action Organizations	50,000	-	50,000
Grants from Designated Funds	3,253,448	-	3,253,448

Continued on next page.

**UNITED METHODIST WOMEN**

Statement of Activities

Year Ended December 31, 2019

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Program Support:			
Church Center for the United Nations	2,376,128	-	2,376,128
Brooks-Howell Home Retirement Center:			
Retired Deaconess, Missionary Home Operations	4,243,110	-	4,243,110
Retired Deaconess, Missionary Pension and Health Benefits	3,376,700	-	3,376,700
Annuity Fund	22,018	-	22,018
Scarritt-Bennett Center	100,000	-	100,000
Organization-wide Program Support	261,033	-	261,033
Total program services	<u>26,794,593</u>	<u>-</u>	<u>26,794,593</u>
Supporting Services:			
Management and general	5,348,368	-	5,348,368
Fundraising	582,585	-	582,585
Total supporting services	<u>5,930,953</u>	<u>-</u>	<u>5,930,953</u>
Total operating expenses	<u>32,725,546</u>	<u>-</u>	<u>32,725,546</u>
(Decrease) increase in net assets from operations	<u>(12,341,647)</u>	<u>1,929,495</u>	<u>(10,412,152)</u>
Non-operating Activities:			
Net appreciation in fair value of investments	6,217,608	10,373,614	16,591,222
Net appreciation in perpetual trusts held by others	-	227,596	227,596
Change in postretirement and pension benefit costs	(455,783)	-	(455,783)
Gain on sale of properties	376,895	-	376,895
Endowment and other permanent contributions	-	1,298,792	1,298,792
Total non-operating activities	<u>6,138,720</u>	<u>11,900,002</u>	<u>18,038,722</u>
(Decrease) increase in net assets	<u>(6,202,927)</u>	<u>13,829,497</u>	<u>7,626,570</u>
Net assets at beginning of year	<u>30,567,152</u>	<u>55,968,169</u>	<u>86,535,321</u>
Net assets at end of year	<u>\$ 24,364,225</u>	<u>\$ 69,797,666</u>	<u>\$ 94,161,891</u>

See accompanying notes to financial statements.



**UNITED METHODIST WOMEN**  
Statement of Functional Expenses  
Year Ended December 31, 2020

**Program Services**

	<b>Programs Administered by UMW</b>											
	Transformation	Position	Engage	Mobilize	Connectional	National Mission Institution Property Management	Mission Education	Response Magazine	Mission Resources (MR)	Christian Social Action	Deaconesses, Home Missioners Office and Network	Other Programs Administered by UMW
Salaries, wages, and employee benefits	\$ 1,939,818	\$ -	\$ -	\$ -	\$ 481,071	\$ -	\$ 500,479	\$ -	\$ -	\$ -	\$ 190,552	\$ 473,344
Missionary support	-	-	-	-	-	-	-	-	-	-	-	-
Grants and distributions	-	-	-	-	-	(192,576)	-	-	-	-	-	166,820
Program expenses	19,291	-	110,047	234,176	-	18,122	61,501	-	-	129,043	88,329	72,622
Travel expenses	12,268	-	3,128	352	1,019	2,011	2,526	1,995	-	-	4,763	5,820
Meeting expenses	1,506	-	-	-	-	-	-	-	-	-	11,625	-
Promotional materials	-	41,703	-	-	-	-	88,575	-	851,788	-	277	4,206
Consulting and contractual services	-	204,770	52,438	43,587	-	-	88,280	51,367	-	-	24,168	147,231
Insurance paid by UMW	-	-	-	-	-	1,262,159	-	-	-	-	-	-
Equipment, repair and leasing	-	-	-	-	-	-	1,065	-	-	-	373	-
Rent and maintenance	268,947	-	-	-	-	-	104,591	-	-	30,655	29,883	279,316
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	2,974	-	-	-	21,104
Office and other expenses	-	23,500	-	-	1,400	-	481	162,703	(61,445)	-	-	2,379
Audit and legal fees	-	-	-	-	-	-	-	-	-	-	2,875	-
Miscellaneous	-	-	-	-	-	-	-	4,419	219,643	-	1,416	6,882
<b>Total</b>	<b>\$ 2,241,830</b>	<b>\$ 269,973</b>	<b>\$ 165,613</b>	<b>\$ 278,115</b>	<b>\$ 483,490</b>	<b>\$ 1,089,716</b>	<b>\$ 847,498</b>	<b>\$ 223,458</b>	<b>\$ 1,009,986</b>	<b>\$ 159,698</b>	<b>\$ 354,261</b>	<b>\$ 1,179,724</b>

Continued on next page.

**UNITED METHODIST WOMEN**  
Statement of Functional Expenses  
Year Ended December 31, 2020

<b>Program Services</b>											
<b>Programs Administered by Other Organizations</b>				<b>Program Support</b>					<b>Supporting Services</b>		
United Methodist Organizations National and International	Ecumenical Organization	Social Action Organizations	Grants From Designated Funds	Church Center for the United Nations	Brooks- Howell Home Retirement Center	Annuity Fund	Scarritt Bennett Center	Organization- wide Program Support	Management and General	Fundraising	Total
\$ 498,657	\$ -	\$ -	\$ 183,005	\$ 968,870	\$ -	\$ -	\$ -	\$ -	\$ 3,348,048	\$ 437,280	\$ 9,021,124
517,454	-	-	-	-	7,368,845	-	-	-	-	-	7,886,299
1,736,408	-	50,000	1,862,352	-	-	-	100,000	-	-	-	3,723,004
225,253	-	-	112,395	-	-	-	-	-	23,019	-	1,093,798
(1,199)	9,418	-	-	-	-	-	-	40,291	18,768	6,017	107,177
-	-	-	-	-	-	-	-	138,213	-	-	151,344
12,470	-	-	-	-	-	-	-	-	570	466	1,000,055
-	5,874	-	13,631	-	-	-	-	-	2,372	-	633,718
-	-	-	-	88,054	-	-	-	-	-	-	1,350,213
-	-	-	-	73,790	-	-	-	-	708,839	-	784,067
119,533	48,439	-	-	458,240	-	-	-	14,942	394,539	59,766	1,808,851
-	-	-	567,328	124,686	381,715	-	-	-	2,342	-	1,076,071
-	-	-	-	277,435	-	-	-	-	73,039	-	374,552
-	-	-	-	97,586	-	-	-	-	2,145	18,770	247,519
-	-	-	-	17,469	-	-	-	-	268,491	-	288,835
602	1,397	-	-	414,918	-	20,583	-	2,396	124,906	1,070	798,232
<u>\$ 3,109,178</u>	<u>\$ 65,128</u>	<u>\$ 50,000</u>	<u>\$ 2,738,711</u>	<u>\$ 2,521,048</u>	<u>\$ 7,750,560</u>	<u>\$ 20,583</u>	<u>\$ 100,000</u>	<u>\$ 195,842</u>	<u>\$ 4,967,078</u>	<u>\$ 523,369</u>	<u>\$ 30,344,859</u>

See accompanying notes to financial statements.

**UNITED METHODIST WOMEN**  
Statement of Functional Expenses  
Year Ended December 31, 2019

**Program Services**

	<b>Programs Administered by UMW</b>											
	Transformation	Position	Engage	Mobilize	Connectional	National Mission Institution Property Management	Mission Education	Response Magazine	Mission Resources (MR)	Christian Social Action	Deaconesses, Home Missioners Office and Network	Other Programs Administered by UMW
Salaries, wages, and employee benefits	\$ 1,738,985	\$ -	\$ -	\$ -	\$ 401,917	\$ -	\$ 583,731	\$ -	\$ -	\$ -	\$ 206,804	\$ 333,617
Missionary support	-	-	-	-	-	-	-	-	-	-	-	-
Grants and distributions	-	-	-	-	-	424,921	-	-	-	-	-	-
Program expenses	-	-	304,670	406,678	-	249,163	29,898	-	-	87,792	158,592	57,269
Travel expenses	42,818	-	17,566	10,760	13,713	-	12,913	9,686	-	-	12,468	6,142
Meeting expenses	3,160	-	-	-	-	-	-	-	-	-	15,378	554
Promotional materials	-	17,048	-	-	(850)	-	34,915	-	1,609,804	-	9,265	703
Consulting and contractual services	-	185,771	23,203	40,814	-	-	61,893	58,863	-	-	30,065	157,861
Insurance paid by UMW	-	-	-	-	-	1,630,820	-	-	-	-	-	-
Equipment, repair and leasing	-	-	-	-	-	-	1,557	-	-	-	639	-
Rent and maintenance	222,026	-	-	-	-	-	88,810	-	-	13,080	29,603	278,936
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	6,822	-	-	-	1,716
Office and other expenses	-	15,704	17,916	-	3,249	-	964	165,749	(100,096)	-	-	385
Audit and legal fees	-	-	-	-	-	-	-	-	-	-	2,000	-
Miscellaneous	-	-	-	-	-	-	-	4,606	247,142	-	1,255	6,655
<b>Total</b>	<b>\$ 2,006,989</b>	<b>\$ 218,523</b>	<b>\$ 363,355</b>	<b>\$ 458,252</b>	<b>\$ 418,029</b>	<b>\$ 2,304,904</b>	<b>\$ 814,681</b>	<b>\$ 245,726</b>	<b>\$ 1,756,850</b>	<b>\$ 100,872</b>	<b>\$ 466,069</b>	<b>\$ 843,838</b>

Continued on next page.

**UNITED METHODIST WOMEN**  
Statement of Functional Expenses  
Year Ended December 31, 2019

<b>Program Services</b>												
<b>Programs Administered by Other Organizations</b>				<b>Program Support</b>					<b>Supporting Services</b>			
United Methodist Organizations National and International	Ecumenical Organization	Social Action Organizations	Grants From Designated Funds	Church Center for the United Nations	Brooks- Howell Home Retirement Center	Annuity Fund	Scarritt Bennett Center	Organization- wide Program Support	Management and General	Fundraising	Total	
\$ 270,145	\$ -	\$ -	\$ 551,897	\$ 1,029,142	\$ -	\$ -	\$ -	\$ -	\$ 3,614,262	\$ 403,672	\$ 9,134,172	
777,795	-	-	-	-	7,131,029	-	-	-	-	-	7,908,824	
1,794,122	-	50,000	2,125,598	-	-	-	100,000	-	-	-	4,494,641	
84,252	-	-	22,281	-	-	-	-	-	30,623	(217)	1,431,001	
22,115	764	-	-	-	-	-	-	81,420	66,157	55,769	352,291	
-	-	-	-	-	-	-	-	164,811	4,550	-	188,453	
15,100	-	-	-	-	-	-	-	-	187	4,000	1,690,172	
-	7,322	-	13,831	-	-	-	-	-	9,091	-	588,714	
-	5,466	-	-	79,013	-	-	-	-	6,060	-	1,721,359	
-	-	-	-	65,887	-	-	-	-	645,866	-	713,949	
118,414	17,960	-	-	331,560	-	-	-	14,802	425,485	59,207	1,599,883	
-	-	-	539,841	124,687	459,188	-	-	-	2,342	-	1,126,058	
-	-	-	-	209,428	-	-	-	-	86,809	-	304,775	
-	-	-	-	99,765	-	-	-	-	18,398	59,115	281,149	
-	-	-	-	14,788	-	-	-	-	348,058	-	364,846	
534	79	-	-	421,858	29,593	22,018	-	-	90,480	1,039	825,259	
<u>\$ 3,082,477</u>	<u>\$ 31,591</u>	<u>\$ 50,000</u>	<u>\$ 3,253,448</u>	<u>\$ 2,376,128</u>	<u>\$ 7,619,810</u>	<u>\$ 22,018</u>	<u>\$ 100,000</u>	<u>\$ 261,033</u>	<u>\$ 5,348,368</u>	<u>\$ 582,585</u>	<u>\$ 32,725,546</u>	

See accompanying notes to financial statements.

**UNITED METHODIST WOMEN**  
 Statements of Cash Flows  
 Years Ended December 31, 2020 and 2019

	<b>2020</b>	<b>2019</b>
Cash flows from operating activities:		
Increase in net assets	\$ 20,081,754	\$ 7,626,570
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation	1,076,071	1,126,058
Gain on sale of properties	(214,283)	(376,895)
Net appreciation in fair value of investments	(16,235,420)	(16,591,222)
Net appreciation in perpetual trusts held by others	(113,106)	(227,596)
Contributions and investment return restricted for long-term investment	(773,428)	(1,298,792)
Actuarial loss (gain) on annuity obligations	13,968	(5,705)
Change in receivables	44,213	376,344
Change in inventories and other assets	189,946	415,779
Change in prepaid expenses	555,785	(68,961)
Change in accounts payable and accrued expenses	(28,056)	759,406
Change in deferred revenue	(188,053)	(210,436)
Change in assets held for others	524,436	545,256
Change in accrued postretirement and pension benefit costs	(12,109,597)	455,783
Net cash used in operating activities	(7,175,770)	(7,474,411)
Cash flows from investing activities:		
Proceeds from sale of properties	214,283	376,895
Purchases of equipment and improvements	(704,782)	(429,738)
Proceeds from sales of investments	7,527,064	88,389,986
Purchases of investments	(2,889,536)	(82,910,104)
Net cash provided by investing activities	4,147,029	5,427,039
Cash flows from financing activities:		
Contributions and investment return restricted for long-term investment	773,428	1,298,792
Proceeds from issuance of long-term debt	2,278,219	-
Payments of annuity obligations	(22,906)	(23,858)
Net cash provided by financing activities	3,028,741	1,274,934
Net decrease in cash and cash equivalents	-	(772,438)
Cash and cash equivalents at beginning of year	3,062,000	3,834,438
Cash and cash equivalents at end of year	\$ 3,062,000	\$ 3,062,000

See accompanying notes to financial statements.

# UNITED METHODIST WOMEN

## Notes to Financial Statements

December 31, 2020 and 2019

### (1) Nature of Organization

United Methodist Women (“UMW”), is a tax-exempt, not-for-profit organization, affiliated with The United Methodist Church (the “Church”). UMW previously operated as the Women’s Division of the General Board of Global Ministries of The United Methodist Church.

UMW relates to United Methodist women jurisdictions, conferences, districts, and local units in interpreting the purpose of the United Methodist Women by advocating for the oppressed and dispossessed, especially women, children, and youth. It works to build a supportive community among women and engages in activities, which foster growth in the Christian faith, mission education, and Christian social involvement throughout the Church.

Funding for UMW’s operations is principally pledged by United Methodist women in local churches through undesignated and designated gifts, and channeled to UMW via the districts and conferences. Contributions received from United Methodist Women conferences accounted for approximately 46% and 48% of total operating revenue of UMW in 2020 and 2019, respectively. In addition to appropriating the funds of United Methodist Women, UMW operates the following program areas: Church Center for the United Nations (“CCUN”) building, a non-profit providing office space for religious and charitable groups working on issues related to the United Nations; UMW Mission Resources (“MR”), a handling and distribution program for the distribution of UMW’s media resources and *Response* magazine, the official publication of United Methodist Women; and Brooks-Howell Home (“BHH”), a retirement facility in Asheville, North Carolina, for UMW’s retired missionaries and deaconesses.

### (2) Summary of Significant Accounting Policies

#### (a) Basis of Accounting

The financial statements of UMW are prepared on the accrual basis of accounting. UMW considers the net appreciation or depreciation in fair value of investments, endowment contributions, perpetual trust contributions and change in value, property sale gains, and nonrecurring transactions to be nonoperating activities.

#### (b) Principles of Presentation

The financial statements present the financial position, changes in net assets, and cash flows of UMW and its controlled affiliates and operating divisions: CCUN, MR, and BHH. All significant intercompany accounts and transactions have been eliminated.

#### (c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturity dates of 90 days or less that are readily convertible to known amounts of cash, except for short-term investments held by UMW’s investment manager as part of a long-term investment strategy.

## UNITED METHODIST WOMEN

### Notes to Financial Statements

December 31, 2020 and 2019

#### (2) Summary of Significant Accounting Policies - Continued

##### *(d) Investments*

Securities purchased for investments and those received as gifts are carried at fair value. Except for certain investments in United Methodist Foundation of Western North Carolina, Inc. (the "Foundation") and the Funds of Wespath Benefits and Investments ("Wespath"), fair value is based upon quoted market prices. Investments in funds of the Foundation are stated at fair value, as determined by management of the Foundation, based on unitized market value of the fund portfolio. Investments in Wespath's Funds are stated at fair value primarily based on unitized market value of the respective fund portfolios. As of December 31, 2020, Wespath's Multiple Asset Fund is a composite of U.S. equity funds (35.8%), fixed income funds (33.0%), international equity funds (30.8%), alternatives (0.3%), and multiple asset fund cash (0.1%).

##### *(e) Inventories*

Inventories consist primarily of publications and are valued at the lower of cost or net realizable value, with cost determined principally on the first-in, first-out basis. Inventories are presented net of an allowance for obsolescence of \$34,262 and \$40,098 at December 31, 2020 and 2019, respectively.

##### *(f) Land, Buildings and Equipment*

Land, buildings, and equipment are recorded at the cost of acquisition, if purchased, or at fair value at the date of gift. It is UMW's policy to capitalize expenditures for equipment in excess of \$2,500; purchases, which do not exceed this amount, are expensed as incurred. Buildings, building improvements, and equipment are depreciated on a straight-line basis over their estimated useful lives of 30, 20, and 5 years, respectively.

UMW has granted use of certain properties (land and buildings) to related church organizations under leasing or other arrangements and, accordingly, these properties are not reflected in the accompanying financial statements. These arrangements may call for nominal payments and are typically renewed so long as the grantee continues to carry out the stated programs. The carrying value of such properties was reflected as program expenditure at the time the arrangements for indefinite use of the properties were made.

Renovation, repair and maintenance, and insurance costs incurred by UMW for such properties are recorded as program expenses in the accompanying financial statements. Such costs amounted to approximately \$1,090,000 and \$2,305,000 in 2020 and 2019, respectively.

# UNITED METHODIST WOMEN

## Notes to Financial Statements

December 31, 2020 and 2019

### (2) Summary of Significant Accounting Policies - Continued

#### *(g) Contributions and Bequests*

Contributions are recognized as revenue when received. Unconditional promises to give cash and other assets to UMW are reported at fair value at the date the promise is received. UMW reports contributions of cash and other assets as restricted support, if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period as received are reflected as contributions without donor restrictions in the accompanying financial statements. Contributions received on behalf of a specified beneficiary are recorded as a liability to the specified beneficiary concurrent with recognition of the assets received from the donor.

#### *(h) Revenue Recognition*

##### *Rental and Service Fee Income*

Resident service fees from BHH are reported at the amount that reflects consideration to which UMW expects to be entitled in exchange for providing rent, room charges, and related services. Rental income related to CCUN is reported at the amount that reflects consideration to which UMW expects to be entitled in exchange from providing rental space and related services in the CCUN building. Generally, rental charges are due at the beginning of each month. Revenue is recognized as the performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by BHH (resident services fees) and UMW (CCUN rental income). Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected or actual charges.

##### *Entrance Fees*

In its operation of BHH, UMW may collect certain entrance fees upon admittance of a resident. When material, such entrance fees are included in liabilities when received and amortized over the expected life of the resident. Entrance fees for fiscal year 2020 and 2019, totaled \$0- and \$14,000, respectively.



## UNITED METHODIST WOMEN

Notes to Financial Statements

December 31, 2020 and 2019

### (2) Summary of Significant Accounting Policies - Continued

#### (i) Net Assets

For reporting purposes, UMW's financial statements have been prepared to focus on the organization as a whole. Resources are classified into two net asset categories based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of UMW and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets that are not subject to donor imposed restrictions and may be expended for any purpose in performing the primary objectives of UMW. Net assets without donor restrictions represent resources over which the Board of Directors has full discretion with respect to use. The Board of Directors has designated certain net assets without donor restrictions for programs, retirement benefits, and to function as endowment (See Notes 9, 10, and 14).

*Net Assets With Donor Restrictions* - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of UMW or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity, but may permit UMW to use or expend part or all of the income derived from the donated assets.

Support is reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. New York State law (substantially in conformity with The Uniform Prudent Management of Institutional Funds Act) authorizes expenditures of appreciation (both realized and unrealized) in the value of endowment funds subject to a standard of business care and prudence. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donors or state law. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

In the event a donor makes changes to the nature of a restricted gift which affects its classification among the net asset categories, such amounts are reflected as reclassifications in the statements of activities.

## UNITED METHODIST WOMEN

Notes to Financial Statements

December 31, 2020 and 2019

### (2) Summary of Significant Accounting Policies - Continued

#### *(j) Federal Income Tax Exemption*

UMW is covered under the General Council on Finance and Administration's ("GCFA") group determination letter from the Internal Revenue Service indicating that it is a nonprofit corporation and, except for taxes pertaining to unrelated business income, is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. UMW believes it had no unrelated business income during the years ended December 31, 2020 and 2019.

UMW accounts for the effect of any uncertain tax positions based on a more likely than not threshold to the recognition of the tax position being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. Tax positions for UMW include, but are not limited to, the tax-exempt status and determination of whether income is subject to unrelated business income tax; however, UMW has determined that such tax positions do not result in an uncertainty requiring recognition.

#### *(k) Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and judgments 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.

#### *(l) Financial Instruments and Fair Value Measurements*

Assets recorded at fair value in the statements of financial position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs, as defined by Financial Accounting Standards Board Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, are as follows:

Level 1 - Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the UMW's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

## UNITED METHODIST WOMEN

### Notes to Financial Statements

December 31, 2020 and 2019

#### (2) Summary of Significant Accounting Policies - Continued

##### *(m) Functional Allocation of Expenses*

Costs of providing UMW's ministries, programs, and services are summarized and reported on a functional basis. Program services expenses include costs directly associated with the program and other indirect costs determined to benefit that program. These costs have been allocated between program and supporting services based on estimates made by management.

##### *(n) Reclassifications*

Certain 2019 amounts have been reclassified to conform with the 2020 presentation. These reclassifications had no effect on the reported change in net assets for 2019.

#### (3) Liquidity and Availability of Resources

The table below represents financial assets available for general expenditures within one year at December 31, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ -	\$ -
Cash and cash equivalents - State of North Carolina operating reserve requirement for Brooks Howell Home	3,062,000	3,062,000
Receivables	5,168,113	5,212,326
Investments in debt securities of The United Methodist Development Fund	5,500	5,500
Investments	115,568,238	103,970,346
Perpetual trusts held by others	<u>1,778,733</u>	<u>1,665,627</u>
Total financial assets	<u>125,582,584</u>	<u>113,915,799</u>
Less amounts not available to be used for general expenditures within one year:		
Cash and cash equivalents - State of North Carolina operating reserve requirement for Brooks-Howell Home	3,062,000	3,062,000
Perpetual trusts held by others	1,778,733	1,665,627
Assets held for others	6,378,468	5,854,032
Board designated funds	35,799,031	24,364,225
Subject to purpose restrictions	57,207,174	49,448,508
Donor restricted funds held in perpetuity	<u>21,237,440</u>	<u>20,349,158</u>
Financial assets not available to be used within one year	<u>125,462,846</u>	<u>104,743,550</u>
Financial assets available to meet general expenditures within one year	<u>\$ 119,738</u>	<u>\$ 9,172,249</u>

# UNITED METHODIST WOMEN

## Notes to Financial Statements

December 31, 2020 and 2019

### (3) Liquidity and Availability of Resources - Continued

As noted in Note 12, UMW is the provider for the operations of BHH, a retirement facility in Asheville, North Carolina. UMW must maintain an operating reserve requirement for BHH; therefore, the cash and cash equivalents set aside for this operating reserve requirement are not available for general expenditure. UMW is the beneficiary of various perpetual trusts created by donors, the assets of which are not in the possession of UMW. UMW has legally enforceable rights or claims to such assets including the right to income therefrom. UMW has recorded the asset and recognized contribution revenue with donor restrictions at the fair value of its beneficial interest in the perpetual trust assets. Distributions received on the perpetual trust assets are recorded as investment income in the statements of activities unless otherwise restricted by the donor. Subsequent changes in fair value of the perpetual trusts held by others are recorded as net unrealized gains or losses on perpetual trusts held by others in the net assets with donor restrictions classification. UMW receives significant support through restricted and unrestricted contributions and must maintain sufficient resources to meet responsibilities to its donors; therefore, these assets are limited to use for donor-restricted purposes.

Additionally, UMW maintains certain other board designated assets that are designated for specific purposes. These assets are limited to use, which are more fully described in Note 9 and are not available for general expenditures within the next year. However, the board-designated amounts could be made available, if necessary. UMW has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

### (4) Related Parties

UMW is affiliated with the Scarritt-Bennett Center (the "Center"), a conference, retreat, and educational center in Nashville, Tennessee. UMW appoints certain members of the Center's Board and the Center operates on property, title to which is held by UMW. UMW retains sole ownership of the property, including the rights to sell and shares interest in the proceeds from the sale of property with GCFA. In March 2017, the UMW Board of Directors designated funds totaling \$5,000,000 for the Center's property reinvestment (see Note 14). As of December 31, 2020, UMW has approved and paid the Center \$3,644,466 in property reinvestment grants. The remaining board designated funds for the Center's property reinvestment is \$1,355,534 as of December 31, 2020. Additionally, in both 2020 and 2019, UMW provided the Center with financial support of \$100,000, in addition to the rent-free use of the facilities.

### (5) Land, Buildings, and Equipment

Land, buildings, and equipment consist of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Land, buildings and improvements	\$ 15,525,802	\$ 14,976,070
Equipment	<u>5,648,740</u>	<u>5,493,690</u>
	21,174,542	20,469,760
Accumulated depreciation	<u>(12,249,346)</u>	<u>(11,173,275)</u>
Land, buildings, and equipment, net	<u>\$ 8,925,196</u>	<u>\$ 9,296,485</u>

**UNITED METHODIST WOMEN**

Notes to Financial Statements

December 31, 2020 and 2019

**(6) Investments**

At December 31, 2020 and 2019, the cost and fair value of investments are as follows:

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Short-term securities	\$ 231,677	\$ 231,812	\$ 237,513	\$ 237,625
Marketable equity securities	451,470	451,470	248,366	248,366
Wespath:				
International Equities Fund	5,463,763	8,301,717	5,830,456	7,297,459
U.S. Equities Fund	11,108,829	18,313,039	12,463,375	16,145,754
Fixed Income Fund	10,271,005	12,200,461	11,572,347	12,713,144
Equity Social Values Fund	1,873,898	2,955,794	1,873,898	2,527,536
Inflation Protection Fund	3,423,670	3,949,009	3,624,745	3,926,822
Multiple Asset Fund	42,371,135	68,911,978	44,067,445	60,402,188
Pooled investment funds	<u>658,831</u>	<u>658,831</u>	<u>625,556</u>	<u>625,556</u>
Sub-total investments	<u>\$75,854,278</u>	<u>\$ 115,974,111</u>	<u>\$80,543,701</u>	<u>\$ 104,124,450</u>
Less: Amount needed to cover the State of North Carolina operating reserve requirement for Brooks- Howell Home (Note 12)		<u>( 405,873)</u>		<u>( 154,104)</u>
Total investments		<u>\$ 115,568,238</u>		<u>\$ 103,970,346</u>

Investments in international common stocks represent investments in stocks of international companies located primarily in Japan, United Kingdom, France, the Netherlands, and Germany. Such investments are subject to foreign currency risk as well as market risk.

Investments, at fair value, include \$18,961,146 and \$18,512,638 at December 31, 2020 and 2019, respectively, designated for UMW's retirement fund (See Notes 7 and 8).

**UNITED METHODIST WOMEN**

Notes to Financial Statements

December 31, 2020 and 2019

**(6) Investments - Continued**

Investment return for the years ended December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ <u>1,321,473</u>	\$ <u>1,880,076</u>
Net appreciation in fair value of investments:		
Realized gains on investments	1,717,390	21,849,214
Increase (decrease) in accumulated unrealized gains on investments	<u>14,996,645</u>	<u>( 4,684,638)</u>
Net appreciation in fair value of investments	<u>16,714,635</u>	<u>17,164,576</u>
Total return on investments	18,035,508	19,044,652
Investment management expenses	<u>( 2,528)</u>	<u>( 2,708)</u>
Return on investments, net	<u>\$ 18,032,980</u>	<u>\$ 19,041,944</u>

**(7) Retirement Benefits**

**(a) Retirement Benefits Fund**

UMW administers all pension plans (the "Plans") for retired deaconesses and missionaries of UMW and its predecessor organizations. These Plans are closed to new participants. With respect to pension funds in existence prior to unification of UMW (for which all participants are currently retired and receiving a pension), UMW maintains a separate retirement fund. The assets designated for retirement benefits are included in UMW's statements of financial position, principally relating to investments (See Note 6), as well as the assets of Brooks-Howell Home. The benefit obligation is included in accrued postretirement and pension benefit costs in statements of financial position. The difference of the assets designated for retirement benefits and the accrued postretirement and pension benefit costs is reported as unrestricted net assets designated for retirement benefits of missionaries and deaconesses (see below and Note 8). Missionary benefits expense in the accompanying statements of activities includes benefits paid under the pension plan plus the increase (decrease) in the actuarially calculated benefit obligation of the pension plan.

**UNITED METHODIST WOMEN**

Notes to Financial Statements

December 31, 2020 and 2019

**(7) Retirement Benefits - Continued**

**(a) Retirement Benefits Fund - Continued**

The annual benefit level (per year of pension credit service) was \$621 and \$603 for the 2020 and 2019 actuarial valuations, respectively. The actuarial method is the Projected Unit Credit Method for both 2020 and 2019. The following are significant actuarial assumptions used in the valuations:

	<u>2020</u>	<u>2019</u>
Discount rate	1.59%	2.59%
Mortality	Pri-2012 (MP-2020)	Pri-2012 (MP-2019)
Annual benefit increases	3.00% pre 2022 2.00% post 2021	3.00% pre 2022 2.00% post 2021

Changes in assumptions used in the 2020 calculation were made to better reflect current market conditions, future anticipated mortality improvements, and revised planned benefit increases by the plan sponsor.

Participant data as of December 31 is summarized below:

	<u>2020</u>	<u>2019</u>
<b>Number of Participants</b>		
Active	-	1
Separated vested	1	6
Retirees	<u>87</u>	<u>88</u>
Total	<u>88</u>	<u>95</u>

The following table sets forth financial information about the plan as of and for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
<b>Missionary and Deaconess Pension</b>		
Projected benefit obligation, beginning of year	\$(6,768,821)	\$(7,152,394)
Service cost	( 6,423)	( 10,880)
Interest cost	( 171,112)	( 251,641)
Actuarial gain	( 552,597)	( 316,637)
Benefits paid	<u>914,845</u>	<u>962,731</u>
Projected benefit obligation, end of year	<u>\$(6,584,108)</u>	<u>\$(6,768,821)</u>

## UNITED METHODIST WOMEN

Notes to Financial Statements

December 31, 2020 and 2019

### (7) Retirement Benefits - Continued

#### (a) Retirement Benefits Fund - Continued

Estimated future benefit cash flows for the next five years and thereafter are as follows:

<u>Year</u>	<u>Projected Benefits</u>
2021	\$ 856,360
2022	772,218
2023	693,533
2024	620,540
2025	553,309
2026 - 2030	1,950,531

#### (b) Employee Benefits

Full-time laypersons and clergy employed by UMW participate in the Retirement Plan for General Agencies (“RPGA”). This defined contribution plan is administered by Wespath.

UMW makes semi-monthly contributions to each eligible employee’s account held by Wespath based on 8% of annual employee compensation. Additionally, UMW matches up to 2% of each employee’s contribution to their United Methodist Personal Investment Plan (“UMPIP”). Total contributions made by UMW for both components during 2020 and 2019 were \$611,074 and \$671,573, respectively.

UMW, through Brooks-Howell Home, also participates in the Cumulative Pension and Benefit Fund, which is administered by Wespath. All eligible employees of Brooks-Howell Home with more than two years of service participate in the plan. No employee contributions are required; however, voluntary employee contributions may be made. UMW pays 5% of eligible compensation into the plan with an additional 2% matching contribution. During the years ended December 31, 2020 and 2019, UMW made contributions of \$107,321 and \$81,929, respectively.

### (8) Health, Life and Other Employee Benefits

UMW provides health, life, and other employee benefits for its active employees and health, dental, and life benefits to retirees through a group plan, which qualifies for treatment as a multiemployer plan under ASC 715, *Compensation - Retirement Benefits*. Substantially all retired employees are eligible to participate in the plan if they have attained normal retirement age while in the employ of UMW.



## UNITED METHODIST WOMEN

### Notes to Financial Statements

December 31, 2020 and 2019

#### (8) Health, Life and Other Employee Benefits - Continued

The General Agencies of The United Methodist Church Benefit Plan (the “Plan”) provides medical, dental, life, and long and short-term disability defined benefits to participants of the General Agencies. The Plan’s unfunded accumulated postretirement benefit obligation was \$71,430,000 and \$76,700,000 and the Plan’s unfunded expected postretirement benefit obligation was \$100,140,000 and \$106,700,000 as of December 31, 2020 and 2019, respectively.

UMW’s active employees are covered by the Plan. The total cost of benefits for active employees was \$1,150,000 and \$639,000 in 2020 and 2019, respectively, exclusive of reimbursement from the General Agency Benefit Trust (the “Benefit Trust”).

Wespath has transferred certain excess pension assets to the Benefit Trust established by the 1996 General Conference as of December 31, 1996. Annually, the Benefit Trust allows a stated percentage, of 6% for both 2020 and 2019, of the fair market value of Benefit Trust assets at year-end to be available for distribution in the subsequent year in order to reimburse the participating agencies for their funding of active and retiree employee benefits. UMW received distributions from the Benefit Trust through GCFA. The 2012 General Conference established UMW as a separate legal entity, and therefore, UMW may no longer be entitled to receive a distribution from the Benefit Trust. Distributions were discontinued to UMW in February 2017; however, UMW filed a request for reconsideration with GCFA to be reinstated as a beneficiary of the proceeds from the Benefit Trust, which was approved during 2017. Distributions received by UMW, from GCFA, totaled \$856,901 and \$713,388 for 2020 and 2019, respectively.

UMW also sponsors an unfunded noncontributory postretirement welfare plan that covers all retired missionaries and deaconesses, with a minimum service requirement of five years, for their respective lifetime. This Plan is closed to new participants. As of December 31, 2020 and 2019, there were 52 and 86 participants, respectively, receiving benefits. Plan benefits include the following:

- Reimbursements for medical and dental care, medically related travel, Medicare premiums, and expenses for special medical care assistance. The level of benefits is based on the employee’s years of service: 25% reimbursement for retirees with five years of service, increasing proportionately to a level of 100% for retirees with 20 years of service and over.
- Medical and retirement home care provided through Brooks-Howell Home for retirees with a minimum of 15 years of service. Benefits provided are based on a shared-cost formula.

**UNITED METHODIST WOMEN**

Notes to Financial Statements

December 31, 2020 and 2019

**(8) Health, Life and Other Employee Benefits - Continued**

The following table sets forth financial information about the plan as of and for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Projected benefit obligation, beginning of year	\$(15,323,122)	\$(14,483,766)
Interest cost	( 392,422)	( 537,680)
Plan amendments	10,291,709	-
Actuarial loss	( 251,394)	( 2,427,758)
Benefits paid	<u>2,276,991</u>	<u>2,126,082</u>
Projected benefit obligation, end of year	<u><u>\$( 3,398,238)</u></u>	<u><u>\$(15,323,122)</u></u>

The following table sets forth financial information breakdown between the Medical Plan and the Retirement Home Plan as of December 31, 2020 and 2019:

	<u>Medical Plan</u>	<u>Retirement Home</u>	<u>Total</u>
<b>2020:</b>			
Benefit obligation at December 31	<u>\$(1,042,110)</u>	<u>\$(2,356,128)</u>	<u>\$(3,398,238)</u>
Accrued benefit cost recognized in the statement of financial position	<u>\$(1,042,110)</u>	<u>\$(2,356,128)</u>	<u>\$(3,398,238)</u>
Actuarial assumptions:			
Benefit obligation discount rate	1.60%		
Mortality		Pri-2012 Generational Mortality Table, using separate rates for annuitants and contingent survivors (after the death of the original annuitant), with projected mortality improvement under Scale MP-2020 with separate rates for males and females.	
HRA utilization		Retirees and spouses are assumed to utilize the full amount of their HRA with no forfeitures.	
HRA assumed increase		The HRA contributions are assumed to increase at an annual rate of 2.00%.	

**UNITED METHODIST WOMEN**

Notes to Financial Statements

December 31, 2020 and 2019

**(8) Health, Life and Other Employee Benefits - Continued**

	<u>Retirement Medical Plan</u>	<u>Home</u>	<u>Total</u>
<b>2019:</b>			
Benefit obligation at December 31	<u>\$(2,905,062)</u>	<u>\$(12,418,060)</u>	<u>\$(15,323,122)</u>
Accrued benefit cost recognized in the statement of financial position	<u>\$(2,905,062)</u>	<u>\$(12,418,060)</u>	<u>\$(15,323,122)</u>
Actuarial assumptions:			
Benefit obligation discount rate	2.75%	2.75%	
Part B Medical Trend	3.7%/3.7%		
Medicare Supplement Trend	5.6%/3.7%		
Brooks-Howell Home Trend	3.0%/3.0%		

Future Benefit Payments: Estimated future benefit payments reflecting expected future service for the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Medical Plan</u>	<u>Retirement Home</u>	<u>Total</u>
2021	\$136,696	\$1,200,000	\$1,336,696
2022	123,301	800,000	923,301
2023	110,609	400,000	510,609
2024	98,703	-	98,703
2025	86,637	-	87,637
2026 - 2030	302,926	-	302,926

As of January 1, 2020, UMW changed the plan design from Medicare supplement premium sharing to a Health Reimbursement Account (“HRA”) subsidy model. With the HRA model, UMW is able to control the level of the subsidy. The HRA is assumed to grow annually at 2%. Any increases in medical premiums beyond the assumed 2% growth in the HRA subsidy is a cost that the participant is responsible for paying.

## UNITED METHODIST WOMEN

### Notes to Financial Statements

December 31, 2020 and 2019

#### (9) Description of Net Assets

Net assets without donor restrictions include the following at December 31, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Undesignated	\$ -	\$ -
Board designated for programs:		
Annuities	( 45,819)	( 33,393)
Other programs	3,768,430	3,301,912
Total board designated for programs	3,722,611	3,268,519
Board designated for retirement benefits of missionaries and deaconesses	11,684,985	-
Board designated funds functioning as endowment	15,871,162	15,736,620
Board designated for other:		
Scarritt-Bennett property reinvestment	1,355,534	2,254,347
Racial Justice initiative, Immigration responses, Acts of Repentance follow through, and Leadership Initiatives with Central Conference Women and women around the world	2,605,070	2,605,070
Severance for staff reduction and incentive	211,642	211,642
CCUN sprinkler, fire alarm, and air conditioning systems	139,905	79,905
CCUN renovations	208,122	208,122
Total board designated for other	4,520,273	5,359,086
Total net assets without donor restrictions	\$ 35,799,031	\$ 24,364,225

# UNITED METHODIST WOMEN

## Notes to Financial Statements

December 31, 2020 and 2019

### (9) Description of Net Assets - Continued

Net assets with donor restrictions include the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Subject to purpose restrictions:		
Projects and program activities to support Women, children, and youth; missionaries and Deaconesses pension and medical support; scholarships; and educational institutions	<u>\$57,207,174</u>	<u>\$49,448,508</u>
Endowments:		
Contributions restricted to investment in perpetuity. Income from these funds is expendable to support the following purposes:		
Projects and program activities to support Women, children, and youth; missionaries and Deaconesses pension and medical support; Scholarships; and educational institutions	<u>21,237,440</u>	<u>20,349,158</u>
Total net assets with donor restrictions	<u>\$78,444,614</u>	<u>\$69,797,666</u>

Net assets of \$5,393,603 and \$613,627 for 2020 and 2019, respectively, were released from donor restrictions by incurring costs and expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. The purpose restrictions accomplished were for program services.

### (10) Endowment

UMW's endowment consists of approximately 595 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

#### *Interpretation of Relevant Law*

The Board of Directors of UMW has interpreted the applicable state law as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, UMW classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

## UNITED METHODIST WOMEN

### Notes to Financial Statements

December 31, 2020 and 2019

#### (10) Endowment - Continued

UMW considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund
- The purposes of UMW and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of UMW
- Alternatives to expenditure of the endowment fund
- The investment policies of the UMW

#### 2020:

#### *Endowment Net Asset Composition by Type of Fund as of December 31, 2020*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>		<b>Total</b>
		<b>Temporary in Nature</b>	<b>Perpetual in Nature</b>	
Donor-restricted endowment funds	\$ -	\$45,239,103	\$21,237,440	\$66,476,543
Board-designated endowment funds	<u>15,871,162</u>	<u>-</u>	<u>-</u>	<u>15,871,162</u>
Total funds	<u>\$15,871,162</u>	<u>\$45,239,103</u>	<u>\$21,237,440</u>	<u>\$82,347,705</u>

#### *Changes in Endowment Net Assets for the Year Ended December 31, 2020*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>		<b>Total</b>
		<b>Temporary in Nature</b>	<b>Perpetual in Nature</b>	
Endowment net assets, beginning of year	<u>\$15,736,620</u>	<u>\$ 34,559,334</u>	<u>\$20,349,158</u>	<u>\$ 70,645,112</u>
Investment return:				
Investment income	10,078	988,500	-	998,578
Net appreciation (realized and unrealized)	<u>124,464</u>	<u>11,322,842</u>	<u>113,106</u>	<u>11,560,412</u>
Total investment return	<u>134,542</u>	<u>12,311,342</u>	<u>113,106</u>	<u>12,558,990</u>
Contributions	<u>-</u>	<u>-</u>	<u>775,176</u>	<u>775,176</u>
Appropriation of endowment assets for expenditure and reclassifications	<u>-</u>	<u>( 1,631,573)</u>	<u>-</u>	<u>( 1,631,573)</u>
Endowment net assets, end of year	<u>\$15,871,162</u>	<u>\$ 45,239,103</u>	<u>\$21,237,440</u>	<u>\$ 82,347,705</u>

**UNITED METHODIST WOMEN**

Notes to Financial Statements

December 31, 2020 and 2019

**(10) Endowment - Continued**

**2019:**

*Endowment Net Asset Composition by Type of Fund as of December 31, 2019*

	<b>Without Donor Restrictions</b>	<b><u>With Donor Restrictions</u> Temporary in Nature</b>	<b><u>Perpetual in Nature</u></b>	<b><u>Total</u></b>
Donor-restricted endowment funds	\$ -	\$34,559,334	\$20,349,158	\$54,908,492
Board-designated endowment funds	<u>15,736,620</u>	<u>-</u>	<u>-</u>	<u>15,736,620</u>
 Total funds	 <u>\$15,736,620</u>	 <u>\$34,559,334</u>	 <u>\$20,349,158</u>	 <u>\$70,645,112</u>

*Changes in Endowment Net Assets for the Year Ended December 31, 2019*

	<b>Without Donor Restrictions</b>	<b><u>With Donor Restrictions</u> Temporary in Nature</b>	<b><u>Perpetual in Nature</u></b>	<b><u>Total</u></b>
Endowment net assets, beginning of year	<u>\$15,616,735</u>	<u>\$ 24,603,994</u>	<u>\$18,820,880</u>	<u>\$ 59,041,609</u>
Investment return:				
Investment income	10,535	1,357,607	-	1,368,142
Net appreciation (realized and unrealized)	<u>109,350</u>	<u>10,273,768</u>	<u>227,596</u>	<u>10,610,714</u>
Total investment return	<u>119,885</u>	<u>11,631,375</u>	<u>227,596</u>	<u>11,978,856</u>
Contributions	<u>-</u>	<u>-</u>	<u>1,300,682</u>	<u>1,300,682</u>
Appropriation of endowment assets for expenditure and reclassifications	<u>-</u>	<u>( 1,676,035)</u>	<u>-</u>	<u>( 1,676,035)</u>
 Endowment net assets, end of year	 <u>\$15,736,620</u>	 <u>\$ 34,559,334</u>	 <u>\$20,349,158</u>	 <u>\$ 70,645,112</u>

***Return Objectives and Risk Parameters***

UMW has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that UMW must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index and the Bank of New York Mellon 1 - 3 year Treasury Index while assuming a moderate level of investment risk. UMW expects its endowment funds, over time, to provide an average rate of return of between 6 - 8% annually. Actual returns in any given year may vary from this amount.

## UNITED METHODIST WOMEN

Notes to Financial Statements

December 31, 2020 and 2019

### (10) Endowment - Continued

#### *Strategies Employed for Achieving Objectives*

To satisfy its long-term rate-of-return objectives, UMW relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). UMW targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

#### *Spending Policy and How the Investment Objectives Relate to Spending Policy*

UMW has a formal spending policy. For 2020, after consideration of the factors noted above (under *“Interpretation of Relevant Law”*), a total spending rate of 6.0% was recommended as prudent, from which 1.0% was to be allocated for administrative expenses of UMW in managing and administering the endowment fund portfolio. Further, distributions are made at the discretion of the Board of Directors when determining the annual budget. The Board of Directors approved \$1,125,000 and \$1,265,000 in appropriations from the endowment fund portfolio in 2020 and 2019, respectively. UMW considers the long-term expected return on its endowment. Accordingly, over the long term, UMW expects the current spending policy to allow its endowment to grow at an average of between 1 - 3% annually. This is consistent with UMW’s objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

### (11) Fair Value of Financial Instruments

Disclosures concerning the estimated fair value of financial instruments are presented below. The estimated fair value amounts have been determined based on UMW’s assessment of available market information and appropriate valuation methodologies. The following table summarizes required fair value disclosures and measurements at December 31, 2020 and 2019 for assets measured at fair value on a recurring basis under ASC 820, *Fair Value Measurements and Disclosures*:



**UNITED METHODIST WOMEN**

Notes to Financial Statements

December 31, 2020 and 2019

**(11) Fair Value of Financial Instruments - Continued**

	<u>Fair Value Measurements at Reporting Date Using</u>			
<u>Assets (Liabilities)</u> <u>Measured</u> <u>at Fair Value</u>	<u>Quoted Prices in</u> <u>Active Markets for</u> <u>Identical Assets</u> <u>(Level 1)</u>	<u>Significant</u> <u>Other Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>	
<b><u>2020:</u></b>				
Assets:				
Investments:				
Short-term securities	\$ 231,812	\$ 231,812	\$ -	\$ -
Marketable equity securities	451,470	451,470	-	-
International Equities Fund	8,301,717	-	8,301,717	-
U.S. Equities Fund	18,313,039	18,313,039	-	-
Fixed Income Fund	12,200,461	-	12,200,461	-
Equity Social Values Fund	2,955,794	-	2,955,794	-
Inflation Protection Fund	3,949,009	-	3,949,009	-
Multiple Asset Fund	68,911,978	-	68,911,978	-
Pooled investment funds	<u>658,831</u>	<u>-</u>	<u>658,831</u>	<u>-</u>
Sub-total investments	115,974,111	18,996,321	96,977,790	-
Less: Amount needed to cover the State of North Carolina operating reserve requirement for Brooks-Howell Home (Note 12)	<u>( 405,873)</u>	<u>( 405,873)</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 115,568,238</u>	<u>\$ 18,590,448</u>	<u>\$ 96,977,790</u>	<u>\$ -</u>
Perpetual trusts held by others	1,778,733	1,778,733	-	-
Liabilities:				
Assets held for others	( 6,378,468)	-	( 6,378,468)	-

**UNITED METHODIST WOMEN**

Notes to Financial Statements

December 31, 2020 and 2019

**(11) Fair Value of Financial Instruments - Continued**

	<u>Fair Value Measurements at Reporting Date Using</u>			
<u>Assets (Liabilities)</u> <u>Measured</u> <u>at Fair Value</u>	<u>Quoted Prices in</u> <u>Active Markets for</u> <u>Identical Assets</u> <u>(Level 1)</u>	<u>Significant</u> <u>Other Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>	
<b>2019:</b>				
Assets:				
Investments:				
Short-term securities	\$ 237,625	\$ 237,625	\$ -	\$ -
Marketable equity securities	248,366	248,366	-	-
International Equities Fund	7,297,459	-	7,297,459	-
U.S. Equities Fund	16,145,754	16,145,754	-	-
Fixed Income Fund	12,713,144	-	12,713,144	-
Equity Social Values Fund	2,527,536	-	2,527,536	-
Inflation Protection Fund	3,926,822	-	3,926,822	-
Multiple Asset Fund	60,402,188	-	60,402,188	-
Pooled investment funds	<u>625,556</u>	<u>-</u>	<u>625,556</u>	<u>-</u>
Sub-total investments	104,124,450	16,631,745	87,492,705	-
Less: Amount needed to cover the State of North Carolina operating reserve requirement for Brooks-Howell Home (Note 12)	<u>( 154,104)</u>	<u>( 154,104)</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 103,970,346</u>	<u>\$ 16,477,641</u>	<u>\$ 87,492,705</u>	<u>\$ -</u>
Perpetual trusts held by others	1,665,627	1,665,627	-	-
Liabilities:				
Assets held for others	( 5,854,032)	-	( 5,854,032)	-

## UNITED METHODIST WOMEN

### Notes to Financial Statements

December 31, 2020 and 2019

#### (11) Fair Value of Financial Instruments - Continued

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

##### *Investments*

The fair value of short-term securities and common stocks are determined using primarily Level 1 inputs in accordance with ASC 820. The fair values of corporate bonds, international equities, domestic bond fund, Multiple Asset Fund and other funds held by Wespath, and pooled investment funds with units are determined using primarily Level 2 inputs.

##### *Other*

The fair values of financial instruments for which estimated fair value amounts have not been specifically presented are estimated to approximate the related book values, primarily based on the short-term nature of these instruments.

#### (12) Operating Reserve Requirement for Brooks-Howell Home

UMW is the provider for the operations of BHH, a retirement facility in Asheville, North Carolina. BHH is operated as a program of UMW. BHH operates under a Certificate of Authority from the State of North Carolina. Pursuant to North Carolina statute for Continuing Care Retirement Communities, certain operating reserves must be maintained by the provider. The operating reserve must cover a percentage of the forecasted total operating expenses for the facility for the upcoming year, excluding depreciation, amortization, and extraordinary items. Specifically, according to statute §58-64-33, if a facility maintains an occupancy level in excess of ninety percent, a provider shall be required to maintain an operating reserve of twenty-five percent of operating expenses; however, if the occupancy levels fall below ninety percent, a fifty percent operating reserve must be maintained. As of both December 31, 2020 and 2019, UMW held \$3,062,000, in operating reserves for BHH based on actual occupancy levels of less than ninety percent and anticipated 2020 and 2019 operating expenses, respectively. As UMW is the provider for BHH, the operating reserves are reported in UMW's financial statements and not within BHH's financial statements.

#### (13) Operating Lease Commitment

UMW leases certain office space under an operating lease expiring in October 2022. The annual rental for each year ended December 31 is an amount equal to the UMW's proportionate share of (i) Landlord's carrying, maintenance, operating and depreciation charges for the Building, parking lot, other improvements (including common facilities), underlying land and the adjacent sidewalks (collectively, the "Real Property") for such year plus (ii) the amount of scheduled contributions to Landlord's capital improvement fund for the Real Property. Rental expense was \$1,302,172 and \$1,250,363 for the years ended December 31, 2020 and 2019, respectively. Future annual rental expense will vary based on the formula above, but is expected to approximate the 2020 expense through the remainder of the lease term. UMW has not yet entered into an updated lease agreement.

## UNITED METHODIST WOMEN

### Notes to Financial Statements

December 31, 2020 and 2019

**(14) Alma Mathews House**

UMW owned property located at 273-275 West 11<sup>th</sup> Street, New York, NY, known as Alma Mathews House. In 2016, UMW sold the property for \$34,500,000 (net \$33,869,501). Alma Mathews was a program of UMW; however, its operations are not considered to be material for separate disclosure as discontinued operations. Gain on sale of the property totaled \$33,771,291.

During March 2017, the UMW Board of Directors designated the use of the proceeds from the sale of Alma Mathews House for the following purposes:

Renovation funds for UMW Headquarters	\$ 4,000,000
Legacy Fund Endowment	15,000,000
Scarritt Bennett property reinvestment	5,000,000
Racial Justice initiative, Immigration responses, Acts of Repentance follow through, and Leadership initiatives with Central Conference women and women around the world	3,000,000
Strategic Plan Implementation	<u>1,000,000</u>
	<u>\$28,000,000</u>

Since March 2017, the UMW Board of Directors has designated additional proceeds from the sale of the Alma Mathews House property to be used for severance for staff reduction and incentive (\$1,000,000), upgrading the sprinkler, fire alarm, and air conditioning systems in the CCUN building (\$1,310,400), renovating office space in the CCUN building (\$1,000,000), and Phase II sprinkler renovation (\$600,000). Therefore, \$31,910,400 of the Alma Mathews House proceeds have been designated by the Board as of December 31, 2020.

**(15) Notes Payable**

Notes payable consist of the following at December 31:

	2020	2019
On April 9, 2020, UMW was approved for the Small Business Administration (“SBA”) guaranteed Paycheck Protection Program (“PPP”) loan, which it applied for in response to the economic impact from the COVID-19 pandemic. On April 10, 2020, UMW received funding for the PPP loan in the amount of \$1,460,142, which is subject to forgiveness if it is utilized for qualifying expenditures such as certain payroll, rent, and utility costs. No principal payments are due until October 2021 at which point UMW will begin making regular monthly payments of \$113,977 over a 18-month period at a rate of 0.98%, if the loan is not forgiven. UMW utilized the loan proceeds for purposes that qualify the loan for forgiveness. (See Note 16.)	\$ 1,460,142	\$ -

**UNITED METHODIST WOMEN**

Notes to Financial Statements

December 31, 2020 and 2019

**(15) Notes Payable - Continued**

On April 30, 2020, BHH was approved for the Small Business Administration (“SBA”) guaranteed Paycheck Protection Program (“PPP”) loan, which it applied for in response to the economic impact from the COVID-19 pandemic.

On May 5, 2020, BHH received funding for the PPP loan in the amount of \$818,077, which is subject to forgiveness if it is utilized for qualifying expenditures such as certain payroll, rent, and utility costs. No principal payments are due until November 2021 at which point BHH will begin making regular monthly payments of \$48,036 over a 18-month period at a rate of 1%, if the loan is not forgiven. BHH utilized the loan proceeds for purposes that qualify the loan for forgiveness. (See Note 16.)

	<u>818,077</u>	<u>-</u>
	2,278,219	-
Less current maturities	<u>(1,671,723)</u>	<u>-</u>
Long-term portion of notes payable	<u>\$ 606,496</u>	<u>\$ -</u>

The future maturities of the PPP loans at December 31, 2020 are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2021	\$1,671,723
2022	<u>606,496</u>
Total	<u>\$2,278,219</u>

**(16) COVID-19 Pandemic**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the pandemic continues to evolve as of the date of this report. UMW’s operations are dependent on contributions from individuals and conferences as well as from providing rent, room charges, and related services at BHH and rental income related to the CCUN building in exchange for providing rental space and related services.

## UNITED METHODIST WOMEN

### Notes to Financial Statements

December 31, 2020 and 2019

#### **(16) COVID-19 Pandemic - Continued**

In addition, this pandemic has adversely affected global economic activity and greatly contributed to significant instability in financial markets. Because the values of UMW's investments have and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in subsequent periods, if any, and related impact on UMW's liquidity cannot be determined at this time. The pandemic had a material adverse impact on economic and market conditions, triggering a period of economic slowdown. As such, this hindered UMW's ability to advance their mission and led UMW to seek financing through the Paycheck Protection Program ("PPP"). UMW was approved for the PPP loan and on April 10, 2020, UMW received funding for the PPP loan in the amount of approximately \$1,460,000. In addition, BHH was approved for the PPP loan and on May 5, 2020, BHH received funding for the PPP loan in the amount of approximately \$818,000. The total of the two loans is approximately \$2,278,000, which is subject to forgiveness if it is utilized for expenditures such as certain payroll, rent, and utility costs. UMW utilized the loan proceeds for purposes that qualify the loan for forgiveness and management expects the loan to ultimately be forgiven. Subsequent to year end, both UMW and BHH applied for forgiveness of the PPP loan. On April 27, 2021, the BHH PPP loan was forgiven. UMW is still awaiting final approval for the forgiveness of their PPP loan.

While expected to be temporary, UMW cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on UMW's results of future operations, financial position, and liquidity in fiscal year 2021.

#### **(15) Subsequent Events**

Management has evaluated subsequent events through May 25, 2021, the date the financial statements were available for issuance, and has determined that, other than the forgiveness of the BHH PPP loan, there were no other subsequent events requiring disclosure.

**BROOKS-HOWELL HOME**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

BROOKS-HOWELL HOME

Table of Contents

	<u>Page</u>
INDEPENDENT ACCOUNTANT’S REVIEW REPORT .....	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3 - 4
Statements of Activities .....	5
Statements of Cash Flows .....	6
Notes to Financial Statements.....	7 - 22





## Independent Accountant's Review Report

To the Board of Directors  
Brooks-Howell Home  
Asheville, North Carolina

We have reviewed the accompanying financial statements of Brooks-Howell Home (the "Organization") (a nonprofit organization, which is a part of United Methodist Women), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### ***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.

### ***Accountant's Responsibility***

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.



To the Board of Directors  
Brooks-Howell Home

*Accountant's Conclusion*

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Crosslin, PLLC*

Nashville, Tennessee  
March 10, 2021

BROOKS-HOWELL HOME  
 STATEMENTS OF FINANCIAL POSITION  
 REVIEWED - SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

ASSETS

	December 31,	
	2020	2019
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,951,906	\$ 1,170,417
Assets limited as to use - current portion	26,156	27,238
Accounts receivable - residents	104,197	68,898
Accounts receivable - other	21,237	10,974
Accounts receivable - United Methodist Women	13,864	13,864
Prepaid expenses	-	18,778
Inventories	159,794	63,584
	<u>2,277,154</u>	<u>1,373,753</u>
<b>EQUIPMENT AND IMPROVEMENTS</b>		
Equipment and improvements	4,286,696	4,172,695
Construction in progress	41,050	-
Less: accumulated depreciation	(2,894,073)	(2,722,301)
	<u>1,433,673</u>	<u>1,450,394</u>
<b>OTHER ASSETS</b>		
Investments	458,077	289,819
Assets limited as to use - long-term	688,019	621,807
	<u>1,146,096</u>	<u>911,626</u>
	<u>\$ 4,856,923</u>	<u>\$ 3,735,773</u>

LIABILITIES AND NET ASSETS

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
CURRENT LIABILITIES		
Accounts payable	\$ 152,132	\$ 72,561
Accrued wages and related liabilities	220,033	385,099
Agency funds	26,156	27,238
Long-term debt - current maturities	<u>666,560</u>	<u>-</u>
Total current liabilities	<u>1,064,881</u>	<u>484,898</u>
LONG-TERM DEBT - less current maturities	<u>151,517</u>	<u>-</u>
Total liabilities	<u>1,216,398</u>	<u>484,898</u>
NET ASSETS		
Without donor restrictions	2,886,296	2,565,870
With donor restrictions:		
Subject to purpose restrictions	221,197	159,637
Permanent endowments	<u>533,032</u>	<u>525,368</u>
Total with donor restrictions	<u>754,229</u>	<u>685,005</u>
Total net assets	<u>3,640,525</u>	<u>3,250,875</u>
Total liabilities and net assets	<u>\$ 4,856,923</u>	<u>\$ 3,735,773</u>

See accompanying notes to reviewed financial statements.

BROOKS-HOWELL HOME  
STATEMENTS OF ACTIVITIES  
REVIEWED - SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

	Year Ended December 31, 2020			Year Ended December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
Revenue, gains, and other support:						
Resident services	\$ 4,217,899	\$ -	\$ 4,217,899	\$ 3,720,720	\$ -	\$ 3,720,720
United Methodist Women support	1,912,911	-	1,912,911	1,865,370	-	1,865,370
United Methodist Women grants	-	-	-	84,354	-	84,354
Contributions	-	1,748	1,748	-	1,889	1,889
Investment earnings	-	5,916	5,916	-	8,096	8,096
Other revenue available for operations	772,651	-	772,651	332,401	-	332,401
Net assets released from restrictions/transfers	15,074	(15,074)	-	15,085	(15,085)	-
<b>Total revenue, gains, and other support</b>	<b>6,918,535</b>	<b>(7,410)</b>	<b>6,911,125</b>	<b>6,017,930</b>	<b>(5,100)</b>	<b>6,012,830</b>
Operating expenses:						
Nursing services	2,972,689	-	2,972,689	2,404,749	-	2,404,749
Food services	853,492	-	853,492	817,735	-	817,735
Administration	799,058	-	799,058	934,992	-	934,992
Environmental services	424,695	-	424,695	381,895	-	381,895
Maintenance	855,445	-	855,445	884,395	-	884,395
Social services	23,859	-	23,859	59,395	-	59,395
Human resources	110,727	-	110,727	192,074	-	192,074
Marketing	88,865	-	88,865	64,164	-	64,164
Activities	222,651	-	222,651	193,072	-	193,072
Depreciation	171,772	-	171,772	242,245	-	242,245
Other	11,836	-	11,836	14,971	-	14,971
Staff House	2,835	-	2,835	3,147	-	3,147
Home Care	67,434	-	67,434	-	-	-
<b>Total operating expenses</b>	<b>6,605,358</b>	<b>-</b>	<b>6,605,358</b>	<b>6,192,834</b>	<b>-</b>	<b>6,192,834</b>
Operating income (loss)	313,177	(7,410)	305,767	(174,904)	(5,100)	(180,004)
Unrealized gains on investments	7,249	76,634	83,883	27,195	99,846	127,041
Change in net assets	320,426	69,224	389,650	(147,709)	94,746	(52,963)
Net assets - beginning of year	2,565,870	685,005	3,250,875	2,713,579	590,259	3,303,838
Net assets - end of year	<u>\$ 2,886,296</u>	<u>\$ 754,229</u>	<u>\$ 3,640,525</u>	<u>\$ 2,565,870</u>	<u>\$ 685,005</u>	<u>\$ 3,250,875</u>

See accompanying notes to reviewed financial statements.

BROOKS-HOWELL HOME  
STATEMENTS OF CASH FLOWS  
REVIEWED - SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

	Year Ended December 31,	
	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 389,650	\$ (52,963)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation	171,772	242,245
Unrealized gains on investments	(83,883)	(127,041)
Changes in operating assets and liabilities:		
Accounts receivable - residents	(35,299)	(3,338)
Accounts receivable - other	(10,263)	12,675
Prepaid expenses	18,778	(18,778)
Inventories	(96,210)	6,602
Accounts payable	79,571	(3,494)
Accrued wages and related liabilities	(165,066)	(80,805)
	269,050	(24,897)
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Change in assets limited as to use	(65,130)	(99,584)
Agency funds	(1,082)	10,179
Purchases of equipment and improvements	(155,051)	(103,803)
(Purchases) sales of investments, net	(84,375)	83,793
	(305,638)	(109,415)
Net cash used in investing activities		
Cash flows from financing activities:		
Proceeds of long-term debt	818,077	-
	818,077	-
Net cash provided by financing activities		
Increase (decrease) in cash and cash equivalents	781,489	(134,312)
Cash and cash equivalents - beginning of year	1,170,417	1,304,729
Cash and cash equivalents - end of year	\$ 1,951,906	\$ 1,170,417

See accompanying notes to reviewed financial statements.

BROOKS-HOWELL HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of Brooks-Howell Home (the “Organization”) is presented to assist in understanding the Organization’s financial statements. The Organization’s management is responsible for the integrity and objectivity of the financial statements and notes. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization

Brooks-Howell Home is a part of United Methodist Women (“UMW”) and primarily provides housing, health care, and other related services to residents through the operation of a retirement facility containing 39 residential apartments, 21 suites, 1 cottage, and 58 licensed nursing care beds. The Organization is located in Asheville, North Carolina. UMW owns the property and provides operating support; however, no rent is paid to UMW for use of the property. Contracts for services provided by the Organization are in the name of UMW. The Organization manages the day-to-day operations under the direction of UMW. These financial statements reflect only those day-to-day operations at Brooks-Howell Home. Other transactions that occur between residents and UMW are not recorded within these financial statements. The Organization operates in the State of North Carolina under provisions of a Certificate of Authority.

The mission of the Organization is to serve retired missionaries, deaconesses, and staff of UMW, a certain number of retirees from other divisions of The United Methodist Church, and a limited number of temporary health care patients from the community.

Net Assets

For reporting purposes, the Organization’s financial statements have been prepared to focus on the organization as a whole. Resources are classified into two net asset categories based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

*Net Assets With Donor Restrictions* - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity, but may permit the Organization to use or expend part or all of the income derived from the donated assets.

BROOKS-HOWELL HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Included in net assets without donor restrictions are funds that have been designated by the Organization for particular purposes. The total of these funds are \$616,903 and \$617,243 as of December 31, 2020 and 2019, respectively.

Use of Estimates

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. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid instruments with original maturities of three months or less when purchased.

Investments

Investments in equity securities with readily determinable fair values and investments in debt securities are measured at fair value in the accompanying statements of financial position. Contributed investments are stated at the fair value at the date of receipt. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in operating income unless the donor or law restricts the income or loss. Unrealized gains and losses on investments are generally excluded from operating income and are shown as other changes in net assets in the statements of activities.

Fair Value Measurements

The Financial Accounting Standards Board (“FASB”) issued authoritative guidance regarding fair value measurements, which defines fair value, establishes a framework for measuring fair value in U.S. generally accepted accounting principles and expands disclosures about fair value measurements. The Organization utilizes market data or assumptions that market participants would use in pricing the asset or liability. Generally accepted accounting principles establish a three-tier fair value hierarchy, which prioritizes the inputs used when measuring fair value based on the inputs to valuation techniques as follows (See Note D):

Level 1 - These are investments where values are based on unadjusted quoted prices for identical assets in an active market that the Organization has the ability to access.



BROOKS-HOWELL HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Level 2 - These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investments.

Level 3 - These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments. The Organization has no investments categorized in Level 3.

Revenue Recognition

*Contributions*

Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received. The Organization reports contributions of cash and other assets as restricted support, if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period as received are reflected as contributions without donor restrictions in the accompanying financial statements.

The Organization reports contributions of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and contributions of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

*Resident Revenue*

Resident carrying charges are reported at the amount that reflects consideration to which the Organization expects to be entitled in exchange for providing rent, room charges, and related services. Generally, rental charges are due at the beginning of each month. Revenue is recognized as the performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in related to total expected or actual charges.

BROOKS-HOWELL HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Inventories

Inventories are stated at the lower of cost (first-in, first-out) or net realizable value of the inventory item.

Assets Limited as to Use

Assets limited as to use include assets whose corpus is permanently restricted, and assets held on behalf of others representing agency funds related to funeral funds and resident medical funds (See Note C).

Equipment and Improvements

Equipment purchased prior to January 1, 2000 is carried at values established by an estimate of fair value at January 1, 2000. Purchases after January 1, 2000 are carried at cost. Certain donated asset values were recorded at a nominal amount since fair values were not determinable. Major renewals and improvements are capitalized to the equipment and improvement accounts while replacements, maintenance, and repairs, which do not improve or extend the life of the asset are expensed as incurred. Betterments and renewals of facilities are capitalized as improvements as the Organization expects to benefit from such items over their useful lives. When assets are sold or retired, their cost is removed from the accounts.

Depreciation is provided by charges to operations using the straight-line method at rates designed to amortize the cost of the assets over their estimated useful lives, which range from 5 to 20 years.

Functional Expense Classifications

All expenses in the accompanying statements of activities were incurred for or related to the provision of services by the retirement center (See Note I).

Accounts Receivable - Residents

Accounts receivable are recorded based on the amounts due from residents. Because historical losses related to these receivables have been insignificant, management uses primarily the direct write-off method to account for bad debts.

Operating Income

The statements of activities includes operating income. Changes in net assets, which are excluded from operating income, consistent with industry practice, include unrealized gains and losses on investments, permanent transfers of assets to and from affiliates for other goods and services, and certain contributions of long-lived assets.

BROOKS-HOWELL HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Donated Services

When contributed services that create or enhance non-financial assets or require specialized skills are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, the amounts are reflected in the financial statements as in-kind contributions and expenditures if the value of the donated services is ascertainable. There were no such donated services recorded in the accompanying financial statements. However, during the year, board members and volunteers donated time not meeting the above requirement for inclusion in the financial statements.

Concentrations

To limit its credit exposure, the Organization deposits its cash and cash equivalents with financial institutions, which management believes are high quality financial institutions. Management does not believe that there are significant credit risks related to these deposits.

The Organization also receives a high concentration of its revenues through UMW for the care of retired missionaries, deaconesses, and staff of UMW. Such revenues totaled approximately 28% and 32% of total revenue, gains, and other support for the years ended December 31, 2020 and 2019, respectively.

Tax Status

The Organization is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code because it is a part of UMW. Accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2020 and 2019.

The Organization accounts for the effect of any uncertain tax positions based on a more likely than not threshold to the recognition of the tax positions being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. Tax positions for the Organization include, but are not limited to, the tax-exempt status and determination of whether income is subject to unrelated business income tax; however, the Organization has determined that such tax positions do not result in an uncertainty requiring recognition.

BROOKS-HOWELL HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

B. LIQUIDITY AND AVAILABILITY OF RESOURCES

The table below represents financial assets available for general expenditures within one year at December 31, 2020 and 2019:

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash and cash equivalents	\$1,951,906	\$1,170,417
Assets limited as to use - current portion	26,156	27,238
Accounts receivable - residents	104,197	68,898
Accounts receivable - other	21,237	10,974
Accounts receivable - United Methodist Women	13,864	13,864
Investments	458,077	289,819
Assets limited as to use - long-term	<u>688,019</u>	<u>621,807</u>
Total financial assets	<u>3,263,456</u>	<u>2,203,017</u>
Less amounts not available to be used for general expenditures within one year:		
Assets limited as to use - current portion	26,156	27,238
Assets limited as to use - long-term	<u>688,019</u>	<u>621,807</u>
Financial assets not available to be used within one year	<u>714,175</u>	<u>649,045</u>
Financial assets available to meet general expenditures within one year	<u>\$2,549,281</u>	<u>\$1,553,972</u>

As part of the Organization's liquidity management plan, it structures its financial assets to be available as its obligations come due.

BROOKS-HOWELL HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

C. ASSETS LIMITED AS TO USE

Assets limited as to use are recorded at fair value based primarily upon quoted market rates and consist of the following:

	December 31,	
	2020	2019
Current portion:		
Held on behalf of others	<u>\$ 26,156</u>	<u>\$ 27,238</u>
Comprised of:		
Cash and cash equivalents	\$ 15,828	\$ 16,910
Land lots	<u>10,328</u>	<u>10,328</u>
	<u>\$ 26,156</u>	<u>\$ 27,238</u>
Long-term portion:		
With donor restrictions	<u>\$688,019</u>	<u>\$621,807</u>
Comprised of:		
Investments and cash equivalents	<u>\$688,019</u>	<u>\$621,807</u>

D. INVESTMENTS

Investments are as follows, at fair value:

	December 31,	
	2020	2019
Cash and cash equivalents	\$ 24,509	\$ 26,449
Marketable equity securities	451,470	248,366
Certificates of deposit	11,286	11,255
Pooled investment funds	<u>658,831</u>	<u>625,556</u>
Total investments	1,146,096	911,626
Less: Investments classified as assets limited as to use	<u>688,019</u>	<u>621,807</u>
Investments	<u>\$ 458,077</u>	<u>\$289,819</u>

BROOKS-HOWELL HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

D. INVESTMENTS - Continued

Investment securities, in general, are exposed to various risks, such as interest rates, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Level inputs for fair value measurement of investments are as follows:

	Fair Value Measurements at Reporting Date Using			
	Assets Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2020:</u>				
Investments:				
Short-term and marketable securities	\$ 487,265	\$487,265	\$ -	\$ -
Pooled investment funds	<u>658,831</u>	<u>-</u>	<u>658,831</u>	<u>-</u>
Total investments	<u>\$1,146,096</u>	<u>\$487,265</u>	<u>\$658,831</u>	<u>\$ -</u>
<u>December 31, 2019:</u>				
Investments:				
Short-term and marketable securities	\$286,070	\$286,070	\$ -	\$ -
Pooled investment funds	<u>625,556</u>	<u>-</u>	<u>625,556</u>	<u>-</u>
Total investments	<u>\$911,626</u>	<u>\$286,070</u>	<u>\$625,556</u>	<u>\$ -</u>

BROOKS-HOWELL HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

E. EQUIPMENT AND IMPROVEMENTS

Equipment consists of:

	2020	2019
Cost:		
Equipment and improvements	\$ 4,286,696	\$ 4,172,695
Construction in progress	41,050	-
Total cost	4,327,746	4,172,695
Accumulated depreciation	(2,894,073)	(2,722,301)
Equipment and improvements, net	\$ 1,433,673	\$ 1,450,394

Depreciation expense charged to operations was \$171,722 and \$242,245 for 2020 and 2019, respectively.

Construction in progress at December 31, 2020 relates to a deposit on the purchase and installation of a new generator. The remaining estimated costs to purchase and install the new generator could range from \$6,000 to \$150,000.

F. LONG-TERM DEBT

On April 30, 2020, the Organization was approved for the Paycheck Protection Program (“PPP”) loan which it applied for in response to the economic impact from the COVID-19 pandemic. On May 5, 2020, the Organization received funding for the PPP loan in the amount of \$818,077, which is subject to forgiveness if it is utilized for expenditures such as certain payroll, rent, and utility costs. No principal payments are due until November 2021 at which point the Organization will begin making regular monthly payments of approximately \$48,036 over an 18-month period. Interest accrues at a fixed rate of 1%. It is the Organization’s intent to utilize the loan proceeds for purposes that qualify the loan for forgiveness and management expects the loan to ultimately be forgiven. On December 31, 2020, the balance of the PPP loan was \$818,077.

The future maturities of the PPP loan at December 31, 2020 are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2021	\$666,560
2022	151,517
Total	\$818,077

BROOKS-HOWELL HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

G. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2020 and 2019 have been restricted by the donors for the following purposes:

	December 31,	
	2020	2019
Subject to purpose restrictions:		
Scholarships	\$ 13,146	\$ 13,114
Miscellaneous resident needs	<u>208,051</u>	<u>146,523</u>
Total subject to purpose restrictions	<u>221,197</u>	<u>159,637</u>
Permanent endowments:		
McLaughlin Endowment Fund	175,940	173,410
Lebedeff Endowment Fund	<u>357,092</u>	<u>351,958</u>
Total permanent endowments	<u>533,032</u>	<u>525,368</u>
Total net assets with donor restrictions	<u>\$754,229</u>	<u>\$685,005</u>

Net assets with donor restrictions for the years ended December 31, 2020 and 2019 were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the North Carolina Uniform Prudent Management of Institutional Funds Act (the “Act”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization has classified as net assets with donor restrictions (a) the value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulated amount is added to the fund. The remaining portion of the donor-restricted endowment funds that are not classified as permanent endowments are classified as subject to purpose restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the Act.



BROOKS-HOWELL HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

G. NET ASSETS WITH DONOR RESTRICTIONS - Continued

In accordance with the Act, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- The investment policies of the Organization

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that are intended to provide an ongoing stream of funding for resident services that are supported by the endowment. Endowment assets include assets of donor-restricted funds that the Organization must hold in perpetuity. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce a moderate level of total investment return consistent with a prudent level of portfolio risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that includes fixed income instruments and equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to the Spending Policy

The Organization's policy is generally to appropriate for spending up to 90% of the investment returns. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long-term, the Organization expects the current spending policy to allow its endowment to grow by 10% of the investment income annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

BROOKS-HOWELL HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

G. NET ASSETS WITH DONOR RESTRICTIONS - Continued

Changes in endowment net assets with donor restrictions for the years ended December 31, 2020 and 2019 are as follows:

	<u>With Donor Restrictions</u>
<u>December 31, 2020:</u>	
Endowment net assets - beginning of year	\$ 621,807
Contributions	1,748
Investment earnings	17,480
Net appreciation	65,071
Appropriation of endowment assets for expenditures	<u>( 18,087)</u>
Endowment net assets - end of year	<u>\$ 688,019</u>
<u>December 31, 2019:</u>	
Endowment net assets - beginning of year	\$ 532,402
Contributions	1,889
Investment earnings	18,888
Net appreciation	89,054
Appropriation of endowment assets for expenditures	<u>( 20,426)</u>
Endowment net assets - end of year	<u>\$ 621,807</u>

H. EMPLOYEE BENEFIT PLANS

The Organization participates in the Cumulative Pension and Benefit Fund, which is supervised and administered by the General Board of Pensions and Health Benefits of The United Methodist Church. All eligible employees with more than two years of service, beginning July 1 2001, participate in the Plan. The Organization paid 9% of eligible compensation into the Plan through November 14, 2016, and no employee contributions were required; however, voluntary employee contributions could be made. Effective November 15, 2016, the Organization reduced the contribution rate to 5% of eligible compensation into the Plan with an additional 2% matching contribution. During the years ended December 31, 2020 and 2019, the Organization made retirement plan contributions of \$107,321 and \$81,929, respectively.

BROOKS-HOWELL HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

I. FUNCTIONAL EXPENSE CLASSIFICATIONS

2020

	Nursing Services	Food Services	Administration	Environmental Services	Maintenance	Social Services	Human Resources	Marketing	Activities	Depreciation	Other	Staff House	Home Care	Total
Salaries, wages, and employee benefits	\$ 2,681,382	\$ 478,386	\$ 295,206	\$ 340,451	\$ 454,354	\$ 22,586	\$ 59,571	\$ 61,394	\$ 216,885	\$ -	\$ -	\$ -	\$ 65,920	\$ 4,676,135
Consulting and contractual services	158,043	322,635	93,729	57,344	140,861	693	15,479	-	3,220	-	-	-	-	792,004
Insurance paid by UMW	-	-	218,246	-	-	-	-	-	-	-	-	-	-	218,246
Maintenance	1,514	6,137	-	(20,070)	53,987	-	-	-	-	-	-	-	-	41,568
Depreciation	-	-	-	-	-	-	-	-	-	171,772	-	-	-	171,772
Utilities	-	-	-	-	196,938	-	-	-	-	-	-	-	-	196,938
Other	131,750	46,334	191,877	46,970	9,305	580	35,677	27,471	2,546	-	11,836	2,835	1,514	508,695
Total	<u>\$ 2,972,689</u>	<u>\$ 853,492</u>	<u>\$ 799,058</u>	<u>\$ 424,695</u>	<u>\$ 855,445</u>	<u>\$ 23,859</u>	<u>\$ 110,727</u>	<u>\$ 88,865</u>	<u>\$ 222,651</u>	<u>\$ 171,772</u>	<u>\$ 11,836</u>	<u>\$ 2,835</u>	<u>\$ 67,434</u>	<u>\$ 6,605,358</u>

2019

	Nursing Services	Food Services	Administration	Environmental Services	Maintenance	Social Services	Human Resources	Marketing	Activities	Depreciation	Other	Staff House	Home Care	Total
Salaries, wages, and employee benefits	\$ 2,291,576	\$ 514,053	\$ 595,419	\$ 304,518	\$ 418,944	\$ 56,424	\$ 153,145	\$ 46,982	\$ 184,210	\$ -	\$ -	\$ -	\$ -	\$ 4,565,271
Consulting and contractual services	45,970	262,588	75,170	53,062	172,943	836	13,461	-	5,408	-	-	-	-	629,438
Insurance paid by UMW	-	-	164,762	-	-	-	-	-	-	-	-	-	-	164,762
Maintenance	5,270	6,515	-	7,417	54,160	-	-	-	-	-	-	-	-	73,362
Depreciation	-	-	-	-	-	-	-	-	-	242,245	-	-	-	242,245
Utilities	-	-	-	-	233,647	-	-	-	-	-	-	-	-	233,647
Other	61,933	34,579	99,641	16,898	4,701	2,135	25,468	17,182	3,454	-	14,971	3,147	-	284,109
Total	<u>\$ 2,404,749</u>	<u>\$ 817,735</u>	<u>\$ 934,992</u>	<u>\$ 381,895</u>	<u>\$ 884,395</u>	<u>\$ 59,395</u>	<u>\$ 192,074</u>	<u>\$ 64,164</u>	<u>\$ 193,072</u>	<u>\$ 242,245</u>	<u>\$ 14,971</u>	<u>\$ 3,147</u>	<u>\$ -</u>	<u>\$ 6,192,834</u>

BROOKS-HOWELL HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

J. AGENCY FUNDS

The Organization handles funds from some residents related to expenses and for funeral expenses. The balances of these funds are shown as agency funds and totaled \$26,156 and \$27,238 at December 31, 2020 and 2019, respectively. Transactions on behalf of residents are not reflected on the financial statements of the Organization.

K. UNITED METHODIST WOMEN

The Organization collects entrance fees on behalf of UMW from residents upon execution of a contract between UMW and the resident. The Organization remits these funds to UMW, with no revenue or expense recorded in the Organization's financial statements. The UMW returns the entrance fees to the Organization as part of its financial support. From time to time, the Organization may also collect bequests to UMW, which are remitted to UMW, with no revenue or expense record in the Organization's financial statements. At both December 31, 2020 and 2019, there were no amounts owed to UMW, relating to entrance fees and bequests, which it collected on behalf of UMW.

At December 31, 2020 and 2019, there were no amounts owed the Organization from UMW for support or for insurance premiums for the months of December 2020 and 2019. At both December 31, 2020 and 2019, \$13,864 was due from UMW relating to property grants.

UMW is the provider for the operations of Brooks-Howell Home. Pursuant to North Carolina statute for Continuing Care Retirement Communities, certain operating reserves must be maintained by the provider. The operating reserve must cover a percentage of the forecasted total operating expenses for the facility for the upcoming year, excluding depreciation, amortization, and extraordinary items. Specifically, according to statute § 58-64-33, if a facility maintains an occupancy level in excess of ninety percent, a provider shall be required to maintain an operating reserve of twenty-five percent of operating expenses; however, if the occupancy levels fall below ninety percent, a fifty percent operating reserve must be maintained. As of both December 31, 2020 and 2019, UMW held \$3,062,000 in operating reserves for Brooks-Howell Home based on actual occupancy levels of less than ninety percent and anticipated 2020 and 2019 operating expenses, respectively. As UMW is the provider for the Organization, the operating reserves are reported in UMW's financial statements and not within the accompanying financial statements of the Organization.

See also Note A for additional information on the relationship of the Organization to UMW.

BROOKS-HOWELL HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

L. CONTINUING OPERATIONS

The Organization's capacity to meet its financial commitments and operational needs are dependent on the Organization's ability to secure ongoing revenues and funding for its activities, including regular contributions and donations, increased fee revenues from proposed changes to entrance requirements and other revenue generation plans, market performance of the endowment funds, and the continued support and grants from UMW. UMW has committed to funding the operations of the Organization through March 10, 2022, which is twelve months and a day after the report date. Significant changes in these sources or levels of funding, or inability to carry-out certain proposed changes to entrance requirements and other revenue generation plans, would materially affect the Organization's program activities and ability to operate.

During 2020, the Organization received a PPP loan from the U.S. Small Business Administration totaling \$818,077 to assist with payroll and payroll related costs during the pandemic. This loan is subject to forgiveness and management believes the loan will ultimately be forgiven. See Note F for additional information.

M. CONTINGENCIES

The Organization has in place insurance coverage for possible litigation in the ordinary course of business related to general and professional liability claims including medical malpractice. Management believes that claims, if asserted, would be settled within the limits of coverage, which is on an occurrence basis.

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursements for patient services, and fraud and abuse. Accordingly, the healthcare industry is subject to government activity with respect to investigations and/or allegations concerning possible violations of fraud and abuse statutes and/or regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Specifically, the Organization is licensed to operate under the Continuing Care Retirement Communities Statute of the state of North Carolina and is regulated by the North Carolina Department of Insurance.

Management believes that the Organization is in compliance with statutes, as well as other applicable government laws and regulations. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretations as well as regulatory actions unknown or unassisted at this time. The Organization is not aware of any pending or threatened investigations involving allegations of potential wrongdoing.

BROOKS-HOWELL HOME  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

N. COVID-19 PANDEMIC

During March 2020, a global pandemic was declared related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions across the nation as federal, state, and local governments react to the public health crisis, creating significant uncertainties in the economy. This situation is rapidly changing, and additional impacts may arise. While the disruptions are currently expected to be temporary, there is uncertainty around its duration. The ultimate future impact, if any, of the pandemic on the Organization's results of operations, financial position, liquidity or capital resources cannot be reasonably estimated at this time.

O. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 10, 2021, which is the date the financial statements were available to be issued, and has determined that there were no subsequent events requiring disclosure.

**UNITED METHODIST WOMEN**

**FINANCIAL FORECAST**

**For Each of the Five Years Ending  
December 31, 2025**

**(with Independent Accountant's  
Compilation Report Thereon)**

# UNITED METHODIST WOMEN

## Compilation of Financial Forecast

### Table of Contents

	<u>Page</u>
INDEPENDENT ACCOUNTANT’S COMPILATION REPORT.....	1
FINANCIAL STATEMENTS	
Forecasted Statements of Financial Position .....	2
Forecasted Statements of Activities.....	3
Forecasted Statements of Cash Flows .....	4
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES.....	5 - 14
SUPPLEMENTAL DISCLOSURE	
Brooks-Howell Home Forecasted Statements of Financial Position.....	15
Brooks-Howell Home Forecasted Statements of Activities .....	16
Brooks-Howell Home Forecasted Statements of Cash Flows.....	17
Brooks-Howell Home Summary of Significant Forecast Assumptions and Accounting Policies .....	18 - 21





Independent Accountant's Compilation Report

The Board of Directors  
United Methodist Women  
New York City, New York

Management is responsible for the accompanying financial forecast of United Methodist Women ("UMW"), which comprises the forecasted statements of financial position as of December 31, 2021, 2022, 2023, 2024, and 2025, and the related forecasted statements of activities and cash flows for the years then ending, and the related summaries of significant assumptions and accounting policies in accordance with guidelines for the presentation of a financial forecast established by the American Institute of Certified Public Accountants ("AICPA"). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the financial forecast nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this financial forecast.

The forecasted results may not be achieved as there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying supplementary disclosure for Brooks-Howell Home is presented for purposes of additional analysis and is not a required part of the prospective financial information. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not examined or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

The accompanying forecast and this report were prepared to comply with the requirements of North Carolina General Statutes, Chapter 58, Article 64 and should not be used for any other purpose.

*Crosslin, PLLC*

Nashville, Tennessee  
May 27, 2021

**UNITED METHODIST WOMEN**  
**FORECASTED STATEMENTS OF FINANCIAL POSITION**  
**FOR EACH OF THE FIVE YEARS ENDING DECEMBER 31, 2025**  
**(IN THOUSANDS OF DOLLARS)**

	December 31,				
	2021	2022	2023	2024	2025
<u>Assets</u>					
Current assets:					
Cash and investments	\$ 114,859	\$ 117,961	\$ 124,011	\$ 131,349	\$ 139,771
Receivables	7,340	7,346	7,596	7,883	8,017
Inventories and other assets	500	500	500	500	500
Prepaid expenses	190	190	190	190	190
Total current assets	<u>122,889</u>	<u>125,997</u>	<u>132,297</u>	<u>139,922</u>	<u>148,478</u>
Restricted assets:					
Cash and cash equivalents - State of North Carolina operating reserve requirement for Brooks-Howell Home	3,148	3,147	3,764	4,004	4,005
Perpetual trusts held by others	1,800	1,800	1,800	1,800	1,800
Total restricted assets	<u>4,948</u>	<u>4,947</u>	<u>5,564</u>	<u>5,804</u>	<u>5,805</u>
Land, buildings, and equipment, net	<u>9,015</u>	<u>9,083</u>	<u>8,228</u>	<u>7,373</u>	<u>6,518</u>
Total assets	<u>\$ 136,852</u>	<u>\$ 140,027</u>	<u>\$ 146,089</u>	<u>\$ 153,099</u>	<u>\$ 160,801</u>
<u>Liabilities and Net Assets</u>					
Current liabilities:					
Accounts payable and accrued expenses	\$ 1,600	\$ 1,400	\$ 1,500	\$ 1,600	\$ 1,600
Long-term debt - current portion	-	-	-	-	-
Total current liabilities	<u>1,600</u>	<u>1,400</u>	<u>1,500</u>	<u>1,600</u>	<u>1,600</u>
Long-term liabilities:					
Long-term debt - less current portion	-	-	-	-	-
Deferred revenue - refundable	-	-	-	-	-
Deferred revenue - nonrefundable	1,530	330	330	330	330
Annuities payable	187	182	179	175	171
Assets held for others	6,380	6,380	6,380	6,380	6,380
Accrued postretirement and pension benefit costs	9,183	8,449	7,773	7,151	6,578
Total long-term liabilities	<u>17,280</u>	<u>15,341</u>	<u>14,662</u>	<u>14,036</u>	<u>13,459</u>
Total liabilities	<u>18,880</u>	<u>16,741</u>	<u>16,162</u>	<u>15,636</u>	<u>15,059</u>
Net assets:					
Net assets without donor restrictions	39,250	44,132	50,176	56,938	64,253
Net assets with donor restrictions	78,722	79,154	79,751	80,525	81,489
Total net assets	<u>117,972</u>	<u>123,286</u>	<u>129,927</u>	<u>137,463</u>	<u>145,742</u>
Total liabilities and net assets	<u>\$ 136,852</u>	<u>\$ 140,027</u>	<u>\$ 146,089</u>	<u>\$ 153,099</u>	<u>\$ 160,801</u>

See the accompanying Independent Accountant's Compilation Report and Summary of Significant Forecast Assumptions and Accounting Policies.

**UNITED METHODIST WOMEN**  
**FORECASTED STATEMENTS OF ACTIVITIES**  
**FOR EACH OF THE FIVE YEARS ENDING DECEMBER 31, 2025**  
**(IN THOUSANDS OF DOLLARS)**

	Year Ending December 31,				
	2021	2022	2023	2024	2025
Net Assets Without Donor Restrictions:					
Operating revenues and support:					
Conference Giving	\$ 10,200	\$ 10,200	\$ 10,200	\$ 10,200	10,200
Benefits Trust reimbursement	700	700	700	700	700
Bequests and contributions	-	-	-	-	-
Investment income	5,058	5,516	6,013	6,553	7,140
Brooks-Howell Home:					
Fee revenues	5,103	5,814	7,592	8,282	8,282
Health care revenues	-	-	-	-	-
Publications, rental income, and other program revenue	4,046	5,177	3,943	3,911	3,881
Amortization of entrance fees	-	-	-	-	-
Other revenues	2,278	-	-	-	-
Net assets released from restrictions	3,200	3,200	3,200	3,200	3,200
<b>Total operating revenues and support</b>	<b>30,585</b>	<b>30,607</b>	<b>31,648</b>	<b>32,846</b>	<b>33,403</b>
Operating expenses:					
Program services	14,184	12,555	11,155	11,155	11,155
Brooks-Howell Home:					
Operating expenses	4,769	4,820	5,809	6,186	6,190
Dietary expenses	865	834	1,101	1,204	1,204
Administrative expenses	834	834	834	834	834
Interest expense	-	-	-	-	-
Depreciation expense	1,160	1,182	1,205	1,205	1,205
Supporting services	5,322	5,500	5,500	5,500	5,500
<b>Total operating expenses</b>	<b>27,134</b>	<b>25,725</b>	<b>25,604</b>	<b>26,084</b>	<b>26,088</b>
Sale of properties	-	-	-	-	-
<b>Increase in net assets without donor restrictions</b>	<b>3,451</b>	<b>4,882</b>	<b>6,044</b>	<b>6,762</b>	<b>7,315</b>
Net Assets With Donor Restrictions:					
From United Methodist Women and other Agencies	460	460	460	460	460
Bequests and contributions	807	807	807	807	807
Rental and other program income	-	-	-	-	-
Investment income	2,210	2,365	2,530	2,707	2,897
Net assets released from restrictions	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)
<b>Increase in net assets with donor restrictions</b>	<b>277</b>	<b>432</b>	<b>597</b>	<b>774</b>	<b>964</b>
<b>Increase in net assets</b>	<b>3,728</b>	<b>5,314</b>	<b>6,641</b>	<b>7,536</b>	<b>8,279</b>
<b>Net assets, beginning of year</b>	<b>114,244</b>	<b>117,972</b>	<b>123,286</b>	<b>129,927</b>	<b>137,463</b>
<b>Net assets, end of year</b>	<b>\$ 117,972</b>	<b>\$ 123,286</b>	<b>\$ 129,927</b>	<b>\$ 137,463</b>	<b>\$ 145,742</b>

See the accompanying Independent Accountant's Compilation Report and  
Summary of Significant Forecast Assumptions and Accounting Policies.

**UNITED METHODIST WOMEN**  
**FORECASTED STATEMENTS OF CASH FLOWS**  
**FOR EACH OF THE FIVE YEARS ENDING DECEMBER 31, 2025**  
**(IN THOUSANDS OF DOLLARS)**

	Year Ending December 31,				
	2021	2022	2023	2024	2025
Cash flows from operating activities:					
Change in net assets	\$ 3,728	\$ 5,314	\$ 6,641	\$ 7,536	\$ 8,279
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:					
Contributions restricted for long-term investment	(807)	(807)	(807)	(807)	(807)
Gain on extinguishment of debt	(2,278)	-	-	-	-
Gain on sale of properties	-	-	-	-	-
Depreciation	1,160	1,182	1,205	1,205	1,205
Change in value of annuity obligations	(3)	(5)	(3)	(4)	(4)
Change in working capital	(1,964)	(2,140)	(826)	(809)	(707)
Net cash (used in) provided by operating activities	<u>(164)</u>	<u>3,544</u>	<u>6,210</u>	<u>7,121</u>	<u>7,966</u>
Cash flows from investing activities:					
Purchase of land, buildings, and equipment	(1,250)	(1,250)	(350)	(350)	(350)
Proceeds from sale of properties	-	-	-	-	-
Change in assets limited as to use	(107)	1	(617)	(240)	(1)
Net cash used in investing activities	<u>(1,357)</u>	<u>(1,249)</u>	<u>(967)</u>	<u>(590)</u>	<u>(351)</u>
Cash flows from financing activities:					
Net cash provided by financing activities	<u>807</u>	<u>807</u>	<u>807</u>	<u>807</u>	<u>807</u>
Increase in cash and investments	(714)	3,102	6,050	7,338	8,422
Cash and investments, beginning of year	<u>115,573</u>	<u>114,859</u>	<u>117,961</u>	<u>124,011</u>	<u>131,349</u>
Cash and investments, end of year	<u>\$ 114,859</u>	<u>\$ 117,961</u>	<u>\$ 124,011</u>	<u>\$ 131,349</u>	<u>\$ 139,771</u>

See the accompanying Independent Accountant's Compilation Report and Summary of Significant Forecast Assumptions and Accounting Policies.

# UNITED METHODIST WOMEN

## Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2025

### 1. General

The accompanying financial forecast presents, to the best of the knowledge and belief of management of United Methodist Women (“UMW”) and Brooks-Howell Home (“BHH”) (collectively “management”), the expected financial position, results of operations, and cash flows of UMW for each of the five years ending December 31, 2025. Accordingly, the accompanying forecast reflects management’s judgment as of May 27, 2021, the date of completion of this forecast, of the expected conditions and its course of action.

Management’s purpose in releasing this financial forecast is for inclusion in UMW’s annual disclosure statement in accordance with Chapter 58, Article 64, of the North Carolina General Statutes. Accordingly, this report should not be used for any other purpose. The assumptions disclosed herein are those that management believes are significant to the prospective financial statements. UMW recognizes that there will usually be differences between prospective and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Background of UMW - UMW is a tax-exempt, not-for-profit organization which operates under the *Book of Discipline* of The United Methodist Church (the “Church”), as it is, from time to time, promulgated by the General Conference of the Church, which is the ultimate governing body of the Church. UMW relates to United Methodist Women jurisdictions, conferences, districts, and local units in interpreting the purpose of United Methodist Women by advocating for the oppressed and dispossessed, especially women, children, and youth. It works to build a supportive community among women and engages in activities, which foster growth in the Christian faith, mission education, and Christian social involvement throughout the Church.

Funding for UMW’s operations is principally pledged by United Methodist women in local churches through undesignated and designated gifts, and channeled to UMW via the districts and conferences. Contributions received from United Methodist Women conferences accounted for 46% and 48% of total operating revenue of UMW in 2020 and 2019, respectively. In addition to appropriating the funds of United Methodist women, UMW operates the following program areas: Church Center for the United Nations building, a non-profit providing office space for religious and charitable groups working on issues related to the United Nations; UMW Mission Resources, a handling and distribution program for the distribution of UMW’s media resources; *Response* magazine, the official publication of United Methodist Women; and Brooks-Howell Home.

## UNITED METHODIST WOMEN

### Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2025

Brooks-Howell Home Description - UMW owns and operates the Brooks-Howell Home (“BHH”), a continuing care retirement community (“CCRC”) that principally provides housing, health care, and other related services to residents through the operation of a retirement facility containing 39 residential apartments, 21 suites, 1 cottage, and 58 licensed nursing care beds, located in Asheville, North Carolina. BHH’s mission is to serve retired missionaries, deaconesses, and staff of UMW, a certain number of retirees from other divisions of The United Methodist Church, and a limited number of health care patients from the surrounding area. UMW owns the property and provides operating support. No rent is paid to UMW for the property. BHH manages the day-to-day operations under the direction of UMW. UMW is licensed by the state of North Carolina to operate the Brooks-Howell Home.

#### 2. Related Parties

UMW is affiliated with the Scarritt-Bennett Center (the “Center”), a conference, retreat, and educational center in Nashville, Tennessee. UMW appoints certain of the Center’s board members and the Center operates on property, title to which is held by UMW. The General Council on Finance and Administration of The United Methodist Church and UMW each has an interest in the proceeds from any sale of property.

#### 3. Significant Accounting Policies

Basis of Accounting - The prospective financial statements included in the forecast and supplemental disclosure information have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America and prospective reporting. Significant accounting policies are described in the appropriate assumptions and notes to the prospective financial statements. The assumptions described are not all-inclusive.

Use of Estimates - The preparation of prospective 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 prospective financial statements and the revenues and expenses during each reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents, and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturity dates of 90 days or less that are readily convertible to known amounts of cash, except for short-term investments held by UMW’s investment manager as part of a long-term investment strategy.

## UNITED METHODIST WOMEN

### Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2025

Cash, Cash Equivalents, and Investments - Continued - Securities purchased for investment and those received as gifts are carried at fair value. Except for investments in United Methodist Foundation of Western North Carolina, Inc. (the "Foundation") and Funds of Wespath Benefits and Investments ("Wespath"), fair value is based upon quoted market prices. Investments in funds of the Foundation and Wespath Funds are stated at fair value based on unitized market value of the fund portfolio, as determined by the Foundation and Wespath.

Fair Value of Financial Instruments - The Financial Accounting Standards Board ("FASB") has issued authoritative guidance regarding fair value measurements, which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. Fair value as defined under generally accepted accounting principles is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The estimated fair value amounts are determined based on UMW's assessment of available market information and appropriate valuation methodologies.

Inventories - Inventories consist primarily of publications and are valued at the lower of cost or net realizable value, with cost determined principally on the first-in, first-out basis.

Assets Limited as to Use - These assets include restricted investments consisting of endowment funds and investments held in perpetual trusts by others. Securities purchased for investment and those received as gifts are carried at fair value as determined by quoted market prices.

Assets limited as to use also include a statutory operating reserve related to North Carolina General Statute Section 58-64-33, which requires CCRC's to maintain an operating reserve equal to 50 percent of the total operating expenses (adjusted for non-cash items) in a given year, or 25 percent of such total operating expenses (adjusted for non-cash items) if independent living occupancy exceeds 90 percent. UMW's current operating reserve is 50 percent of expected operating expenses of BHH, as defined in the statute.

Land, Buildings, and Equipment - Land, buildings, and equipment are recorded at cost basis or at fair value at the date of gift, if donated. It is UMW's policy to capitalize expenditures for equipment in excess of \$2,500; purchases that do not exceed this amount are expensed as incurred. Buildings, building improvements, and equipment are depreciated on straight-line basis over their estimated useful lives of 30, 20, and 5 years, respectively.

## UNITED METHODIST WOMEN

### Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2025

Land, Buildings, and Equipment - Continued - UMW has granted indefinite use of certain properties (land and buildings) to related church organizations under leasing or other arrangements and, accordingly, these properties are not reflected in the accompanying forecasted financial statements. These arrangements may call for nominal payments and are typically renewed so long as the grantee continues to carry out the stated programs. The carrying values of such properties are reflected as program expenditures at the time the arrangements for indefinite use of the property are made.

Accrued Postretirement and Pension Benefit Costs - UMW has an obligation to provide postretirement and pension benefits to its retired missionaries and deaconesses who were once employees. Costs of these benefits are determined by an actuary and recorded as a liability. The residents of Brooks-Howell Home enter into contracts with UMW, which obligate UMW to provide housing and future services to the residents of Brooks-Howell Home.

Contributions and Bequests - Contributions are recognized as revenue when received. Unconditional promises to give cash and other assets to UMW are reported at fair value at the date the promise is received. UMW reports contributions of cash and other assets as restricted support, if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period as received are reflected as contributions without donor restrictions in the accompanying financial statements. Contributions received on behalf of a specified beneficiary are recorded as a liability to the specified beneficiary concurrent with recognition of the assets received from the donor.

#### Revenue Recognition

*Rental and Service Fee Income* - Resident service fees from BHH are reported at the amount that reflects consideration to which UMW expects to be entitled in exchange for providing rent, room charges, and related services. Rental income related to CCUN is reported at the amount that reflects consideration to which UMW expects to be entitled in exchange from providing rental space and related services in the CCUN building. Generally, rental charges are due at the beginning of each month. Revenue is recognized as the performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by BHH (resident services fees) and UMW (CCUN rental income). Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected or actual charges.



## UNITED METHODIST WOMEN

### Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2025

*Entrance Fees* - In its operation of BHH, UMW may collect certain entrance fees upon admittance of a resident. When material, such entrance fees are included in liabilities when received and amortized over the expected life of the resident. Entrance fees for 2020 and 2019, totaled \$-0- and \$14,000, respectively.

Net Assets - UMW classifies its funds for accounting and reporting purposes as net assets without donor restrictions and net assets with donor restrictions as follows:

*Net Assets Without Donor Restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of UMW. These net assets may be used at the discretion of UMW's management and the board of directors.

*Net Assets With Donor Restrictions* - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of UMW or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity, but may permit UMW to use or expend part or all of the income derived from the donated assets.

Support is reported as an increase in net assets without donor restrictions unless the use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. New York State law (substantially in conformity with The Uniform Prudent Management of Institutional Funds Act) authorizes expenditure of appreciation (both realized and unrealized) in the value of endowment funds subject to a standard of business care and prudence. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donors or state law. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying forecasted statements of activities as net assets released from restrictions.

Federal Income Tax Exemption - UMW is covered under the General Council on Finance and Administration's ("GCFA") group determination letter from the Internal Revenue Service indicating that it is a non-profit corporation and, except for taxes pertaining to unrelated business income, is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. For purposes of the forecast, management assumes no unrelated business income during the forecast period.

## UNITED METHODIST WOMEN

### Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2025

#### 4. Summary of Significant Statement of Activities Assumptions

##### *Operating Revenue and Support*

Management used primarily the 2021 budget approved by the Board of Directors as the basis for the forecasted operating revenue and support for 2021. All other years are forecasted based on the management assumptions below:

From United Methodist Women Conferences - Funding for UMW's operations is principally pledged by United Methodist women in local churches through undesignated and designated gifts, and channeled to UMW via the districts and conferences. Management expects operating revenue from United Methodist women to increase to \$10.2 million in 2021 and remain flat through 2025. UMW is expected to gain from some new initiatives around giving and branding, but is also facing the impact of general church decisions on its membership.

Benefit Trust Reimbursement - Management assumes the Benefit Trust reimbursement to remain relatively consistent during the forecasted period based on the 2021 approved budget.

Bequests and Contributions - Management assumes unrestricted and restricted bequests and other contributions to remain relatively consistent during the forecasted period based on the 2021 approved budget.

Interest and Investment Income, Net of Fees - On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak"). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

This pandemic adversely affected global economic activity and greatly contributed to instability in the financial markets. As a result, UMW's investment portfolio incurred a significant decline in fair value during the first quarter of fiscal year 2020. However, since the March lows the market returned approximately 50% to end fiscal year 2020 approximately 17% higher than the end of 2019. Due to the medical sciences development of effective treatments for those infected and a vaccine that prevents infection, investment earnings for 2021 and throughout the remainder of the forecast have been forecasted to increase approximately seven percent annually to be in line with the five-year historical average.

## UNITED METHODIST WOMEN

### Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2025

Other Revenues - Other revenues are anticipated to remain minimal and consistent throughout the forecasted period except for 2021. In April 2020 and in response to the pandemic, UMW applied for and was approved for financing through the Paycheck Protection Program (“PPP”). UMW received funding for the PPP loan in the amount of approximately \$1,460,000, which is subject to forgiveness if it is utilized for expenditures such as certain payroll, rent, and utility costs. UMW utilized the loan proceeds for purposes that qualify the loan for forgiveness and management expects the loan to ultimately be forgiven. BHH, which is consolidated with UMW, received approximately \$818,000 in PPP funds during 2020. Therefore, \$2,278,000 has been included in cash and revenue (forgiveness of the PPP loan) in the 2021 forecasted balances. As of December 31, 2020 the PPP loan is included in debt and is expected to be forgiven during fiscal year 2021. On April 27, 2021, the BHH PPP loan was forgiven. UMW is still awaiting final approval for the forgiveness of their PPP loan.

Brooks-Howell Home - Management assumes revenue related to BHH to increase each year through 2025 based on the BHH strategic plan. The strategic plan contemplates transitioning BHH from being UMW subsidy-dependent to being self-sustaining. Over the course of four years BHH will reach levels of operational efficiency, request approval from the UMW board for the construction of Medicare beds, and build reserves for unexpected expenses. In accordance with the strategic plan, management expects to achieve 60% independent living capacity in 2021, 70% independent living capacity in 2022, and 75% independent capacity through the remaining forecasted period. Construction on the Medicare wing is expected to begin during the second half of 2021 and continue through the first half of 2022. This new Medicare wing is expected to generate an additional \$2,760,000 in revenue at full capacity. Management expects BHH to reach 50% Medicare wing capacity in 2023 and 75% through the remaining forecasted period.

Publication Sales, Rental Income, and Other Program Revenue - During 2021, management assumes revenue consistent with the 2021 budget. During 2022, management assumes an increase of \$1,200,000 related to the recognition of the 2022 UMW Assembly registration fees collected and included in deferred revenue nonrefundable during 2021. Management assumes revenue to decrease \$1,200,000 in fiscal year 2023 due to UMW Assembly registration fees only occurring once every four years and then remain consistent during the remaining forecast period.

## UNITED METHODIST WOMEN

### Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2025

#### *Operating Expenses*

Management used the 2021 Board approved budget as the basis for the forecasted operating expenses for 2021. All other years are forecasted based on the management assumptions below:

Program Services - Program service expenses include grants to other organizations for mission purposes, scholarships, mission education and leadership development programs, advocacy and expenses related to pensions, property repairs and maintenance, and other service center expenses. Management assumes grants to other organizations to decrease slightly throughout the forecasted period. Management assumes mission programs to remain constant throughout the forecast period based on 2020 results. Management assumes pension expenses to decline eight percent annually during the forecasted period due to mortality in the closed plan. Management assumes all other program services expenses, to include property repairs and maintenance and other publication/distribution center expenses, to remain consistent with the 2021 budget during the forecast period. Management assumes an additional \$1,200,000 of other program services expenses in fiscal year 2022, related to UMW Assembly expenses. In fiscal year 2023, management assumes a decrease of \$1,200,00 related to not having Assembly expenses as well as an additional decrease of \$200,000 for other program services expenses that are expected not to occur during 2023. Then program services expenses are expected to remain consistent during the remaining forecast period.

Brooks-Howell Home - Management assumes resident related operating expenses for BHH will increase at a rate consistent with that of resident service revenue. The primary resident service expenses are nursing services, food services, activities expense, and ancillary services. Expenses for 2021 nursing services, food services, activities expense, and ancillary services are based on the approved budget. Expenses for 2022 through 2025 nursing services, food services, activities expense, and ancillary services are forecasted to be approximately 50%, 15%, 4%, and 0.2% of resident service revenue, respectively. The expenses for these line items are expected to remain at that percentage of resident service revenue throughout the forecasted period. Marketing expense is assumed to increase at a 3% rate per year based on the BHH strategic plan to increase census. The remaining expenses are expected to remain consistent with the 2021 budget.

Depreciation Expense - Depreciation is expected to increase in 2022 and through the forecasted period due to the addition of a Medicare wing for the BHH facility, which will be recommended to the UMW board for approval in 2021. Based on the strategic plan of BHH, the Medicare wing construction is expected to begin in the second half of 2021 and be completed in the first half of 2022. The total cost of the construction is expected to be approximately \$1,800,000; therefore, annual depreciation expense will be approximately \$45,000 per year. The assumption is for the construction in progress related to the Medicare wing to be placed in service during the second half of 2022; therefore, a half year of depreciation expense will be added in 2022 and a full year of depreciation expense will be added throughout the remaining of the forecasted period.

## UNITED METHODIST WOMEN

### Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2025

Supporting Services - Management assumes supporting services to be approximately \$5,300,000 in 2021 based on the 2021 budget and increase to \$5,500,000 throughout the remaining of the forecasted period.

#### 5. Summary of Significant Statement of Financial Position Assumptions

##### Current Assets and Current Liabilities

Management has assumed working capital components based on UMW's historical trends, which are outlined in the following table:

**Table 1**  
**Working Capital**

##### Approximate Historical % of Annual

Receivables	24%	certain operating revenues
Inventories and other assets	2%	total operating expenses
Accounts payable and accrued expenses	6%	total operating expenses

Source: Management

Assets Limited as to Use - Management assumes assets limited as to use to be as follows for the years ending December 31, 2021 through 2025:

**Table 2**  
**Assets Limited as to Use**  
**(in thousands of dollars)**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Restricted investments	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Statutory operating reserve (1)	<u>3,148</u>	<u>3,147</u>	<u>3,764</u>	<u>4,004</u>	<u>4,005</u>
Assets limited as to use	<u>\$4,948</u>	<u>\$4,947</u>	<u>\$5,564</u>	<u>\$5,804</u>	<u>\$5,805</u>

Source: Management

Notes: (1) Management assumes the statutory operating reserve requirement to be 50 percent of BHH's operating expenses for the fiscal year (adjusted for non-cash items) based on an assumed occupancy rate for independent living units of BHH less than 90 percent throughout the forecasted period.

## UNITED METHODIST WOMEN

### Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2025

Land, Buildings, and Equipment - Management assumes no gain or loss from the sale or disposal of land, buildings, and equipment. Management assumes routine capital additions of \$250,000 and \$100,000 for UMW and BHH, respectively, in each of the years ending December 31, 2021 through 2025. In addition, management assumes a significant BHH capital addition for a new Medicare wing of approximately \$1,800,000, which will be recommended to the UMW board for approval in 2021. The construction is expected to begin in the second half of 2021 and continue through the first half of 2022. Therefore, \$900,000 of capital additions related to construction in progress of the Medicare wing will be added during 2021 and the remaining \$900,000 of capital additions will be added during 2022 when construction is complete. Forecasted activity for each of the years ending December 31, 2021 through 2025 as follows:

**Table 3**  
**Schedule of Property and Equipment**  
**(in thousands of dollars)**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Beginning balance	\$ 21,174	\$ 22,424	\$ 23,674	\$ 24,024	\$ 24,374
Capital additions	<u>1,250</u>	<u>1,250</u>	<u>350</u>	<u>350</u>	<u>350</u>
Total capital costs	22,424	23,674	24,024	24,374	24,724
Accumulated depreciation	<u>(13,409)</u>	<u>(14,591)</u>	<u>(15,796)</u>	<u>(17,001)</u>	<u>(18,206)</u>
Property and equipment, net	<u>\$ 9,015</u>	<u>\$ 9,083</u>	<u>\$ 8,228</u>	<u>\$ 7,373</u>	<u>\$ 6,518</u>

Source: Management

Deferred Revenue - Nonrefundable - Management assumes amounts related to deferred revenue - nonrefundable to remain constant throughout the forecasted period. Management assumes an additional \$1,200,000 of deferred revenue- nonrefundable during fiscal year 2021 related to the collection of registration fees for the 2022 Assembly.

Annuities Payable - Management assumes amounts related to annuities payable to decrease two percent annually throughout the forecast period.

Assets Held for Others - Management assumes amounts related to assets held for others to remain constant throughout the forecast period.

Accrued Postretirement and Pension Benefit Costs - Management assumes amounts related to accrued postretirement and pension benefit costs to decrease eight percent annually throughout the forecasted period, based on a closed plan.

**UNITED METHODIST WOMEN**  
**SUPPLEMENTAL DISCLOSURE**

**UNITED METHODIST WOMEN  
SUPPLEMENTAL DISCLOSURE**

**BROOKS-HOWELL HOME**  
FORECASTED STATEMENTS OF FINANCIAL POSITION  
FOR EACH OF THE FIVE YEARS ENDING DECEMBER 31, 2025  
(IN THOUSANDS OF DOLLARS)

	December 31,				
	2021	2022	2023	2024	2025
<u>Assets</u>					
Current assets:					
Cash and cash equivalents	\$ 1,944	\$ 2,211	\$ 2,668	\$ 2,926	\$ 3,176
Accounts receivable - residents	95	111	147	161	161
Accounts receivable - other	21	21	21	21	21
Accounts receivable - United Methodist Women	14	14	14	14	14
Inventories	110	110	132	140	140
Total current assets	<u>2,184</u>	<u>2,467</u>	<u>2,982</u>	<u>3,262</u>	<u>3,512</u>
Restricted assets:					
Assets limited as to use - current portion	26	27	27	27	27
Total restricted assets	<u>26</u>	<u>27</u>	<u>27</u>	<u>27</u>	<u>27</u>
Other assets:					
Investments	490	524	561	600	642
Assets limited as to use - long-term	695	702	709	716	723
Total other assets	<u>1,185</u>	<u>1,226</u>	<u>1,270</u>	<u>1,316</u>	<u>1,365</u>
Land, buildings, and equipment, net	<u>2,262</u>	<u>3,068</u>	<u>2,951</u>	<u>2,834</u>	<u>2,717</u>
Total assets	<u>\$ 5,657</u>	<u>\$ 6,788</u>	<u>\$ 7,230</u>	<u>\$ 7,439</u>	<u>\$ 7,621</u>
<u>Liabilities and Net Assets</u>					
Current liabilities:					
Accounts payable	\$ 148	\$ 148	\$ 177	\$ 188	\$ 188
Accrued wages and related liabilities	276	277	331	352	352
Agency funds	26	27	27	27	27
Long-term debt - current maturities	-	-	-	-	-
Total current liabilities	<u>450</u>	<u>452</u>	<u>535</u>	<u>567</u>	<u>567</u>
Long-term liabilities:					
Long-term debt - less current maturities	-	-	-	-	-
Deferred revenue - refundable	-	-	-	-	-
Deferred revenue - nonrefundable	-	-	-	-	-
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>450</u>	<u>452</u>	<u>535</u>	<u>567</u>	<u>567</u>
Net assets:					
Without donor restrictions	4,451	5,578	5,935	6,110	6,290
With donor restrictions	756	758	760	762	764
Total net assets	<u>5,207</u>	<u>6,336</u>	<u>6,695</u>	<u>6,872</u>	<u>7,054</u>
Total liabilities and net assets	<u>\$ 5,657</u>	<u>\$ 6,788</u>	<u>\$ 7,230</u>	<u>\$ 7,439</u>	<u>\$ 7,621</u>

See the accompanying Independent Accountant's Compilation Report and  
Summary of Significant Forecast Assumptions and Accounting Policies.



**UNITED METHODIST WOMEN  
SUPPLEMENTAL DISCLOSURE**

**BROOKS-HOWELL HOME**  
FORECASTED STATEMENTS OF ACTIVITIES  
FOR EACH OF THE FIVE YEARS ENDING DECEMBER 31, 2025  
(IN THOUSANDS OF DOLLARS)

	Year Ending December 31,				
	2021	2022	2023	2024	2025
Operating revenues and support:					
Resident services	\$ 4,767	\$ 5,561	\$ 7,338	\$ 8,028	\$ 8,029
United Methodist Women support	1,200	800	400	-	-
United Methodist Women grant	898	898	-	-	-
Healthcare revenues	-	-	-	-	-
Amortization of entrance fees	-	-	-	-	-
Contributions	2	2	2	2	2
Investment earnings	97	104	111	119	127
Other operating revenue	1,071	252	252	252	252
	<u>8,035</u>	<u>7,617</u>	<u>8,103</u>	<u>8,401</u>	<u>8,410</u>
Total operating revenues and support					
Operating expenses:					
Nursing services	2,764	2,781	3,668	4,014	4,015
Food services	865	834	1,101	1,204	1,204
Administration	834	834	834	834	834
Environmental services	447	447	447	447	447
Maintenance	855	855	855	855	855
Social service	-	-	-	-	-
Human resources	61	61	61	61	61
Marketing	99	102	105	108	111
Activities	214	222	294	321	321
Depreciation	172	194	217	217	217
Other expense	15	15	15	15	15
Resident ancillary	10	11	15	16	16
Staff house	4	4	4	4	4
Home care	128	128	128	128	128
	<u>6,468</u>	<u>6,488</u>	<u>7,744</u>	<u>8,224</u>	<u>8,228</u>
Total operating expenses					
Increase in net assets	1,567	1,129	359	177	182
Net assets, beginning of year	<u>3,640</u>	<u>5,207</u>	<u>6,336</u>	<u>6,695</u>	<u>6,872</u>
Net assets, end of year	<u>\$ 5,207</u>	<u>\$ 6,336</u>	<u>\$ 6,695</u>	<u>\$ 6,872</u>	<u>\$ 7,054</u>

See the accompanying Independent Accountant's Compilation Report and  
Summary of Significant Forecast Assumptions and Accounting Policies.

**UNITED METHODIST WOMEN  
SUPPLEMENTAL DISCLOSURE**

**BROOKS-HOWELL HOME**  
FORECASTED STATEMENTS OF CASH FLOWS  
FOR EACH OF THE FIVE YEARS ENDING DECEMBER 31, 2025  
(IN THOUSANDS OF DOLLARS)

	Year Ending December 31,				
	2021	2022	2023	2024	2025
Cash flows from operating activities:					
Increase in net assets	\$ 1,567	\$ 1,129	\$ 359	\$ 177	\$ 182
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Gain on extinguishment of debt	(818)	-	-	-	-
Depreciation	172	194	217	217	217
Change in investments	(32)	(34)	(37)	(39)	(42)
Change in working capital	110	(14)	25	10	-
Net cash provided by operating activities	<u>999</u>	<u>1,275</u>	<u>564</u>	<u>365</u>	<u>357</u>
Cash flows from investing activities:					
Purchase of land, buildings, and equipment	(1,000)	(1,000)	(100)	(100)	(100)
Change in assets limited as to use	(7)	(8)	(7)	(7)	(7)
Net cash used in investing activities	<u>(1,007)</u>	<u>(1,008)</u>	<u>(107)</u>	<u>(107)</u>	<u>(107)</u>
Cash flows from financing activities:					
Net cash provided by financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Decrease) increase in cash and cash equivalents	(8)	267	457	258	250
Cash and cash equivalents, beginning of year	<u>1,952</u>	<u>1,944</u>	<u>2,211</u>	<u>2,668</u>	<u>2,926</u>
Cash and cash equivalents, end of year	<u>\$ 1,944</u>	<u>\$ 2,211</u>	<u>\$ 2,668</u>	<u>\$ 2,926</u>	<u>\$ 3,176</u>

See the accompanying Independent Accountant's Compilation Report and Summary of Significant Forecast Assumptions and Accounting Policies.

**UNITED METHODIST WOMEN  
SUPPLEMENTAL DISCLOSURE  
BROOKS- HOWELL HOME**

Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2025

**1. General**

Brooks-Howell Home (“BHH”) is a part of United Methodist Women (the “UMW”) and principally provides housing, health care, and other related services to residents through the operation of a retirement facility containing 39 residential apartments, 21 suites, 1 cottage, and 58 licensed nursing care beds, located in Asheville, North Carolina. UMW owns the property and provides operating support; however, no rent is paid to UMW for the use of the property. Contracts for services provided by BHH are in the name of United Methodist Women. BHH manages the day-to-day operations under the direction of UMW. The forecasted statements of activities of BHH includes only those day-to-day operations at BHH. Other transactions that occur between residents and UMW are not recorded on the BHH financial statements. BHH operates in the State of North Carolina under provisions of a Certificate of Authority.

The mission of BHH is to serve retired missionaries, deaconesses, and staff of UMW, a certain number of retirees from other divisions of The United Methodist Church, and a limited number of health care patients from the community.

BHH follows the same significant accounting policies as UMW.

**2. Summary of Significant Statement of Activities Assumptions**

***Operating Revenue and Support***

Management used the 2021 Board approved budget as the basis for the forecasted operating revenue for 2021. All other years are forecasted based on management assumptions below:

BHH Strategic Plan 2021-2024 - The strategic plan put in place by UMW and BHH during 2020 was a plan to transition BHH from being UMW subsidy-dependent to being self-sustaining. Over the course of four years BHH will reach levels of operational efficiency, request approval from the UMW board for the construction of Medicare beds, and build reserves for unexpected expenses.

**UNITED METHODIST WOMEN  
SUPPLEMENTAL DISCLOSURE  
BROOKS- HOWELL HOME**

Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2025

Resident Services & United Methodist Women Support - In accordance with the strategic plan, management expects to achieve 60% independent living capacity in 2021, 70% independent living capacity in 2022, and 75% independent capacity through the remaining forecasted period. Construction on the Medicare wing is expected to begin during the second half of 2021 and continue through the first half of 2022. The Medicare wing is expected to generate an additional \$2,760,000 in revenue at full capacity. Management expects BHH to reach 50% Medicare wing capacity in 2023 and 75% through the remaining forecasted period. Also, in accordance with the BHH strategic plan, UMW support is expected to decline to \$1,200,000 in 2021, \$800,000 in 2022, \$400,000 in 2023 and \$-0- for the remaining of the forecasted period. BHH collects entrance fees and monthly resident fees as determined by the resident contract. BHH remits these funds to UMW, with no revenue or expense recorded on BHH's books. UMW returns the entrance fees to BHH as part of its financial support. For the years 2020 and 2019, UMW provided approximately \$1,913,000 and \$1,865,000, respectively, in annual operating support to BHH.

Investment Earnings - On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency due to the COVID-19 pandemic, based on the rapid increase in exposure globally. This pandemic adversely affected global economic activity and greatly contributed to deterioration and instability in financial markets. As a result, BHH's investment portfolio incurred a significant decline in fair value during the first quarter of 2020. However, since the March lows, the market returned approximately 50% to end fiscal year 2020 approximately 17% higher than the end of 2019. Due to the medical sciences development of effective treatments for those infected and a vaccine that prevents infection, investment earnings for 2021 and throughout the remainder of the forecast have been forecasted to increase approximately seven percent annually to be in line with the five-year historical average.

Other Revenues - Other revenues are anticipated to remain consistent with the 2020 actual balance throughout the forecasted period except for 2021. In April 2020 and in response to the pandemic, BHH applied for and was approved for financing through the Paycheck Protection Program ("PPP"). BHH received funding for the PPP loan in the amount of approximately \$818,000, which is subject to forgiveness if it is utilized for expenditures such as certain payroll, rent, and utility costs. BHH utilized the loan proceeds for purposes that qualify the loan for forgiveness and management expects the loan to ultimately be forgiven. Therefore, \$818,000 has been included in other revenues in the 2021 forecasted balances. On April 27, 2021, the BHH PPP loan was forgiven.

**UNITED METHODIST WOMEN  
SUPPLEMENTAL DISCLOSURE  
BROOKS- HOWELL HOME**

Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2025

***Operating Expenses***

Management used the 2021 Board approved budget as the basis for the forecasted operating expenses for 2021. All other years are forecasted based on management assumptions below:

Brooks-Howell Home Expenses - Expenses related to Brooks-Howell Home are recorded as incurred. Brooks-Howell Home expenses include primarily salaries, related employee benefits, and raw food costs. Management expects resident related operating expenses for BHH to increase at a rate consistent with that of resident service revenue. The primary resident service expenses are nursing services, food services, activities expense, and ancillary services. Expenses for 2021 nursing services, food services, activities expense, and ancillary services are based on the approved budget. Expenses for 2022 through 2025 nursing services, food services, activities expense, and ancillary services are forecasted to be approximately 50%, 15%, 4%, and 0.2% of resident service revenue, respectively. The expenses for these line items are expected to remain at that percentage of resident service revenue throughout the forecasted period. Marketing expense is assumed to increase at a 3% rate per year based on the BHH strategic plan to increase census. The remaining expenses are expected to remain consistent with the 2021 budget.

**3. Summary of Significant Statement of Financial Position Assumptions**

Accounts Receivable - Management assumes resident accounts receivable to be approximately 2% of total resident service revenue throughout the forecasted period based on historical average. Management assumes non-resident accounts receivable to remain consistent throughout the forecast period.

Inventories - Management assumes inventories to remain at approximately 1.70% of total operating expenses, based on historical average. During 2020, BHH had to carry excess inventory due to the impact of COVID-19. The impact to BHH inventory is not expected to reach 2020 levels throughout the forecasted period.

**UNITED METHODIST WOMEN  
SUPPLEMENTAL DISCLOSURE  
BROOKS- HOWELL HOME**

Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2025

Land, Buildings, and Equipment - Management assumes routine capital additions of \$100,000 in each of the years ending December 31, 2021 through 2025. In addition, management assumes a significant BHH capital addition for a new Medicare wing of approximately \$1,800,000, which will be recommended to the UMW board for approval in 2021. The construction is expected to begin in the second half of 2021 and continue through the first half of 2022. Therefore, \$900,000 of capital additions related to construction in progress of the Medicare wing will be added during 2021 and the remaining \$900,000 of capital additions will be added during 2022 when construction is complete. The corresponding depreciation is expected to increase in 2022 and through the forecasted period due to the significant addition. Therefore, annual depreciation expense will be approximately \$45,000 per year. The assumption is for the construction in progress related to the Medicare wing to be placed in service during the second half of 2022; therefore, a half year of depreciation expense will be added in 2022 and a full year of depreciation expense will be added throughout the remaining of the forecasted period.

Assets Limited as to Use - Management assumes assets limited as to use to remain relatively consistent throughout the forecasted period, with increases of approximately one percent annually.

Investments - Management assumes investments to increase seven percent throughout the forecasted period, based on historical average.

Accounts Payable and Accrued Liabilities - Management assumes accounts payable will remain at approximately 6% of total non-payroll operating expenses based on historical average. Management also assumes accrued wages and related liabilities to remain at approximately 7% of total payroll expenses based on historical average. Based on a 5-year average, payroll has approximated 60% of total operating expense.

**UNITED METHODIST WOMEN**  
 Statements of Financial Position  
 March 31, 2021 (Unaudited) and December 31, 2020

**Assets**

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 550,280	\$ -
Cash and cash equivalents - State of North Carolina operating reserve requirement for Brooks Howell Home	3,062,000	3,062,000
Receivables:		
Due from conferences	246,934	3,551,176
Loans	130,426	132,895
Other	2,161,206	1,484,042
Inventories and other assets	521,554	432,535
Prepaid expenses	141,459	192,208
Investments in debt securities of The United Methodist Development Fund	5,500	5,500
Investments	116,693,596	115,568,238
Land, buildings, and equipment, net	8,925,748	8,925,196
Perpetual trusts held by others	1,778,733	1,778,733

Total assets	\$ 134,217,435	\$ 135,132,523
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**Liabilities and Net Assets**

Liabilities:		
Accounts payable and accrued expenses	\$ 1,547,830	\$ 1,735,009
Notes payable	2,278,219	2,278,219
Deferred revenue	-	325,272
Annuities payable	189,564	189,564
Assets held for others	7,339,452	6,378,468
Accrued postretirement and pension benefit costs	9,982,346	9,982,346

Total liabilities	21,337,411	20,888,878
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Net assets:		
Net assets without donor restrictions	33,700,156	35,799,031
Net assets with donor restrictions	79,179,868	78,444,614

Total net assets	112,880,023	114,243,645
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Total liabilities and net assets	\$ 134,217,435	\$ 135,132,523
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**UNITED METHODIST WOMEN**  
 Statements of Activities  
 Three Months Ended March 31, 2021 (Unaudited)  
 (with comparative totals for the year ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021	2020
<b>Operating Revenues:</b>				
<b>Mission Giving:</b>				
Pledge to Mission	\$ 332,746	\$ -	\$ 332,746	\$ 9,173,898
Special Edition SMR	1,050	-	1,050	9,000
Supplementary Giving	548	1,895	2,443	81,672
Designated Giving	1,283	13,722	15,006	469,978
<b>Interest Income:</b>				
Interest Income from Cash Equivalents	-	-	-	21
Investment Income (Net of Fees)	64,282	91,343	155,625	1,318,945
Bequests, Trusts, Other Long-term Gifts	112	-	112	563,740
<b>Publications:</b>				
Response Magazine	43,271	-	43,271	251,525
PBD/MRC	56,257	-	56,257	274,825
<b>Rental and Service Fee Income:</b>				
Resident Service Fees from Brooks Howell Home	-	-	-	4,992,298
CCUN	426,321	-	426,321	2,206,907
<b>Other Income:</b>				
Events, Seminars, Meetings	-	-	-	-
Benefits Trust	257,353	-	257,353	856,901
Miscellaneous Other Income	317,084	-	317,084	781,069
Net assets released from restrictions	(334,204)	334,204	-	-
Total operating revenues	<u>1,166,103</u>	<u>441,165</u>	<u>1,607,268</u>	<u>20,980,779</u>
<b>Operating Expenses:</b>				
<b>Program Services:</b>				
<b>Programs Administered by UMW:</b>				
Transformation	499,335	-	499,335	2,241,830
Position	39,789	-	39,789	269,973
Engage	49,813	-	49,813	165,613
Mobilize	36,009	-	36,009	278,115
Connection	112,379	-	112,379	483,490
<b>National Mission Institution Property Management:</b>				
Insurance	282,739	-	282,739	1,262,159
Repairs and Maintenance	370	-	370	(172,443)
Mission Education	162,421	-	162,421	847,498
Response Magazine	53,395	-	53,395	223,458
Mission Resources	63,615	-	63,615	1,009,986
Christian Social Action	9,718	-	9,718	159,698
Deaconess, Home Missioners Office and Network	75,493	-	75,493	354,261
Other Programs Administered by UMW	313,654	-	313,654	1,179,724
<b>Programs Administered by Other Organizations:</b>				
United Methodist Organizations National Mission	419,060	-	419,060	1,759,642
United Methodist Organizations International Mission	162,822	-	162,822	1,349,536
Ecumenical Organization	375	-	375	65,128
Social Action Organizations	-	-	-	50,000
Grants from Designated Funds	81,994	-	81,994	2,738,711
<b>Program Support:</b>				
Church Center for the United Nations	290,506	-	290,506	2,521,048
<b>Brooks Howell Retirement Center:</b>				
Retired Deaconess, Missionary Home Operations	-	-	-	4,692,447
Retired Deaconess, Missionary Pension and Health Benefits	524,684	-	524,684	3,058,113
Annuity Fund	-	-	-	20,583
Scarritt-Bennett Center	25,000	-	25,000	100,000
Organization-wide Program Support	13,459	-	13,459	195,842
Total program services	<u>3,216,631</u>	<u>-</u>	<u>3,216,631</u>	<u>24,854,412</u>
<b>Supporting Services:</b>				
Management and general Fund-raising	1,085,727	-	1,085,727	4,967,078
Fundraising	132,748	-	132,748	523,369
Total supporting services	<u>1,218,475</u>	<u>-</u>	<u>1,218,475</u>	<u>5,490,447</u>
Total operating expenses	<u>4,435,106</u>	<u>-</u>	<u>4,435,106</u>	<u>30,344,859</u>
(Decrease) increase in net assets from operations	<u>(3,269,003)</u>	<u>441,165</u>	<u>(2,827,838)</u>	<u>(9,364,080)</u>
<b>Non-operating Activities:</b>				
Net appreciation in fair value of investments	1,170,128	-	1,170,128	16,235,420
Net appreciation in perpetual trusts held by others	-	-	-	113,106
Change in postretirement and pension benefit costs	-	-	-	12,109,597
Gain on sale of properties	-	-	-	214,283
Endowment contributions	-	294,089	294,089	773,428
Total non-operating activities	<u>1,170,128</u>	<u>294,089</u>	<u>1,464,217</u>	<u>29,445,834</u>
(Decrease) increase in net assets	<u>(2,098,875)</u>	<u>735,254</u>	<u>(1,363,622)</u>	<u>20,081,754</u>
Net assets at beginning of period/year	<u>35,799,031</u>	<u>78,444,614</u>	<u>114,243,645</u>	<u>94,161,891</u>
Net assets at end of period/year	<u>\$ 33,700,156</u>	<u>\$ 79,179,868</u>	<u>\$ 112,880,023</u>	<u>\$ 114,243,645</u>



**UNITED METHODIST WOMEN**

Statements of Cash Flows

Three Months Ended March 31, 2021 (Unaudited) and Year Ended December 31, 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (1,363,622)	\$ 20,081,754
Adjustments to reconcile (decrease) increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	-	1,076,071
Gain on sale of properties	-	(214,283)
Net appreciation in fair value of investments	(1,170,128)	(16,235,420)
Net appreciation in perpetual trusts held by others	-	(113,106)
Contributions and investment return restricted for long-term investment	(294,089)	(773,428)
Actuarial gain on annuity obligations	-	13,968
Change in receivables	2,629,548	44,213
Change in inventories and other assets	(89,019)	189,946
Change in prepaid expenses	50,749	555,785
Change in accounts payable and accrued expenses	(187,179)	(28,056)
Change in deferred revenue	(325,272)	(188,053)
Change in assets held for others	960,984	524,436
Change in accrued postretirement and pension benefit costs	-	(12,109,597)
Net cash provided by (used in) operating activities	<u>211,973</u>	<u>(7,175,770)</u>
Cash flows from investing activities:		
Proceeds from sale of properties	-	214,283
Purchases of equipment and improvements	(552)	(704,782)
Proceeds from sales of investments	663,418	7,527,064
Purchases of investments	(618,648)	(2,889,536)
Net cash provided by investing activities	<u>44,218</u>	<u>4,147,029</u>
Cash flows from financing activities:		
Contributions and investment return restricted for long-term investment	294,089	773,428
Proceeds from issuance of long-term debt	-	2,278,219
Payments of annuity obligations	-	(22,906)
Net cash provided by financing activities	<u>294,089</u>	<u>3,028,741</u>
Net increase in cash and cash equivalents	550,280	-
Cash and cash equivalents at beginning of period/year	<u>3,062,000</u>	<u>3,062,000</u>
Cash and cash equivalents at end of period/year	<u>\$ 3,612,280</u>	<u>\$ 3,062,000</u>