

DISCLOSURE STATEMENT
OAK CREEK

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DISCLOSURE STATEMENT

Dated: February 25, 2021

Name of Facility: Oak Creek Apartments

Located at: 343 Baldwin Road (27217-2775)
P O Box 3426
Burlington, NC 27215-0426

Telephone No.: 336-226-5739

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

- * **This Disclosure Statement may be delivered until revised, but not after
July 24, 2022;**
- * **Delivery of the Disclosure Statement to a contracting party before execution
of a contract for continuing care is required;**
- * **This Disclosure Statement has not been reviewed or approved by any
government agency or representative to ensure accuracy or completeness of
the information set out**

DISCLOSURE STATEMENT

OAK CREEK APARTMENTS

I. ORGANIZATION INTRODUCTION AND INFORMATION

With its beginning in 1969, professional leadership of our organization has had many years of successful experience in the health care field and has developed an accomplished management team as an integral part of the operation.

Depending on local community needs, White Oak Manor, Inc. through its qualifying subsidiary companies, develops and manages its own communities, or manages the facility for local community or private groups. We are an organization of 2,200 employees, with combined annual revenue of more than 170 million dollars. We own 16 health care facilities with 1,928 SNF beds, 75 Assisted Living beds and 303 Independent Living Apartments; and operate on a for-profit status as a corporation.

Our goal is to deliver the highest quality services to our residents at the lowest possible cost. Our Apartment Managers are trained as cooperative supportive problem solvers and our full-time corporate staff has daily exposure to the intricacies involved in translating the concept of quality health care into the actual delivery of health services.

Through the following methods White Oak Manor – Burlington, Inc. and its parent company, White Oak Manor, Inc., will achieve their objectives:

1. Maximize the utilization of manpower and professional skills to recruit qualified personnel to staff the facility.
2. Provide overall administration and direction including financial systems implementation and review, and professional analysis of the several indices of the facility's progress.
3. Assist in the development of short and long range communications, media, and public relations programs to increase the visibility of the facility's activities and to promote the committee education; evaluate the continuing development of the facility's program and resident care policies.
4. Provide ongoing responsive management to ensure quality cost-effective operation and the constant sensitivity to changing community needs.
5. Use of bulk buying power to obtain the best service and buys from vendors.
6. Provide attractive working conditions and effective recruitment policies in order to insure a stable, high caliber level of employee.
7. Provide a high degree of expertise by being able to call on other communities within the organization wherein individuals have attained excellence in specific areas.
8. Assure top quality care, a good reputation, and a successful financial operation.

II. FACILITY INTRODUCTION AND INFORMATION

Oak Creek combines beauty, dignity, and security to create a remarkably attractive atmosphere. There are fifty-four one and two bedroom apartments, carefully planned to provide convenience, safety, and privacy that make up Oak Creek.

In the kitchen, you'll find all those extras you've come to expect – refrigerator, dishwasher, disposal, stove, and oven. Spend afternoons relaxing on your porch in the company of friends or in undisturbed privacy. Located in each apartment are emergency call systems connected to the nurses' station in the adjacent White Oak Manor – Burlington nursing center. In addition, centrally located are a dining area and lounge.

The White Oak Manor – Burlington nursing center is a licensed 160-bed Medicare and Medicaid certified nursing facility staffed 24-hours a day with health professionals.

Physical, speech and occupational therapists are available to apartment residents. Activities at Oak Creek are planned to meet the needs and desires of the individual resident. They vary from arts and crafts to luaus to evenings at the Fine Arts Center. Excursions and tours will satisfy everyone's taste. You're not bound by a schedule but are free to set your own pace.

White Oak Manor – Burlington, Inc. is a wholly owned subsidiary of White Oak Manor, Inc., and both are for profit South Carolina corporations. The 4.0 acre site includes 54 apartments, all with ground floor entrance, and a 160-bed nursing facility.

Directions to Oak Creek from Greensboro Airport – Take I-40 East to I-85 East. Take I-85 East to Exit 143 (Highway 62N). Follow 62 North until it joins Hwy. 70 East. Follow Hwy. 70 East (aka Church Street) to Vaughn Road. Turn left at Vaughn Road. Turn left again at Baldwin Road. Turn right at Oak Creek sign. From the Raleigh/Durham/Chapel Hill area take I-40 West or I-85 West to Exit #143. Follow directions above.

As of September 30, 2020 there were 59 residents at Oak Creek occupying 51 of 54 available apartments.

Our nursing facility is recognized by the following affiliated groups:

1. Licensed by State Health Department
2. Certified by Medicare, Medicaid, and VA
3. Member of North Carolina Health Care Facilities Assoc.
4. Member of American Health Care Assoc.

The day-to-day operating manager of Oak Creek Apartments is Kelly Rivers, Apartment Coordinator. Please see biography on next page.

APARTMENT COORDINATOR'S BIOGRAPHY

Kelly Rivers

Kelly Rivers joined the Oak Creek Retirement Center in 2011. Duties include apartment supervision and "sales" with primary focus on motivating and maintaining community atmosphere (strong emphasis on resident retention and social activity).

EDUCATION:

1985 High School Graduate

WORK EXPERIENCE:

Twin Lakes (CCRC – Private/ non-profit) 1992-2000

Mariner (for Profit) 2000-2002

White Oak Manor 2002 – present

CURRENT CONTACT INFORMATION:

OAK CREEK APARTMENTS
343 Baldwin Road (27217-2775)
P O Box 3426
Burlington, NC 27215-0426

Phone: 336-226-5739

The Corporate Staff of White Oak Management, Inc. is:

- a) Oliver K. Cecil, Jr., NHA
Chief Executive Officer
Secretary
(43+ years' experience)
- b) Douglas M. Cecil, NHA
President
(36+ years' experience)
- c) John P. Barber, CPA
Executive Vice President – CFO
Treasurer
(42+ years' experience)
- d) Gregory Forsey
Director of Operations
(31+ years' experience)
- e) Joey Haney, CPA
Vice President Finance
(41+ years' experience)
- f) Susan Flanagan, MS, RD, LDN
Dietary Consultant
(37+ years' experience)
- g) Mildred Chapman, RN
Nurse Consultant
(42+ years' experience)
- h) Candy Baker, RN
Nurse Consultant
(25+ years' experience)
- i) Sharon Barnhardt, RN
Director of Risk Management & Compliance
(42+ years' experience)
- j) Pam Davis
Clinical Applications Coordinator
(40+ years' experience)
- k) Jacqueline Kirkwood, MSW, LMSW
Social Service Consultant
(34+ years' experience)

- l) Maintenance staff with preventive maintenance duties to insure efficiency and safety for staff and residents.
- m) Staff of 36 Home Office Support Personnel

Note: The above Corporate Staff can be contacted at:

White Oak Management, Inc.
130 East Main Street (29306)
P O Box 3347
Spartanburg, SC 29304

CORPORATE STRUCTURE AND MANAGEMENT COMPANY

White Oak Manor – Burlington, Inc. is a wholly owned subsidiary (Q-sub) of White Oak Manor, Inc. White Oak Manor – Burlington, Inc. has two operating divisions: White Oak Manor – Burlington (160-bed Nursing) and Oak Creek Apartments (54 Continuing Care Retirement Apartments). The parent company, White Oak Manor, Inc., owns 100% of the real estate and related fixed equipment. On October 1, 2002, White Oak Manor – Burlington, Inc. entered into a lease with its parent company, White Oak Manor, Inc., for the building and fixed equipment located at both divisions.

Additionally, on October 1, 2002, White Oak Manor – Burlington, Inc. entered into a management agreement with White Oak Management, Inc. to oversee several functions including accounting and payroll, consulting services for Nursing, Dietary, Activities, and overall management services.

White Oak Manor, Inc. is financially responsible for all indebtedness entered into by any of its subsidiaries (Q-sub), including White Oak Manor – Burlington, Inc.

The Board of Directors and Shareholders of White Oak Manor, Inc., White Oak Manor – Burlington, Inc., and White Oak Management, Inc. are identical and are listed below:

SHAREHOLDER	RELATIONSHIP	ADDRESS	OWNERSHIP
The Estate of Bettye C. Cecil	Mother	P O Box 3347 Spartanburg, SC 29304	63.55%
Dorothy Dean Cecil	Daughter	1718 Crestwood Drive Columbia, SC 29205	8.23%
Douglas M. Cecil	Son	P O Box 3347 Spartanburg, SC 29304	6.63%
Jeni C. Feeser	Daughter	5 Bobwhite Court Beaufort, SC 29902	7.83%
Beth C. Cecil	Daughter	P O Box 3347 Spartanburg, SC 29304	8.23%
Oliver K. Cecil, Jr.	Son	P O Box 3347 Spartanburg, SC 29304	5.53%

Directors of White Oak Manor, Inc., White Oak Manor – Burlington, Inc. and White Oak Management, Inc. are:

The Estate of Bettye Cecil - Owner	Beth Cecil
Oliver K. Cecil, Jr. – Chairman & CEO	Dorothy Dean Cecil
Douglas M. Cecil – President	Jeni Cecil Feeser
John P. Barber – Treasurer	

RELATED PARTY TRANSACTION STATEMENT

With one exception, which is explained below, there is no person, association, trust, partnership, or corporation which has an ownership interest in White Oak Manor – Burlington, Inc., White Oak Management, Inc., or White Oak Manor, Inc. which also has an ownership interest in a service firm, association, trust partnership or corporation which provides goods, leases, or services to the facility. Furthermore, there are no plans for other such arrangements to be developed in the next 12 months.

The one exception is White Oak Pharmacy, Inc., who supplies prescription drugs, medical and nursing supplies to White Oak Manor – Burlington nursing facility. The value of the goods purchased by Why Oak Manor – Burlington varies from year to year. For the year ending 9/30/20, the total value was approximately \$464,414.00.

The ownership and Board of Directors of White Oak Pharmacy, Inc. are listed below:

Shareholders:

John P. Barber	33.3%
Oliver K. Cecil, Jr.	33.3%
Douglas M. Cecil	33.3%

Board of Directors

President – John P. Barber
Vice President – Douglas M. Cecil
Secretary – Oliver K. Cecil, Jr.

AFFILIATION STATEMENT

White Oak Manor – Burlington, Inc., White Oak Manor, Inc., and White Oak Management, Inc. are not affiliated with a religious, charitable, or other nonprofit organization; therefore, White Oak Manor – Burlington, Inc. is responsible for all financial and contract obligations and White Oak Manor – Burlington, Inc. is not a tax exempt organization.

CRIMINAL VIOLATION STATEMENT

There are no directors, officers, agents, or managing employees of White Oak Manor, Inc., White Oak Manor – Burlington, Inc. and White Oak Management, Inc. that have ever 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 that 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 for any reason.



White Oak Manor, Inc.

John P. Barber

Executive Vice President & CFO

2-24-21

Date

III. POLICIES

ADMISSION

Health Criteria – Prospective residents must be ambulatory and be able to function independently in the activities of daily living. Also, please refer to Section 1 (i) – (iii) of the Apartment Rental Agreement.

Financial and Insurance Criteria – Prior to admission, the resident must pay the Retention Deposit, if applicable, and the first month's rent. We do not require, but recommend, the resident maintain adequate renter's insurance covering the personal contents of their apartment.

Age Requirement – Admissions are limited to those individuals who are 65 years of age or older.

Changes of Condition Prior to Occupancy – At the time of occupancy, each resident must meet the health criteria outlined above.

Cancellation/ Termination – In accordance with Section 1 of the Apartment Rental Agreement, the following describes our cancellation and termination policy:

“The term of this Agreement shall begin on the first day of occupancy, and end upon the first of the following to occur:

- (a) The last day of the month following the Resident's death, or at such time thereafter as the Resident's belongings have been removed from the premises; or
- (b) Resident's default as hereinafter defined; or
- (c) Oak Creek having determined, and having given written notification thereof, that the Resident:
 - (i) is socially incompatible with the Oak Creek employees, other residents or guests;
 - (ii) has demonstrated possible emotional instability.
 - (iii) poses a risk to the life and well-being of himself or others;
 - (iv) has destroyed, or attempted to destroy, property belonging to Oak Creek, himself or others; or
 - (v) fails to fully comply with all terms and provisions contained in this Agreement; or
 - (vi) has acted in any other unreasonable fashion or poses for Oak Creek its employees, residents or guests, any other unreasonable risks; or
- (d) The last day of any month prior to which the Resident has given to Oak Creek:
 - (i) In the event the Resident is to be transferred, based upon written medical certification, to a hospital or to White Oak Manor –

Burlington Nursing Center, at least ten (10) days prior written notice or

- (ii) In the event the Resident is to be transferred based upon written medical certification, anywhere else, at least thirty (30) days prior written notice; or
 - (iii) In the event the Resident is to be transferred anywhere else, without written medical certification, at least (60) sixty days prior written notice; or
- (e) At such time as, if ever, the apartment is destroyed by fire or other calamity, or if the apartment, or a substantial portion of the complex, is acquired through condemnation proceedings, making it such, under the circumstances, that the apartment is no longer reasonably fit for its intended use.

In the event the Resident is transferred as provided in Paragraph (i) above, to a hospital, he shall have sixty (60) days from date of transfer to return to his apartment, and to have the within Agreement remain in full force and effect, so long as all terms, covenants and conditions here in contained, including those pertaining to rental payments, have been (and are then being) fully complied with.

In the event the Resident is transferred, as provided in Paragraph (i) above, to White Oak Manor – Burlington Nursing Center, the Resident shall have thirty (30) days from date of transfer to return to his apartment, and to have the within Agreement remain in full force and effect, so long as all terms, covenants and conditions herein contained, including those pertaining to rental payments, have been (and are then being) fully complied with.

In the event that the Resident, upon being transferred elsewhere as provided above, wishes to again become a tenant of Oak Creek, after the within Agreement has terminated, and is certified, in writing, by a qualified physician, as being again able to reside in the apartment complex, Oak Creek agrees to give the Resident, to the extent reasonably possible, a priority as far as the next available apartment, with Retention Deposits and rental rates to be those then in effect, and a new Apartment Rental Agreement to be entered into.

In the situations described in Paragraphs (i) and (ii) above, Oak Creek may, but shall have no legal duty to, waive the requirement regarding written notification based upon terms and conditions mutually agreeable to both Oak Creek and Resident.

Apartment Rental Agreement (With Retention Schedule Included)

Retention Schedule is as follows:

<u>LENGTH OF OCCUPANCY</u>	<u>AMOUNT RETAINED</u>	<u>AMOUNT REFUNDED</u>
Upon Occupancy	20%	80%
1 year (prorated daily)	20%	60%
2 years (prorated daily)	20%	40%
3 years (prorated daily)	20%	20%
4 years (prorated daily)	20%	0%

The purpose of paying the Retention Deposit is to reduce the monthly rent when compared to the Straight Rental payment plan.

Upon a resident's death, the unearned portion of the Retention Deposit becomes the facility's property. In the event of a death of a spouse where the remaining spouse continues to live at Oak Creek, the Retention Deposit continues to be earned by the facility based on the original Apartment Agreement. When the remaining spouse dies, the unearned portion becomes the facility's property.

Upon termination of the Apartment Rental Agreement (with Retention Schedule Included) for any reason other than resident's death, the resident or his legal representative shall be entitled to a refund of the unearned portion of the Retention Deposit. Refunds of this nature will be promptly made to the Resident or his legal representative but under no circumstances later than 30 days after the termination date of the agreement.

If an executed contract is rescinded or cancelled under the terms of this contract, all unearned fees and deposits will be fully refundable to the Resident or their Legal Representative within 30 days following the later of the execution of the contract or the receipt of a disclosure statement and Resident will not be required to move into apartment during recession period.

Transfers

A transfer fee may apply if you request a transfer from your current apartment to another. After 10 years of residency in the same apartment, a transfer fee may be waived. A 50% transfer fee will apply if transfer occurs within 5-10 years of residency. If request is made prior to 5 years, 100% of the transfer fee will apply. An exception to the transfer fee may apply if a prearranged agreement signed by both parties stipulates a desire to transfer to another specific apartment within one year. The transfer fee is not a present cost but is based on cost to refurbish the vacated apartment.

Marriages

If a current resident(s) of Oak Creek becomes married, the rent will increase based on the rent schedules in effect at that time for two persons. No additional deposit is required and the balance outstanding on any deposit(s) will continue to amortize in accordance with each Resident's original Rental Agreement. A new Rental Agreement will be negotiated between Oak Creek and the husband and wife as Residents. Other than for medical reasons there are no qualifying requirements for a spouse to meet as a condition for entry. In the event the spouse does not

medically qualify for admission, the agreement will terminate and alternate placement will be required.

Rent/ Default

If an existing resident is unable to meet their monthly obligation to the facility, the Apartment Rental Agreement provides the following under Section(s) 16 (No Initial Deposit Agreement) 17 (With Retention Schedule Agreement) "Default":

"This Apartment Rental Agreement is made upon the condition that the Resident shall faithfully perform all of the terms, covenants and conditions herein contained by him to be performed as herein set forth or in other agreements heretofore or hereafter entered into between Oak Creek and the Resident, and Resident shall be in default if:

- (a) Any rental payment due hereunder shall at any time be in arrears and unpaid for fifteen (15) days after receipt by Resident of written notice making demand therefore; or
- (b) Resident shall fail to observe or perform any of the covenants, agreements, or conditions set forth herein and said failure shall continue for a period of fifteen (15) days after receipt by Resident of written notice of such failure from Oak Creek.
- (c) Owner's having determined, and having given written notification thereof, that the resident:
 - (i) is socially incompatible with the Owner's employees, other residents, or guests;
 - (ii) has demonstrated possible emotional instability;
 - (iii) poses a risk to the life and well-being of himself or others;
 - (iv) has destroyed, or attempted to destroy, property belonging to the Owner, himself, or others; or
 - (v) has acted in any other unreasonable fashion or poses for the Owner, its employees, residents or guests, any other unreasonable risks.

In the event of a default, Oak Creek may at its option, declare the term of this Agreement ended and repossess the Apartment, and shall further be entitled to all other rights and remedies set forth herein. A waiver of any default by Owner shall not constitute a waiver of any other or subsequent default. The Owner shall be entitled to be fully reimbursed for all costs and expenses incurred in enforcing its rights hereunder, including a reasonable attorney's fee, and shall be entitled to have accrued monthly interest, at the maximum rate allowed by law, as to any payments due and owing hereunder.

IV. SERVICES

The following services are available at no extra charge to residents:

- (a) Meals. Owner will provide Resident with one meal per day, the meal to be determined by Owner, and to be served in the common dining area.
- (b) Guest Meals. Are available at \$8.00 per meal.
- (c) Utilities. All utilities will be paid for by Oak Creek. However, the cost of installation and monthly telephone service shall be paid by Resident.
- (d) Janitorial Services. Oak Creek will provide services in all service areas, halls and community areas.
- (e) Maid Service. Oak Creek will provide maid service twice a month, on a regularly scheduled basis, to clean Resident's apartment if so desired by Resident.
- (f) Laundry. Twice each week, Resident's flat laundry will be picked up outside the door of Resident's apartment, cleaned, and then returned.
- (g) Laundromat. Laundry facilities are available free of charge at the apartment complex for Resident's use (Resident must provide detergent).
- (h) Transportation. Transportation will be available at certain scheduled times, to be determined by Oak Creek in view of the needs of the Resident and the other occupants of apartments.
- (i) Nursing Center. A bed in the adjoining nursing center will be made available, on a priority basis, whenever Resident's health, as determined by Resident's physician, so requires.
- (j) Nurse Call System. Is located in the master bedroom and bath of each apartment and is connected to the nurse's station at the adjacent nursing facility. If activated, a trained member of the Nursing Department will respond to the apartment.
- (k) Health Services Available. Skilled Nursing Care (Medicare and Medicaid Certified).
- (l) Storage Facilities. Oak Creek shall provide, at Resident's sole risk, reasonable storage space for Resident's belongings other than furniture and other household furnishings.
- (m) Recreational Facilities. Recreational facilities are available for Resident's use on first come/first served basis.

(n) Basic Cable TV. Basic Cable TV service is provided by the Owner. Additional (expanded) services can be purchased by the Resident.

(o) Personal Services. The following services are available at the Resident's expense:

Beauty/ Barber Shop

Accommodations for overnight guests

Dry cleaning pick-up and delivery

Daily delivery of local and national newspapers

V. **FEES/ RENT**

Application/ Registration Fee – a \$500 deposit is required to be on the waiting list. This fee is refundable within 30 days from receipt of such a request.

RETENTION & MONTHLY RENTAL FEES

Apartment Type	Retention Deposit	Monthly Rental Fee	
		1 st Person	2 nd Person
One Bedroom	\$25,000	\$1,125	\$1,395
Two Bedrooms	\$30,000	\$1,295	\$1,580

The purpose of the Retention Deposit is to reduce the monthly rent when compared to the Straight Rental Plan

STRAIGHT RENTAL PLAN

Apartment Type	Retention Deposit	Monthly Rental Fee	
		1 st Person	2 nd Person
One Bedroom	N/A	\$1,620	\$1,895
Two Bedrooms	N/A	\$1,795	\$2,075

Although Oak Creek will attempt to keep rental increases to a minimum, during any calendar year following the first full calendar year of this Agreement, Oak Creek may, due to an increase in the cost of operation, or for any other reason, upon thirty (30) days prior written notice to the Resident, increase the monthly rental payable hereunder so long as the sum of the increases in monthly rental during any calendar year does not exceed the greater of:

- (i) Six (6%) percent of the average monthly rental during the preceding calendar year; or
- (ii) An amount equal to the average monthly rental during the preceding calendar year multiplied by the percentage increase in the “Consumer Price Index” figures for January and December of the preceding calendar year, the Consumer Price Index being the “Consumer Price Index – U.S. City Average – All Items Figures for Urban Wage Earners and Clerical Workers (Including Single Workers), which index is currently published in the “Monthly Labor Review” of the Bureau of Labor Statistics of the United States Department of Labor, or its successor index.

OAK CREEK APARTMENTS

SCHEDULE OF FEE CHANGES FOR THE LAST FIVE YEARS

RETENTION DEPOSIT PLAN

	2021		2020		2019		2018		2017	
	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>
<u>2 Bedrooms</u>										
1 Person	\$30,000	\$1,295	\$30,000	\$1,295	\$30,000	\$1,295	\$30,000	\$1,236	\$30,000	\$1,236
2 People	\$30,000	\$1,580	\$30,000	\$1,580	\$30,000	\$1,580	\$30,000	\$1,504	\$30,000	\$1,504
<u>1 Bedroom</u>										
1 Person	\$25,000	\$1,125	\$25,000	\$1,125	\$25,000	\$1,125	\$25,000	\$1,071	\$25,000	\$1,071
2 People	\$25,000	\$1,395	\$25,000	\$1,395	\$25,000	\$1,395	\$25,000	\$1,329	\$25,000	\$1,329

STRAIGHT RENTAL PLAN

	2021		2020		2019		2018		2017	
	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>
<u>2 Bedrooms</u>										
1 Person	N/A	\$1,795	N/A	\$1,795	N/A	\$1,795	N/A	\$1,710	N/A	\$1,710
2 People	N/A	\$2,075	N/A	\$2,075	N/A	\$2,075	N/A	\$1,978	N/A	\$1,978
<u>1 Bedroom</u>										
1 Person	N/A	\$1,620	N/A	\$1,620	N/A	\$1,620	N/A	\$1,545	N/A	\$1,545
2 People	N/A	\$1,895	N/A	\$1,895	N/A	\$1,895	N/A	\$1,803	N/A	\$1,803

OAK CREEK

FREQUENCY AND AVERAGE DOLLAR CHANGE (RETENTION DEPOSIT PLAN) - RENT

	2021	2020	2019	2018	2017
<u>2 Bedrooms</u>					
1 Person	N/C	N/C	+59	N/C	+36
2 People	N/C	N/C	+76	N/C	+44
<u>1 Bedroom</u>					
1 Person	N/C	N/C	+54	N/C	+31
2 People	N/C	N/C	+66	N/C	+39

FREQUENCY AND AVERAGE DOLLAR CHANGE (STRAIGHT RENTAL PLAN) - RENT

	2021	2020	2019	2018	2017
<u>2 Bedrooms</u>					
1 Person	N/C	N/C	+85	N/C	+50
2 People	N/C	N/C	+97	N/C	+58
<u>1 Bedroom</u>					
1 Person	N/C	N/C	+75	N/C	+45
2 People	N/C	N/C	+92	N/C	+53

FREQUENCY AND AVERAGE DOLLAR CHANGE (RETENTION DEPOSIT PLAN) - DEPOSIT

	2021	2020	2019	2018	2017
<u>2 Bedrooms</u>					
1 Person	N/C	N/C	N/C	N/C	N/C
2 People	N/C	N/C	N/C	N/C	N/C
<u>1 Bedroom</u>					
1 Person	N/C	N/C	N/C	N/C	N/C
2 People	N/C	N/C	N/C	N/C	N/C

FREQUENCY AND AVERAGE DOLLAR CHANGE (STRAIGHT RENTAL PLAN) - DEPOSIT

	2021	2020	2019	2018	2017
<u>2 Bedrooms</u>					
1 Person	N/A	N/A	N/A	N/A	N/A
2 People	N/A	N/A	N/A	N/A	N/A
<u>1 Bedroom</u>					
1 Person	N/A	N/A	N/A	N/A	N/A
2 People	N/A	N/A	N/A	N/A	N/A

VI. FINANCIAL INFORMATION

1. Audited Financial Statement – Please refer to Attachment I.
2. Five Year Projection Statement – Please refer to Attachment I.
3. Current Interim Financial Statement – Please refer to Attachment II.

VII. PROJECTED VS. ACTUAL FORECAST COMPARISON

The following pages include:

1. White Oak Manor – Burlington and Oak Creek, Inc.
 - a. Comparison – Year Ended September 30, 2020
Forecasted Balance Sheet
 - b. Comparison – Year Ended September 30, 2020
Forecasted Income Statement
 - c. Comparison – Year Ended September 30, 2020
Forecasted Statements of Cash Flows
 - d. Schedules Exhibit A – Assets Limited to Use – Operating Reserve /
Consolidating Balance Sheet

White Oak Manor-Burlington and Oak Creek, Inc.
Comparison - Year Ended September 30, 2020
Forecasted Balance Sheets

ASSETS	2020 Actual	2020 Forecast	Variance	% Variance	
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 401,800	\$ 50,000	\$ 351,800	704%	A
Accounts Receivable, Net	1,103,645	1,609,860	(506,215)	-31%	B
Estimated Third-Party Payor Settlements			-	0%	
Other Current Assets	58,025	49,780	8,245	17%	
Total Current Assets	1,563,470	1,709,640			
ASSETS LIMITED AS TO USE - OPERATING RESERVE					
	221,612	217,909	3,703	2%	
MOVEABLE EQUIPMENT					
Less: Accumulated Depreciation	1,786,614	1,816,357	(29,743)	-2%	
Construction in Progress	1,432,181	1,469,776	(37,595)	-3%	
Moveable Equipment, Net	-	-	-	0%	
Total Assets	354,433	346,581			
Total Assets	\$ 2,139,515	\$ 2,274,130			
	Actual	Forecast	Variance	% Variance	
LIABILITIES AND SHAREHOLDER'S EQUITY (DEFICIT)					
CURRENT LIABILITIES					
Accounts Payable	\$ 257,421	\$ 192,094	\$ 65,327	34%	
Accrued Wages and Other Liabilities	708,286	480,235	228,051	47%	C
Intercompany Accounts	-	198,849	(198,849)	-100%	D
Asset Retirement Obligation	79,034	79,034	-	0%	
Total Current Liabilities	1,044,741	950,212			
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	72,500	93,620	(21,120)	-23%	
Unearned Deposit Revenue - Refundable	-	-	-	0%	
Deposits on Apartments	8,000	6,943	1,057	15%	
Total Deferred Credits	80,500	100,563			
LONG-TERM DEBT					
Total Liabilities	1,125,241	1,050,775			
SHAREHOLDER'S EQUITY (DEFICIT)					
Common Stock, par value \$1 per share; 350,000 shares authorized, 309,490 shares issued and outstanding	309,490	309,490	-	0%	
Retained Earnings (Deficit)	704,784	913,865			
Other Comprehensive Loss	-	-	-	0%	
Total Shareholder's Equity (Deficit)	1,014,274	1,223,355			
Total Liabilities and Shareholder's Equity (Deficit)	\$ 2,139,515	\$ 2,274,130			

Out of balance check

Materiality Threshold - variance is greater than 10% and \$100,000

- A) At yearend cash balance was transferred back to corporate at the same level in previous year, the forecast assumed a reduced cash due to net loss.
- B) Reduction due to decrease in occupancy at skilled nursing facility due to COVID considerations.
- C) The number of days accrued for 2020 was higher than forecast anticipated due to October being a three pay period month.
- D) NCCOI requested the intercompany balance be closed out to retained earnings after the forecast was submitted. This variance is a result of that adjustment.

White Oak Manor-Burlington and Oak Creek, Inc.
Comparison - Year Ended September 30, 2020
Forecasted Income Statement

	2020 Actual	2020 Forecast	Variance	% Variance	
REVENUES					
Net Patient Service Revenue	\$ 10,358,426	\$ 10,424,280	\$ (85,854)	-1%	
Apartment Rents	901,332	867,600	33,732	4%	
Deposit Amortization	74,048	50,400	23,648	47%	
Investment Income	7,699	16,170	(8,471)	-52%	
Other Revenue	6,204	8,100	(1,896)	-23%	
Total Revenues	11,347,709	11,366,550			
EXPENSES					
Nursing Services	4,343,060	4,884,840	(541,780)	-11%	E
Ancillaries	1,146,300	1,297,740	(151,440)	-12%	F
Dietary Expenses	1,061,981	1,046,100	15,881	2%	
Social Services	106,987	122,040	(15,053)	-12%	
Activities	82,757	105,000	(22,243)	-21%	
Medical Records	46,162	47,040	(878)	-2%	
Laundry and Linen	139,992	153,060	(13,068)	-9%	
Housekeeping	322,046	386,220	(64,174)	-17%	
Facility Operations and Maintenance	577,086	613,020	(35,934)	-6%	
Depreciation	97,906	135,500	(37,594)	-28%	
Interest Expense	1,044	1,044	-	0%	
Taxes and Insurance	183,357	179,220	4,137	2%	
Employee Benefits	1,073,391	980,700	92,691	9%	
COVID-19 Expenses	1,073,040				G
General and Administrative	1,946,189	1,870,740	75,449	4%	
Total Expenses	12,201,298	11,821,220			
OPERATING LOSS	(853,589)	(454,670)			
NONOPERATING GAIN (LOSS)					
Change in Unrealized Losses on Investments	(1,087)	-			
Other Nonoperating Gain	190,925	-			
Total Nonoperating Loss	189,838	-			
Net Loss	(663,751)	(454,670)			

Materiality Threshold - variance is greater than 10% and \$100,000

- E) The facility occupancy was lower than expected due to COVID leading to reduced nursing hours.
 F) The facility occupancy was lower than expected due to COVID leading to reduced demand for ancillary services.
 G) New expense category for COVID expense was created and not included in forecast.

White Oak Manor-Burlington and Oak Creek, Inc.
Comparison - Year Ended September 30, 2020
Forecasted Statements of Cash Flows

	2020 Actual	2020 Forecast	Variance	% Variance	
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Loss	\$ (663,751)	\$ (454,670)			
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation	97,906	135,500	(37,594)	-28%	
Deposit Amortization	(74,048)	(50,400)	(23,648)	47%	
Deposit Receipts	47,585	44,000	3,585	8%	
Increase in Current Assets:					
Accounts Receivable	442,214	(64,001)	506,215	-791%	H
PY Audit Adjustments	-	-	-	0%	
Other Current Assets	(10,160)	(1,915)	(8,245)	431%	
Increase in Current Liabilities:					
Accounts Payable	68,504	3,177	65,327	2056%	
Intercompany Accounts	-	198,849	(198,849)	-100%	I
Accrued Wages and Other Liabilities	246,414	18,363	228,051	1242%	J
Asset Retirement Obligation	-	-	-	0%	
Net Cash Provided by Operating Activities	154,664	(171,097)			
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(70,258)	(100,000)	29,742	-30%	
Net Change in Assets Limited as to Use - Operating Reserve	(6,612)	(2,909)	(3,703)	127%	
Net Cash Used in Investing Activities	(76,870)	(102,909)			
CASH FLOWS FROM FINANCING ACTIVITIES					
Distributions to Shareholder	-	-	-	0%	
Net Cash Used in Financing Activities	-	-			
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	77,794	(274,006)			
Cash and Cash Equivalents - Beginning of Year	324,006	324,006			
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 401,800	\$ 50,000			

Materiality Threshold - variance is greater than 10% and \$100,000

H) Accounts receivable was reduced due to lower occupancy due to COVID considerations.

I) NCDOT request that intercompany accounts be zeroed out. The model used by White Oak auditors does not support the ability to reflect that process.

J) The number of days accrued for 2020 was higher than forecast anticipated due to October being a 3 pay period month.

Exhibit A – Assets Limited to Use – Operating Reserve / Consolidating Balance Sheet

		Reserve Calculation for 2020			
	Formula	Tryon	Burlington	Charlotte	
Total Projected Operating Expenses:					
Projected SNF Expense	A	7,166,014	10,970,092	12,261,025	
Projected Apartment Expense	B	1,870,574	851,128	564,315	
	C A + B	9,036,588	11,821,220	12,825,340	
Total Projected Depreciation Expense:					
Projected SNF Depreciation	D	101,810	116,937	116,848	
Projected Apartment Depreciation	E	47,600	18,564	13,272	
	F D + E	149,410	135,501	130,120	
% of SNF Patient Days Attributable to Apartment Residents	G	6.72%	0.36%	0.12%	
% of SNF Days Attributable to SNF only Residents	H	93.28%	99.64%	99.88%	
Calculation of Excluded Expenses	I H * A	6,684,458	10,930,600	12,246,312	
Calculation of Included Expenses	J G * A	481,556	39,492	14,713	
Calculation of Included Depreciation	K D * G	6,842	421	140	
Expenses Subject to DOI Approved Operating Reserve	L B+J-E-K	2,297,688	871,635	565,616	
Operating Reserve Percentage	M	25.00%	25.00%	25.00%	
Projected Reserve Req	N L * M	574,422	217,909	141,404	
Investment Balances		596,563	221,612	143,467	

VIII. RESERVES, ESCROW AND TRUSTS

Sufficient reserves are maintained at all times to pay the residents the total outstanding initial deposit liability. The amount available at September 30, 2020 was \$221,612.00.

The amount anticipated to meet the operating reserve requirement effective at September 30, 2021 is \$154,416.00.

The funds will come from cash or investments of White Oak Manor, Inc. The funds will be invested in “investment grade securities” such as cash, AAA or better rated bonds, U.S. Treasury and U.S. Government Agency obligations. The investment decisions will be made by Mr. Roy Janise of Common Wealth Financial Network and Mr. Justin Runager of UBS.

There are no material differences between (i) the forecast statements of revenues and expenses and cash flows or other forecast financial data filed pursuant to N.C.G.S. §58-64-20 as a part of the disclosure statement recorded most immediately subsequent to the start of the provider’s most recently completed fiscal year and (ii) the actual results of operations during that fiscal year, together with the revised forecast statements of revenues and expenses and cash flows or other forecast financial data being filed as a part of the revised disclosure statement. Based on the terms of the resident agreement, initial deposits are not required to be in an Escrow or Trust Account.

IX. FACILITY DEVELOPMENT/ EXPANSION

During the year, extensive remodeling of the community dining room was completed. Additionally, an elevator located in the community building was installed allowing residents better access to community dining and social events.

X. OTHER MATERIAL INFORMATION, AS APPLICABLE

N/A as there is no past or current litigation, bankruptcy filing, receivership, liquidation, impending actions or perils against White Oak Manor, Inc., White Oak Manor – Burlington, Inc., White Oak Management, Inc. or this retirement community.

XI. RESIDENT’S AGREEMENT/ CONTRACT

Please refer to Attachment

ATTACHMENT 1

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEARS ENDED SEPTEMBER 30, 2020 AND 2019



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**WHITE OAK MANOR, INC. AND SUBSIDIARIES
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INDEPENDENT AUDITORS' REPORT

Board of Directors
White Oak Manor, Inc. and Subsidiaries
Spartanburg, South Carolina

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of White Oak Manor, Inc. and Subsidiaries (the Company), which comprises the consolidated balance sheets as of September 30, 2020 and 2019, and the related consolidated statements of comprehensive income, shareholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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.

Auditors' 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

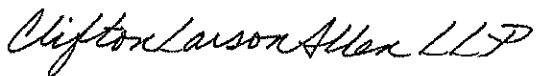
Board of Directors
White Oak Manor, Inc. and Subsidiaries

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of White Oak Manor, Inc. and Subsidiaries as of September 30, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter Regarding Changes in Accounting Principles

As discussed in Note 1 to the consolidated financial statements, the Company adopted the provisions of Financial Accounting Standards Board Accounting Standard Update 2016-01, *Financial Instruments*. The new accounting standard requires unrealized gains and losses on instruments other than debt securities to be included within net income (loss) on the statement of comprehensive income. The adoption of this accounting standard resulted in a reclassification of accumulated other comprehensive income to retained earnings related to unrealized gains and losses at October 1, 2019 described in Note 1. Our opinion is not modified with respect to that matter.



CliftonLarsonAllen LLP

Charlotte, North Carolina
January 28, 2021

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2020 AND 2019

ASSETS	2020	2019
CURRENT		
Cash and Cash Equivalents	\$ 23,718,970	\$ 313,708
Patient Accounts Receivable, Net of Allowance for Uncollectible Accounts of Approximately \$279,000 and \$197,000 in 2020 and 2019, Respectively	15,987,011	19,544,516
Investments	6,118,276	5,636,774
Other Current Assets	1,497,377	1,220,384
Total Current Assets	47,321,634	26,715,382
ASSETS LIMITED AS TO USE	1,709,007	1,646,453
PROPERTY AND EQUIPMENT	147,952,434	149,179,537
Less: Accumulated Depreciation	(87,578,909)	(84,556,310)
Property and Equipment, Net	60,373,525	64,623,227
OTHER ASSETS		
Deferred Other Costs, Net	126,829	207,001
Goodwill, Net	339,797	407,756
Total Other Assets	466,626	614,757
Total Assets	\$ 109,870,792	\$ 93,599,819

See accompanying Notes to Consolidated Financial Statements.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

LIABILITIES AND SHAREHOLDERS' EQUITY	<u>2020</u>	<u>2019</u>
CURRENT LIABILITIES		
Cash Overdraft	\$ 288,090	\$ 2,901,082
Current Portion of Long-Term Debt	2,739,455	2,276,325
Accounts Payable	6,082,295	5,912,969
Accrued Wages and Other Liabilities	20,912,348	10,365,165
Deferred Revenue - Provider Relief Funding	7,961,778	-
Tenant Deposits	155,495	158,443
Total Current Liabilities	38,139,461	21,613,984
LONG-TERM DEBT, NET OF CURRENT PORTION	47,818,175	53,771,281
FAIR VALUE OF INTEREST RATE SWAP AGREEMENTS	2,530,756	1,633,642
OTHER LIABILITIES		
Deferred Income	655,123	714,944
Asset Retirement Obligation	876,656	909,100
Total Other Liabilities	51,880,710	57,028,967
Total Liabilities	90,020,171	78,642,951
SHAREHOLDERS' EQUITY		
Common Stock: Series A Voting, No Par Value, Authorized 1,000,000 Shares; Issued and Outstanding 47,050 Shares	110	110
Common Stock: Series B Nonvoting, No Par Value, Authorized 20,000,000 Shares; Issued and Outstanding 19,916,135 Shares	46,752	46,752
Accumulated Other Comprehensive Income	-	1,578,250
Retained Earnings	19,803,759	13,331,756
Total Shareholders' Equity	19,850,621	14,956,868
Total Liabilities and Shareholders' Equity	\$ 109,870,792	\$ 93,599,819

See accompanying Notes to Consolidated Financial Statements.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED SEPTEMBER 30, 2020 AND 2019

REVENUE	2020	2019
Net Patient Service Revenue	\$ 164,541,607	\$ 160,989,288
Management Fee Revenue	497,289	478,347
Change in Fair Value of Interest Rate Swap Agreements	(897,114)	(1,448,893)
Other Revenue - Provider Relief Funding	4,179,718	-
Other Revenue	5,997,129	6,319,521
Total Revenue	174,318,629	166,338,263
 EXPENSES		
Nursing Service	62,541,375	65,356,619
Ancillaries	19,463,965	21,923,370
Dietary	13,728,948	14,363,883
Social Services	2,336,247	2,447,699
Activities	1,698,208	1,881,948
Medical Records	711,064	702,460
Laundry and Linen	1,900,422	1,976,230
Housekeeping	4,824,673	5,154,049
Facility Operations and Maintenance	7,763,772	8,389,017
Depreciation	6,196,247	6,333,432
Interest Expense	1,960,633	2,542,467
Amortization Expense	148,131	148,356
Property Taxes and Insurance	4,825,498	4,911,693
Employee Benefits	13,723,499	13,152,132
Bad Debt Expense	1,259,812	878,076
COVID-19 Expenses	9,489,505	-
General and Administrative	19,677,802	19,641,077
Total Expenses	172,249,801	169,802,508
 OPERATING INCOME (LOSS)	 2,068,828	 (3,464,245)
 NONOPERATING GAIN (LOSS)		
Change in Unrealized Gains on Investments	332,713	-
Gain on Sale of Property	2,711,130	-
Other Nonoperating Loss	(95,763)	-
Total Nonoperating Gain (Loss)	2,948,080	-
 NET INCOME (LOSS)	 5,016,908	 (3,464,245)
 OTHER COMPREHENSIVE LOSS		
Change in Unrealized Losses on Securities Available-for-Sale	-	(740,156)
 COMPREHENSIVE INCOME (LOSS)	 \$ 5,016,908	 \$ (4,204,401)

See accompanying Notes to Consolidated Financial Statements.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	Series A Voting Common Stock		Series B Nonvoting Common Stock		Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
	Shares	Amount	Shares	Amount			
BALANCE - SEPTEMBER 30, 2018	47,050	\$ 110	19,916,135	\$ 46,752	\$ 16,796,001	\$ 2,318,406	\$ 19,161,269
Net Loss	-	-	-	-	(3,464,245)	-	(3,464,245)
Change in Unrealized Losses on Securities Available-for-Sale	-	-	-	-	-	(740,156)	(740,156)
BALANCE - SEPTEMBER 30, 2019	47,050	110	19,916,135	46,752	13,331,756	1,578,250	14,956,868
Reclassification Due to the Adoption of ASU No. 2016-01	-	-	-	-	1,578,250	(1,578,250)	-
Net Income	-	-	-	-	5,016,908	-	5,016,908
Distributions to Shareholders	-	-	-	-	(123,155)	-	(123,155)
BALANCE - SEPTEMBER 30, 2020	<u>47,050</u>	<u>\$ 110</u>	<u>19,916,135</u>	<u>\$ 46,752</u>	<u>\$ 19,803,759</u>	<u>\$ -</u>	<u>\$ 19,850,621</u>

See accompanying Notes to Consolidated Financial Statements.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	\$ 5,016,908	\$ (3,464,245)
Adjustments to Reconcile Net income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	6,196,247	6,333,432
Amortization	148,131	148,356
Amortization of Debt Issuance Costs	21,866	51,704
Bad Debt Expense	1,259,812	878,076
Change in Unrealized (Gains) Losses on Investments	(332,713)	-
Change in Fair Value of Swap Agreement	897,114	1,448,893
Change in Third-Party Payor Settlements	(45,000)	6,000
Unearned Deposit Income and Other Liabilities	(59,821)	(43,768)
Gain on Disposal of Property	(2,711,130)	-
Decrease (Increase) in:		
Patient Accounts Receivable	2,297,693	(3,866,011)
Other Assets	(276,993)	38,024
Increase (Decrease) in:		
Cash Overdraft	(2,612,992)	253,521
Accounts Payable	169,326	866,013
Accrued Wages and Other Liabilities	10,592,183	21,856
Deferred Revenue - Provider Relief Funding	7,961,778	-
Asset Retirement Obligation	(32,444)	-
Tenant Deposits	(2,948)	-
Net Cash Provided by Operating Activities	28,487,017	2,683,794
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase (Decrease) in Assets Limited as to Use	(211,343)	399,986
Purchases of Property and Equipment	(2,442,608)	(2,990,021)
Proceeds from Sale of Property	3,207,193	-
Net Cash Provided (Used) by Investing Activities	553,242	(2,590,035)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Long-Term Debt	(5,511,842)	(2,150,283)
Proceeds from Line of Credit, Net	-	2,382,262
Distributions to Shareholders	(123,155)	-
Increase of Deferred Loan and Other Costs	-	(12,030)
Net Cash Provided (Used) by Financing Activities	(5,634,997)	219,949
NET CHANGE IN CASH AND CASH EQUIVALENTS	23,405,262	313,708
Cash and Cash Equivalents - Beginning of Year	313,708	-
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 23,718,970	\$ 313,708
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 1,938,767	\$ 2,503,655

See accompanying Notes to Consolidated Financial Statements.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

White Oak Manor, Inc. and its wholly owned subsidiaries, (the Company) operate nursing home facilities, assisted living facilities, and apartment complexes for the elderly throughout North and South Carolina.

Principles of Consolidation

The accompanying 2020 and 2019 consolidated financial statements include the accounts of White Oak Manor, Inc. and its wholly-owned subsidiaries, which are as follows:

- White Oak Management, Inc.
- White Oak Manor – Spartanburg, Inc.
- White Oak Manor – Columbia, Inc.
- White Oak Manor – Newberry, Inc.
- White Oak Manor – Rock Hill, Inc.
- White Oak Manor – Shelby, Inc.
- White Oak Manor – Kings Mountain, Inc.
- White Oak Manor – Tryon, Inc.
- White Oak Manor – Rutherfordton, Inc.
- White Oak Manor – Burlington, Inc.
- White Oak Manor – Charleston, Inc.
- White Oak Manor – Charlotte, Inc.
- White Oak Estates, Inc.
- White Oak Estates Apartments, Inc.
- White Oak Estates Assisted Living, Inc.
- White Oak Manor – Lancaster, Inc.
- White Oak Manor – York, Inc.
- White Oak Manor – Waxhaw, Inc.
- White Oak Manor at North Grove, Inc.

Effective December 2, 2019, the Company sold the White Oak Manor - Rutherfordton location to an independent third party for net proceeds of \$3,207,193. As of the effective date, the facility, operations and personal property of the facility, permits to operate the facility, contracts, intellectual property, and Medicaid, Medicare and Third-Party Payor agreements and provider numbers were assumed by the purchaser. All accounts receivable, accounts payable and accrued wages originating prior to the closing date remained with the Company. The Company recognized a gain on sale of White Oak Manor – Rutherfordton of \$2,711,130 which is included within nonoperating gain (loss) on the consolidated statements of comprehensive income in 2020.

The consolidated financial statements also include the accounts of the White Oak Estates Wellness Center, which is a department of White Oak Estates, Inc. All significant intercompany balances and transactions have been eliminated in consolidation.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of consolidated 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 consolidated financial statements. Estimates could also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

Cash equivalents consist of temporary bank deposits, money market instruments, and certificates of deposit with an original maturity of three months or less at the date of purchase. As of September 30, 2020 and 2019, the Company had overdrawn its cash balances by \$288,090 and \$2,901,082, respectively.

Allowance for Uncollectible Accounts

The Company provides an allowance for uncollectible accounts using management's judgment. Residents are not required to provide collateral for services rendered. Payment for services is required upon receipt of invoice or claim submitted. Accounts past due more than 45 days are individually analyzed for collectability. At September 30, 2020 and 2019, the allowance for uncollectible accounts was approximately \$279,000 and \$197,000, respectively.

Investments

Prior to 2020, investments shown on the consolidated balance sheets are categorized as available-for-sale securities and were reported at fair value with unrealized gain or loss excluded from earnings and reported as a separate component of equity.

On October 1, 2019, the Company adopted the provisions of Financial Accounting Standards Board Accounting Standards Update 2016-01, *Financial instruments* using a modified retrospective transition method. The new accounting standard requires unrealized gains and losses on instruments other than debt securities to be included within net income (loss) on the consolidated statements of comprehensive income. Prior to this adoption, investments with readily determinable fair values were classified as available-for-sale with changes in fair value reported through other comprehensive income. The adoption of this accounting standard resulted in a reclassification of \$1,578,250 of accumulated other comprehensive income into retained earnings by recognizing an adjustment to beginning retained earnings for the net unrealized gains and losses on equity investments with readily determinable fair values. The comparative information has not been restated and continues to be reported under the accounting standards in effect for the period. The effect of the change on income for the year ended September 30, 2020 was an increase of approximately \$332,713.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Limited as to Use

Assets limited as to use primarily include assets required to be set aside by the Department of Insurance of the State of North Carolina as operating reserves and amounts received for advance admission deposits. All assets limited as to use are held in cash or cash equivalents, equity investments, and debt securities.

Property and Equipment

Property and equipment are recorded at cost and include assets costing greater than \$500 in North Carolina nursing homes, all apartments, and assisted living facilities, and assets costing greater than \$5,000 in South Carolina nursing homes at the time of purchase with a useful life greater than one year. Routine maintenance, repairs, and renewals are charged to expense. Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. Depreciation is calculated on the straight-line method over the estimated useful lives of depreciable assets. Equipment is depreciated over 5 to 7 years, and building and improvements are depreciated over 10 to 40 years.

Goodwill

Goodwill represents the excess of the cost over the fair value of the net assets of the acquired businesses. Prior to October 1, 2015, goodwill was not amortized but was tested annually for impairment. In the event that the fair value of the Company's reporting unit containing goodwill was less than its carrying amount, the Company would determine the amount of the impairment based upon the excess of the carrying amount of goodwill over its implied fair value.

In fiscal year 2016, the Company adopted the provisions of Accounting Standards Update (ASU) No. 2014-02, *Intangibles-Goodwill and Other (Topic 350): Accounting for Goodwill*, which provides an alternative to accounting for goodwill for private companies. The alternative allows an entity to amortize goodwill over a period of 10 years. An entity that elects the alternative is also required to make an election to test goodwill for impairment at the entity level or the reporting unit level. The Company has elected to evaluate potential impairment at the entity level. Under the alternative, goodwill is tested for impairment only when a triggering event occurs or circumstances change that indicate that the fair value of the entity (or reporting unit) may be less than its carrying amount.

Amortization expense for the years ended September 30, 2020 and 2019 was approximately \$68,000.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue – Provider Relief Funding

Due to the COVID-19 pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF). Total grant funds approved and received by Company during 2020 was \$12,141,496. The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. At September 30, 2020, the Company recognized \$4,179,718 as other operating revenue in the consolidated statements of comprehensive income and \$7,961,778 as a deferred revenue in the consolidated balance sheets. Management believes the amounts have been recognized appropriately as of September 30, 2020.

Deferred Income

Amounts shown as deferred income were received under two types of rental agreements available to residents of White Oak Manor – Tryon, Inc.; White Oak Estates Apartments, Inc.; White Oak Manor – Charlotte, Inc.; and White Oak Manor – Burlington, Inc. (the Apartments).

Unearned deposit income represents fees that are earned over the estimated length of stay of the residents. Under the terms of the rental agreement, the unearned portion becomes the property of the Apartments in the event of the resident's death. The unearned portion is refundable to the resident in the event of termination of the lease by either the Apartments or the resident in decreasing amounts over a four or five year period.

Net Patient Service Revenue

Patient revenues are recorded at the private pay or expected reimbursement rate. Contractual adjustments include adjustments for patients admitted as private pay patients but later reimbursed under third-party payor rates and adjustments for ancillary charges. Final determination of amounts due from or to the Medicare and Medicaid programs is subject to review by appropriate governmental authorities or their agents. Differences between the amounts accrued and subsequent settlements are recorded in operations in the year of settlement.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Company believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory actions including fines, penalties, and exclusion from the Medicare and Medicaid programs.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company, with the consent of its shareholders, has elected S-corporation status. In lieu of corporate income taxes, earnings and losses are included in the income tax returns of the shareholders; accordingly, the accompanying consolidated financial statements do not reflect a provision or liability for federal and state income taxes. The Company has determined that it does not have any material unrecognized tax benefits or obligations as of September 30, 2020.

Self-Insurance

The Company is self-insured for professional and general liability costs and workers' compensation. They were self-insured for employee health claims in 2019 but entered into a fully insured plan effective October 1, 2019. Self-insurance liabilities are determined based on claims filed and estimates for claims incurred but not reported.

Fair Value of Financial Instruments

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Company emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

Securities available for sale are recorded at fair value on a recurring basis. Fair value measurement is based on quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques, such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions.

Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as debt securities, and U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Level 2 inputs held by the Company include its interest rate swap agreements. The Company does not have any investments valued using Level 3 inputs.

The Company also follows the policy of valuing certain financial instruments at fair value. This accounting policy allows entities the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis. The Company has elected to measure alternative investments at fair value under this standard.

Variable Interest Entity

The Company has adopted the provisions of Accounting Standards Update (ASU) No. 2014-07, *Consolidation (Topic 810): Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements*. This ASU provides an accounting alternative for private companies, whereby if certain criteria are met, an entity need not evaluate a lessor entity under Variable Interest Entity (VIE) accounting guidance.

Prior to 2016, the Company had not determined whether its relationships with certain entities would have required consolidation under VIE guidance. Because the relationship with the Kent and Bettye Cecil Trust meets the criteria in ASU 2014-07, the Company is no longer required to evaluate whether the entity needs to be consolidated.

Risks and Uncertainties

The Company holds investments in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will continue to occur in the near term and that such changes could materially affect the Company's investment balances and the amounts reported in the consolidated balance sheets of the Company.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risks and Uncertainties (Continued)

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Company, COVID-19 may impact various parts of its 2021 operations and financial results including but not limited to additional costs for emergency preparedness, disease control and containment, potential shortages of healthcare personnel, or loss of revenue due to reductions in certain revenue streams. Management believes the Company is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of September 30, 2020.

Subsequent Events

In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through January 28, 2021, the date the consolidated financial statements were available to be issued.

NOTE 2 INVESTMENTS

Investments, stated at fair value, at September 30, include:

	2020		2019	
	Cost	Market Value	Cost	Market Value
Cash and Cash Equivalents	\$ 384,458	\$ 384,458	\$ 355,955	\$ 355,955
Equity Securities	3,311,419	5,120,833	2,738,782	4,339,716
Debt Securities	239,790	255,067	605,924	595,655
Alternative Investments	202,564	357,918	237,500	345,448
Total	<u>\$ 4,138,231</u>	<u>\$ 6,118,276</u>	<u>\$ 3,938,161</u>	<u>\$ 5,636,774</u>

In 2020, investment income and gains for assets limited as to use, cash equivalents, and other investments are recorded in nonoperating gain (loss) on the consolidated statements of comprehensive income. In 2019, investment income and gains for assets limited as to use, cash equivalents, and other investments are recorded in other revenue on the consolidated statements of comprehensive income. They are comprised of the following for the years ended September 30, 2020 and 2019:

	2020	2019
Income:		
Interest and Dividend Income, Net of Fees	\$ 62,975	\$ 77,039
Realized Gains on Sales of Securities	141,277	752,975
Total	<u>\$ 204,252</u>	<u>\$ 830,014</u>
Nonoperating Gain (Loss):		
Unrealized Gains on Investments	<u>\$ 332,713</u>	<u>\$ -</u>
Other Changes in Comprehensive Income:		
Unrealized Losses on Securities Available-for-Sale	<u>\$ -</u>	<u>\$ (740,156)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 3 ASSETS LIMITED AS TO USE

Assets limited as to use are as follows at September 30, 2020 and 2019:

	2020	2019
Designated to Comply with Requirements Established by the Department of Insurance of North Carolina:		
Cash and Cash Equivalents	\$ 58,674	\$ 55,350
Equity Investments	836,135	728,529
Debt Securities	38,927	92,623
Total Designated to Comply	933,736	876,502
Apartment Reservation Deposits:		
Cash and Cash Equivalents	40,547	39,879
Equity Investments	577,823	524,896
Debt Securities	26,901	66,733
Total Apartment Reservation Deposits	645,271	631,508
Apartment Retention Deposits, Refundable and Nonrefundable:		
Cash and Cash Equivalents	8,169	8,743
Equity Investments	116,411	115,070
Debt Securities	5,420	14,630
Total Apartment Retention Deposits	130,000	138,443
Total	\$ 1,709,007	\$ 1,646,453

Operating Reserve Requirement

The Company has three subsidiaries that operate continuing care facilities in North Carolina: White Oak Manor – Charlotte, Inc.; White Oak Manor – Tryon, Inc.; and White Oak Manor – Burlington, Inc. Under the laws and regulations of the Department of Insurance of North Carolina, which regulates continuing care facilities operating in that state, the Company is required to maintain operating reserves from 25% to 50%, depending on the occupancy percentage, of the total occupancy costs of the independent living units (i.e., total expenses less depreciation, amortization, and interest expense) plus an allocated portion of the skilled nursing facilities expenses based on a ratio of skilled nursing patient days provided to independent living patients, projected for the 12-month period following the period covered by the most recent annual statement filed with the Department of Insurance. This updated calculation was developed by the Department of Insurance in 2019 for the Company. The total required reserve at both September 30, 2020 and 2019 is \$933,735 and \$876,502, respectively. These assets are restricted and cannot be used without approval by the Department of Insurance.

All funds set aside to satisfy the regulatory requirements of the Department of Insurance of North Carolina are held in money market funds, debt securities, and equity investments.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 3 ASSETS LIMITED AS TO USE (CONTINUED)

Deposits

The Company holds resident reservation deposits for individuals who have expressed an interest in being part of a waiting list for upcoming apartment vacancies.

Retention deposits are one-time advance fees paid by apartment residents who wish to reduce their monthly rents for as long as they occupy an apartment unit. These funds are amortized over a fixed period stated on the rental agreement.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	<u>2020</u>	<u>2019</u>
Land and Improvements		
Buildings	\$ 15,469,131	\$ 15,608,647
Fixed Equipment	96,282,394	97,430,412
Moveable Equipment	18,880,076	18,766,386
Construction in Progress	16,990,976	17,266,841
	<u>329,857</u>	<u>107,251</u>
	147,952,434	149,179,537
Less - Accumulated Depreciation	<u>(87,578,909)</u>	<u>(84,556,310)</u>
Total	<u>\$ 60,373,525</u>	<u>\$ 64,623,227</u>

At September 30, 2020, construction in progress related to general renovations. Depreciation expense for the years ended September 30, 2020 and 2019 amounted to approximately \$6,196,000 and \$6,333,000, respectively.

NOTE 5 GOODWILL

The gross carrying amounts of goodwill and accumulated amortization are as follows as of September 30:

	<u>2020</u>	<u>2019</u>
Goodwill	\$ 679,593	\$ 679,593
Accumulated Amortization	<u>(339,796)</u>	<u>(271,837)</u>
Total	<u>\$ 339,797</u>	<u>\$ 407,756</u>

Amortization expense for 2020 and 2019 was approximately \$68,000.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 6 ACCRUED WAGES AND OTHER LIABILITIES

Accrued wages and other liabilities consist of the following at September 30:

	2020	2019
Accrued Salaries, Wages, Taxes, and Benefits	\$ 9,082,043	\$ 6,162,201
Medicare Advance Payments - CARES Act	7,034,934	-
Self-Insurance Liabilities	2,340,339	2,089,000
Property Taxes	1,695,690	1,684,765
Other Accrued Liabilities	759,342	429,199
Total	<u>\$ 20,912,348</u>	<u>\$ 10,365,165</u>

As part of the CARES Act enacted by HHS described in Note 1, the Company was able to apply for advance payments from Medicare. These payments will be recouped from their Medicare billing over 29 months and bear interest at a rate of 4% for any amounts unable to be recouped after the 29 month period which will then need to be repaid.

NOTE 7 LONG-TERM DEBT

The following comprise long-term debt at September 30:

<u>Description</u>	<u>2020</u>	<u>2019</u>
Mortgage note payable, maturing March 20, 2024, including interest at 30-day LIBOR plus 1.6% (1.76% at September 30, 2020).	\$ 19,035,900	\$ 20,208,455
Note payable, maturing April 20, 2025, including interest at 30-day LIBOR plus 1.6% (1.76% at September 30, 2020).	9,750,000	10,400,000
Note payable, maturing July 15, 2025, including interest at 30-day LIBOR plus 1.6% (1.76% at September 30, 2020).	20,449,967	20,879,373
Equipment note payable, maturing July 15, 2025, including interest at 30-day LIBOR plus 1.6% (1.76% at September 30, 2020).	1,360,611	1,610,180
Line of Credit, maturing July 20, 2021, including interest at 30-day LIBOR plus 1.5% (1.66% at September 30, 2020).	-	3,010,312
Total	50,596,478	56,108,320
Less: Unamortized Debt Issuance Costs	38,848	60,714
Less: Current Portion	<u>2,739,455</u>	<u>2,276,325</u>
Total Long-Term Debt	<u>\$ 47,818,175</u>	<u>\$ 53,771,281</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 7 LONG-TERM DEBT (CONTINUED)

Substantially all real estate and equipment owned by the Company have been pledged as collateral for the above indebtedness.

Estimated maturities on long-term debt follow:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 2,739,455
2022	2,757,244
2023	2,775,870
2024	16,470,254
2025	25,853,655
Total	<u>\$ 50,596,478</u>

The terms of certain loan agreements contain covenants that require the maintenance of specific financial ratios and other covenants. As of September 30, 2020, the Company believes they are in compliance with these covenants.

NOTE 8 ASSET RETIREMENT OBLIGATION

The Company records an asset retirement obligation for which the fair value of the environmental remediation liability can be reasonably estimated. The Company has identified and recorded an asbestos asset retirement obligation related to certain aspects of its communities. The Company had a liability of approximately \$877,000 and \$909,000 at September 30, 2020 and 2019, respectively, related to this obligation. No accretion expense was recorded in 2019 related to this obligation. A gain of \$32,444 was recorded in 2020 related to the write-off of the estimate related to the Rutherfordton property as described in Note 1.

NOTE 9 COMMON STOCK

Effective October 1, 2003, the Articles of Incorporation were amended to increase the authorized capital stock from 40,000 shares of \$1 par value voting common stock to 1,000,000 shares of "Series A" no par value voting common stock and from 60,000 shares of \$1 par value nonvoting common stock to 20,000,000 shares of "Series B" no par value nonvoting common stock.

Series A voting shares with \$1 par value were retired and shareholders were issued an equal number of shares of Series A, voting, no par value stock.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 10 NET PATIENT SERVICE REVENUE

Net patient service revenue consists of the following for the years ending September 30:

	2020	2019
Routine Services	\$ 156,931,958	\$ 153,514,961
Special Services	32,396,242	36,333,061
	189,328,200	189,848,022
Less: Contractual Adjustments	(24,786,593)	(28,858,734)
Total	\$ 164,541,607	\$ 160,989,288

The Company has agreements with the states of South Carolina and North Carolina under the Medicaid program, and participates in the Medicare program. The Company has had a long-standing agreement with the state of South Carolina such that the Company provides care to Medicaid patients based upon fixed, prospectively determined rates. Medicare reimburses the Company for routine and ancillary services to patients eligible for Medicare benefits on a prospectively determined basis through its SNF (Skilled Nursing Facility) payment methodologies.

The Company has provided for final settlements with the Medicare program and with Medicaid in the period the related services are rendered, and adjusts such estimates as final settlements are determined. Revenue from the Medicaid and Medicare programs together accounted for approximately 76% and 75%, respectively, of the Company's net patient service revenue in the years ended September 30, 2020 and 2019.

NOTE 11 CONCENTRATION OF CREDIT RISK

FDIC Insurance

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of temporary cash investments. The Company places its temporary cash investments with high-quality financial institutions and limits the amount of credit exposure to any one company. At times, such investments may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit.

Receivables

The Company grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at September 30, 2020 and 2019 was as follows:

	2020	2019
Medicare	16 %	15 %
Medicaid	39	34
Other Third-Party Payors	45	51
Total	100 %	100 %

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 12 OPERATING LEASES

The Company leases its office building and certain transportation equipment under lease agreements, which are classified as operating leases. Rent expense under such leases totaled approximately \$1,614,000 and \$1,622,000 in 2020 and 2019, respectively. Future annual minimum lease commitments under such leases are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 1,589,367
2022	1,079,424
2023	848,222
2024	671,961
2025	218,580
Total	<u>\$ 4,407,554</u>

NOTE 13 DERIVATIVE FINANCIAL INSTRUMENTS

The Company periodically entered into interest rate swap agreements (interest swaps) to moderate its exposure to interest rate changes. As of September 30, 2020 and 2019, the Company had interest swaps with notional amounts of approximately \$28,395,000 and \$21,739,000, respectively. These swaps change their variable rate interest on the associated debt to fixed rates of 2.59%, 4.28%, and 5.06%.

The fair values of the Company's interest swaps are presented on the consolidated balance sheets as follows:

	<u>Liability Derivative</u>			
	<u>September 30, 2020</u>		<u>September 30, 2019</u>	
	<u>Balance Sheet Location</u>	<u>Fair Value</u>	<u>Balance Sheet Location</u>	<u>Fair Value</u>
Interest Rate Swap	Fair Value of Interest Rate Swap Agreements	\$ 2,530,756	Fair Value of Interest Rate Swap Agreements	\$ 1,633,642

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 13 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The unrealized loss for the year and period associated with the fair market value of the interest rate swap agreements included on the consolidated statements of comprehensive income are as follows:

	Location of Unrealized Loss Recognized in Income on the Derivative	Amount of Unrealized Loss Recognized in Income on the Derivative	
		September 30, 2020	September 30, 2019
Interest Rate Swap	Change in Fair Value of Interest Rate Swap Agreements	\$ (897,114)	\$ (1,448,893)

The Company is exposed to a credit loss for the periodic settlement of amounts due under its interest rate swap agreements; however, such amounts were not material at September 30, 2020.

NOTE 14 RETIREMENT PLAN

The Company sponsors a retirement plan (the Plan) that covers substantially all employees. The Company's policy was to match 50% of an employee's elective deferral that does not exceed 5% of the employee's compensation. In 2018, the policy was updated to match 0% of an employee's elective deferral. The Company's profit sharing contributions to the Plan are discretionary and are deposited with a qualified trustee with the employees' elective deferrals and the Company's matching contributions. The Company's profit sharing contributions are allocated based on the annual compensation of the participants. The Company made profit sharing and matching contributions of approximately \$455,000 and \$57,000 during the years ended September 30, 2020 and 2019, respectively.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 15 RELATED PARTY TRANSACTIONS

The Company is involved in various transactions with White Oak Pharmacy, an affiliated company by common management. The accompanying consolidated financial statements include balances and transactions between the Company and White Oak Pharmacy as follows:

	<u>2020</u>	<u>2019</u>
Accounts Payable to White Oak Pharmacy	\$ 376,695	\$ 1,153,065
Nursing Expenses Provided to White Oak Pharmacy	70,062	62,981
Ancillary Expenses Provided to White Oak Pharmacy	5,271,198	6,261,347
Medical Supplies Provided to White Oak Pharmacy	120,960	108,652
Consulting Expenses Provided to White Oak Pharmacy	546,931	573,311
Other Expenses Provided to White Oak Pharmacy	79,771	87,660

The Company borrowed \$690,000 from their affiliate White Oak Pharmacy in 2019. This amount was not secured by a formal agreement and did not bear interest and was included in accounts payable to White Oak Pharmacy in the above table. This amount was paid in full in 2020.

The Company leases its corporate office building from a related party trust (the Trust). The original lease expired in June 2013 and is renewed annually. Payments under the lease are approximately \$33,540 per month and are to be adjusted annually based on changes in the Consumer Price Index. Lease expense provided to the Trust was approximately \$403,000 in 2020 and 2019.

The Company is the guarantor on the mortgage payable on the building. The loan matures December 11, 2027, and requires monthly principal and interest payments of \$4,233. The loan bears interest at One Month LIBOR plus 1.75%. As of September 30, 2020, the outstanding balance of the loan was approximately \$674,000.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Company measures fair value, refer to Note 1.

The following table presents the fair value hierarchy for the balances of the assets and liabilities of the Company measured at fair value on a recurring basis as of September 30:

	2020			Total
	Level 1	Level 2	Level 3	
Assets:				
Investments:				
Equity Securities	\$ 5,120,833	\$ -	\$ -	\$ 5,120,833
Debt Securities	255,067	-	-	255,067
Assets Limited as to Use:				
Equity Investments	1,530,369	-	-	1,530,369
Debt Securities	71,248	-	-	71,248
Total Assets Measured at Fair Value	<u>\$ 6,977,517</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,977,517</u>
Liabilities:				
Interest Rate Swap Agreement	\$ -	\$ 2,530,756	\$ -	\$ 2,530,756
Total Liabilities Measured at Fair Value	<u>\$ -</u>	<u>\$ 2,530,756</u>	<u>\$ -</u>	<u>\$ 2,530,756</u>
2019				
	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Equity Securities	\$ 4,339,716	\$ -	\$ -	\$ 4,339,716
Debt Securities	595,655	-	-	595,655
Assets Limited as to Use:				
Equity Securities	1,368,495	-	-	1,368,495
Debt Securities	173,986	-	-	173,986
Total Assets Measured at Fair Value	<u>\$ 6,477,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,477,852</u>
Liabilities:				
Interest Rate Swap Agreement	\$ -	\$ 1,633,642	\$ -	\$ 1,633,642
Total Liabilities Measured at Fair Value	<u>\$ -</u>	<u>\$ 1,633,642</u>	<u>\$ -</u>	<u>\$ 1,633,642</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 16 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following tables set forth additional disclosures for the fair value measurement of certain investments that calculate net asset value per share (or its equivalent) for the years ended September 30, 2020 and 2019:

		2020			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	
Alternative Investments	\$ 357,918	\$ -	Initial 2 Year Period; Quarterly Thereafter	45 Days	

		2019			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	
Alternative Investments	\$ 345,448	\$ -	Initial 2 Year Period; Quarterly Thereafter	45 Days	

The alternative investment funds' investment objective is to achieve capital preservation through consistent, disciplined asset allocation and exposure management. To help achieve these objectives, there is a significant emphasis on portfolio diversification.

NOTE 17 COMMITMENTS AND CONTINGENCIES

The health care 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 health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Self-Insurance

Health Insurance

The Company self-insured its employees' health plan. It was contracted with an administrative service company to supervise and administer the health plan and act as its representative. Provisions for expected future payments were accrued based on the Company's experience and include amounts for claims filed and claims incurred but not reported. The Company insured for excessive and unexpected health claims under a specific stop loss policy with a deductible of \$200,000. Effective October 1, 2019, the Company has switched to a fully insured plan for employees' health insurance.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 17 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Self-Insurance (Continued)

Workers' Compensation

The Company is self-insured for workers' compensation. It has contracted with an administrative service company to supervise and administer the workers' compensation plan and act as its representative. Provisions for expected future payments under known claims and for claims incurred but not reported are actuarially determined by the administrative service company. The Company insures for excessive and unexpected claims and is liable for claims not to exceed \$300,000 per occurrence and an aggregate amount of \$1,740,000 per plan year.

Professional Liability

The Company is self-insured for professional liability insurance. The Company estimates its reserve under its self-insured plan based upon claims filed and also establishes a reserve for claims incurred but not yet reported. The reserve for claims incurred but not yet reported is based on the Company's historical experience.

Management Agreement

In fiscal year 2017, the Company entered into a management agreement with Kershaw Health to manage the skilled nursing facility known as Karesh Long Term Care Center. The management agreement began on February 1, 2018 for a period of three years and will automatically review for five additional years. Under the management agreement, the Company will receive a management fee equal to 6% of net patient revenues each year. The Company is responsible for paying employees including salaries, wages, and benefits, that will be reimbursed by Karesh Long Term Care Center monthly.



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
White Oak Manor, Inc. and Subsidiaries
Spartanburg, South Carolina

We have audited the consolidated financial statements of White Oak Manor, Inc. and Subsidiaries as of and for the year ended September 30, 2020, and have issued our report thereon dated January 28, 2021, which expressed an unmodified opinion on those financial statements, and appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in the supplemental schedules is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual entities, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
January 28, 2021

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS	<u>Consolidated</u>	<u>Eliminations</u>	<u>White Oak Manor, Inc.</u>	<u>All Subsidiaries</u>
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 23,718,970	\$ -	\$ 3,118,803	\$ 20,600,167
Patient Accounts Receivable, Net	15,987,011	(727,251)	16,814	16,697,448
Investments	6,118,276	-	6,118,276	-
Other Current Assets	1,497,377	-	-	1,497,377
Total Current Assets	<u>47,321,634</u>	<u>(727,251)</u>	<u>9,253,893</u>	<u>38,794,992</u>
 ASSETS LIMITED AS TO USE	 1,709,007	 -	 747,365	 961,642
 PROPERTY AND EQUIPMENT	 147,952,434	 -	 128,324,100	 19,628,334
Less: Accumulated Depreciation	(87,578,909)	-	(72,942,835)	(14,636,074)
Property and Equipment, Net	<u>60,373,525</u>	<u>-</u>	<u>55,381,265</u>	<u>4,992,260</u>
 OTHER ASSETS				
Deferred Other Costs, Net	126,829	-	-	126,829
Goodwill, Net	339,797	-	339,797	-
Intercompany Accounts	-	(66,579,333)	17,742,722	48,836,611
Investment in Subsidiaries	-	(3,177,082)	3,177,082	-
Total Other Assets	<u>466,626</u>	<u>(69,756,415)</u>	<u>21,259,601</u>	<u>48,963,440</u>
 Total Assets	 <u>\$ 109,870,792</u>	 <u>\$ (70,483,666)</u>	 <u>\$ 86,642,124</u>	 <u>\$ 93,712,334</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

LIABILITIES AND SHAREHOLDERS' EQUITY	<u>Consolidated</u>	<u>Eliminations</u>	<u>White Oak Manor, Inc.</u>	<u>All Subsidiaries</u>
CURRENT LIABILITIES				
Cash Overdraft	\$ 288,090	\$ -	\$ -	\$ 288,090
Current Portion of Long-Term Debt	2,739,455	-	2,739,455	-
Accounts Payable	6,082,295	(727,251)	-	6,809,546
Accrued Wages and Other Liabilities	20,912,348	-	71,348	20,841,000
Deferred Revenue - Provider Relief Funding	7,961,778	-	7,961,778	-
Tenant Deposits	155,495	-	-	155,495
Total Current Liabilities	<u>38,139,461</u>	<u>(727,251)</u>	<u>10,772,581</u>	<u>28,094,131</u>
LONG-TERM DEBT, Net of Current Portion	47,818,175	-	47,818,175	-
FAIR VALUE OF INTEREST RATE SWAP AGREEMENTS	2,530,756	-	2,454,976	75,780
OTHER LIABILITIES				
Deferred Income	655,123	-	-	655,123
Asset Retirement Obligation	876,656	-	-	876,656
Intercompany Accounts	-	(66,579,333)	-	66,579,333
Total Other Liabilities	<u>51,880,710</u>	<u>(66,579,333)</u>	<u>50,273,151</u>	<u>68,186,892</u>
Total Liabilities	90,020,171	(67,306,584)	61,045,732	96,281,023
SHAREHOLDERS' EQUITY				
Common Stock, Series A, Voting	110	(3,177,082)	110	3,177,082
Common Stock, Series B, Nonvoting	46,752	-	46,752	-
Retained Earnings (Accumulated Deficit)	19,803,759	-	25,549,530	(5,745,771)
Total Shareholders' Equity	<u>19,850,621</u>	<u>(3,177,082)</u>	<u>25,596,392</u>	<u>(2,568,689)</u>
Total Liabilities and Shareholders' Equity	<u>\$ 109,870,792</u>	<u>\$ (70,483,666)</u>	<u>\$ 86,642,124</u>	<u>\$ 93,712,334</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Consolidated	Eliminations	White Oak Manor, Inc.	All Subsidiaries
REVENUE				
Net Patient Service Revenue	\$ 164,541,607	\$ -	\$ -	\$ 164,541,607
Management Fee Revenue	497,289	(9,364,551)	-	9,861,840
Lease Fees	-	(5,841,240)	5,841,240	-
Apartment Fees	5,170,239	-	-	5,170,239
Deposit Revenue	424,803	-	-	424,803
Change in Value of Interest Rate Swap Agreements	(897,114)	-	(897,114)	-
Other Revenue - Provider Relief Funding	4,179,718	-	4,179,718	-
Interest and Other Revenue	402,087	-	315,987	86,100
Total Revenue	<u>174,318,629</u>	<u>(15,205,791)</u>	<u>9,439,831</u>	<u>180,084,589</u>
EXPENSES				
Nursing Service	62,541,375	-	-	62,541,375
Ancillaries	19,463,965	-	-	19,463,965
Dietary	13,728,948	-	-	13,728,948
Social Services	2,336,247	-	-	2,336,247
Activities	1,698,208	-	-	1,698,208
Medical Records	711,064	-	-	711,064
Laundry and Linen	1,900,422	-	-	1,900,422
Housekeeping	4,824,673	-	-	4,824,673
Facility Operations and Maintenance	7,763,772	-	-	7,763,772
Depreciation	6,196,247	-	4,994,342	1,201,905
Interest Expense	1,960,633	-	1,853,463	107,170
Amortization Expense	148,131	-	67,959	80,172
Property Taxes and Insurance	4,825,498	-	8,932	4,816,566
Employee Benefits	13,723,499	-	-	13,723,499
Bad Debt Expense	1,259,812	-	-	1,259,812
COVID-19 Expenses	9,489,505	-	-	9,489,505
General and Administrative	19,677,802	(15,205,791)	372	34,883,221
Total Expenses	<u>172,249,801</u>	<u>(15,205,791)</u>	<u>6,925,068</u>	<u>180,530,524</u>
OPERATING INCOME (LOSS)	2,068,828	-	2,514,763	(445,935)
NONOPERATING GAIN				
Change in Unrealized Gains on Investments	332,713	-	198,294	134,419
Gain on Sale of Property	2,711,130	-	2,711,130	-
Other Nonoperating Gain (Loss)	(95,763)	-	(1,806,493)	1,710,730
Total Nonoperating Gain	<u>2,948,080</u>	<u>-</u>	<u>1,102,931</u>	<u>1,845,149</u>
NET INCOME	<u>\$ 5,016,908</u>	<u>\$ -</u>	<u>\$ 3,617,694</u>	<u>\$ 1,399,214</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANAGEMENT, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 17,789,240
Patient Accounts Receivable, Net	1,177,836
Other Current Assets	886,279
Total Current Assets	<u>19,853,355</u>

PROPERTY AND EQUIPMENT, NET

63,756

Total Assets

\$ 19,917,111

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

Accounts Payable	\$ 2,222,028
Accrued Wages and Other Liabilities	6,045,852
Total Current Liabilities	<u>8,267,880</u>

FAIR VALUE OF INTEREST RATE SWAP AGREEMENTS

75,780

OTHER LIABILITIES

Intercompany Accounts	<u>53,455,653</u>
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Total Liabilities

61,799,313

SHAREHOLDER'S DEFICIT

Common Stock, Par Value \$1 per Share; 150,000 Shares Authorized; 123,381 Shares Issued and Outstanding	123,381
Accumulated Deficit	<u>(42,005,583)</u>
Total Shareholder's Deficit	<u>(41,882,202)</u>

Total Liabilities and Shareholder's Deficit

\$ 19,917,111

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANAGEMENT, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE	
Management Fees	\$ 9,861,840
Other Revenue	76
Total Revenue	<u>9,861,916</u>
EXPENSES	
Nursing Services	1,027
Medical Records	19,428
Housekeeping	25,029
Facility Operations and Maintenance	99,980
Depreciation	19,153
Interest Expense	52,254
Taxes and Insurance	681,628
Employee Benefits	1,746,748
COVID-19 Expenses	359,164
General and Administrative	8,774,237
Total Expenses	<u>11,778,648</u>
OPERATING LOSS	(1,916,732)
NONOPERATING GAIN (LOSS)	
Other Nonoperating Loss	<u>(3,042,240)</u>
Net Loss	<u>\$ (4,958,972)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – SPARTANBURG, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	126,000
Patient Accounts Receivable, Net		636,234
Other Current Assets		25,572
Total Current Assets		787,806

PROPERTY AND EQUIPMENT, NET

Total Assets		\$ 804,254
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LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

Accounts Payable	\$	76,207
Accrued Wages and Other Liabilities		387,858
Total Current Liabilities		464,065

OTHER LIABILITIES

Intercompany Accounts		628,992
Asset Retirement Obligation		98,633
Total Other Liabilities		727,625
Total Liabilities		1,191,690

SHAREHOLDER'S DEFICIT

Common Stock, Par Value \$1 per Share; 290,000 Shares Authorized; 154,935 Shares Issued and Outstanding		154,935
Accumulated Deficit		(542,371)
Total Shareholder's Deficit		(387,436)
Total Liabilities and Shareholder's Deficit		\$ 804,254

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – SPARTANBURG, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 5,184,786
Other Revenue (Expense)	(1,121)
Total Revenue	<u>5,183,665</u>

EXPENSES

Nursing Services	2,171,322
Ancillaries	571,941
Dietary	502,915
Social Services	68,110
Activities	63,724
Medical Records	41,071
Laundry and Linen	71,699
Housekeeping	213,123
Facility Operations and Maintenance	330,481
Depreciation	4,878
Interest Expense	848
Taxes and Insurance	114,042
Employee Benefits	384,316
Bad Debt Expense	70,905
COVID-19 Expenses	463,954
General and Administrative	876,602
Total Expenses	<u>5,949,931</u>
Net Loss	<u>\$ (766,266)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – COLUMBIA, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
 (SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 101,500
Patient Accounts Receivable, Net	1,205,788
Other Current Assets	42,402
Total Current Assets	1,349,690

PROPERTY AND EQUIPMENT, NET

104,521

OTHER ASSETS

Intercompany Accounts	4,490,003
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Total Assets

\$ 5,944,214

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 215,850
Accrued Wages and Other Liabilities	654,567
Total Current Liabilities	870,417

OTHER LIABILITIES

Asset Retirement Obligation	
Total Other Liabilities	81,458

Total Liabilities

951,875

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 150,000 Shares Authorized; 109,226 Shares Issued and Outstanding	109,226
Retained Earnings	4,883,113
Total Shareholder's Equity	4,992,339

Total Liabilities and Shareholder's Equity

\$ 5,944,214

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – COLUMBIA, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 9,772,003
Other Revenue	39
Total Revenue	<u>9,772,042</u>

EXPENSES

Nursing Services	3,574,749
Ancillaries	1,244,064
Dietary	765,654
Social Services	183,451
Activities	124,335
Medical Records	66,606
Laundry and Linen	140,702
Housekeeping	291,438
Facility Operations and Maintenance	466,672
Depreciation	22,558
Interest Expense	122
Taxes and Insurance	127,538
Employee Benefits	574,978
Bad Debt Expense	179,751
COVID-19 Expenses	747,133
General and Administrative	1,447,016
Total Expenses	<u>9,956,767</u>
Net Loss	<u>\$ (184,725)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – NEWBERRY, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	101,000
Patient Accounts Receivable, Net		1,344,318
Other Current Assets		33,658
Total Current Assets		1,478,976

PROPERTY AND EQUIPMENT, NET

47,489

OTHER ASSETS

Intercompany Accounts		4,787,146
		4,787,146

Total Assets

\$ 6,313,611

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	312,211
Accrued Wages and Other Liabilities		805,846
Total Current Liabilities		1,118,057

OTHER LIABILITIES

Asset Retirement Obligation		41,498
Total Other Liabilities		41,498

Total Liabilities

1,159,555

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 150,000 Shares Authorized; 126,414 Shares Issued and Outstanding		126,414
Retained Earnings		5,027,642
Total Shareholder's Equity		5,154,056

Total Liabilities and Shareholder's Equity

\$ 6,313,611

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – NEWBERRY, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 10,673,011
Other Revenue	5,519
Total Revenue	<u>10,678,530</u>

EXPENSES

Nursing Services	4,501,597
Ancillaries	957,870
Dietary	919,462
Social Services	227,965
Activities	107,809
Medical Records	38,084
Laundry and Linen	175,660
Housekeeping	317,378
Facility Operations and Maintenance	442,975
Depreciation	12,500
Interest Expense	875
Taxes and Insurance	110,451
Employee Benefits	880,989
Bad Debt Expense	134,419
COVID-19 Expenses	613,080
General and Administrative	1,415,628
Total Expenses	<u>10,856,742</u>
Net Loss	<u>\$ (178,212)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – ROCK HILL, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 101,424
Patient Accounts Receivable, Net	1,177,768
Other Current Assets	52,155
Total Current Assets	<u>1,331,347</u>

PROPERTY AND EQUIPMENT, NET

149,213

OTHER ASSETS

Intercompany Accounts	<u>9,641,299</u>
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Total Assets

\$ 11,121,859

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 281,391
Accrued Wages and Other Liabilities	1,413,328
Total Current Liabilities	<u>1,694,719</u>

OTHER LIABILITIES

Asset Retirement Obligation	<u>63,689</u>
Total Other Liabilities	<u>63,689</u>

Total Liabilities

1,758,408

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 200,000 Shares Authorized; 187,493 Shares Issued and Outstanding	187,493
Retained Earnings	<u>9,175,958</u>
Total Shareholder's Equity	<u>9,363,451</u>

Total Liabilities and Shareholder's Equity

\$ 11,121,859

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – ROCK HILL, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 13,569,328
Other Revenue (Expense)	(1,826)
Total Revenue	<u>13,567,502</u>

EXPENSES

Nursing Services	5,391,722
Ancillaries	1,540,886
Dietary	888,813
Social Services	205,128
Activities	126,055
Medical Records	59,908
Laundry and Linen	130,434
Housekeeping	405,865
Facility Operations and Maintenance	445,313
Depreciation	43,188
Interest Expense	40
Taxes and Insurance	184,483
Employee Benefits	1,102,236
Bad Debt Expense	89,317
COVID-19 Expenses	538,099
General and Administrative	1,896,429
Total Expenses	<u>13,047,916</u>
Net Income	<u>\$ 519,586</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – SHELBY, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 101,528
Patient Accounts Receivable, Net	651,487
Other Current Assets	59,866
Total Current Assets	<u>812,881</u>

PROPERTY AND EQUIPMENT, NET

612,876

Total Assets

\$ 1,425,757

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

Accounts Payable	\$ 296,080
Accrued Wages and Other Liabilities	921,771
Total Current Liabilities	<u>1,217,851</u>

OTHER LIABILITIES

Asset Retirement Obligation	124,760
Intercompany Accounts	3,931,569
Total Other Liabilities	<u>4,056,329</u>

Total Liabilities

5,274,180

SHAREHOLDER'S DEFICIT

Common Stock, Par Value \$1 per Share; 250,000 Shares Authorized; 206,031 Shares Issued and Outstanding	206,031
Accumulated Deficit	(4,054,454)
Total Shareholder's Deficit	<u>(3,848,423)</u>

Total Liabilities and Shareholder's Deficit

\$ 1,425,757

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – SHELBY, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 11,780,379
Other Revenue (Expense)	(2,030)
Total Revenue	<u>11,778,349</u>

EXPENSES

Nursing Services	3,784,748
Ancillaries	1,415,556
Dietary	946,777
Social Services	129,736
Activities	118,194
Medical Records	34,476
Laundry and Linen	154,738
Housekeeping	344,525
Facility Operations and Maintenance	481,126
Depreciation	143,725
Interest Expense	242
Taxes and Insurance	370,081
Employee Benefits	721,458
Bad Debt Expense	58,964
COVID-19 Expenses	701,186
General and Administrative	1,722,686
Total Expenses	<u>11,128,218</u>
Net Income	<u>\$ 650,131</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – KINGS MOUNTAIN, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 100,800
Patient Accounts Receivable, Net	1,051,137
Other Current Assets	28,602
Total Current Assets	<u>1,180,539</u>

PROPERTY AND EQUIPMENT, NET

235,542

OTHER ASSETS

Intercompany Accounts	4,197,594
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Total Assets

\$ 5,613,675

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 369,768
Accrued Wages and Other Liabilities	857,443
Total Current Liabilities	<u>1,227,211</u>

OTHER LIABILITIES

Asset Retirement Obligation	92,727
Total Other Liabilities	<u>92,727</u>

Total Liabilities

1,319,938

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 250,000 Shares Authorized; 206,060 Shares Issued and Outstanding	206,060
Retained Earnings	4,087,677
Total Shareholder's Equity	<u>4,293,737</u>

Total Liabilities and Shareholder's Equity

\$ 5,613,675

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – KINGS MOUNTAIN, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 13,147,578
Other Revenue	107
Total Revenue	<u>13,147,685</u>

EXPENSES

Nursing Services	4,003,429
Ancillaries	1,231,860
Dietary	922,378
Social Services	142,088
Activities	122,860
Medical Records	33,963
Laundry and Linen	113,038
Housekeeping	328,528
Facility Operations and Maintenance	402,316
Depreciation	64,588
Interest Expense	424
Taxes and Insurance	609,526
Employee Benefits	810,944
Bad Debt Expense	58,264
COVID-19 Expenses	593,679
General and Administrative	1,714,119
Total Expenses	<u>11,152,004</u>
Net Income	<u>\$ 1,995,681</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – TRYON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
 (SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	546,975
Patient Accounts Receivable, Net		280,638
Other Current Assets		31,328
Total Current Assets		858,941

ASSETS LIMITED AS TO USE

596,563

PROPERTY AND EQUIPMENT, NET

606,748

Total Assets

\$ 2,062,252

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	230,582
Accrued Wages and Other Liabilities		825,340
Tenant Deposits		87,495
Total Current Liabilities		1,143,417

OTHER LIABILITIES

Deferred Income		274,370
Asset Retirement Obligation		38,460
Total Other Liabilities		312,830

Total Liabilities

1,456,247

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 350,000 Shares Authorized; 296,213 Shares Issued and Outstanding		296,213
Retained Earnings		309,792
Total Shareholder's Equity		606,005

Total Liabilities and Shareholder's Equity

\$ 2,062,252

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – TRYON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE	
Net Patient Service Revenue	
Apartment Fees	\$ 6,909,984
Deposit Revenue	1,632,560
Other Revenue	169,089
Total Revenue	<u>21,949</u>
	8,733,582
EXPENSES	
Nursing Services	2,981,037
Ancillaries	876,203
Dietary	1,022,190
Social Services	70,995
Activities	103,575
Medical Records	25,502
Laundry and Linen	126,736
Housekeeping	294,325
Facility Operations and Maintenance	641,384
Depreciation	137,287
Interest Expense	889
Taxes and Insurance	195,322
Employee Benefits	669,771
Bad Debt Expense	14,548
COVID-19 Expenses	331,963
General and Administrative	<u>1,503,729</u>
Total Expenses	<u>8,995,456</u>
OPERATING LOSS	(261,874)
NONOPERATING GAIN (LOSS)	
Change in Unrealized Gains on Investments	136,883
Other Nonoperating Loss	<u>(197,842)</u>
Total Nonoperating Loss	<u>(60,959)</u>
Net Loss	<u>\$ (322,833)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – RUTHERFORDTON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	-
Patient Accounts Receivable, Net		-
Other Current Assets		-
Total Current Assets		-

INTERCOMPANY ACCOUNTS

Total Assets		239,184
	\$	239,184

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	-
Accrued Wages and Other Liabilities		-
Total Current Liabilities		-

OTHER LIABILITIES

Asset Retirement Obligation		-
Intercompany Accounts		-
Total Other Liabilities		-
Total Liabilities		-

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 150,000 Shares Authorized; 122,522 Shares Issued and Outstanding		122,522
Retained Earnings		116,662
Total Shareholder's Equity		239,184
Total Liabilities and Shareholder's Equity	\$	239,184

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – RUTHERFORDTON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 927,231
Other Revenue	503
Total Revenue	<u>927,734</u>

EXPENSES

Nursing Services	475,179
Ancillaries	89,855
Dietary	94,309
Social Services	10,609
Activities	14,650
Medical Records	6,392
Laundry and Linen	16,624
Housekeeping	39,784
Facility Operations and Maintenance	59,331
Depreciation	21,192
Interest Expense	235
Taxes and Insurance	53,993
Employee Benefits	71,435
Bad Debt Expense	(4,943)
General and Administrative	162,606
Total Expenses	<u>1,111,251</u>

NONOPERATING GAIN

Net Income	<u>6,460,789</u>
	<u>\$ 6,277,272</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – BURLINGTON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 401,800
Patient Accounts Receivable, Net	1,103,645
Other Current Assets	58,025
Total Current Assets	1,563,470

ASSETS LIMITED AS TO USE

221,612

PROPERTY AND EQUIPMENT, NET

354,433

Total Assets

\$ 2,139,515

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 257,421
Accrued Wages and Other Liabilities	708,286
Tenant Deposits	8,000
Total Current Liabilities	973,707

OTHER LIABILITIES

Deferred Income	72,500
Asset Retirement Obligation	79,034
Total Other Liabilities	151,534

Total Liabilities

1,125,241

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 350,000 Shares Authorized; 309,490 Shares Issued and Outstanding	309,490
Retained Earnings	704,784
Total Shareholder's Equity	1,014,274

Total Liabilities and Shareholder's Equity

\$ 2,139,515

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – BURLINGTON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE	
Net Patient Service Revenue	\$ 10,358,426
Apartment Fees	901,332
Deposit Revenue	74,048
Other Revenue	13,903
Total Revenue	<u>11,347,709</u>
EXPENSES	
Nursing Services	4,343,060
Ancillaries	1,146,300
Dietary	1,061,981
Social Services	106,987
Activities	82,757
Medical Records	46,162
Laundry and Linen	139,992
Housekeeping	322,046
Facility Operations and Maintenance	577,086
Depreciation	97,906
Interest Expense	1,044
Taxes and Insurance	183,357
Employee Benefits	1,073,391
Bad Debt Expense	135,225
COVID-19 Expenses	1,073,040
General and Administrative	1,810,964
Total Expenses	<u>12,201,298</u>
OPERATING LOSS	(853,589)
NONOPERATING GAIN (LOSS)	
Change in Unrealized Losses on Investments	(1,087)
Other Nonoperating Gain	190,925
Total Nonoperating Loss	<u>189,838</u>
Net Loss	<u>\$ (663,751)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – CHARLESTON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	102,000
Patient Accounts Receivable, Net		1,625,658
Other Current Assets		36,994
Total Current Assets		1,764,652

PROPERTY AND EQUIPMENT, NET

68,909

OTHER ASSETS

Intercompany Accounts		6,953,538
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Total Assets

\$ 8,787,099

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	369,174
Accrued Wages and Other Liabilities		1,516,353
Total Current Liabilities		1,885,527

OTHER LIABILITIES

Asset Retirement Obligation		99,358
Total Other Liabilities		99,358

Total Liabilities

1,984,885

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 250,000 Shares Authorized; 204,607 Shares Issued and Outstanding		204,607
Retained Earnings		6,597,607
Total Shareholder's Equity		6,802,214

Total Liabilities and Shareholder's Equity

\$ 8,787,099

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – CHARLESTON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 15,045,183
Other Revenue (Expense)	(5,855)
Total Revenue	<u>15,039,328</u>

EXPENSES

Nursing Services	5,903,155
Ancillaries	2,243,075
Dietary	1,095,299
Social Services	300,817
Activities	160,099
Medical Records	69,851
Laundry and Linen	137,880
Housekeeping	336,876
Facility Operations and Maintenance	662,690
Depreciation	17,341
Interest Expense	530
Taxes and Insurance	199,808
Employee Benefits	987,789
Bad Debt Expense	176,302
COVID-19 Expenses	892,888
General and Administrative	2,240,363
Total Expenses	<u>15,424,763</u>
Net Loss	<u>\$ (385,435)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – CHARLOTTE, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 421,950
Patient Accounts Receivable, Net	1,085,810
Other Current Assets	70,204
Total Current Assets	<u>1,577,964</u>

ASSETS LIMITED AS TO USE

143,467

PROPERTY AND EQUIPMENT, NET

359,147

Total Assets

\$ 2,080,578

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 341,375
Accrued Wages and Other Liabilities	889,326
Tenant Deposits	8,500
Total Current Liabilities	<u>1,239,201</u>

OTHER LIABILITIES

Deferred Income	<u>42,734</u>
Total Other Liabilities	<u>42,734</u>

Total Liabilities

1,281,935

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 300,000 Shares Authorized; 281,450 Shares Issued and Outstanding	281,450
Retained Earnings	<u>517,193</u>
Total Shareholder's Equity	<u>798,643</u>

Total Liabilities and Shareholder's Equity

\$ 2,080,578

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – CHARLOTTE, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 14,047,547
Apartment Fees	520,866
Deposit Revenue	13,000
Other Revenue	29,533
Total Revenue	<u>14,610,946</u>

EXPENSES

Nursing Services	5,102,358
Ancillaries	1,461,598
Dietary	1,163,187
Social Services	131,945
Activities	165,329
Medical Records	43,424
Laundry and Linen	139,348
Housekeeping	378,280
Facility Operations and Maintenance	605,974
Depreciation	99,427
Interest Expense	1,556
Taxes and Insurance	177,542
Employee Benefits	891,852
Bad Debt Expense	25,413
COVID-19 Expenses	722,422
General and Administrative	2,032,015
Total Expenses	<u>13,141,670</u>

OPERATING INCOME

1,469,276

NONOPERATING LOSS

Change in Unrealized Losses on Investments	(1,377)
Other Nonoperating Loss	(1,700,902)
Total Nonoperating Loss	<u>(1,702,279)</u>

Net Loss

\$ (233,003)

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK ESTATES, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash		\$ 100,900
Patient Accounts Receivable, Net		1,100,471
Other Current Assets		29,652
Total Current Assets		1,231,023

PROPERTY AND EQUIPMENT, NET

81,354

OTHER ASSETS

Intercompany Accounts		2,695,967
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Total Assets

\$ 4,008,344

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable		\$ 353,134
Accrued Wages and Other Liabilities		800,391
Total Current Liabilities		1,153,525

Total Liabilities

1,153,525

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 100,000 Shares Authorized; 73,267 Shares Issued and Outstanding		73,267
Retained Earnings		2,781,552
Total Shareholder's Equity		2,854,819

Total Liabilities and Shareholder's Equity

\$ 4,008,344

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK ESTATES, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 9,201,491
Other Revenue (Expense)	(1,398)
Total Revenue	<u>9,200,093</u>

EXPENSES

Nursing Services	3,274,504
Ancillaries	1,537,240
Dietary	606,915
Social Services	179,157
Activities	98,992
Medical Records	32,885
Laundry and Linen	88,989
Housekeeping	213,779
Facility Operations and Maintenance	341,854
Depreciation	20,018
Interest Expense	1,416
Taxes and Insurance	113,711
Employee Benefits	658,192
Bad Debt Expense	111,009
COVID-19 Expenses	472,371
General and Administrative	1,474,935
Total Expenses	<u>9,225,967</u>
Net Loss	<u>\$ (25,874)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK ESTATES APARTMENTS, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 100,350
Total Current Assets	<u>100,350</u>

PROPERTY AND EQUIPMENT, NET

156,144

OTHER ASSETS

Intercompany Accounts	3,826,429
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Total Assets

\$ 4,082,923

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 33,948
Accrued Wages and Other Liabilities	156,800
Tenant Deposits	51,500
Total Current Liabilities	<u>242,248</u>

OTHER LIABILITIES

Deferred Income	255,668
Total Other Liabilities	<u>255,668</u>

Total Liabilities

497,916

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 350,000 Shares Authorized; 325,391 Shares Issued and Outstanding	325,391
Retained Earnings	3,259,616
Total Shareholder's Equity	<u>3,585,007</u>

Total Liabilities and Shareholder's Equity

\$ 4,082,923

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK ESTATES APARTMENTS, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Apartment Fees	\$ 2,115,481
Deposit Revenue	168,666
Other Revenue	9,085
Total Revenue	<u>2,293,232</u>

EXPENSES

Nursing Services	99
Dietary	434,455
Activities	16,171
Laundry and Linen	(672)
Housekeeping	63,568
Facility Operations and Maintenance	424,206
Depreciation	35,440
Interest Expense	503
Taxes and Insurance	190,324
Employee Benefits	47,792
COVID-19 Expenses	1,934
General and Administrative	633,326
Total Expenses	<u>1,847,146</u>
Net Income	<u>\$ 446,086</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK ESTATES ASSISTED LIVING, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 100,350
Patient Accounts Receivable, Net	1,306
Other Current Assets	869
Total Current Assets	102,525

PROPERTY AND EQUIPMENT, NET

21,403

OTHER ASSETS

Intercompany Accounts	1,407,967
	1,407,967

Total Assets

\$ 1,531,895

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 7,284
Accrued Wages and Other Liabilities	83,224
Total Current Liabilities	90,508

Total Liabilities

90,508

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 150,000 Shares Authorized; 147,787 Shares Issued and Outstanding	147,787
Retained Earnings	1,293,600
Total Shareholder's Equity	1,441,387

Total Liabilities and Shareholder's Equity

\$ 1,531,895

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK ESTATES ASSISTED LIVING, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 1,342,625
Other Revenue	16,024
Total Revenue	<u>1,358,649</u>

EXPENSES

Nursing Services	457,949
Ancillaries	2,275
Dietary	103,366
Activities	6,890
Laundry and Linen	437
Housekeeping	9,151
Facility Operations and Maintenance	93,245
Depreciation	4,825
Interest Expense	180
Taxes and Insurance	70,061
Employee Benefits	72,490
Bad Debt Expense	(4,310)
COVID-19 Expenses	8,615
General and Administrative	246,236
Total Expenses	<u>1,071,410</u>
Net Income	<u>\$ 287,239</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – LANCASTER, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 101,250
Patient Accounts Receivable, Net	1,093,581
Other Current Assets	42,880
Total Current Assets	<u>1,237,711</u>

PROPERTY AND EQUIPMENT, NET

151,416

OTHER ASSETS

Intercompany Accounts	<u>6,841,038</u>
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Total Assets

\$ 8,230,165

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 234,458
Accrued Wages and Other Liabilities	1,021,275
Total Current Liabilities	<u>1,255,733</u>

Total Liabilities

1,255,733

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 150,000 Shares Authorized; 143,913 Shares Issued and Outstanding	143,913
Retained Earnings	6,830,519
Total Shareholder's Equity	<u>6,974,432</u>

Total Liabilities and Shareholder's Equity

\$ 8,230,165

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – LANCASTER, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 10,741,918
Other Revenue (Expense)	(147)
Total Revenue	<u>10,741,771</u>

EXPENSES

Nursing Services	4,595,699
Ancillaries	1,044,493
Dietary	902,417
Social Services	146,032
Activities	95,690
Medical Records	39,374
Laundry and Linen	156,641
Housekeeping	304,860
Facility Operations and Maintenance	359,976
Depreciation	18,716
Interest Expense	1,116
Taxes and Insurance	120,201
Employee Benefits	891,257
Bad Debt Expense	47,871
COVID-19 Expenses	620,932
General and Administrative	1,581,350
Total Expenses	<u>10,926,625</u>
Net Loss	<u>\$ (184,854)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – YORK, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	101,000
Patient Accounts Receivable, Net		735,970
Other Current Assets		25,127
Total Current Assets		862,097

PROPERTY AND EQUIPMENT, NET

127,269

OTHER ASSETS

Intercompany Accounts		3,756,446
		3,756,446

Total Assets

\$ 4,745,812

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	144,618
Accrued Wages and Other Liabilities		605,848
Total Current Liabilities		750,466

OTHER LIABILITIES

Asset Retirement Obligation		157,039
Total Other Liabilities		157,039

Total Liabilities

907,505

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 200,000 Shares Authorized; 158,902 Shares Issued and Outstanding		158,902
Retained Earnings		3,679,405
Total Shareholder's Equity		3,838,307

Total Liabilities and Shareholder's Equity

\$ 4,745,812

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – YORK, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 7,898,012
Other Revenue	400
Total Revenue	<u>7,898,412</u>

EXPENSES

Nursing Services	3,571,044
Ancillaries	701,055
Dietary	690,990
Social Services	109,223
Activities	130,387
Medical Records	37,618
Laundry and Linen	94,166
Housekeeping	327,832
Facility Operations and Maintenance	393,111
Depreciation	25,456
Interest Expense	2,523
Taxes and Insurance	124,190
Employee Benefits	572,166
Bad Debt Expense	59,168
COVID-19 Expenses	311,414
General and Administrative	1,308,363
Total Expenses	<u>8,458,706</u>
Net Loss	<u>\$ (560,294)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – WAXHAW, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	101,100
Patient Accounts Receivable, Net		603,459
Other Current Assets		24,296
Total Current Assets		728,855

PROPERTY AND EQUIPMENT, NET

Total Assets		\$ 1,317,450
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LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

Accounts Payable	\$	182,153
Accrued Wages and Other Liabilities		995,342
Total Current Liabilities		1,177,495

OTHER LIABILITIES

Deferred Income		9,851
Intercompany Accounts		5,304,899
Total Other Liabilities		5,314,750
Total Liabilities		6,492,245

SHAREHOLDER'S DEFICIT

Accumulated Deficit		(5,174,795)
Total Shareholder's Deficit		(5,174,795)
Total Liabilities and Shareholder's Deficit		\$ 1,317,450

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – WAXHAW, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 9,498,527
Other Revenue (Expense)	(3,901)
Total Revenue	<u>9,494,626</u>

EXPENSES

Nursing Services	3,210,715
Ancillaries	1,216,952
Dietary	711,637
Social Services	185,460
Activities	93,608
Medical Records	57,619
Laundry and Linen	103,072
Housekeeping	192,359
Facility Operations and Maintenance	386,132
Depreciation	156,710
Interest Expense	215
Taxes and Insurance	446,898
Employee Benefits	619,662
Bad Debt Expense	82,600
COVID-19 Expenses	332,629
General and Administrative	1,678,096
Total Expenses	<u>9,474,364</u>
Net Income	<u>\$ 20,262</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK ESTATES WELLNESS CENTER
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
 (SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

PROPERTY AND EQUIPMENT, NET

\$ 76,454

Total Assets

\$ 76,454

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

Cash Overdraft

\$ 288,090

Accounts Payable

135

Accrued Wages and Other Liabilities

82,065

Total Current Liabilities

370,290

OTHER LIABILITIES

Intercompany Accounts

2,570,213

Total Other Liabilities

2,570,213

Total Liabilities

2,940,503

SHAREHOLDER'S DEFICIT

Accumulated Deficit

(2,864,049)

Total Shareholder's Deficit

(2,864,049)

Total Liabilities and Shareholder's Deficit

\$ 76,454

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK ESTATES WELLNESS CENTER
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Membership Fees	\$ 36,853
Other Revenue	211
Total Revenue	<u>37,064</u>

EXPENSES

Dietary	1,143
Activities	641
Laundry and Linen	(382)
Housekeeping	27,441
Facility Operations and Maintenance	101,994
Depreciation	14,075
Interest Expense	105
Taxes and Insurance	96,856
Employee Benefits	20,755
Bad Debt Expense	5
COVID-19 Expenses	1,033
General and Administrative	174,871
Total Expenses	<u>438,537</u>
Net Loss	<u>\$ (401,473)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK AT NORTH GROVE, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2020
 (SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash		\$ 101,000
Patient Accounts Receivable, Net		1,220,136
Other Current Assets		49,468
Total Current Assets		1,370,604

PROPERTY AND EQUIPMENT, NET

1,170,543

OTHER ASSETS

Deferred Other Costs, Net		126,829
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Total Assets

\$ 2,667,976

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

Accounts Payable		\$ 279,523
Accrued Wages and Other Liabilities		2,070,085
Total Current Liabilities		2,349,608

OTHER LIABILITIES

Intercompany Accounts		688,007
Total Other Liabilities		688,007

Total Liabilities

3,037,615

SHAREHOLDER'S DEFICIT

Accumulated Deficit		(369,639)
Total Shareholder's Deficit		(369,639)

Total Liabilities and Shareholder's Deficit

\$ 2,667,976

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK AT NORTH GROVE, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 14,406,725
Other Revenue	5,029
Total Revenue	14,411,754

EXPENSES

Nursing Services	5,197,982
Ancillaries	2,182,742
Dietary	895,060
Social Services	138,544
Activities	66,442
Medical Records	58,701
Laundry and Linen	111,320
Housekeeping	388,486
Facility Operations and Maintenance	447,926
Depreciation	242,922
Interest Expense	42,053
Amortization Expense	80,172
Taxes and Insurance	646,554
Employee Benefits	925,278
Bad Debt Expense	25,304
COVID-19 Expenses	703,969
General and Administrative	2,189,650
Total Expenses	14,343,105
Net Income	\$ 68,649

**WHITE OAK MANOR – TRYON, INC.,
WHITE OAK MANOR – BURLINGTON, INC., AND
WHITE OAK MANOR – CHARLOTTE, INC.
(SUBSIDIARIES OF WHITE OAK MANOR, INC.)**

**PROJECTED COMBINED FINANCIAL STATEMENTS
AND INDEPENDENT ACCOUNTANTS' REPORT**

**FOR THE YEARS ENDING SEPTEMBER 30, 2021
THROUGH SEPTEMBER 30, 2025**



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CONSULTING**

**WHITE OAK MANOR – TRYON, INC.,
WHITE OAK MANOR – BURLINGTON, INC., AND
WHITE OAK MANOR – CHARLOTTE, INC.
(SUBSIDIARIES OF WHITE OAK MANOR, INC.)
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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
White Oak Manor, Inc.
Spartanburg, South Carolina

Management is responsible for the accompanying projected combined financial statements of White Oak Manor – Tryon, Inc., White Oak Manor – Burlington, Inc., and White Oak Manor – Charlotte, Inc., wholly-owned subsidiaries of White Oak Manor, Inc. (the "Combined Subsidiaries"), which comprise the projected combined balance sheets as of September 30, 2021, 2022, 2023, 2024, and 2025, and the related projected combined statements of operations, shareholder's equity (deficit), and cash flows for the years then ending, and the related summary of significant projection assumptions and accounting policies in accordance with the guidelines for presentation of a financial projection established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with the 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 projected combined financial statements 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 these projected combined financial statements or the assumptions. Furthermore, even if the hypothetical assumptions as noted in Management's Summary of Significant Projection Assumptions and Accounting Policies on page 7 (the "Hypothetical Assumptions") occurs as projected, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Accounting principles generally accepted in the United States of America would require the Combined Subsidiaries to adopt Accounting Standards Update (ASU) 2016-02, *Leases*, during the Projection Period. The Combined Subsidiaries have leases with White Oak Manor, Inc., a related party, for the land and buildings of the Combined Subsidiaries. In accordance with accounting principles generally accepted in the United States of America, under (ASU) 2016-02, these leases should be presented as financing leases and capitalized on the projected combined balance sheets. Management has projected these leases as operating leases during the Projection Period. Management has not determined the effect of these departures on the combined financial statements.

The accompanying projection information and this report are intended solely for the information and use of management, the Board of Directors, and the North Carolina Department of Insurance (pursuant to the requirements of North Carolina General Statutes, Chapter 58, Article 64 and is included in the Combined Subsidiaries' disclosure statement filing), and is not intended to be and should not be used, by anyone other than these specified parties.

Board of Directors
White Oak Manor, Inc.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
February 22, 2021

**WHITE OAK MANOR – TRYON, INC.,
WHITE OAK MANOR – BURLINGTON, INC., AND
WHITE OAK MANOR – CHARLOTTE, INC.
(SUBSIDIARIES OF WHITE OAK MANOR, INC.)
PROJECTED COMBINED BALANCE SHEETS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
SEPTEMBER 30, 2021 THROUGH 2025**

ASSETS	2021	2022	2023	2024	2025
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000
Accounts Receivable, Net	2,577,232	2,424,391	2,533,184	2,620,215	2,710,289
Intercompany Accounts Receivable	1,982,306	1,323,582	1,107,288	1,260,826	1,708,154
Other Current Assets	165,939	172,576	179,478	186,658	194,124
Total Current Assets	<u>6,100,477</u>	<u>5,295,549</u>	<u>5,194,950</u>	<u>5,442,699</u>	<u>5,987,567</u>
ASSETS LIMITED AS TO USE - OPERATING RESERVE	867,926	792,045	778,941	780,358	781,416
MOVEABLE EQUIPMENT	6,285,424	6,518,822	6,759,221	7,006,832	7,261,871
Less: Accumulated Depreciation	5,086,896	5,448,506	5,823,721	6,212,950	6,616,612
Moveable Equipment, Net	<u>1,198,528</u>	<u>1,070,316</u>	<u>935,500</u>	<u>793,882</u>	<u>645,259</u>
Total Assets	<u>\$ 8,166,931</u>	<u>\$ 7,157,910</u>	<u>\$ 6,909,391</u>	<u>\$ 7,016,939</u>	<u>\$ 7,414,242</u>
	2021	2022	2023	2024	2025
LIABILITIES AND SHAREHOLDER'S EQUITY					
CURRENT LIABILITIES					
Accounts Payable	\$ 878,836	\$ 877,602	\$ 904,002	\$ 923,137	\$ 944,041
Accrued Wages and Other Liabilities	1,499,922	1,495,661	1,540,471	1,573,038	1,608,617
Intercompany Accounts Payable	-	505,344	640,594	734,047	719,635
Medicare Advance Payments	653,630	-	-	-	-
Asset Retirement Obligation	117,494	117,494	117,494	117,494	117,494
Total Current Liabilities	<u>3,149,882</u>	<u>2,996,101</u>	<u>3,202,561</u>	<u>3,347,716</u>	<u>3,389,787</u>
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	442,198	536,203	573,156	554,998	502,610
Unearned Deposit Revenue - Refundable	-	-	-	-	-
Deposits on Apartments	103,995	103,995	103,995	103,995	103,995
Total Deferred Credits	<u>546,193</u>	<u>640,198</u>	<u>677,151</u>	<u>658,993</u>	<u>606,605</u>
LONG-TERM DEBT	-	-	-	-	-
Total Liabilities	3,696,075	3,636,299	3,879,712	4,006,709	3,996,392
SHAREHOLDER'S EQUITY					
Common Stock	887,153	887,153	887,153	887,153	887,153
Retained Earnings	3,583,703	2,634,458	2,142,526	2,123,077	2,530,697
Other Comprehensive Loss	-	-	-	-	-
Total Shareholder's Equity	<u>4,470,856</u>	<u>3,521,611</u>	<u>3,029,679</u>	<u>3,010,230</u>	<u>3,417,850</u>
Total Liabilities and Shareholder's Equity	<u>\$ 8,166,931</u>	<u>\$ 7,157,910</u>	<u>\$ 6,909,391</u>	<u>\$ 7,016,939</u>	<u>\$ 7,414,242</u>

See Independent Accountants' Compilation Report and
Summary of Significant Projection Assumptions and Accounting Policies

**WHITE OAK MANOR – TRYON, INC.,
 WHITE OAK MANOR – BURLINGTON, INC., AND
 WHITE OAK MANOR – CHARLOTTE, INC.
 (SUBSIDIARIES OF WHITE OAK MANOR, INC.)
 PROJECTED COMBINED STATEMENTS OF OPERATIONS
 ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
 FOR THE YEARS ENDING SEPTEMBER 30, 2021 THROUGH 2025**

	2021	2022	2023	2024	2025
REVENUES					
Net Patient Service Revenue	\$ 30,683,480	\$ 30,278,866	\$ 31,670,473	\$ 32,779,252	\$ 33,927,665
Apartment Rents	3,163,631	3,249,159	3,330,474	3,413,759	3,499,016
Deposit Amortization	247,554	204,232	260,747	315,858	350,088
Investment Income	56,939	54,815	53,713	53,644	53,741
Income from Provider Relief Funds	1,434,252	-	-	-	-
Other Revenue	1,227,293	72,328	75,416	77,949	80,570
Total Revenues	36,813,149	33,859,400	35,390,823	36,640,462	37,911,080
EXPENSES					
Nursing Services	12,694,484	13,640,388	14,090,713	14,362,649	14,690,922
Ancillaries	3,497,269	3,908,045	4,022,150	4,114,203	4,208,062
Dietary Expenses	3,235,914	3,437,771	3,538,420	3,619,558	3,702,289
Social Services	312,237	367,106	377,854	386,511	395,337
Activities	355,288	406,250	417,648	427,084	436,705
Medical Records	120,705	143,238	147,560	150,976	154,458
Laundry and Linen	423,927	432,920	445,807	456,090	466,576
Housekeeping	1,074,762	1,197,336	1,232,095	1,260,255	1,288,967
Facility Operations and Maintenance	1,757,800	2,066,197	2,127,026	2,175,913	2,225,759
Depreciation	348,400	361,610	375,215	389,229	403,662
Taxes and Insurance	521,462	526,488	542,041	554,518	567,239
Employee Benefits	2,338,827	2,597,627	2,675,835	2,737,755	2,800,896
COVID-19 Expenses	2,714,682	-	-	-	-
General and Administrative	5,365,458	5,723,669	5,890,391	6,025,170	6,162,588
Total Expenses	34,751,215	34,808,645	35,882,755	36,659,911	37,503,460
Net Income (Loss)	\$ 2,051,934	\$ (949,245)	\$ (491,932)	\$ (19,449)	\$ 407,620

See Independent Accountants' Compilation Report and
 Summary of Significant Projection Assumptions and Accounting Policies

**WHITE OAK MANOR – TRYON, INC.,
 WHITE OAK MANOR – BURLINGTON, INC., AND
 WHITE OAK MANOR – CHARLOTTE, INC.
 (SUBSIDIARIES OF WHITE OAK MANOR, INC.)
 PROJECTED COMBINED STATEMENTS OF SHAREHOLDER'S EQUITY (DEFICIT)
 ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
 FOR THE YEARS ENDING SEPTEMBER 30, 2021 THROUGH 2025**

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholder's Equity
BALANCE, SEPTEMBER 30, 2020	\$ 887,153	\$ 1,531,769	\$ -	\$ 2,418,922
Net Income	-	2,051,934	-	2,051,934
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2021	887,153	3,583,703	-	4,470,856
Net Loss	-	(949,245)	-	(949,245)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2022	887,153	2,634,458	-	3,521,611
Net Loss	-	(491,932)	-	(491,932)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2023	887,153	2,142,526	-	3,029,679
Net Loss	-	(19,449)	-	(19,449)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2024	887,153	2,123,077	-	3,010,230
Net Income	-	407,620	-	407,620
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2025	\$ 887,153	\$ 2,530,697	\$ -	\$ 3,417,850

See Independent Accountants' Compilation Report and
 Summary of Significant Projection Assumptions and Accounting Policies

**WHITE OAK MANOR – TRYON, INC.,
WHITE OAK MANOR – BURLINGTON, INC., AND
WHITE OAK MANOR – CHARLOTTE, INC.
(SUBSIDIARIES OF WHITE OAK MANOR, INC.)
PROJECTED COMBINED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2021 THROUGH 2025**

	2021	2022	2023	2024	2025
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income (Loss)	\$ 2,051,934	\$ (949,245)	\$ (491,932)	\$ (19,449)	\$ 407,620
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation	348,400	361,610	375,215	389,229	403,662
Deposit Amortization	(247,554)	(204,232)	(260,747)	(315,858)	(350,088)
Deposit Receipts	300,148	298,237	297,700	297,700	297,700
Change in Current Assets:					
Accounts Receivable	(107,139)	152,841	(108,793)	(87,031)	(90,074)
Intercompany Accounts Receivable	(1,982,306)	658,724	216,294	(153,538)	(447,328)
Other Current Assets	(6,382)	(6,637)	(6,902)	(7,180)	(7,466)
Change in Current Liabilities:					
Accounts Payable	49,458	(1,234)	26,400	19,135	20,904
Intercompany Accounts Payable	-	505,344	135,250	93,453	(14,412)
Medicare Advance Payments	(232,713)	(663,630)	-	-	-
Accrued Wages and Other Liabilities	(36,687)	(4,261)	44,810	32,567	35,579
Net Cash Provided by Operating Activities	<u>137,159</u>	<u>157,517</u>	<u>227,295</u>	<u>249,028</u>	<u>256,097</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(226,600)	(233,398)	(240,399)	(247,611)	(255,039)
Net Change in Assets Limited as to Use - Operating Reserve	93,716	75,881	13,104	(1,417)	(1,058)
Net Cash Used in Investing Activities	<u>(132,884)</u>	<u>(157,517)</u>	<u>(227,295)</u>	<u>(249,028)</u>	<u>(256,097)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Distributions to Shareholder	-	-	-	-	-
Net Cash Used in Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,275	-	-	-	-
Cash and Cash Equivalents - Beginning of Year	<u>1,370,725</u>	<u>1,375,000</u>	<u>1,375,000</u>	<u>1,375,000</u>	<u>1,375,000</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,375,000</u>	<u>\$ 1,375,000</u>	<u>\$ 1,375,000</u>	<u>\$ 1,375,000</u>	<u>\$ 1,375,000</u>

See Independent Accountants' Compilation Report and
Summary of Significant Projection Assumptions and Accounting Policies.

Summary of Significant Projection Assumptions and Accounting Policies

BASIS OF PRESENTATION

The financial projection (the "Projection") presents to the best of the knowledge and belief of Management's ("Management") of White Oak Manor – Tryon, Inc. ("Tryon"), White Oak Manor Burlington, Inc. ("Burlington"), and White Oak Manor – Charlotte, Inc. ("Charlotte") (subsidiaries of White Oak Manor, Inc.) (the "Combined Subsidiaries"), Combined Subsidiaries the expected financial position, results of operations and cash flows as of September 30, 2021, 2022, 2023, 2024, and 2025 and for each of the years then ending (the "Projection Period").

A projection, although similar to a forecast, is a presentation of prospective financial information that is subject to one or more hypothetical assumptions. Management has included assumptions that are considered to be "Hypothetical Assumptions" as defined by the American Institute of Certified Public Accountants' Guide for Prospective Financial Information. A Hypothetical Assumption is defined as follows: "An assumption used in a financial projection or in a partial presentation of projected information to present a condition or course of action that is not necessarily expected to occur, but is consistent with the purpose of the presentation."

Management's hypothetical assumptions are as follows:

- The World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Combined Subsidiaries, COVID-19 may impact various parts of its 2021 operations and financial results including but not limited to additional costs for emergency preparedness, disease control and containment, potential shortages of healthcare personnel, or loss of revenue due to reductions in certain revenue streams. The full impact of COVID-19 is unknown and cannot be reasonably estimated as of the date of this Projection. While COVID-19 did impact the Combined Subsidiaries' occupancies in fiscal year 2020, Management has projected occupancy recoveries, as presented during the Projection Period.
- Management has projected utilizing \$1,434,252 in provider relief funds in fiscal year 2021 on expenses related to preventing, preparing for, or responding to the COVID-19 pandemic.
- Management is able to achieve the projected operating revenue inflationary rate increases, operating expense inflationary increases, and occupancy increases as described hereinafter.

FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*, in February 2016 pertaining to accounting for leases. While the standard will not be effective for the Combined Subsidiaries until the year ending September 30, 2021, the standard can be early adopted. Early adoption has not been exercised by Management during the Projection Period. Implementation of the new standard can result in changes to the reporting and disclosures of leases. Management is in the process of evaluating the impact of this standard on the Combined Subsidiaries.

Accounting principles generally accepted in the United States of America would require the Combined Subsidiaries to adopt Accounting Standards Update (ASU) 2016-02, *Leases*, during the Projection Period. The Combined Subsidiaries have leases with White Oak Manor, Inc., a related party, for the land and buildings of the Combined Subsidiaries. In accordance with accounting principles generally accepted in the United States of America, under (ASU) 2016-02, these leases should be presented as financing leases and capitalized on the projected combined balance sheets. Management has projected these leases as operating leases during the Projection Period. Management has not determined the effect of these departures on the combined financial statements.

Summary of Significant Projection Assumptions and Accounting Policies

BASIS OF PRESENTATION

Management's purpose for preparing this financial projection is for the use of Management, the Board of Directors, and for inclusion in Management's Disclosure Statements in accordance with Chapter 58, Article 64 of the North Carolina General Statutes and is not intended to be and should not be used, by another other than these specified parties. The projection reflects management's judgment as of February 22, 2021, the date of this projection, of the expected conditions and its expected course of actions. The assumptions disclosed herein are those that Management of White Oak Manor, Inc. believes are significant to the projected combined financial statements. Furthermore, even if the Hypothetical Assumptions were to occur, there will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Unless otherwise noted, references to time periods used in this report refer to the fiscal year of White Oak Manor – Tryon, Inc., White Oak Manor – Burlington, Inc., and White Oak Manor – Charlotte, Inc. which ends on September 30.

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

White Oak Manor, Inc. and its wholly-owned subsidiaries operate nursing home facilities, assisted living facilities, and apartment complexes for the elderly throughout North and South Carolina. These wholly-owned subsidiaries include:

White Oak Management, Inc.
White Oak Manor – Spartanburg, Inc.
White Oak Manor – Columbia, Inc.
White Oak Manor – Newberry, Inc.
White Oak Manor – Rock Hill, Inc.
White Oak Manor – Shelby, Inc.
White Oak Manor – Kings Mountain, Inc.
White Oak Manor – Charleston, Inc.
White Oak Manor – Charlotte, Inc.
White Oak Manor – Burlington, Inc.
White Oak Manor – Tryon, Inc.
White Oak Manor – Lancaster, Inc.
White Oak Manor – York, Inc.
White Oak Estates, Inc.
White Oak Estates Apartments, Inc.
White Oak Estates Assisted Living, Inc.
White Oak Manor – Waxhaw, Inc.
White Oak Manor at North Grove, Inc.

Also included are the accounts of White Oak Estates Wellness Center, a department of White Oak Estates, Inc.

Three of these subsidiaries, White Oak Manor – Tryon, Inc., White Oak Manor – Burlington, Inc., and White Oak Manor – Charlotte, Inc. collect entrance fees for certain apartment units.

Summary of Significant Accounting Policies

Cash Equivalents

Cash equivalents consist of temporary bank deposits, money market instruments, and certificates of deposit with an original maturity of three months or less at the date of purchase.

Allowance for Uncollectible Accounts

The Combined Subsidiaries provide an allowance for uncollectible accounts using management's judgment. Residents are not required to provide collateral for services rendered. Payment for services is required upon receipt of invoice or claim submitted. Accounts past due more than 45 days are individually analyzed for collectability.

Assets Limited as to Use – Operating Reserve

Assets limited as to use include assets required to be set aside by the Department of Insurance of the State of North Carolina as operating reserves. All assets limited as to use are held in cash, money market funds, debt securities and equity investments.

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Moveable Equipment

Moveable equipment is stated at cost. Routine maintenance, repairs, and renewals are charged to expenses. Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. Depreciation is computed by the straight-line method over the estimated useful lives of the assets.

The fair value of moveable equipment is assumed to be unchanged during the Projection Period. The Combined Subsidiaries assume the following purchases of property and equipment during the Projection Period, based on historical experience.

	For the Years Ending September 30,				
	2021	2022	2023	2024	2025
White Oak Manor - Tryon	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,963
White Oak Manor - Burlington	82,400	84,872	87,418	90,041	92,742
White Oak Manor - Charlotte	92,700	95,481	98,345	101,295	104,334
Total Property and Equipment Purchases	\$ 226,600	\$ 233,398	\$ 240,399	\$ 247,611	\$ 255,039

All land and buildings are owned by White Oak Manor, Inc., a related party, and leased by the Combined Subsidiaries. Each of the Combined Subsidiaries has entered into individual lease agreements with White Oak Manor, Inc. The lease agreements contain an automatic renewal on an annual basis and require monthly rent payments at the beginning of each month. Lease expense is projected to be approximately \$1,100,000 for the Combined Subsidiaries at September 30, 2021 and has been inflated three percent each year thereafter through the Projection Period. Lease expense is included within General and Administrative expenses.

Revenue Recognition

Net patient service revenues are recorded at the expected reimbursement rate. Contractual adjustments include adjustment for patients admitted as private pay patients but later reimbursed under third-party rates, adjustments for ancillary charges and differences between gross charges and reimbursement at contract rates. Final determination of amounts due from or to the Medicare and Medicaid programs is subject to review by appropriate governmental authorities or their agents. Differences between the amounts accrued and subsequent settlements are recorded in operations in the year of settlement.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Combined Subsidiaries believe that they are in compliance with all applicable laws and regulations and are not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory actions including fines, penalties, and exclusion from Medicare and Medicaid programs.

Unearned deposit revenue represents deposit fees which are earned over the estimated length of stay of the residents. Under the terms of the rental agreement, in the event of the resident's death, no refund is due to the resident. Otherwise, the unearned portion is refundable to the resident in the event of termination of the lease by either the Combined Subsidiaries or the resident in decreasing equal amounts over a five-year period. In addition to the deposits, residents also pay monthly fees which are subject to increase by Management.

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, assets limited as to use, trade accounts receivable, and other current and long-term liabilities approximates their respective fair values.

Income Taxes

The shareholders of the Combined Subsidiaries have elected under Subchapter S of the Internal Revenue Code to include the Combined Subsidiaries income in their own income for federal income tax purposes. Accordingly, no income tax provision or liabilities are reflected in the projected combined financial statements. Distributions are made to shareholders in the form of dividends to fund the shareholders' tax liabilities resulting from inclusion of the Combined Subsidiaries income in their own income for income tax purposes.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES

Unless otherwise noted, assumptions are the same for all three Combined Subsidiaries.

Facility Utilization

Management has projected the occupancies at White Oak Manor – Tryon, Inc., White Oak Manor – Burlington, Inc. and White Oak Manor – Charlotte, Inc. will be as follows during the Projection Period:

WHITE OAK MANOR - TRYON		2021	2022	2023	2024	2025
Average Occupied Units:						
Independent Living		96	97	97	97	97
Assisted Living		16	16	16	16	16
Skilled Nursing		59	61	63	63	64
Available Units:						
Independent Living		99	99	99	99	99
Assisted Living		25	25	25	25	25
Skilled Nursing		70	70	70	70	70
Average Independent Living Occupancy Percentage		97.4%	97.9%	97.9%	97.9%	97.9%
Average Assisted Living Occupancy Percentage		64.0%	64.3%	64.6%	64.9%	65.2%
Average Skilled Nursing Occupancy Percentage		84.3%	86.8%	89.4%	90.3%	91.2%
WHITE OAK MANOR - BURLINGTON		2021	2022	2023	2024	2025
Average Occupied Units:						
Independent Living		51	51	51	51	51
Skilled Nursing		121	127	131	133	134
Available Units:						
Independent Living		53	53	53	53	53
Skilled Nursing		160	160	160	160	160
Average Independent Living Occupancy Percentage		97.1%	96.1%	96.1%	96.1%	96.1%
Average Skilled Nursing Occupancy Percentage		75.8%	79.6%	82.0%	82.8%	83.7%
WHITE OAK MANOR - CHARLOTTE		2021	2022	2023	2024	2025
Average Occupied Units:						
Independent Living		32	32	32	32	32
Skilled Nursing		147	148	150	151	153
Available Units:						
Independent Living		33	33	33	33	33
Skilled Nursing		180	180	180	180	180
Average Independent Living Occupancy Percentage		96.9%	97.4%	97.4%	97.4%	97.4%
Average Skilled Nursing Occupancy Percentage		81.5%	82.3%	83.1%	84.0%	84.8%

Revenue

Net patient service revenue includes revenue from residents residing in the nursing facility. Net patient service revenue and the payor mix is based upon historical experience for the Combined Subsidiaries. Net patient service revenue are assumed to increase 2.5 percent annually during the Projection Period in addition to increases associated with projected occupancy increases. The Projection does not assume any third-party payor settlements throughout the Projected Period.

In addition, the State of North Carolina implemented an increased Medicaid rate structure to enable nursing communities to cover the financial impact of additional COVID related costs. As isolated cases of COVID appear in 2 or more resident / staff at a nursing community, there is an additional per day paid for all non-COVID Medicaid residents plus an additional per day for COVID Medicaid residents. The length of the increased rate structure varies on a case by case basis. For purposes of the

See Independent Accountants' Compilation Report

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES

Projection, Management has assumed this Medicaid rate impact in fiscal year 2021 only, reverting to normal fee structure beginning in the fiscal year ending September 30, 2022.

Apartment rents are based on historical experience of the Combined Subsidiaries. Apartment rents are assumed to increase at 2.5 percent annually during the Projection Period.

Deposit amortization revenue is based on the expected turnover in units at the Combined Subsidiaries' apartment complexes for the elderly. The expected turnover in the Projection Period is consistent with the Combined Subsidiaries historical experience. Deposits for apartments range from \$15,000 to \$30,000 depending on the size and location of the apartment. Deposits are assumed to be collected equally throughout the year.

Investment income is projected based on available investment balances earning investment income at a realized rate of 3.0 percent per year during the Projection Period.

Other revenue consists of various miscellaneous items. Also included in other revenue in the year ending September 30, 2021 are projected COVID-19 testing reimbursements from the state of North Carolina. Management has projected these revenues based upon historical experience and have assumed a combined reimbursement amount of approximately \$1,178,000 for the Combined Subsidiaries. Management has not projected any COVID-19 testing reimbursements from the state of North Carolina in any other years of the Projection Period. Other revenue is expected to grow by 2.5 percent per year during the Projection Period with historical experience of the Combined Subsidiaries serving as the base amount.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF EXPENSES

Cost and Expenses

Management fees are charged to the Combined Subsidiaries to cover related party management costs and interest expense as related to long-term debt held by White Oak Manor, Inc. The interest portion of management fees is allocated based on the percentage of the Combined Subsidiaries' beds and units to the total beds and units for all subsidiaries of White Oak Manor, Inc. Total management fees are projected to be approximately \$1,981,000 for the Combined Subsidiaries at September 30, 2021 and have been inflated 2.0 percent each year thereafter through the Projection Period. Management fees are included within General and Administrative expenses.

Other cost and expenses for 2021 are based upon recent historical operating expenses, adjusted to include projected COVID-19 costs. Other costs and expenses for the years ending September 30, 2022 and after are projected based upon pre-COVID-19 historical operating expenses. Cost and expenses for subsequent years vary with changes in occupancy levels as well as being inflated 2.0 percent for each year thereafter during the Projection Period.

Distribution to Shareholder

Distributions to shareholder for the payment of income taxes using tax rates in effect at February 22, 2021 are projected based on projected taxable income. Taxable income to be recognized by the Combined Subsidiaries' shareholders on their individual tax returns is based on reported income from operations and expected differences in revenue and expenses for financial reporting purposes and tax purposes. No distribution to shareholders has been estimated during the Projected Period.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS

Operating Reserve

Under the rules and regulations of the Department of Insurance of North Carolina, which regulates continuing care facilities operating in the state, the Combined Subsidiaries are required to maintain operating reserves of 25 percent or 50 percent depending on the occupancy percentage, of the total occupancy costs of the independent living units (i.e., total expenses less depreciation, amortization, and interest expense) plus an allocated portion of the skilled nursing facilities expenses based on a ratio of skilled nursing patient days provided to independent living patients for the twelve-month period related to the calculation. Such operating reserve may only be released upon approval of the North Carolina Commissioner of Insurance. The operating reserve has been calculated based upon projected operating expenses and assuming an occupancy level of greater than 90 percent for White Oak Manor Tryon, Inc., White Oak Manor – Burlington, Inc. and White Oak Manor – Charlotte, Inc.

The operating reserves for the Combined Subsidiaries are projected as follows:

<u>WHITE OAK MANOR - TRYON</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Projected Operating Expenses:					
Projected SNF Expense	\$ 7,633,132	\$ 7,230,490	\$ 7,511,231	\$ 7,706,854	\$ 7,907,820
Projected Apartment Expense	1,667,626	1,521,011	1,508,018	1,524,017	1,538,865
	<u>9,300,758</u>	<u>8,751,501</u>	<u>9,019,249</u>	<u>9,230,871</u>	<u>9,446,685</u>
Total Projected Depreciation Expense:					
Projected SNF Depreciation	87,981	90,535	93,334	95,555	97,861
Projected Apartment Depreciation	52,856	53,125	53,233	54,007	54,785
	<u>140,837</u>	<u>143,660</u>	<u>146,567</u>	<u>149,562</u>	<u>152,646</u>
Total Patient Days - SNF	21,529	22,175	22,840	23,068	23,299
Total Patient Days Attributable to Apartment Residents	1,597	1,645	1,695	1,712	1,729
% of SNF Patient Days Attributable to Apartment Residents	7.42%	7.42%	7.42%	7.42%	7.42%
% of SNF Days Attributable to SNF Only Residents	92.58%	92.58%	92.58%	92.58%	92.58%
Calculation of Excluded SNF Expenses	7,066,754	6,693,988	6,953,898	7,135,005	7,321,060
Calculation of Included SNF Expenses	566,378	536,502	557,333	571,849	586,760
Calculation of Included SNF Depreciation	6,528	6,718	6,925	7,090	7,261
Expenses Subject to DOI Approved Operating Reserve	2,174,620	1,997,670	2,005,193	2,034,769	2,063,579
Operating Reserve Percentage	25%	25%	25%	25%	25%
Projected Reserve Requirement	<u>\$ 543,655</u>	<u>\$ 499,418</u>	<u>\$ 501,298</u>	<u>\$ 508,692</u>	<u>\$ 515,895</u>
Projected Occupancy as of Year End	<u>90.6%</u>	<u>91.1%</u>	<u>91.2%</u>	<u>91.2%</u>	<u>91.3%</u>

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS (continued)

Operating Reserve (continued)

<u>WHITE OAK MANOR - BURLINGTON</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Projected Operating Expenses:					
Projected SNF Expense	\$ 11,186,262	\$ 11,714,357	\$ 12,260,971	\$ 12,605,034	\$ 12,957,155
Projected Apartment Expense	592,470	465,261	407,939	392,526	375,995
	<u>11,778,732</u>	<u>12,179,618</u>	<u>12,668,910</u>	<u>12,997,560</u>	<u>13,333,150</u>
Total Projected Depreciation Expense:					
Projected SNF Depreciation	85,183	90,374	95,117	99,575	104,180
Projected Apartment Depreciation	16,992	16,476	16,549	17,051	17,554
	<u>102,175</u>	<u>106,850</u>	<u>111,666</u>	<u>116,626</u>	<u>121,734</u>
Total Patient Days - SNF	44,293	46,508	47,903	48,382	48,866
Total Patient Days Attributable to Apartment Residents	168	176	182	183	185
% of SNF Patient Days Attributable to Apartment Residents	0.38%	0.38%	0.38%	0.38%	0.38%
% of SNF Days Attributable to SNF Only Residents	99.62%	99.62%	99.62%	99.62%	99.62%
Calculation of Excluded SNF Expenses	11,143,754	11,669,842	12,214,379	12,557,135	12,907,918
Calculation of Included SNF Expenses	42,508	44,515	46,592	47,899	49,237
Calculation of Included SNF Depreciation	324	343	361	378	396
Expenses Subject to DOI Approved Operating Reserve	617,662	492,957	437,621	422,996	407,282
Operating Reserve Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Projected Reserve Requirement	<u>\$ 154,416</u>	<u>\$ 123,239</u>	<u>\$ 109,405</u>	<u>\$ 105,749</u>	<u>\$ 101,821</u>
Projected Occupancy as of Year End	<u>97.1%</u>	<u>96.1%</u>	<u>96.1%</u>	<u>96.1%</u>	<u>96.1%</u>
<u>WHITE OAK MANOR - CHARLOTTE</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Projected Operating Expenses:					
Projected SNF Expense	\$ 13,085,202	\$ 13,283,568	\$ 13,606,940	\$ 13,854,221	\$ 14,156,765
Projected Apartment Expense	596,523	593,958	587,656	577,259	566,860
	<u>13,681,725</u>	<u>13,877,526</u>	<u>14,194,596</u>	<u>14,431,480</u>	<u>14,723,625</u>
Total Projected Depreciation Expense:					
Projected SNF Depreciation	89,517	94,457	99,622	104,954	110,471
Projected Apartment Depreciation	15,871	16,643	17,360	18,087	18,811
	<u>105,388</u>	<u>111,100</u>	<u>116,982</u>	<u>123,041</u>	<u>129,282</u>
Total Patient Days - SNF	53,547	54,082	54,623	55,169	55,721
Total Patient Days Attributable to Apartment Residents	408	412	416	420	425
% of SNF Patient Days Attributable to Apartment Residents	0.76%	0.76%	0.76%	0.76%	0.76%
% of SNF Days Attributable to SNF Only Residents	99.24%	99.24%	99.24%	99.24%	99.24%
Calculation of Excluded SNF Expenses	12,985,754	13,182,613	13,503,527	13,748,929	14,049,174
Calculation of Included SNF Expenses	99,448	100,955	103,413	105,292	107,591
Calculation of Included SNF Depreciation	680	718	757	798	840
Expenses Subject to DOI Approved Operating Reserve	679,420	677,552	672,952	663,666	654,800
Operating Reserve Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Projected Reserve Requirement	<u>\$ 169,855</u>	<u>\$ 169,388</u>	<u>\$ 168,238</u>	<u>\$ 165,917</u>	<u>\$ 163,700</u>
Projected Occupancy as of Year End	<u>96.9%</u>	<u>97.4%</u>	<u>97.4%</u>	<u>97.4%</u>	<u>97.4%</u>

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS (continued)

The total operating reserve is funded with cash, money market funds, debt securities and equity investments held by the Combined Subsidiaries and White Oak Manor, Inc. and its wholly-owned subsidiaries. The total required reserve at September 30, 2020 was \$933,736. These assets are restricted and cannot be used without approval by the North Carolina Department of Insurance.

Intercompany Accounts

Accounts due to affiliates and due from affiliates have been adjusted throughout the Projection Period as a result of projected activity of operations and to maintain a minimum operating cash balance of \$1,375,000.

Commitments and Contingencies

Management does not assume that there will be any claims on the Combined Subsidiaries for the Projection Period relating to its self-insurance for professional and general liability coverage or workers' compensation plan in excess of its annual historical insurance expenses.

Current Assets and Current Liabilities

Cash and Cash Equivalents

Cash and cash equivalents for the Projection Period is projected to maintain a minimum operating cash balance based upon recent historical experience of each of the Combined Subsidiaries.

Accounts Receivable, Net

Accounts receivable, net is projected based upon historical levels throughout the Projection Period that approximate the historical days of operating revenues for each of the respective Combined Subsidiaries.

Other Current Assets

Other current assets are projected based on historic levels throughout the Projection Period.

Accounts Payable

Accounts payable is projected based upon historical levels throughout the Projection Period that approximate the historical days of operating expenses, net of depreciation, for each of the respective Combined Subsidiaries.

Accrued Wages and Other Liabilities

Accounts wages and other liabilities is projected based upon historical levels throughout the Projection Period that approximate the historical days of operating expenses, net of depreciation, for each of the respective Combined Subsidiaries.

Asset Retirement Obligation

Asset retirement obligation is projected based on historic levels throughout the Projection Period.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS (continued)

Other Items

Medicare Accelerated and Advance Payment Program

As a result of the COVID-19 pandemic, the Centers for Medicare & Medicaid Services (CMS) expanded the current Accelerated and Advance Payment Program to a broader group of Medicare Part A and B providers. Providers who submit a request to the appropriate Medicare Administrative Contractor (MAC) and meet the required qualifications can receive up to 6 months of Medicare payments in advance of the services being performed. CMS established the repayment of these accelerated payments as follows:

- Repayment does not begin for one year starting from the date the accelerated or advance payment was issued.
- Beginning at one year from the date the payment was issued and continuing for eleven (11) months, Medicare payments owed to providers will be recouped at a rate of 25%.
- After the eleven (11) months has ended, Medicare payments owed to providers will be recouped at a rate of 50% for another six (6) months.
- After that six (6) month has ended, a letter for any remaining balance of the accelerated or advancement payments will be issued. If a letter requiring reimbursement is issued, providers will have 30 days from the date of the letter to repay the balance in full. If payment is not received within 30 days, interest will accrue at a rate of 4% from the date the letter was issued, and will be assessed for each full 30-day period that the balance remains unpaid.

The Combined Subsidiaries received accelerated payments in April 2020 in the amount of \$886,000. The recoupment of the balances are projected to begin in April 2021 and Management has projected that the recoupment will be paid in full, under the terms as described above, by the end of the fiscal year ending September 30, 2022.

Provider Relief Funds

Due to the COVID-19 pandemic, the U. S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF). Total grant funds approved and received by all members of White Oak Manor, Inc. during 2020 was \$12,141,496. The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. All PRF funds and deferred revenue were recorded on the balance sheet of White Oak Management, Inc. as of September 30, 2020. Management has projected it will utilize approximately \$312,000 of these funds at White Oak Manor - Tryon, \$573,000 at White Oak Manor - Burlington, and approximately \$549,000 at White Oak Manor - Charlotte as allowed under the CARES Act and has projected recognizing this into income during the year ending September 30, 2021. These amounts are included in the Income From Provider Relief Funds on the projected combined statements of operations. No additional PRF income is included in the Projection.



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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
White Oak Manor, Inc.
Spartanburg, South Carolina

Our report on our compilation of the basic projected combined financial statements of White Oak Manor – Tryon, Inc., White Oak Manor – Burlington, Inc., and White Oak Manor – Charlotte, Inc., as of and for the years ending September 30, 2021 through 2025 appears on Page 1. The accompanying supplemental information on Pages 20-31 is presented for purposes of additional analysis and is not a required part of the basic projected combined financial statements. Such information is the responsibility of management. Such information has been subjected to the compilation procedures applied in the compilation of the projected combined financial statements. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
February 22, 2021

WHITE OAK MANOR – TRYON, INC.
PROJECTED BALANCE SHEETS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
SEPTEMBER 30, 2021 THROUGH 2025

ASSETS	2021	2022	2023	2024	2025
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000
Patient Accounts Receivable, Net	298,594	281,091	293,784	303,277	313,100
Intercompany Accounts Receivable	93,419	-	194,279	519,641	929,692
Other Current Assets	32,581	33,884	35,239	36,649	38,115
Total Current Assets	<u>974,594</u>	<u>864,975</u>	<u>1,073,302</u>	<u>1,409,567</u>	<u>1,830,907</u>
ASSETS LIMITED AS TO USE - OPERATING RESERVE	543,655	499,418	501,298	508,692	515,895
MOVEABLE EQUIPMENT	2,633,842	2,686,887	2,741,523	2,797,798	2,855,761
Less: Accumulated Depreciation	2,116,431	2,260,091	2,406,658	2,556,220	2,708,866
Moveable Equipment, Net	<u>517,411</u>	<u>426,796</u>	<u>334,865</u>	<u>241,578</u>	<u>146,895</u>
Total Assets	<u>\$ 2,035,660</u>	<u>\$ 1,791,189</u>	<u>\$ 1,909,465</u>	<u>\$ 2,159,837</u>	<u>\$ 2,493,697</u>
	2021	2022	2023	2024	2025
LIABILITIES AND SHAREHOLDER'S EQUITY					
CURRENT LIABILITIES					
Accounts Payable	\$ 250,957	\$ 235,831	\$ 243,087	\$ 248,803	\$ 254,631
Accrued Wages and Other Liabilities	451,722	424,496	437,557	447,845	458,336
Intercompany Accounts Payable	-	59,121	-	-	-
Medicare Advance Payments	301,684	-	-	-	-
Asset Retirement Obligation	38,460	38,460	38,460	38,460	38,460
Total Current Liabilities	<u>1,042,823</u>	<u>757,908</u>	<u>719,104</u>	<u>735,108</u>	<u>751,427</u>
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	299,815	353,161	366,571	342,397	301,485
Unearned Deposit Revenue - Refundable	-	-	-	-	-
Deposits on Apartments	87,495	87,495	87,495	87,495	87,495
Total Deferred Credits	<u>387,310</u>	<u>440,656</u>	<u>454,066</u>	<u>429,892</u>	<u>388,980</u>
LONG-TERM DEBT	-	-	-	-	-
Total Liabilities	<u>1,430,133</u>	<u>1,198,564</u>	<u>1,173,170</u>	<u>1,165,000</u>	<u>1,140,407</u>
SHAREHOLDER'S EQUITY					
Common Stock, par value \$1 per share; 350,000 shares authorized, 296,213 shares issued and outstanding	296,213	296,213	296,213	296,213	296,213
Retained Earnings (Deficit)	309,314	296,412	440,082	698,524	1,057,077
Other Comprehensive Income	-	-	-	-	-
Total Shareholder's Equity	<u>605,527</u>	<u>592,625</u>	<u>736,295</u>	<u>994,837</u>	<u>1,353,290</u>
Total Liabilities and Shareholder's Equity	<u>\$ 2,035,660</u>	<u>\$ 1,791,189</u>	<u>\$ 1,909,465</u>	<u>\$ 2,159,837</u>	<u>\$ 2,493,697</u>

WHITE OAK MANOR – TRYON, INC.
PROJECTED STATEMENTS OF OPERATIONS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2021 THROUGH 2025

	2021	2022	2023	2024	2025
REVENUES					
Net Patient Service Revenue	\$ 6,721,676	\$ 6,763,809	\$ 7,104,482	\$ 7,347,189	\$ 7,598,792
Apartment Rents	1,674,886	1,751,982	1,795,835	1,840,748	1,886,723
Deposit Amortization	184,500	156,599	195,490	233,074	249,812
Investment Income	33,558	32,146	31,511	31,650	31,869
Other Revenue - Provider Relief Funds	311,888	-	-	-	-
Other Revenue	373,772	34,063	35,601	36,752	37,942
Total Revenues	<u>9,300,280</u>	<u>8,738,599</u>	<u>9,162,919</u>	<u>9,489,413</u>	<u>9,805,136</u>
EXPENSES					
Nursing Services	2,974,151	3,039,113	3,132,619	3,206,277	3,281,385
Ancillaries	808,442	831,287	856,863	877,011	897,555
Dietary Expenses	1,015,493	1,036,874	1,068,776	1,093,906	1,119,531
Social Services	86,271	80,447	82,922	84,872	86,860
Activities	116,296	116,201	119,777	122,593	125,465
Medical Records	24,956	26,816	27,641	28,291	28,953
Laundry and Linen	125,540	134,079	138,204	141,453	144,767
Housekeeping	308,261	321,788	331,689	339,488	347,441
Facility Operations and Maintenance	635,267	697,208	718,660	735,558	752,788
Depreciation	140,837	143,660	146,567	149,562	152,646
Taxes and Insurance	187,982	187,710	193,485	198,035	202,674
Employee Benefits	677,385	616,761	635,737	650,686	665,928
COVID-19 Expenses	684,398	-	-	-	-
General and Administrative	1,515,479	1,519,557	1,566,309	1,603,139	1,640,692
Total Expenses	<u>9,300,758</u>	<u>8,751,501</u>	<u>9,019,249</u>	<u>9,230,871</u>	<u>9,446,685</u>
Net Income (Loss)	<u>\$ (478)</u>	<u>\$ (12,902)</u>	<u>\$ 143,670</u>	<u>\$ 258,542</u>	<u>\$ 358,453</u>

WHITE OAK MANOR – TRYON, INC.
PROJECTED STATEMENTS OF SHAREHOLDER'S EQUITY (DEFICIT)
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2021 THROUGH 2025

	Common Stock	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income	Total Shareholder's Equity
BALANCE, SEPTEMBER 30, 2020	\$ 296,213	\$ 309,792	\$ -	\$ 606,005
Net Loss	-	(478)	-	(478)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2021	296,213	309,314	-	605,527
Net Loss	-	(12,902)	-	(12,902)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2022	296,213	296,412	-	592,625
Net Income	-	143,670	-	143,670
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2023	296,213	440,062	-	736,295
Net Income	-	258,542	-	258,542
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2024	296,213	698,624	-	994,837
Net Income	-	358,453	-	358,453
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2025	<u>\$ 296,213</u>	<u>\$ 1,057,077</u>	<u>\$ -</u>	<u>\$ 1,353,290</u>

WHITE OAK MANOR – TRYON, INC.
PROJECTED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2021 THROUGH 2025

	2021	2022	2023	2024	2025
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income (Loss)	\$ (478)	\$ (12,902)	\$ 143,670	\$ 258,542	\$ 358,453
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation	140,837	143,660	146,567	149,562	152,646
Deposit Amortization	(194,500)	(156,599)	(195,490)	(233,074)	(249,812)
Deposit Receipts	209,945	209,945	208,900	208,900	208,900
Change in Current Assets:					
Accounts Receivable	(17,956)	17,503	(12,693)	(9,493)	(9,823)
Intercompany Accounts Receivable	(93,419)	93,419	(194,279)	(325,362)	(410,051)
Other Current Assets	(1,253)	(1,303)	(1,355)	(1,410)	(1,466)
Change in Current Liabilities:					
Accounts Payable	20,375	(15,126)	7,256	5,716	5,828
Intercompany Accounts Payable		59,121	(59,121)		
Medicare Advance Payments	(77,571)	(301,684)	-	-	-
Accrued Wages and Other Liabilities	5,637	(27,226)	13,061	10,288	10,491
Net Cash Provided by (Used In) Operating Activities	<u>1,617</u>	<u>8,808</u>	<u>56,516</u>	<u>63,669</u>	<u>65,166</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(51,500)	(53,045)	(54,636)	(56,275)	(57,963)
Net Change in Assets Limited as to Use - Operating Reserve	52,908	44,237	(1,880)	(7,394)	(7,203)
Net Cash Provided by (Used in) Investing Activities	<u>1,408</u>	<u>(8,808)</u>	<u>(56,516)</u>	<u>(63,669)</u>	<u>(65,166)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Distributions to Shareholder	-	-	-	-	-
Net Cash Used in Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,025	-	-	-	-
Cash and Cash Equivalents - Beginning of Year	<u>546,975</u>	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 550,000</u>	<u>\$ 550,000</u>	<u>\$ 550,000</u>	<u>\$ 550,000</u>	<u>\$ 550,000</u>

WHITE OAK MANOR – BURLINGTON, INC.
PROJECTED BALANCE SHEETS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
SEPTEMBER 30, 2021 THROUGH 2025

ASSETS	2021	2022	2023	2024	2025
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Patient Accounts Receivable, Net	1,161,978	1,160,998	1,222,892	1,265,023	1,308,621
Intercompany Accounts Receivable	18,879	-	-	-	-
Other Current Assets	60,346	62,760	65,270	67,881	70,596
Total Current Assets	<u>1,641,203</u>	<u>1,623,758</u>	<u>1,688,162</u>	<u>1,732,904</u>	<u>1,779,217</u>
ASSETS LIMITED AS TO USE - OPERATING RESERVE	154,416	123,239	109,405	105,749	101,821
MOVEABLE EQUIPMENT	1,869,014	1,953,886	2,041,304	2,131,345	2,224,087
Less: Accumulated Depreciation	1,534,356	1,641,206	1,752,872	1,869,498	1,991,232
Moveable Equipment, Net	<u>334,658</u>	<u>312,680</u>	<u>288,432</u>	<u>261,847</u>	<u>232,855</u>
Total Assets	<u>\$ 2,130,277</u>	<u>\$ 2,059,677</u>	<u>\$ 2,085,999</u>	<u>\$ 2,100,500</u>	<u>\$ 2,113,893</u>
LIABILITIES AND SHAREHOLDER'S EQUITY					
CURRENT LIABILITIES					
Accounts Payable	\$ 255,925	\$ 264,609	\$ 275,227	\$ 282,322	\$ 289,565
Accrued Wages and Other Liabilities	415,877	429,989	447,244	458,773	470,544
Intercompany Accounts Payable	-	446,223	640,594	734,047	719,635
Medicare Advance Payments	205,275	-	-	-	-
Asset Retirement Obligation	79,034	79,034	79,034	79,034	79,034
Total Current Liabilities	<u>956,111</u>	<u>1,219,855</u>	<u>1,442,099</u>	<u>1,554,176</u>	<u>1,568,778</u>
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	86,018	115,764	133,390	138,349	130,658
Unearned Deposit Revenue - Refundable	-	-	-	-	-
Deposits on Apartments	8,000	8,000	8,000	8,000	8,000
Total Deferred Credits	<u>94,018</u>	<u>123,764</u>	<u>141,390</u>	<u>146,349</u>	<u>138,658</u>
LONG-TERM DEBT					
Total Liabilities	1,050,129	1,343,619	1,583,489	1,700,525	1,697,436
SHAREHOLDER'S EQUITY (DEFICIT)					
Common Stock, par value \$1 per share; 350,000 shares authorized, 309,490 shares issued and outstanding	309,490	309,490	309,490	309,490	309,490
Retained Earnings	770,658	406,668	193,020	90,485	106,967
Total Shareholder's Equity	<u>1,080,148</u>	<u>716,058</u>	<u>502,510</u>	<u>399,975</u>	<u>416,457</u>
Total Liabilities and Shareholder's Equity	<u>\$ 2,130,277</u>	<u>\$ 2,059,677</u>	<u>\$ 2,085,999</u>	<u>\$ 2,100,500</u>	<u>\$ 2,113,893</u>

WHITE OAK MANOR – BURLINGTON, INC.
PROJECTED STATEMENTS OF OPERATIONS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2021 THROUGH 2025

	2021	2022	2023	2024	2025
REVENUES					
Net Patient Service Revenue	\$ 9,946,520	\$ 10,818,226	\$ 11,421,512	\$ 11,824,077	\$ 12,240,933
Apartment Rents	941,334	941,245	964,864	989,042	1,013,777
Deposit Amortization	51,660	33,521	46,274	58,941	71,591
Investment Income	11,778	10,777	10,326	10,152	10,076
Other Revenue - Provider Relief Funds	572,689	-	-	-	-
Other Revenue	320,625	11,759	12,386	12,813	13,255
Total Revenues	<u>11,844,606</u>	<u>11,815,528</u>	<u>12,456,362</u>	<u>12,895,025</u>	<u>13,349,632</u>
EXPENSES					
Nursing Services	4,401,135	4,994,788	5,195,227	5,329,145	5,465,873
Ancillaries	1,270,141	1,425,342	1,482,540	1,520,756	1,559,774
Dietary Expenses	966,676	1,096,417	1,140,416	1,169,812	1,199,826
Social Services	87,541	134,007	139,384	142,977	146,645
Activities	85,659	109,642	114,042	116,981	119,983
Medical Records	49,520	60,912	63,366	64,990	66,657
Laundry and Linen	147,041	146,189	152,055	155,975	159,977
Housekeeping	350,431	389,837	405,481	415,933	426,605
Facility Operations and Maintenance	534,201	633,485	658,907	675,892	693,233
Depreciation	102,175	106,850	111,666	116,626	121,734
Taxes and Insurance	153,865	158,371	164,727	168,973	173,308
Employee Benefits	942,085	1,023,322	1,064,388	1,091,825	1,119,837
COVID-19 Expenses	975,386	-	-	-	-
General and Administrative	1,812,876	1,900,456	1,976,721	2,027,675	2,079,698
Total Expenses	<u>11,778,732</u>	<u>12,179,618</u>	<u>12,668,910</u>	<u>12,997,560</u>	<u>13,333,750</u>
Net Income (Loss)	<u>\$ 66,874</u>	<u>\$ (364,090)</u>	<u>\$ (213,548)</u>	<u>\$ (102,535)</u>	<u>\$ 16,482</u>

WHITE OAK MANOR – BURLINGTON, INC.
PROJECTED STATEMENTS OF SHAREHOLDER'S EQUITY (DEFICIT)
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2021 THROUGH 2025

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholder's Equity (Deficit)
BALANCE, SEPTEMBER 30, 2020	\$ 309,490	\$ 704,784	\$ -	\$ 1,014,274
Net Income	-	65,874	-	65,874
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2021	309,490	770,658	-	1,080,148
Net Loss	-	(364,090)	-	(364,090)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2022	309,490	406,568	-	716,058
Net Loss	-	(213,548)	-	(213,548)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2023	309,490	193,020	-	502,510
Net Loss	-	(102,535)	-	(102,535)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2024	309,490	90,485	-	399,975
Net Income	-	16,482	-	16,482
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2025	\$ 309,490	\$ 106,967	\$ -	\$ 416,457

WHITE OAK MANOR – BURLINGTON, INC.
PROJECTED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2021 THROUGH 2025

	2021	2022	2023	2024	2025
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income (Loss)	\$ 65,874	\$ (364,090)	\$ (213,548)	\$ (102,535)	\$ 16,482
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation	102,175	106,850	111,666	116,626	121,734
Deposit Amortization	(51,660)	(33,521)	(46,274)	(58,941)	(71,591)
Deposit Receipts	65,178	63,267	63,900	63,900	63,900
Change in Current Assets:					
Accounts Receivable	(58,333)	980	(61,894)	(42,131)	(43,598)
Intercompany Accounts Receivable	(18,879)	18,879			
Other Current Assets	(2,321)	(2,414)	(2,510)	(2,611)	(2,715)
Change in Current Liabilities:					
Accounts Payable	(1,496)	8,684	10,618	7,095	7,243
Intercompany Accounts Payable	-	446,223	194,371	93,453	(14,412)
Medicare Advance Payments	(77,571)	(205,275)	-	-	-
Accrued Wages and Other Liabilities	(9,563)	14,112	17,255	11,529	11,771
Net Cash Provided by Operating Activities	<u>13,404</u>	<u>53,695</u>	<u>73,584</u>	<u>86,385</u>	<u>88,814</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(82,400)	(84,872)	(87,418)	(90,041)	(92,742)
Net Change in Assets Limited as to Use - Operating Reserve	67,196	31,177	13,834	3,656	3,928
Net Cash Used in Investing Activities	<u>(15,204)</u>	<u>(53,695)</u>	<u>(73,584)</u>	<u>(86,385)</u>	<u>(88,814)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Distributions to Shareholder	-	-	-	-	-
Net Cash Used in Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash Equivalents - Beginning of Year	<u>401,800</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>

WHITE OAK MANOR – CHARLOTTE, INC.
PROJECTED BALANCE SHEETS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
SEPTEMBER 30, 2021 THROUGH 2025

ASSETS	2021	2022	2023	2024	2025
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000
Accounts Receivable, Net	1,116,660	982,302	1,016,508	1,051,915	1,088,568
Intercompany Accounts Receivable	1,870,008	1,323,562	913,009	741,185	778,462
Other Current Assets	73,012	75,932	78,969	82,128	85,413
Total Current Assets	<u>3,484,680</u>	<u>2,806,816</u>	<u>2,433,486</u>	<u>2,300,228</u>	<u>2,377,443</u>
ASSETS LIMITED AS TO USE - OPERATING RESERVE	169,855	169,388	168,238	165,917	163,700
MOVEABLE EQUIPMENT					
Less: Accumulated Depreciation	1,782,568	1,878,049	1,976,394	2,077,689	2,182,023
Moveable Equipment, Net	<u>1,436,109</u>	<u>1,547,209</u>	<u>1,664,191</u>	<u>1,787,232</u>	<u>1,916,514</u>
	346,459	330,640	312,203	290,457	265,609
Total Assets	<u>\$ 4,000,994</u>	<u>\$ 3,307,044</u>	<u>\$ 2,913,927</u>	<u>\$ 2,756,602</u>	<u>\$ 2,806,652</u>
LIABILITIES AND SHAREHOLDER'S EQUITY					
CURRENT LIABILITIES					
Accounts Payable	\$ 371,954	\$ 377,162	\$ 385,688	\$ 392,012	\$ 399,845
Accrued Wages and Other Liabilities	632,323	641,176	655,670	668,420	679,737
Medicare Advance Payments	146,671	-	-	-	-
Total Current Liabilities	<u>1,150,948</u>	<u>1,018,338</u>	<u>1,041,358</u>	<u>1,060,432</u>	<u>1,079,582</u>
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	56,365	67,278	73,195	74,252	70,467
Unearned Deposit Revenue - Refundable	-	-	-	-	-
Deposits on Apartments	8,500	8,500	8,500	8,500	8,500
Total Deferred Credits	<u>64,865</u>	<u>75,778</u>	<u>81,695</u>	<u>82,752</u>	<u>78,967</u>
LONG-TERM DEBT					
Total Liabilities	1,215,813	1,094,116	1,123,053	1,141,184	1,158,549
SHAREHOLDER'S EQUITY					
Common Stock, par value \$1 per share; 300,000 shares authorized, 281,450 shares issued and outstanding	281,450	281,450	281,450	281,450	281,450
Retained Earnings	2,503,731	1,931,478	1,509,424	1,333,966	1,366,653
Other Comprehensive Loss	-	-	-	-	-
Total Shareholder's Equity	<u>2,785,181</u>	<u>2,212,928</u>	<u>1,790,874</u>	<u>1,615,416</u>	<u>1,648,103</u>
Total Liabilities and Shareholder's Equity	<u>\$ 4,000,994</u>	<u>\$ 3,307,044</u>	<u>\$ 2,913,927</u>	<u>\$ 2,756,602</u>	<u>\$ 2,806,652</u>

WHITE OAK MANOR – CHARLOTTE, INC.
PROJECTED STATEMENTS OF OPERATIONS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2021 THROUGH 2025

	2021	2022	2023	2024	2025
REVENUES					
Net Patient Service Revenue	\$ 14,015,284	\$12,696,831	\$13,144,479	\$13,607,986	\$14,087,940
Apartment Rents	547,411	555,932	569,775	583,969	598,516
Deposit Amortization	11,394	14,112	18,983	23,843	28,685
Investment Income	11,603	11,692	11,876	11,842	11,796
Other Revenue - Provider Relief Funds	549,675	-	-	-	-
Other Revenue	532,896	26,506	27,429	28,384	29,373
Total Revenues	<u>15,668,263</u>	<u>13,305,273</u>	<u>13,772,542</u>	<u>14,256,024</u>	<u>14,756,310</u>
COST AND EXPENSES					
Nursing Services	5,319,198	5,606,487	5,762,867	5,827,227	5,943,664
Ancillaries	1,418,686	1,651,416	1,682,747	1,716,436	1,750,733
Dietary Expenses	1,253,745	1,304,480	1,329,228	1,355,840	1,382,932
Social Services	138,426	152,652	155,548	158,662	161,832
Activities	153,333	180,407	183,829	187,510	191,257
Medical Records	46,229	55,510	56,563	57,695	58,848
Laundry and Linen	151,346	152,652	155,548	158,662	161,832
Housekeeping	416,070	485,711	494,925	504,834	514,921
Facility Operations and Maintenance	588,332	735,504	749,459	764,463	779,738
Depreciation	105,388	111,100	116,982	123,041	129,282
Taxes and Insurance	179,615	180,407	183,829	187,510	191,257
Employee Benefits	819,357	957,544	975,710	995,244	1,015,131
COVID-19 Expenses	1,054,898	-	-	-	-
General and Administrative	2,037,103	2,303,656	2,347,361	2,394,356	2,442,198
Total Expenses	<u>13,681,725</u>	<u>13,877,526</u>	<u>14,194,596</u>	<u>14,431,480</u>	<u>14,723,625</u>
Net Income (Loss)	<u>\$ 1,986,538</u>	<u>\$ (572,253)</u>	<u>\$ (422,054)</u>	<u>\$ (175,456)</u>	<u>\$ 32,685</u>

**WHITE OAK MANOR – CHARLOTTE, INC.
 PROJECTED STATEMENTS OF SHAREHOLDER'S EQUITY
 ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
 FOR THE YEARS ENDING SEPTEMBER 30, 2021 THROUGH 2025**

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholder's Equity
BALANCE, SEPTEMBER 30, 2020	\$ 281,450	\$ 517,193	\$ -	\$ 798,643
Net Income	-	1,986,538	-	1,986,538
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2021	281,450	2,503,731	-	2,785,181
Net Loss	-	(572,253)	-	(572,253)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2022	281,450	1,931,478	-	2,212,928
Net Loss	-	(422,054)	-	(422,054)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2023	281,450	1,509,424	-	1,790,874
Net Loss	-	(175,456)	-	(175,456)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2024	281,450	1,333,968	-	1,615,418
Net Income	-	32,685	-	32,685
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2025	\$ 281,450	\$ 1,366,653	\$ -	\$ 1,648,103

WHITE OAK MANOR – CHARLOTTE, INC.
PROJECTED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2021 THROUGH 2025

	2021	2022	2023	2024	2025
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income	\$ 1,986,538	\$ (572,253)	\$ (422,054)	\$ (175,456)	\$ 32,685
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation	105,388	111,100	116,982	123,041	129,282
Deposit Amortization	(11,394)	(14,112)	(18,983)	(23,843)	(28,685)
Deposit Receipts	25,025	25,025	24,900	24,900	24,900
Change in Current Assets:					
Accounts Receivable	(30,850)	134,358	(34,206)	(35,407)	(36,653)
Intercompany Accounts Receivable	(1,870,008)	546,426	410,573	171,824	(37,277)
Other Current Assets	(2,808)	(2,920)	(3,037)	(3,159)	(3,285)
Change in Current Liabilities:					
Accounts Payable	30,579	5,208	8,526	6,324	7,833
Intercompany Accounts Payable	-	-	-	-	-
Medicare Advance Payments	(77,571)	(146,671)	-	-	-
Accrued Wages and Other Liabilities	(32,761)	8,853	14,494	10,750	13,317
Net Cash Provided by (Used in) Operating Activities	<u>122,138</u>	<u>95,014</u>	<u>97,195</u>	<u>98,974</u>	<u>102,117</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(92,700)	(95,481)	(98,345)	(101,295)	(104,334)
Net Change in Assets Limited as to Use - Operating Reserve	(26,388)	467	1,150	2,321	2,217
Net Cash Used in Investing Activities	<u>(119,088)</u>	<u>(95,014)</u>	<u>(97,195)</u>	<u>(98,974)</u>	<u>(102,117)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Distributions to Shareholder	-	-	-	-	-
Net Cash Used in Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	3,050	-	-	-	-
Cash and Cash Equivalents - Beginning of Year	421,950	425,000	425,000	425,000	425,000
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ 425,000</u>

ATTACHMENT 2

Consolidated Statement of Operations

Burlington Consolidated (BUCO)

12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
					Days					
4,100	5,483	1,383 *			5010 Resident Revenue	12,007	16,449	4,442 *		
41,874	52,380	10,506 *	23.55	30.56	5100 Private Pay	154,318	157,140	2,822 *	28.93	30.56
66,185	60,870	5,315	580.57	490.89	5200 Medicare Part A	121,446	182,610	61,164 *	542.17	490.89
435,604	419,270	16,334	317.26	175.50	5300 Medicaid	1,306,552	1,257,810	48,742	312.20	175.50
13,788		13,788	222.38		5400 Medicaid Pending	14,935		14,935	597.41	
35,357	21,710	13,647	327.38	367.97	5500 Insurance	65,110	65,130	20 *	340.89	367.97
32,473	50,900	18,427 *	306.35	235.65	5600 Managed Care	118,935	152,700	33,765 *	280.51	235.65
53,156	36,860	16,296	12.96	6.72	5700 Medicare Part B	154,677	110,580	44,097	12.88	6.72
20,681	39,110	18,429 *	222.38	176.17	5800 Hospice	80,631	117,330	36,699 *	280.95	176.17
144,372	187,590	43,218 *	309.81	247.15	5850 Veterans Admin	445,026	562,770	117,744 *	332.85	247.15
86,825	79,600	7,225	48.83	46.44	5900 Apartment Revenues	270,791	238,800	31,991	50.77	46.44
930,316	948,290	17,974 *	226.91	172.95	Total Resident Revenue	2,732,421	2,844,870	112,449 *	227.57	172.95
59,833	575	59,258	14.59	0.10	6000 Other Revenues	157,568	1,725	155,843	13.12	0.10
990,149	948,865	41,284	241.50	173.06	Total Revenue	2,889,990	2,846,595	43,395	240.69	173.06
					7000 Operating Costs					
13,415	22,620	9,205	3.27	4.13	7101 Nursing Administration	55,256	67,860	12,604	4.60	4.13
296,194	384,450	88,257	72.24	70.12	7200 Nursing Service	826,223	1,153,350	327,128	68.81	70.12
(2,404)		2,404	(0.59)		7240 Personal Care Service					
237,872		237,872 *	58.02		7250 COVID-19	487,693		487,693 *	40.62	
101,034	108,145	7,111	24.64	19.72	7300 Ancillaries	299,865	324,435	24,570	24.97	19.72
91,190	87,175	4,015 *	22.24	15.90	7400 Dietary	225,065	261,525	36,460	18.74	15.90
4,537	10,170	5,633	1.11	1.85	7500 Social Services	13,547	30,510	16,963	1.13	1.85
6,858	8,750	1,892	1.67	1.60	7600 Activities	18,101	26,250	8,149	1.51	1.60
4,014	3,920	94 *	0.98	0.71	7700 Medical Records	11,022	11,760	738	0.92	0.71
11,508	12,755	1,247	2.81	2.33	7800 Laundry	37,802	38,265	463	3.15	2.33
30,200	32,185	1,985	7.37	5.87	7900 Housekeeping	84,545	96,555	12,010	7.04	5.87
39,466	50,385	10,919	9.63	9.19	8000 Plant Operations and Maint.	118,731	151,155	32,424	9.89	9.19
4,125	5,760	1,635	1.01	1.05	8100 Transportation	11,247	17,280	6,033	0.94	1.05
8,750	8,750		2.13	1.60	8200 Depreciation	26,250	26,250		2.19	1.60
33,185	33,230	45	8.09	6.06	8300 Interest, Amortization & Lease	99,394	99,690	296	8.28	6.06
16,935	17,335	400	4.13	3.16	8400 Taxes and Insurance	50,755	52,005	1,250	4.23	3.16
70,169	72,425	2,256	17.11	13.21	8500 Employee Benefits	200,099	217,275	17,176	16.67	13.21
115,216	108,640	6,576 *	28.10	19.81	8600 General and Administration	328,505	325,920	2,585 *	27.36	19.81
7,000	9,450	2,450	1.71	1.72	8800 Other Costs	19,436	28,350	8,914	1.62	1.72
1,089,263	976,145	113,118 *	265.67	178.03	Total Operating Costs	2,913,537	2,928,435	14,898	242.65	178.03
(99,113)	(27,280)	71,833 *	(24.17)	(4.98)	Total Income/Loss from Operations	(23,548)	(81,840)	58,292	(1.96)	(4.98)

* Unfavorable Differences

Consolidated Statement of Operations

Burlington Consolidated (BUCO)

12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
(99,113)	(27,280)	71,833*	(24.17)	(4.98)	Total Net Income Before Taxes	(23,548)	(81,840)	58,292	(1.96)	(4.98)
(99,113)	(27,280)	71,833*	(24.17)	(4.98)	Total Net Income/Loss	(23,548)	(81,840)	58,292	(1.96)	(4.98)

* Unfavorable Differences

Consolidated Statement of Operations

Burlington Consolidated (BUCCO)

12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
4,100	5,483	1,383 *			5010 Resident Revenue	12,007	16,449	4,442 *		
1,778	1,714	64			5100 Private Pay	5,334	5,142	192		
41,500	51,700	10,200 *	23.34		5101 Routine Services - PVT	146,640	155,100	8,460 *	27.49	30.16
265	270	5 *	0.15		5102 Medical Supplies- PVT	546	810	264 *	0.10	0.16
	110	110 *			5104 Oxygen - PVT		330	330 *		0.06
	10	10 *			5105 Laboratory - PVT		30	30 *		0.01
	10	10 *			5106 Physical Therapy - PVT	2,135	30	2,105	0.40	0.01
	20	20 *			5107 Speech Therapy - PVT	2,207	60	2,147	0.41	0.01
	40	40 *			5108 Occupational Therapy - PVT	2,148	120	2,028	0.40	0.02
	60	60 *			5110 Fluidized Bed - PVT		180	180 *		0.04
150	160	10 *	0.08		5113 Transportation - PVT	600	480	120	0.11	0.09
(41)		41 *	(0.02)		5115 Misc - PVT	84		84	0.02	
		41 *			5120 Contractual Adjustment - PVT	(41)		(41)	(0.01)	
41,874	52,380	10,506 *	23.55	30.56	Total Private Pay	154,318	157,140	2,822 *	28.93	30.56
114	124	10 *			5200 Medicare Part A	224	372	148 *		
60,577	60,600	23 *	531.38		5201 Routine Services-MCR A	118,641	181,800	63,159 *	529.65	488.71
299	990	691 *	2.62		5202 Medical Supplies-MCR A	420	2,970	2,550 *	1.87	7.98
4,588	8,650	4,063 *	40.24		5203 Drugs-MCR A	9,705	25,950	16,245 *	43.32	69.76
552	260	292	4.84		5204 Oxygen-MCR A	1,587	780	807	7.08	2.10
502	310	192	4.40		5205 Laboratory-MCR A	708	930	222 *	3.16	2.50
5,696	9,890	4,194 *	49.97		5206 Physical Therapy-MCR A	12,337	29,670	17,333 *	55.07	79.76
2,914	5,930	3,016 *	25.56		5207 Speech Therapy-MCR A	8,014	17,790	9,776 *	39.78	47.82
6,378	9,890	3,512 *	55.95		5208 Occupational Therapy-MCR A	13,046	29,670	16,624 *	58.24	79.76
	270	270 *			5209 PEN Therapy-MCR A		810	810 *		2.18
	20	20 *			5210 Fluid Bed-MCR A		60	60 *		0.16
2,700	1,170	1,530	23.68		5213 Transportation-MCR A	5,100	3,510	1,590	22.77	9.44
63	200	138 *	0.55		5214 X-Rays-MCR A	125	600	475 *	0.56	1.61
	40	40 *			5215 Misc-MCR A	271	120	151	1.21	0.32
5,607		5,607	49.19		5220 Contract Adj-Room MCR A	2,805		2,805	12.52	
(23,691)	(37,350)	13,659	(207.82)	(301.21)	5221 Contract Adj-Ancillaries MCR A	(51,312)	(112,050)	60,738	(229.07)	(301.21)
66,185	60,870	5,315	580.57	490.89	Total Medicare Part A	121,446	182,610	61,164 *	542.17	490.89
1,373	2,389	1,016 *			5300 Medicaid	4,185	7,167	2,982 *		
437,714	419,200	18,514	318.80		5301 Routine Services-MCD	1,307,536	1,257,600	49,936	312.43	175.47
2,162	5,260	3,098 *	1.57		5302 Medical Supplies-MCD	7,370	15,780	8,410 *	1.76	2.20
5,744	7,640	1,896 *	4.18		5303 Oxygen-MCD	18,475	22,920	4,445 *	4.41	3.20
1,017	2,580	1,563 *	0.74		5304 Laboratory-MCD	3,530	7,740	4,210 *	0.84	1.08
2,433	880	1,553	1.77		5305 Physical Therapy-MCD Non-Covered	8,913	2,640	6,273	2.13	0.37

* Unfavorable Differences

Consolidated Statement of Operations

Burlington Consolidated (BUCO)

12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
543	840	840 *	0.40	0.35	5309 Occup. Therapy - MCD Non-Covered	1,475	2,520	1,045 *	0.35	0.35
1,820	70	473	1.33	0.03	5311 PEN Therapy-MCD Non-Covered	1,890	210	1,680	0.45	0.03
1,550	3,030	1,210 *	1.13	1.27	5313 Fluidized Bed -MCD	5,440	9,090	3,650 *	1.30	1.27
(17,379)	840	840 *	(12.66)	0.35	5315 Wound Care- MCD	2,900	2,520	2,520 *	0.69	0.35
435,604	6,810	5,260 *	317.26	2.85	5316 Transportation -MCD	588	20,430	17,530 *	0.14	2.85
(17,379)	20	20 *	(12.66)	0.01	5317 X-Rays -MCD	240	60	180	0.06	0.01
13,788	(27,900)	10,521	(12.66)	(11.68)	5321 Flu/Pneumonia Vacc - MCD	(51,803)	(83,700)	31,897	(12.38)	(11.68)
212	419,270	16,334	317.26	175.50	5324 Contract Adj-Ancillaries MCD	1,306,552	1,257,810	48,742	312.20	175.50
300	0	62	222.38	0.00	Total Medicaid	14,935	0	14,935	597.41	0.00
(512)	59	13,788	367.22	367.80	5400 Medicaid Pending	191	177	14	340.89	367.80
13,788	21,700	17,960	1.38	11.53	5401 Routine Services - MCD Pend	65,110	65,100	10	5.30	11.53
39,660	680	530 *	40.56	54.24	5402 Medical Supplies - MCD Pend	11,042	2,040	1,027 *	57.81	54.24
4,380	3,200	1,180	0.93	2.71	5404 Oxygen - MCD Pend	880	9,600	1,442	4.61	2.71
101	160	160 *	43.18	2.71	5406 Physical Therapy - MCD Pend	194	480	400	1.02	2.71
4,664	4,450	214	24.94	75.42	5408 Occupational Therapy - MCD Pend	9,555	13,350	286 *	50.02	75.42
2,694	1,840	854	50.01	31.19	5413 Transportation - MCD Pend	4,036	5,520	1,484 *	21.13	31.19
5,402	4,270	1,132	(8.26)	72.37	5415 Misc - MCD Pend	10,030	12,810	2,780 *	52.51	72.37
1,650	10	10 *	15.28	0.17	5421 Contract Adj-Ancillaries MCD Pend	63	30	30 *	8.64	0.17
(23,342)	190	190 *	(216.13)	3.22	Total Medicaid Pending	1,650	570	570 *	0.33	3.22
35,357	190	1,460	327.38	3.22	5500 Insurance	63	570	1,080	340.89	3.22
(23,342)	(15,140)	8,202 *	(216.13)	(256.61)	5501 Routine Services - INS	(38,462)	(45,420)	6,958	(201.37)	(256.61)
106	216	110 *	327.38	367.97	5502 Drugs - INS	65,110	65,130	20 *	340.89	367.97
34,153	51,900	17,747 *	322.20	240.28	Total Insurance	129,458	155,700	26,242 *	305.33	240.28
336	270	66	3.17	1.25	5600 Managed Care	811	810	1	1.91	1.25
					5601 Routine Services - MGC					
					5602 Medical Supplies - MGC					

* Unfavorable Differences

Consolidated Statement of Operations

Burlington Consolidated (BUCO)

12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
1,269	1,790	521*	11.97	8.29	5603 Drugs - MGC	7,256	5,370	1,886	17.11	8.29
535	500	35	5.04	2.31	5604 Oxygen - MGC	1,190	1,500	310*	2.81	2.31
	90	90*		0.42	5605 Laboratory - MGC	94	270	176*	0.22	0.42
2,872	2,160	712	27.09	10.00	5606 Physical Therapy - MGC	11,019	6,480	4,539	25.99	10.00
1,136	1,510	374*	10.72	6.99	5607 Speech Therapy - MGC	5,445	4,530	915	12.84	6.99
2,884	2,160	724	27.20	10.00	5608 Occupational Therapy - MGC	9,647	6,480	3,167	22.75	10.00
	10	10*		0.05	5609 PEN Therapy - MGC		30	30*		0.05
(240)	540	540*	(2.26)	2.50	5610 Fluidized Bed - MGC	220	1,620	1,400*	0.52	2.50
	430	670*		1.99	5611 Flu/Pneumonia - MGC	3,720	1,290	2,430	8.77	1.99
	590	590*		2.73	5614 Transportation - MGC	900	1,770	870*	2.12	2.73
	90	90*		0.42	5615 X-Rays- MGC	420	270	150	0.99	0.42
325	(1,000)	1,325	3.07	(4.63)	5621 Contract Adj-Room MGC	(440)	(3,000)	2,560	(1.04)	(4.63)
(10,796)	(10,140)	656*	(101.85)	(46.94)	5622 Contract Adj-Ancillaries MGC	(50,805)	(30,420)	20,385*	(119.82)	(46.94)
32,473	50,900	18,427*	306.35	235.65	Total Managed Care	118,935	152,700	33,765*	280.51	235.65
4,100	5,483	1,383*		5700	Medicare Part B	12,007	16,449	4,442*		
25,520	21,350	4,170	6.22	3.89	5703 Physical Therapy - MCR B	73,263	64,050	9,213	6.10	3.89
6,582	5,930	652	1.61	1.08	5704 Speech Therapy - MCR B	22,566	17,790	4,776	1.88	1.08
23,718	18,590	5,128	5.78	3.39	5705 Occupational Therapy - MCR B	66,481	55,770	10,711	5.54	3.39
360	200	160	0.09	0.04	5707 Flu/Pneumonia - MCR B	1,200	600	600	0.10	0.04
(3,023)	(9,210)	6,187	(0.74)	(1.68)	5720 Contractual Adjustment - MRB	(8,833)	(27,630)	18,797	(0.74)	(1.68)
53,156	36,860	16,296	12.96	6.72	Total Medicare Part B	154,677	110,580	44,097	12.88	6.72
93	222	129*		5800	Hospice	287	666	379*		
20,681	39,000	18,319*	222.38	175.68	5801 Routine Services - HSP	80,631	117,000	36,369*	280.95	175.68
89	870	781*	0.96	3.92	5802 Medical Supplies- HSP	502	2,610	2,108*	1.75	3.92
362	2,170	1,808*	3.90	9.77	5804 Oxygen - HSP	1,052	6,510	5,458*	3.67	9.77
	220	220*		0.99	5805 Laboratory - HSP	13	660	647*	0.04	0.99
	110	110*		0.50	5809 PEN Therapy - HSP		330	330*		0.50
	820	820*		3.69	5810 Fluidized Bed - HSP		2,460	2,460*		3.69
(451)	60	60*	(4.85)	0.27	5814 Transportation - HSP	(1,567)	180	180*	(5.46)	0.27
20,681	(4,140)	3,689	222.38	(18.65)	5822 Contract Adj-Ancillaries HSP	(1,567)	(12,420)	10,853	(5.46)	(18.65)
	39,110	18,429*		176.17	Total Hospice	80,631	117,330	36,699*	280.95	176.17
466	759	293*		5850	Veterans Admin	1,337	2,277	940*		
134,960	187,400	52,440*	289.61	246.90	5851 Routine Services - VA	421,130	562,200	141,070*	314.98	246.90
3,036	5,010	1,974*	6.51	6.60	5852 Medical Supplies - VA	9,051	15,030	5,979*	6.77	6.60
19,519	25,490	5,971*	41.89	33.58	5853 Drugs - VA	58,528	76,470	17,942*	43.78	33.58
449	1,520	1,072*	0.96	2.00	5854 Oxygen - VA	1,880	4,560	2,680*	1.41	2.00
953	1,180	227*	2.04	1.55	5855 Laboratory - VA	2,009	3,540	1,531*	1.50	1.55

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2,634	10,510	7,876*	5.65	13.85	5856 Physical Therapy - VA	17,703	31,530	13,827*	13.24	13.85
2,149	5,770	5,770*	4.61	7.60	5857 Speech Therapy - VA	1,204	17,310	16,106*	0.90	7.60
1,057	9,210	7,061*	2.27	12.13	5858 Occupational Therapy - VA	11,215	27,630	16,415*	8.39	12.13
1,420	190	867	3.05	0.25	5859 PEN Therapy - VA	1,121	570	551	0.84	0.25
	470	1,420*		0.62	5860 Fluidized Bed - VA	3,720		3,720	2.78	
125	330	470*	0.27	0.43	5863 Transportation - VA		1,410	1,410*		0.62
	140	205*		0.18	5864 X-rays - VA	525	990	465*	0.39	0.43
	2,175	140*		2.87	5865 Flu/Pneumonia - VA	1,080	420	660	0.81	0.18
9,412	(61,805)	2,175*	20.20	(81.43)	5866 Misc - VA	23,896	6,525	6,525*	17.87	2.87
(31,342)	187,590	9,412	(67.26)		5867 Contract Adj Room - VA	(108,037)	(185,415)	23,896	(80.87)	(81.43)
144,372	187,590	30,463	309.81	247.15	5868 Contract Adj Ancil - VA	445,026	562,770	77,378	332.85	247.15
		43,218*			Total Veterans Admin			117,744*		
1,778	1,714	64			5900 Apartment Revenues	5,334	5,142	192		
79,725	72,300	7,425	44.84	42.18	5901 Apartment Rental Income	238,691	216,900	21,791	44.75	42.18
4,000	4,200	200*	0.73	0.55	5902 Apartment Deposit Income	23,000	12,600	10,400		
3,000	3,000		0.02	0.02	5903 Interest Income-Investments	9,000	9,000		0.75	0.55
100	100		48.83	46.44	5904 Apartment Income-Misc	100	300	200*	0.01	0.02
86,825	79,600	7,225			Total Apartment Revenues	270,791	238,800	31,991	50.77	46.44
930,316	948,290	17,974*	226.91	172.95	Total Resident Revenue	2,732,421	2,844,870	112,449*	227.57	172.95
4,100	5,483	1,383*	0.02	(0.04)	6000 Other Revenues	12,007	16,449	4,442*	0.02	(0.04)
79	(225)	304	0.15	0.09	6003 Barber and Beauty	210	(675)	885	0.08	0.09
604	500	104			6004 Vending Income	949	1,500	551*	0.01	0.05
	300	300*	14.43	0.05	6006 Interest Income-Misc	100	900	800	13.02	0.05
59,150	575	59,150	14.59	0.10	6010 Misc Operating Income	156,310	900	155,410	13.12	0.10
59,833	575	59,258	241.50	173.06	6015 COVID-19 NC Testing Reimbursement	157,568	1,725	155,843	240.69	173.06
990,149	948,865	41,284			Total Other Revenues	2,889,990	2,846,595	43,395		
					Total Revenue			43,395		
					7000 Operating Costs					
6,379	8,500	2,121	1.56	1.55	7101 Nursing Administration	24,913	25,500	587	2.07	1.55
	5,950	5,950	0.09	1.09	7102 Nurs Admin DON Salaries	7,506	17,850	10,344	0.63	1.09
372	1,160	372*	0.13	0.21	7103 Nurs Admin ADON Salaries	1,010	3,480	1,010*	0.20	0.21
513	3,500	865	0.64	0.64	7104 Nurs Admin PTO	2,361	10,500	1,119	0.72	0.64
2,635	3,500	865	0.85	0.64	7106 Nurs Admin PR Taxes	8,618	10,500	1,882	0.87	0.64
3,500	3,500				7108 Nurs Admin Consultants	10,500	10,500			
					7109 Nurs Admin Medical Director Expense	10,500	10,500			

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15	10	5 *	0.00	0.00	7111 Nurs Admin Supplies	348	30	318 *	0.03	0.00
13,415	22,620	9,205	3.27	4.13	Total Nursing Administration	55,256	67,860	12,604	4.60	4.13
7200 Nursing Service										
31,849	47,500	15,651	7.77	8.66	7201 Nursing RN Salaries	88,667	142,500	53,833	7.38	8.66
93,931	120,800	26,869	22.91	22.03	7202 Nursing LPN Salaries	267,209	362,400	95,191	22.25	22.03
110,167	140,500	30,333	26.87	25.62	7203 Nursing CNA Salaries	315,939	421,500	105,561	26.31	25.62
11,024	14,000	2,976	2.69	2.55	7206 Nursing PTO	27,798	42,000	14,202	2.32	2.55
18,051	18,000	51 *	4.40	3.28	7207 Nursing Overtime	44,516	54,000	9,484	3.71	3.28
21,366	27,300	5,934	5.21	4.98	7208 Nursing PR Taxes	57,332	81,900	24,568	4.77	4.98
502	2,100	1,598	0.12	0.38	7209 Nursing Clinical Software	1,506	6,300	4,794	0.13	0.38
8,957	14,000	5,043	2.18	2.55	7210 Nursing Supplies	22,909	42,000	19,091	1.91	2.55
346	250	96 *	0.08	0.05	7211 Nursing Travel and Meetings	346	750	404	0.03	0.05
296,194	384,450	88,257	72.24	70.12	Total Nursing Service	826,223	1,153,350	327,128	68.81	70.12
7240 Personal Care Service										
(2,219)		2,219	(0.54)		7241 Personal Care Salaries					
(184)		184	(0.04)		7245 Personal Care PR Taxes					
(2,404)	0	2,404	(0.59)	0.00	Total Personal Care Service	0	0	0	0.00	0.00
7250 COVID-19										
17,880		17,880 *	4.36		7252 COVID-19 Nursing Hero Bonuses	17,880		17,880 *	1.49	
5,136		5,136 *	1.25		7253 COVID-19 Nursing Isolating Pay	9,462		9,462 *	0.79	
					7254 COVID-19 Other Salaries	(880)		880	(0.07)	
10,270		10,270 *	2.50		7255 COVID-19 Other Hero Bonuses	11,930		11,930 *	0.99	
(25)		25	(0.01)		7256 COVID-19 Other Isolating Pay	2,121		2,121 *	0.18	
137,507		137,507 *	33.54		7258 COVID-19 Nursing Contract Labor	270,079		270,079 *	22.49	
					7259 COVID-19 Maint Minor Equipment	135		135 *	0.01	
288		288 *	0.07		7261 COVID-19 Electronic Devices	288		288 *	0.02	
12,567		12,567 *	3.07		7262 COVID-19 Nursing Supplies/PPE	33,875		33,875 *	2.82	
1,467		1,467 *	0.36		7263 COVID-19 Housekeeping Supplies	4,005		4,005 *	0.33	
113		113 *	0.03		7264 COVID-19 Maint Non-Capital Facility M	113		113 *	0.01	
2,100		2,100 *	0.51		7266 COVID-19 Med Supp-Test Kits-Resider	4,675		4,675 *	0.39	
50,470		50,470 *	12.31		7267 COVID-19 Med Supp-Test Kits Vis/Emr	133,910		133,910 *	11.15	
100		100 *	0.02		7274 COVID-19 Other	100		100 *	0.01	
237,872	0	237,872 *	58.02	0.00	Total COVID-19	487,693	0	487,693 *	40.62	0.00
7300 Ancillaries										
23,777	21,600	2,177 *	5.80	3.94	7301 Physical Therapy - Contract	73,700	64,800	8,900 *	6.14	3.94
995	790	205 *	0.24	0.14	7302 Physical Therapy - Supplies	2,247	2,370	123	0.19	0.14

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8,222	8,640	418	2.01	1.58	7303 Speech Therapy - Contract	25,105	25,920	815	2.09	1.58
21,829	18,780	3,049*	5.32	3.43	7304 Occupational Therapy - Contract	59,714	56,340	3,374*	4.97	3.43
622	400	222*	0.15	0.07	7305 PEN Therapy Nutrient	879	1,200	321	0.07	0.07
173	200	27	0.04	0.04	7306 PEN Therapy Supplies	343	600	257	0.03	0.04
1,274	700	700	0.31	0.13	7307 Wound Care Expense - Non Part B	2,540	2,100	2,100	0.21	0.13
810	1,300	26	0.20	0.24	7308 Laboratory Expense	2,994	3,900	1,360	0.25	0.24
625	1,980	1,170	0.15	0.36	7309 Oxygen Expense	1,131	5,940	2,946	0.09	0.36
30,904	590	35*	7.54	0.11	7312 X-Ray Expense	5,487	1,770	639	0.46	0.11
2,125	550	550	0.52	0.10	7313 Flu/Pneumonia Expense	89,957	1,650	3,837*	7.49	0.10
4,133	39,130	8,226	1.01	7.14	7314 Prescription Drug Expense	6,084	117,390	27,433	1.03	7.14
2,766	2,770	645	0.67	0.51	7315 OTC/Stock Drug Expense	12,375	8,310	2,246	0.77	0.51
2,780	3,950	183*	0.68	0.72	7316 Pharmacy Consultant Expense	9,208	11,850	525*	0.03	0.72
	4,550	1,784		0.83	7317 Medical Supplies	340	13,650	4,442	0.65	0.83
	40	40		0.01	7319 Misc Ancillary Expense - MCR A	7,783	120	220*	0.03	0.01
	2,175	605*		0.40	7327 Misc Ancillary Expense-VA	299,865	6,525	1,258*	0.65	0.40
101,034	108,145	7,111	24.64	19.72	Total Ancillaries	324,435	24,570	24,570	18.74	19.72
8,347	9,800	1,453	2.04	1.79	7400 Dietary	27,142	29,400	2,258	2.26	1.79
29,816	30,500	684	7.27	5.56	7401 Dietary Director Salaries	82,083	91,500	9,417	6.84	5.56
1,808	1,600	208*	0.44	0.29	7402 Dietary Other Salaries	3,582	4,800	1,218	0.30	0.29
1,399	600	799*	0.34	0.11	7404 Dietary PTO	2,828	1,800	1,028*	0.24	0.11
3,408	3,400	8*	0.83	0.62	7405 Dietary Overtime	9,035	10,200	1,166	0.75	0.62
563	350	213*	0.14	0.06	7406 Dietary PR Taxes	1,709	1,050	659*	0.14	0.06
58,429	55,200	3,229*	14.25	10.07	7407 Dietary Consultants	142,820	165,600	22,780	11.89	10.07
4,555	3,775	780*	1.11	0.69	7408 Dietary Raw Food	11,794	11,325	469*	0.98	0.69
(17,135)	(18,050)	915*	(4.18)	(3.29)	7409 Dietary Supplies	191	(54,150)	1,969	(4.67)	(3.29)
91,190	87,175	4,015*	22.24	15.90	7411 Dietary Travel and Meetings	225,065	261,525	36,460	18.74	15.90
4,074	4,100	26	0.99	0.75	7412 Dietary Emp/Guest Meal Income	13,547	30,510	16,963	1.13	1.85
328	3,000	3,000	0.08	0.55	Total Dietary	13,547	30,510	16,963	1.13	1.85
135	600	600	0.03	0.11	7500 Social Services	12,091	12,300	209	1.01	0.75
	620	292	0.08	0.55	7501 Social Services Director Salaries	959	9,000	9,000	0.08	0.55
	1,800	1,665	0.03	0.11	7502 Social Services Other Salaries	435	1,860	1,860	0.04	0.11
	10	10		0.33	7504 Social Services PTO	62	5,400	4,965	0.04	0.33
	40	40		0.00	7506 Social Services PR Taxes	13,547	30	32*	0.01	0.00
	10,170	5,633	1.11	0.01	7507 Social Services Consultants	13,547	120	120	0.01	0.01
				1.85	7508 Social Services Supplies	13,547	30,510	16,963	1.13	1.85
				0.75	7510 Social Services Travel and Meetings	13,547	30,510	16,963	1.13	1.85
				0.55	Total Social Services	13,547	30,510	16,963	1.13	1.85

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7600 Activities											
2,990	2,900	90 *	0.73	0.53	7601 Activities Director Salaries	8,716	8,700	16 *	0.73	0.53	
1,696	3,500	1,804	0.41	0.64	7602 Activities Other Salaries	4,913	10,500	5,587	0.41	0.64	
116	400	284	0.03	0.07	7604 Activities PTO	537	1,200	663	0.04	0.07	
378	540	162	0.09	0.10	7606 Activities PR Taxes	1,040	1,620	580	0.09	0.10	
1,511	1,400	111 *	0.37	0.26	7608 Activities Supplies	2,572	4,200	1,628	0.21	0.26	
167	10	167 *	0.04	0.00	7609 Activities Purchased Services	324	30	324 *	0.03	0.00	
	10	10			7610 Activities Travel and Meetings		30	30			
6,858	8,750	1,892	1.67	1.60	Total Activities	18,101	26,250	8,149	1.51	1.60	
7700 Medical Records											
2,610	2,900	290	0.64	0.53	7701 Medical Records Salaries	8,134	8,700	566	0.68	0.53	
384	250	134 *	0.09	0.05	7703 Medical Records PTO	384	750	366	0.03	0.05	
(22)		22	(0.01)		7704 Medical Records Overtime	83		83 *	0.01		
235	280	45	0.06	0.05	7705 Medical Records PR Taxes	655	840	185	0.05	0.05	
461	350	111 *	0.11	0.06	7707 Medical Records Supplies	882	1,050	168	0.07	0.06	
	70	70		0.01	7708 Medical Records Purchased Services	537	210	327 *	0.04	0.01	
346	70	346 *	0.08	0.01	7709 Medical Records Travel and Meetings	346	210	346 *	0.03	0.01	
		70			7710 Medical Records Misc Expense		210	210			
4,014	3,920	94 *	0.98	0.71	Total Medical Records	11,022	11,760	738	0.92	0.71	
7800 Laundry											
8,676	7,800	876 *	2.12	1.42	7802 Laundry Other Salaries	23,087	23,400	313	1.92	1.42	
(51)	500	551	(0.01)	0.09	7804 Laundry PTO	1,193	1,500	307	0.10	0.09	
					7805 Laundry Overtime	125		125 *	0.01		
740	730	10 *	0.18	0.13	7806 Laundry PR Taxes	1,910	2,190	280	0.16	0.13	
2,143	1,200	943 *	0.52	0.22	7807 Laundry Supplies	4,318	3,600	718 *	0.36	0.22	
	2,000	2,000		0.36	7808 Laundry Linen and Bedding	5,738	6,000	262	0.48	0.36	
	525	525		0.10	7809 Laundry Underpads	1,432	1,575	143	0.12	0.10	
11,508	12,755	1,247	2.81	2.33	Total Laundry	37,802	38,265	463	3.15	2.33	
7900 Housekeeping											
3,058	3,200	142	0.75	0.58	7901 Housekeeping Director Salaries	9,354	9,600	246	0.78	0.58	
20,291	20,400	109	4.95	3.72	7902 Housekeeping Other Salaries	55,258	61,200	5,942	4.60	3.72	
1,256	1,025	231 *	0.31	0.19	7904 Housekeeping PTO	3,580	3,075	505 *	0.30	0.19	
(62)		62	(0.02)		7905 Housekeeping Overtime	936		936 *	0.08		
1,992	2,160	168	0.49	0.39	7906 Housekeeping PR Taxes	5,336	6,480	1,144	0.44	0.39	
3,665	5,350	1,685	0.89	0.98	7908 Housekeeping Supplies	10,081	16,050	5,969	0.84	0.98	
	50	50		0.01	7909 Housekeeping Purch Services		150	150	0.84	0.01	

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30,200	32,185	1,985	7.37	5.87	Total Housekeeping	84,545	96,555	12,010	7.04	5.87	
8000 Plant Operations and Maint.											
					8001 POM Director Salaries	5,286		5,286 *	0.44		
5,685	9,975	4,290	1.39	1.82	8002 POM Other Salaries	15,659	29,925	14,266	1.30	1.82	
2,327	300	2,027 *	0.57	0.05	8004 POM PTO	2,777	900	1,877 *	0.23	0.05	
78	250	172	0.02	0.05	8005 POM Overtime	73	750	677	0.01	0.05	
633	910	277	0.15	0.17	8006 POM PR Taxes	1,898	2,730	832	0.16	0.17	
525	1,075	550	0.13	0.20	8007 POM Consultants	3,220	3,225	5	0.27	0.20	
3,565	4,700	1,135	0.87	0.86	8008 POM Supplies	8,663	14,100	5,437	0.72	0.86	
4,819	7,900	3,081	1.18	1.44	8009 POM Purchased Services	14,406	23,700	9,294	1.20	1.44	
18,794	22,300	3,506	4.58	4.07	8010 POM Utilities	57,274	66,900	9,626	4.77	4.07	
2,939	2,975	36	0.72	0.54	8011 POM Cable/TV Expense	9,290	8,925	365 *	0.77	0.54	
102		102 *	0.02		8015 POM Vehicle Expense	186		186 *	0.02		
39,466	50,385	10,919	9.63	9.19	Total Plant Operations and Maint.	118,731	151,155	32,424	9.89	9.19	
8100 Transportation											
3,212	3,500	288	0.78	0.64	8101 Transportation Salaries	8,939	10,500	1,561	0.74	0.64	
246	350	104	0.06	0.06	8103 Transportation PTO	246	1,050	804	0.02	0.06	
20		20 *	0.00		8104 Transportation Overtime	199		199 *	0.02		
275	560	285	0.07	0.10	8105 Transportation PR Taxes	688	1,680	992	0.06	0.10	
372	1,000	628	0.09	0.18	8106 Transportation Vehicle Expense	1,175	3,000	1,825	0.10	0.18	
	350	350		0.06	8107 Transportation NEMT Contr Veh-Mcaid		1,050	1,050		0.06	
4,125	5,760	1,635	1.01	1.05	Total Transportation	11,247	17,280	6,033	0.94	1.05	
8200 Depreciation											
8,750	8,750		2.13	1.60	8205 Depr Expense - Moveable Equipment	26,250	26,250	0	2.19	1.60	
8,750	8,750	0	2.13	1.60	Total Depreciation	26,250	26,250	0	2.19	1.60	
8300 Interest, Amortization & Lease											
85	130	45	0.02	0.02	8302 Interest Expense - Other	94	390	296	0.01	0.02	
33,100	33,100		8.07	6.04	8303 Building Lease Expense	99,300	99,300	0	8.27	6.04	
33,185	33,230	45	8.09	6.06	Total Interest, Amortization & Lease	99,394	99,690	296	8.28	6.06	
8400 Taxes and Insurance											
7,610	7,610		1.86	1.39	8401 Property Tax Expense	22,830	22,830	0	1.90	1.39	
25	425	400	0.01	0.08	8402 Misc Tax Expense	25	1,275	1,250	0.00	0.08	
3,300	3,300		0.80	0.60	8403 Insurance Expense- Property	9,900	9,900	0	0.82	0.60	
6,000	6,000		1.46	1.09	8404 Insurance Expense- Liability	18,000	18,000	0	1.50	1.09	

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16,935	17,335	400	4.13	3.16	Total Taxes and Insurance	50,755	52,005	1,250	4.23	3.16	
8500 Employee Benefits											
58,972	61,300	2,328	14.38	11.18	8501 Employee Group Insurance	168,509	183,900	15,391	14.03	11.18	
9,100	9,100	54	2.22	1.66	8502 Workers Compensation Expense	27,300	27,300	73	2.27	1.66	
(54)			(0.01)		8503 Uniform Expense - NC Locations	(73)			(0.01)		
2,151	2,025	126*	0.52	0.37	8505 Employee Benefits Misc Expense	4,363	6,075	1,712	0.36	0.37	
70,169	72,425	2,256	17.11	13.21	Total Employee Benefits	200,099	217,275	17,176	16.67	13.21	
8600 General and Administration											
7,591	9,200	1,609	1.85	1.68	8601 Administrative Administrator Salaries	26,860	27,600	740	2.24	1.68	
26,859	27,400	541	6.55	5.00	8603 Administrative Other Salaries	82,200	82,200	0	6.85	5.00	
5,206	1,000	4,206*	1.27	0.18	8605 Administrative PTO	6,645	3,000	3,645*	0.55	0.18	
381	400	19	0.09	0.07	8606 Administrative Overtime	934	1,200	266	0.08	0.07	
3,109	3,020	89*	0.76	0.55	8607 Administrative PR Taxes	10,471	9,060	1,411*	0.87	0.55	
52,200	52,200		12.73	9.52	8608 Management Fee Expense	156,600	156,600		13.04	9.52	
1,117	850	267*	0.27	0.16	8609 Telephone Expense	3,332	2,550	782*	0.28	0.16	
2,080	1,925	155*	0.51	0.35	8610 Auto Expense	6,015	5,775	240*	0.50	0.35	
2,530	1,750	780*	0.62	0.32	8612 Dues and Subscriptions	8,244	5,250	2,994*	0.69	0.32	
2,188	1,000	1,188*	0.53	0.18	8613 Office Supplies	3,128	3,000	128*	0.26	0.18	
1,458	1,600	142	0.36	0.29	8614 Copier Expense	3,695	4,800	1,105	0.31	0.29	
52	275	223	0.01	0.05	8615 Postage Expense	485	825	340	0.04	0.05	
	100	100		0.02	8616 Professional Fees - Legal	300	300	300	0.02	0.02	
	250	250		0.05	8617 Professional Fees - Other	750	750	750	0.05	0.05	
	430	430		0.08	8619 Admin - Travel and Meetings	1,290	1,290	1,290	0.08	0.08	
	400	400		0.07	8620 Help Wanted Advertising Expense	400	1,200	800	0.03	0.07	
3,454	3,040	414*	0.84	0.55	8621 General Advertising Expense	5,569	9,120	3,551	0.46	0.55	
501	725	224	0.12	0.13	8622 Bank Charge Expense	1,338	2,175	837	0.11	0.13	
119	300	181	0.03	0.05	8623 Printing Expense	661	900	239	0.06	0.05	
6,262	2,700	3,562*	1.53	0.49	8624 Data Processing Expense	11,803	8,100	3,703*	0.98	0.49	
109	75	34*	0.03	0.01	8626 Meals & Entertainment	126	225	99	0.01	0.01	
115,216	108,640	6,576*	28.10	19.81	Total General and Administration	328,505	325,920	2,585*	27.36	19.81	
8800 Other Costs											
	200	200		0.04	8801 Non-Allowable Expense	13	600	587	0.00	0.04	
	50	50		0.01	8803 Promotional Expense	21,000	150	150	1.75	0.01	
7,000	7,000		1.71	1.28	8804 Bad Debt Expense	(80)	21,000	80	(0.01)	1.28	
	2,200	2,200		0.40	8805 Contribution Expense	(1,497)	6,600	8,097	(0.12)	0.40	
				0.40	8808 Mcare Co-Ins Bad Debt						

* Unfavorable Differences

Consolidated Statement of Operations

Burlington Consolidated (BUCO)

12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
7,000	9,450	2,450	1.71	1.72	Total Other Costs	19,436	28,350	8,914	1.62	1.72
1,089,263	976,145	113,118*	265.67	178.03	Total Operating Costs	2,913,537	2,928,435	14,898	242.65	178.03
(99,113)	(27,280)	71,833*	(24.17)	(4.98)	Total Income/Loss from Operations	(23,548)	(81,840)	58,292	(1.96)	(4.98)
(99,113)	(27,280)	71,833*	(24.17)	(4.98)	Total Net Income Before Taxes	(23,548)	(81,840)	58,292	(1.96)	(4.98)
(99,113)	(27,280)	71,833*	(24.17)	(4.98)	Total Net Income/Loss	(23,548)	(81,840)	58,292	(1.96)	(4.98)

* Unfavorable Differences

Consolidated Balance Sheet

as of 12/31/20

Burlington Consolidated (BUCCO)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	957,531.41
1100	Accounts Receivable	1,339,579.34
1200	Inventory	35,876.96
1300	Prepaid Expenses	4,899.80
1400	Other Current Assets	230,612.00
	Total Current Assets	2,568,499.51
1500	Non-Current Assets	
1501	Other Assets	(848,993.65)
1800	Property, Plant and Equipment	331,066.42
	Total Non-Current Assets	(517,927.23)
	Total Assets	\$2,050,572.28
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	
3004	Notes and Accounts Payable	589,390.10
3200	Accrued Liabilities	286,049.10
3300	Other Current Liabilities	76,404.66
		951,843.86
3003	Long Term Liabilities	
3500	Deferred Revenue	108,000.06
	Total Total Liabilities	108,000.06
		1,059,843.92
4000	Equity	
	Total Equity	990,728.36
	Total Liabilities & Equity	\$2,050,572.28

Consolidated Balance Sheet

as of 12/31/20

Burlington Consolidated (BUCO)

Account	Description	Amount
1000	Assets	
1001	Current Assets	
1002	Cash	955,731.41
1003	Operating Bank Account	1,300.00
1005	Petty Cash	500.00
1008	Resident Trust Funds Petty Cash	957,531.41
		957,531.41
1100	Accounts Receivable	
1101	Accts Receivable-Private	214,010.49
1102	Accts Receivable-Medicaid SNF	101,155.99
1104	Accts Receivable-Hospice	17,549.86
1105	Accts Receivable-Medicare Pt A	75,032.52
1106	Accts Receivable-Micare Crossover Part A	5,292.00
1107	Accts Receivable-3rd Party Ins Part A	8,800.00
1108	Accts Receivable-Medicare Pt B	13,440.11
1109	Accts Receivable-Micare Crossover Pt B	2,585.62
1110	Accts Receivable-Medicaid Pending	35,972.74
1111	Accts Receivable-Insurance	48,056.00
1112	Accts Receivable-Managed Care	140,691.90
1113	Accts Receivable-VA	293,553.61
1115	Accts Receivable Other	236,285.80
1120	Allowance For Doubtful Accounts	(70,210.44)
1124	Resident Judgments	220,400.39
1125	Activities Fund	(3,037.25)
		1,339,579.34
1200	Inventory	
1201	Inventory-Food	5,255.57
1202	Inventory-Medical Supplies	8,349.83
1203	Inventory-Nursing Supplies	12,436.88
1204	Inventory-PEN	280.93
1205	Inventory-Laundry	2,818.45
1206	Inventory-Housekeeping	1,735.30
1207	Inventory-Other	5,000.00
		35,876.96
1300	Prepaid Expenses	
1301	Prepaid Insurance	4,899.80

Consolidated Balance Sheet

as of 12/31/20

Burlington Consolidated (BUCO)

Account	Description	Amount
1400	Other Current Assets	4,899.80
1403	Accrued Interest	9,000.00
1504	Assets Limited to Use	221,612.00
	Total Current Assets	230,612.00
1500	Non-Current Assets	2,568,499.51
1501	Other Assets	
1609	Intercompany Account-Burlington	(761,097.80)
1613	Intercompany Account-Oak Creek	(37,216.99)
1622	Intercompany Account-OC with BU	(50,678.86)
1686	Intercompany Account-Payroll-Ultimate	(848,993.65)
1800	Property, Plant and Equipment	
1810	Moveable Equipment	1,789,497.85
1811	Accm Depn-Moveable Equipment	(1,458,431.43)
	Total Non-Current Assets	331,066.42
	Total Assets	(517,927.23)
	Liabilities & Equity	\$2,050,572.28
3000	Total Liabilities	
3001	Current Liabilities	
3002	Notes and Accounts Payable	308,377.34
3004	Accounts Payable	(3,520.95)
3100	Medicare Cost Report Payable	282,846.02
3102	Medicare Covid Advance	1,687.69
3104	Employee Deductions-Cancer	589,390.10
3109	Accrued Liabilities	
3200	Accrued Salaries and Wages	181,122.13
3201	Accrued Vacation/PTO Payable	104,926.97
3202		286,049.10

Consolidated Balance Sheet

as of 12/31/20

Burlington Consolidated (BUCO)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
3300	Other Current Liabilities	
3301	Property Taxes Payable	(10,353.94)
3303	Asset Retirement Obligation	79,034.00
3306	Derivatives	(2,245.00)
3350	Unearned Revenue	9,969.60
		<u>76,404.66</u>
		<u>951,843.86</u>
3003	Long Term Liabilities	
3500	Deferred Revenue	
3501	Deposits for Apartments Waiting List	2,000.00
3502	Deposits on Apartments	101,000.06
3503	Misc Deposits Account	5,000.00
		<u>108,000.06</u>
		<u>108,000.06</u>
	Total Total Liabilities	1,059,843.92
4000	Equity	
4001	Common Stock	309,490.00
4003	Retained Earnings	2,019,080.82
4004	Current Earnings	(23,547.59)
4006	Interdivision Equity	(1,312,207.87)
4007	Unrealized (Gain)Loss on Investments	(2,087.00)
	Total Equity	990,728.36
	Total Liabilities & Equity	<u><u>\$2,050,572.28</u></u>

Statement of Operations

Oak Creek Inc (OC)

12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
1,612	1,529	83			5010 Resident Revenue	4,751	4,587	164		
86,825	79,600	7,225	53.86	52.06	5900 Apartment Revenues	270,791	238,800	31,991	57.00	52.06
86,825	79,600	7,225	53.86	52.06	Total Resident Revenue	270,791	238,800	31,991	57.00	52.06
79	100	21*	0.05	0.07	6000 Other Revenues	210	300	90*	0.04	0.07
86,904	79,700	7,204	53.91	52.13	Total Revenue	271,001	239,100	31,901	57.04	52.13
(2,404)		2,404	(1.49)		7000 Operating Costs					
1,140		1,140*	0.71		7240 Personal Care Service					
31,387	17,925	13,462*	19.47	11.72	7250 COVID-19	1,140		1,140*	0.24	11.72
562	600	38	0.35	0.39	7400 Dietary	57,870	53,775	4,095*	12.18	11.72
1,932	2,025	93	1.20	1.32	7600 Activities	971	1,800	829	0.20	0.39
17,235	18,740	1,505	10.69	12.26	7900 Housekeeping	5,429	6,075	646	1.14	1.32
1,750	1,750		1.09	1.14	8000 Plant Operations and Maint.	48,224	56,220	7,996	10.15	12.26
6,600	6,600		4.09	4.32	8200 Depreciation	5,250	5,250		1.11	1.14
4,910	4,935	25	3.05	3.23	8300 Interest, Amortization & Lease	19,800	19,800		4.17	4.32
(367)	1,425	1,792	(0.23)	0.93	8400 Taxes and Insurance	14,730	14,805	75	3.10	3.23
23,303	18,990	4,313*	14.46	12.42	8500 Employee Benefits	2,743	4,275	1,532	0.58	0.93
86,048	72,990	13,058*	53.38	47.74	8600 General and Administration	56,772	56,970	198	11.95	12.42
856	6,710	5,854*	0.53	4.39	Total Operating Costs	212,929	218,970	6,041	44.82	47.74
856	6,710	5,854*	0.53	4.39	Total Income/Loss from Operations	58,072	20,130	37,942	12.22	4.39
856	6,710	5,854*	0.53	4.39	Total Net Income Before Taxes	58,072	20,130	37,942	12.22	4.39
					Total Net Income/Loss	58,072	20,130	37,942	12.22	4.39

* Unfavorable Differences

Statement of Operations

Oak Creek Inc (OC)
12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
1,612	1,529	83			5010 Resident Revenue	4,751	4,587	164		
1,612	1,529	83			5900 Apartment Revenues	4,751	4,587	164		
79,725	72,300	7,425	49.46	47.29	5901 Apartment Rental Income	238,691	216,900	21,791	50.24	47.29
4,000	4,200	200*			5902 Apartment Deposit Income	23,000	12,600	10,400		
3,000	3,000		1.86	1.96	5903 Interest Income-Investments	9,000	9,000		1.89	1.96
100	100		0.06	0.07	5904 Apartment Income-Misc	100	300	200*	0.02	0.07
86,825	79,600	7,225	53.86	52.06	Total Apartment Revenues	270,791	238,800	31,991	57.00	52.06
86,825	79,600	7,225	53.86	52.06	Total Resident Revenue	270,791	238,800	31,991	57.00	52.06
1,612	1,529	83	0.05	0.07	6000 Other Revenues	4,751	4,587	164	0.04	0.07
79	100	21*			6003 Barber and Beauty	210	300	90*		
79	100	21*	0.05	0.07	Total Other Revenues	210	300	90*	0.04	0.07
86,904	79,700	7,204	53.91	52.13	Total Revenue	271,001	239,100	31,901	57.04	52.13
					7000 Operating Costs	0	0	0	0.00	0.00
(2,219)		2,219	(1.38)		7240 Personal Care Service					
(184)		184	(0.11)		7241 Personal Care Salaries	1,140		1,140*	0.24	
(2,404)	0	2,404	(1.49)	0.00	7245 Personal Care PR Taxes					
					Total Personal Care Service	1,140	0	1,140*	0.24	0.00
1,140		1,140*	0.71	0.00	7250 COVID-19					
1,140	0	1,140*	0.71	0.00	7255 COVID-19 Other Hero Bonuses	1,140	0	1,140*	0.24	0.00
3,008		3,008*	1.87		7400 Dietary	3,008		3,008*	0.63	
88		88*	0.05		7402 Dietary Other Salaries	88		88*	0.02	
278		278*	0.17		7404 Dietary PTO	278		278*	0.06	
27,828	17,700	10,128*	17.26	11.58	7406 Dietary PR Taxes	53,948	53,100	848*	11.36	11.58
185	275	90	0.11	0.18	7408 Dietary Raw Food	548	825	277	0.12	0.18
	(50)	50*		(0.03)	7409 Dietary Supplies		(150)	150*		(0.03)
31,387	17,925	13,462*	19.47	11.72	7412 Dietary Emp/Guest Meal Income	57,870	53,775	4,095*	12.18	11.72
					Total Dietary	971	1,800	829	0.20	0.39
562	600	38	0.35	0.39	7600 Activities	971	1,800	829	0.20	0.39
562	600	38	0.35	0.39	7608 Activities Supplies					
					Total Activities	971	1,800	829	0.20	0.39

* Unfavorable Differences

Statement of Operations

Oak Creek Inc (OC)

12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
					7900 Housekeeping					
886	1,200	314	0.55	0.78	7902 Housekeeping Other Salaries	2,846	3,600	754	0.60	0.78
24	25	1	0.02	0.02	7904 Housekeeping PTO	61	75	14	0.01	0.02
80	100	20	0.05	0.07	7906 Housekeeping PR Taxes	233	300	67	0.05	0.07
941	650	291 *	0.58	0.43	7908 Housekeeping Supplies	2,289	1,950	339 *	0.48	0.43
	50	50		0.03	7909 Housekeeping Purch Services	150	150	150		0.03
<u>1,932</u>	<u>2,025</u>	<u>93</u>	<u>1.20</u>	<u>1.32</u>	Total Housekeeping	<u>5,429</u>	<u>6,075</u>	<u>646</u>	<u>1.14</u>	<u>1.32</u>
					8000 Plant Operations and Maint.					
2,806	3,575	769	1.74	2.34	8002 POM Other Salaries	9,802	10,725	923	2.06	2.34
765	300	465 *	0.47	0.20	8004 POM PTO	765	900	135	0.16	0.20
78	150	72	0.05	0.10	8005 POM Overtime	73	450	377	0.02	0.10
314	340	26	0.20	0.22	8006 POM PR Taxes	978	1,020	42	0.21	0.22
164	25	139 *	0.10	0.02	8007 POM Consultants	1,853	75	1,778 *	0.39	0.02
2,975	1,800	1,175 *	1.85	1.18	8008 POM Supplies	5,080	5,400	320	1.07	1.18
2,307	3,800	1,493	1.43	2.49	8009 POM Purchased Services	7,621	11,400	3,779	1.60	2.49
6,886	7,800	914	4.27	5.10	8010 POM Utilities	19,098	23,400	4,302	4.02	5.10
939	950	11	0.58	0.62	8011 POM Cable/TV Expense	2,955	2,850	105 *	0.62	0.62
<u>17,235</u>	<u>18,740</u>	<u>1,505</u>	<u>10.69</u>	<u>12.26</u>	Total Plant Operations and Maint.	<u>48,224</u>	<u>56,220</u>	<u>7,996</u>	<u>10.15</u>	<u>12.26</u>
					8200 Depreciation					
1,750	1,750		1.09	1.14	8205 Depr Expense - Moveable Equipment	5,250	5,250		1.11	1.14
<u>1,750</u>	<u>1,750</u>	<u>0</u>	<u>1.09</u>	<u>1.14</u>	Total Depreciation	<u>5,250</u>	<u>5,250</u>	<u>0</u>	<u>1.11</u>	<u>1.14</u>
					8300 Interest, Amortization & Lease					
6,600	6,600		4.09	4.32	8303 Building Lease Expense	19,800	19,800		4.17	4.32
<u>6,600</u>	<u>6,600</u>	<u>0</u>	<u>4.09</u>	<u>4.32</u>	Total Interest, Amortization & Lease	<u>19,800</u>	<u>19,800</u>	<u>0</u>	<u>4.17</u>	<u>4.32</u>
					8400 Taxes and Insurance					
3,510	3,510		2.18	2.30	8401 Property Tax Expense	10,530	10,530		2.22	2.30
	25	25		0.02	8402 Misc Tax Expense	75	75	75		0.02
1,400	1,400		0.87	0.92	8403 Insurance Expense- Property	4,200	4,200		0.88	0.92
<u>4,910</u>	<u>4,935</u>	<u>25</u>	<u>3.05</u>	<u>3.23</u>	Total Taxes and Insurance	<u>14,730</u>	<u>14,805</u>	<u>75</u>	<u>3.10</u>	<u>3.23</u>
					8500 Employee Benefits					
(467)	1,300	1,767	(0.29)	0.85	8501 Employee Group Insurance	2,443	3,900	1,457	0.51	0.85
100	100		0.06	0.07	8502 Workers Compensation Expense	300	300		0.06	0.07
	25	25		0.02	8505 Employee Benefits Misc Expense	75	75	75		0.02
<u>(367)</u>	<u>1,425</u>	<u>1,792</u>	<u>(0.23)</u>	<u>0.93</u>	Total Employee Benefits	<u>2,743</u>	<u>4,275</u>	<u>1,532</u>	<u>0.58</u>	<u>0.93</u>

* Unfavorable Differences

Statement of Operations

Oak Creek Inc (OC)
12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
8,198	8,400	202	5.09	5.49	8600 General and Administration	26,602	25,200	1,402 *	5.60	5.49
980		980 *	0.61	0.46	8603 Administrative Other Salaries	980		980 *	0.21	0.46
873	710	163 *	0.54	0.46	8605 Administrative PTO	2,231	2,130	101 *	0.47	0.46
4,400	4,400		2.73	2.88	8607 Administrative PR Taxes	13,200	13,200		2.78	2.88
515	250	265 *	0.32	0.16	8608 Management Fee Expense	1,543	750	793 *	0.32	0.16
679	825	146	0.42	0.54	8609 Telephone Expense	1,980	2,475	495	0.42	0.54
55	150	95	0.03	0.10	8610 Auto Expense	55	450	395	0.01	0.10
1,984	300	1,684 *	1.23	0.20	8612 Dues and Subscriptions	2,175	900	1,275 *	0.46	0.20
87	400	313	0.05	0.26	8613 Office Supplies	174	1,200	1,026	0.04	0.26
6	25	19	0.00	0.02	8614 Copier Expense	6	75	69	0.00	0.02
	250	250		0.16	8615 Postage Expense		750	750		0.16
	30	30		0.02	8617 Professional Fees - Other		90	90		0.02
3,454	3,000	454 *	2.14	1.96	8619 Admin - Travel and Meetings	5,569	9,000	3,431	1.17	1.96
1,962	200	1,762 *	1.22	0.13	8621 General Advertising Expense	2,131	600	1,531 *	0.45	0.13
109	50	59 *	0.07	0.03	8624 Data Processing Expense	126	150	24	0.03	0.03
				0.03	8626 Meals & Entertainment					
23,303	18,990	4,313 *	14.46	12.42	Total General and Administration	56,772	56,970	198	11.95	12.42
86,048	72,990	13,058 *	53.38	47.74	Total Operating Costs	212,929	218,970	6,041	44.82	47.74
856	6,710	5,854 *	0.53	4.39	Total Income/Loss from Operations	58,072	20,130	37,942	12.22	4.39
856	6,710	5,854 *	0.53	4.39	Total Net Income Before Taxes	58,072	20,130	37,942	12.22	4.39
856	6,710	5,854 *	0.53	4.39	Total Net Income/Loss	58,072	20,130	37,942	12.22	4.39

* Unfavorable Differences

Statement of Operations

White Oak Manor - Burlington Inc (BU)
12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	Days	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
2,488	3,954	1,466 *			5010 Resident Revenue		7,256	11,862	4,606 *		
41,874	52,380	10,506 *	252.25	283.14	5100 Private Pay		154,318	157,140	2,822 *	264.70	283.14
66,185	60,870	5,315	580.57	490.89	5200 Medicare Part A		121,446	182,610	61,164 *	542.17	490.89
435,604	419,270	16,334	317.26	175.50	5300 Medicaid		1,306,552	1,257,810	48,742	312.20	175.50
13,788	13,788		222.38		5400 Medicaid Pending		14,935		14,935	597.41	
35,357	21,710	13,647	327.38	367.97	5500 Insurance		65,110	65,130	20 *	340.89	367.97
32,473	50,900	18,427 *	306.35	235.65	5600 Managed Care		118,935	152,700	33,765 *	280.51	235.65
53,156	36,860	16,296	21.37	9.32	5700 Medicare Part B		154,677	110,580	44,097	21.32	9.32
20,681	39,110	18,429 *	222.38	176.17	5800 Hospice		80,631	117,330	36,699 *	280.95	176.17
144,372	187,590	43,218 *	309.81	247.15	5850 Veterans Admin		445,026	562,770	117,744 *	332.85	247.15
843,491	868,690	25,199 *	339.02	219.70	Total Resident Revenue		2,461,630	2,606,070	144,440 *	339.25	219.70
59,754	475	59,279	24.02	0.12	6000 Other Revenues		157,359	1,425	155,934	21.69	0.12
903,245	869,165	34,080	363.04	219.82	Total Revenue		2,618,989	2,607,495	11,494	360.94	219.82
13,415	22,620	9,205	5.39	5.72	7000 Operating Costs		55,256	67,860	12,604	7.62	5.72
296,194	384,450	88,257	119.05	97.23	7101 Nursing Administration		826,223	1,153,350	327,128	113.87	97.23
236,732		236,732 *	95.15		7200 Nursing Service		486,553		486,553 *	67.06	
101,034	108,145	7,111	40.61	27.35	7250 COVID-19		299,865	324,435	24,570	41.33	27.35
59,803	69,250	9,447	24.04	17.51	7300 Ancillaries		167,195	207,750	40,555	23.04	17.51
4,537	10,170	5,633	1.82	2.57	7400 Dietary		13,547	30,510	16,963	1.87	2.57
6,296	8,150	1,854	2.53	2.06	7500 Social Services		17,130	24,450	7,320	2.36	2.06
4,014	3,920	94 *	1.61	0.99	7600 Activities		11,022	11,760	738	1.52	0.99
11,508	12,755	1,247	4.63	3.23	7700 Medical Records		37,802	38,265	463	5.21	3.23
28,268	30,160	1,892	11.36	7.63	7800 Laundry		79,116	90,480	11,364	10.90	7.63
22,231	31,645	9,414	8.94	8.00	7900 Housekeeping		70,508	94,935	24,427	9.72	8.00
4,125	5,760	1,635	1.66	1.46	8000 Plant Operations and Maint.		11,247	17,280	6,033	1.55	1.46
7,000	7,000		2.81	1.77	8100 Transportation		21,000	21,000		2.89	1.77
26,585	26,630	45	10.69	6.73	8200 Depreciation		79,594	79,890	296	10.97	6.73
12,025	12,400	375	4.83	3.14	8300 Interest, Amortization & Lease		36,025	37,200	1,175	4.96	3.14
70,536	71,000	464	28.35	17.96	8400 Taxes and Insurance		197,356	213,000	15,644	27.20	17.96
91,913	89,650	2,263 *	36.94	22.67	8500 Employee Benefits		271,733	268,950	2,783 *	37.45	22.67
7,000	9,450	2,450	2.81	2.39	8600 General and Administration		19,436	28,350	8,914	2.68	2.39
1,003,214	903,155	100,059 *	403.22	228.42	8800 Other Costs		2,700,608	2,709,465	8,857	372.19	228.42
(99,969)	(33,990)	65,979 *	(40.18)	(8.60)	Total Operating Costs		(81,620)	(101,970)	20,350	(11.25)	(8.60)
(99,969)	(33,990)	65,979 *	(40.18)	(8.60)	Total Income/Loss from Operations		(81,620)	(101,970)	20,350	(11.25)	(8.60)
					Total Net Income Before Taxes						

* Unfavorable Differences

Statement of Operations

White Oak Manor - Burlington Inc (BU)

12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
(99,969)	(33,990)	65,979*	(40.18)	(8.60)	Total Net Income/Loss	(81,620)	(101,970)	20,350	(11.25)	(8.60)

* Unfavorable Differences

Statement of Operations

White Oak Manor - Burlington Inc (BU)
12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
2,488	3,954	1,466*			5010 Resident Revenue	7,256	11,862	4,606*		
166	185	19*			5100 Private Pay	583	555	28		
41,500	51,700	10,200*	250.00	279.46	5101 Routine Services - PVT	146,640	155,100	8,460*	251.53	279.46
265	270	5*	1.60	1.46	5102 Medical Supplies- PVT	546	810	264*	0.94	1.46
	110	110*		0.59	5104 Oxygen - PVT		330	330*		0.59
	10	10*		0.05	5105 Laboratory - PVT		30	30*		0.05
	10	10*		0.05	5106 Physical Therapy - PVT	2,135	30	2,105	3.66	0.05
	20	20*		0.11	5107 Speech Therapy - PVT	2,207	60	2,147	3.78	0.11
	40	40*		0.22	5108 Occupational Therapy - PVT	2,148	120	2,028	3.68	0.22
	60	60*		0.32	5110 Fluidized Bed - PVT		180	180*		0.32
150	160	10*	0.90	0.86	5113 Transportation - PVT	600	480	120	1.03	0.86
(41)		41*	(0.25)		5115 Misc - PVT	84		84	0.14	
41,874	52,380	10,506*	252.25	283.14	5120 Contractual Adjustment - PVT	(41)		41*	(0.07)	
					Total Private Pay	154,318	157,140	2,822*	264.70	283.14
114	124	10*			5200 Medicare Part A	224	372	148*		
60,577	60,600	23*	531.38	488.71	5201 Routine Services-MCR A	118,641	181,800	63,159*	529.65	488.71
299	990	691*	2.62	7.98	5202 Medical Supplies-MCR A	420	2,970	2,550*	1.87	7.98
4,588	8,650	4,063*	40.24	69.76	5203 Drugs-MCR A	9,705	25,950	16,245*	43.32	69.76
552	260	292	4.84	2.10	5204 Oxygen-MCR A	1,587	780	807	7.08	2.10
502	310	192	4.40	2.50	5205 Laboratory-MCR A	708	930	222*	3.16	2.50
5,696	9,890	4,194*	49.97	79.76	5206 Physical Therapy-MCR A	12,337	29,670	17,333*	55.07	79.76
2,914	5,930	3,016*	25.56	47.82	5207 Speech Therapy-MCR A	8,014	17,790	9,776*	35.78	47.82
6,378	9,890	3,512*	55.95	79.76	5208 Occupational Therapy-MCR A	13,046	29,670	16,624*	58.24	79.76
	270	270*		2.18	5209 PEN Therapy-MCR A		810	810*		2.18
	20	20*		0.16	5210 Fluid Bed-MCR A		60	60*		0.16
2,700	1,170	1,530	23.68	9.44	5213 Transportation-MCR A	5,100	3,510	1,590	22.77	9.44
63	200	138*	0.55	1.61	5214 X-Rays-MCR A	125	600	475*	0.56	1.61
	40	40*		0.32	5215 Misc-MCR A	271	120	151	1.21	0.32
5,607		5,607	49.19		5220 Contract Adj-Room MCR A	2,805		2,805	12.52	
(23,691)	(37,350)	13,659	(207.82)	(301.21)	5221 Contract Adj-Ancillaries MCR A	(51,312)	(112,050)	60,738	(229.07)	(301.21)
66,185	60,870	5,315	580.57	490.89	Total Medicare Part A	121,446	182,610	61,164*	542.17	490.89
1,373	2,389	1,016*			5300 Medicaid	4,185	7,167	2,982*		
437,714	419,200	18,514	318.80	175.47	5301 Routine Services-MCD	1,307,536	1,257,600	49,936	312.43	175.47
2,162	5,260	3,098*	1.57	2.20	5302 Medical Supplies-MCD	7,370	15,780	8,410*	1.76	2.20
5,744	7,640	1,896*	4.18	3.20	5303 Oxygen- MCD	18,475	22,920	4,445*	4.41	3.20
1,017	2,580	1,563*	0.74	1.08	5304 Laboratory-MCD	3,550	7,740	4,210*	0.84	1.08
2,433	880	1,553	1.77	0.37	5305 Physical Therapy-MCD Non-Covered	8,913	2,640	6,273	2.13	0.37

* Unfavorable Differences

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White Oak Manor - Burlington Inc (BU)

12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
	840	840*		0.35	5309	Occup. Therapy - MCD Non-Covered	1,475	2,520	0.35	0.35
543	70	473	0.40	0.03	5311	PEN Therapy-MCD Non-Covered	1,890	210	0.45	0.03
1,820	3,030	1,210*	1.33	1.27	5313	Fluidized Bed -MCD	5,440	9,090	1.30	1.27
	840	840*		0.35	5315	Wound Care -MCD		2,520		0.35
1,550	6,810	5,260*	1.13	2.85	5316	Transportation -MCD	2,900	20,430	0.69	2.85
	20	20*		0.01	5317	X-Rays -MCD	588	60	0.14	0.01
(17,379)	(27,900)	10,521	(12.66)	(11.68)	5321	Flu/Pneumonia Vacc - MCD	240	60	0.06	0.01
					5324	Contract Adj-Ancillaries MCD	(51,803)	(83,700)	(12.38)	(11.68)
435,604	419,270	16,334	317.26	175.50	Total Medicaid	1,306,552	1,257,810	48,742	312.20	175.50
62		62			5400	Medicaid Pending	25			
13,788		13,788	222.38		5401	Routine Services - MCD Pend	14,935		597.41	
212		212	3.42		5402	Medical Supplies - MCD Pend	810		32.40	
					5404	Oxygen - MCD Pend	69		2.76	
					5406	Physical Therapy - MCD Pend	(362)		(14.49)	
					5408	Occupational Therapy - MCD Pend	(429)		(17.14)	
300		300	4.84		5413	Transportation - MCD Pend	450		18.00	
(512)		512*	(8.26)		5415	Misc - MCD Pend	(84)		(3.36)	
					5421	Contract Adj-Ancillaries MCD Pend	(454)		(18.17)	
13,788	0	13,788	222.38	0.00	Total Medicaid Pending	14,935	0	14,935	597.41	0.00
108	59	49			5500	Insurance	191	177		
39,660	21,700	17,960	367.22	367.80	5501	Routine Services - INS	65,110	65,100	340.89	367.80
150	680	530*	1.38	11.53	5502	Medical Supplies - INS	1,013	2,040	5.30	11.53
4,380	3,200	1,180	40.56	54.24	5503	Drugs - INS	11,042	9,600	57.81	54.24
	160	160*		2.71	5504	Oxygen - INS	880	480	4.61	2.71
101	160	59*	0.93	2.71	5505	Laboratory - INS	194	480	1.02	2.71
4,664	4,450	214	43.18	75.42	5506	Physical Therapy - INS	9,555	13,350	50.02	75.42
2,694	1,840	854	24.94	31.19	5507	Speech Therapy - INS	4,036	5,520	21.13	31.19
5,402	4,270	1,132	50.01	72.37	5508	Occupational Therapy - INS	10,030	12,810	52.51	72.37
	10	10*		0.17	5509	PEN Therapy - INS		30		0.17
	190	190*		3.22	5513	Wound Care - INS	1,650	570	8.64	3.22
1,650	190	1,460	15.28	3.22	5514	Transportation - INS	63	570	0.33	3.22
					5515	X-Rays - INS	(38,462)	(45,420)	(201.37)	(256.61)
(23,342)	(15,140)	8,202*	(216.13)	(256.61)	5522	Contract Adj-Ancillaries - INS	65,110	65,130	340.89	367.97
35,357	21,710	13,647	327.38	367.97	Total Insurance	129,458	155,700	26,242*	305.33	240.28
106	216	110*			5600	Managed Care	424	648	1.91	1.25
34,153	51,900	17,747*	322.20	240.28	5601	Routine Services - MGC	811	810	1	1.25
336	270	66	3.17	1.25	5602	Medical Supplies - MGC				1.25

* Unfavorable Differences

Statement of Operations

White Oak Manor - Burlington Inc (BU)

12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
1,269	1,790	521 *	11.97	8.29	5603 Drugs - MGC	7,256	5,370	1,886	17.11	8.29
535	500	35	5.04	2.31	5604 Oxygen - MGC	1,190	1,500	310 *	2.81	2.31
	90	90 *		0.42	5605 Laboratory - MGC	94	270	176 *	0.22	0.42
2,872	2,160	712	27.09	10.00	5606 Physical Therapy - MGC	11,019	6,480	4,539	25.99	10.00
1,136	1,510	374 *	10.72	6.99	5607 Speech Therapy - MGC	5,445	4,530	915	12.84	6.99
2,884	2,160	724	27.20	10.00	5608 Occupational Therapy - MGC	9,647	6,480	3,167	22.75	10.00
	10	10 *		0.05	5609 PEN Therapy - MGC		30	30 *		0.05
	540	540 *		2.50	5610 Flu/Infused Bed - MGC	220	1,620	1,400 *	0.52	2.50
(240)	430	670 *	(2.26)	1.99	5611 Flu/Pneumonia - MGC	3,720	1,290	2,430	8.77	1.99
	590	590 *		2.73	5614 Transportation - MGC	900	1,770	870 *	2.12	2.73
	90	90 *		0.42	5615 X-Rays- MGC	420	270	150	0.99	0.42
325	(1,000)	1,325	3.07	(4.63)	5621 Contract Adj-Room MGC	(440)	(3,000)	2,560	(1.04)	(4.63)
(10,796)	(10,140)	656 *	(101.85)	(46.94)	5622 Contract Adj-Ancillaries MGC	(50,805)	(30,420)	20,385 *	(119.82)	(46.94)
32,473	50,900	18,427 *	306.35	235.65	Total Managed Care	118,935	152,700	33,765 *	280.51	235.65
2,488	3,954	1,466 *		5700	Medicare Part B	7,256	11,862	4,606 *		
25,520	21,350	4,170	10.26	5.40	5703 Physical Therapy - MCR B	73,263	64,050	9,213	10.10	5.40
6,582	5,930	652	2.65	1.50	5704 Speech Therapy - MCR B	22,566	17,790	4,776	3.11	1.50
23,718	18,590	5,128	9.53	4.70	5705 Occupational Therapy - MCR B	66,481	55,770	10,711	9.16	4.70
360	200	160	0.14	0.05	5707 Flu/Pneumonia - MCR B	1,200	600	600	0.17	0.05
(3,023)	(9,210)	6,187	(1.22)	(2.33)	5720 Contractual Adjustment - MRB	(8,833)	(27,630)	18,797	(1.22)	(2.33)
53,156	36,860	16,296	21.37	9.32	Total Medicare Part B	154,677	110,580	44,097	21.32	9.32
93	222	129 *		5800	Hospice	287	666	379 *		
20,681	39,000	18,319 *	222.38	175.68	5801 Routine Services - HSP	80,631	117,000	36,369 *	280.95	175.68
89	870	781 *	0.96	3.92	5802 Medical Supplies- HSP	502	2,610	2,108 *	1.75	3.92
362	2,170	1,808 *	3.90	9.77	5804 Oxygen - HSP	1,052	6,510	5,458 *	3.67	9.77
	220	220 *		0.99	5805 Laboratory - HSP	13	660	647 *	0.04	0.99
	110	110 *		0.50	5809 PEN Therapy - HSP		330	330 *		0.50
	820	820 *		3.69	5810 Flu/Infused Bed - HSP		2,460	2,460 *		3.69
	60	60 *		0.27	5814 Transportation - HSP		180	180 *		0.27
(451)	(4,140)	3,689	(4.85)	(18.65)	5822 Contract Adj-Ancillaries HSP	(1,567)	(12,420)	10,853	(5.46)	(18.65)
20,681	39,110	18,429 *	222.38	176.17	Total Hospice	80,631	117,330	36,699 *	280.95	176.17
466	759	293 *		5850	Veterans Admin	1,337	2,277	940 *		
134,960	187,400	52,440 *	289.61	246.90	5851 Routine Services - VA	421,130	562,200	141,070 *	314.98	246.90
3,036	5,010	1,974 *	6.51	6.60	5852 Medical Supplies - VA	9,051	15,030	5,979 *	6.77	6.60
19,519	25,490	5,971 *	41.89	33.58	5853 Drugs - VA	58,528	76,470	17,942 *	43.78	33.58
449	1,520	1,072 *	0.96	2.00	5854 Oxygen - VA	1,880	4,560	2,680 *	1.41	2.00
953	1,180	227 *	2.04	1.55	5855 Laboratory - VA	2,009	3,540	1,531 *	1.50	1.55

* Unfavorable Differences

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White Oak Manor - Burlington Inc (BU)

12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
2,634	10,510	7,876*	5.65	13.85	5856 Physical Therapy - VA	17,703	31,530	13,827*	13.24	13.85
2,149	5,770	5,770*	7.60	7.60	5857 Speech Therapy - VA	1,204	17,310	16,106*	0.90	7.60
1,057	9,210	7,061*	4.61	12.13	5858 Occupational Therapy - VA	11,215	27,630	16,415*	8.39	12.13
1,420	190	867	2.27	0.25	5859 PEN Therapy - VA	1,121	570	551	0.84	0.25
	470	1,420*	3.05	0.62	5860 Fluidized Bed - VA	3,720		3,720	2.78	
125	330	470*	0.27	0.43	5863 Transportation - VA		1,410	1,410*		0.62
	140	205*		0.18	5864 X-rays - VA	525	990	465*	0.39	0.43
	2,175	140*		2.87	5865 Flu/Pneumonia - VA	1,080	420	660	0.81	0.18
9,412		2,175*		2.87	5866 Misc - VA		6,525	6,525*		2.87
(31,342)	(61,805)	9,412	20.20	(81.43)	5867 Contract Adj Room - VA	23,896		23,896	17.87	
144,372	187,590	30,463	(67.26)	(81.43)	5868 Contract Adj Ancil - VA	(108,037)	(185,415)	77,378	(80.81)	(81.43)
		43,218*	309.81	247.15	Total Veterans Admin	445,026	562,770	117,744*	332.85	247.15
843,491	868,690	25,199*	339.02	219.70	Total Resident Revenue	2,461,630	2,606,070	144,440*	339.25	219.70
2,488	3,954	1,466*			6000 Other Revenues	7,256	11,862	4,606*		
604	(325)	325	0.24	(0.08)	6003 Barber and Beauty		(975)	975	0.13	(0.08)
	500	104		0.13	6004 Vending Income	949	1,500	551*	0.13	0.13
	300	300*		0.08	6006 Interest Income-Misc	100		100	0.01	0.08
59,150		59,150	23.77	0.08	6010 Misc Operating Income	156,310	900	900*	21.54	0.08
59,754	475	59,279	24.02	0.12	6015 COVID-19 NC Testing Reimbursement			156,310		
		34,080	363.04	219.82	Total Other Revenues	157,359	1,425	155,934	21.69	0.12
903,245	869,165	34,080			Total Revenue	2,618,989	2,607,495	11,494	360.94	219.82
					7000 Operating Costs					
6,379	8,500	2,121	2.56	2.15	7101 Nursing Administration	24,913	25,500	587	3.43	2.15
372	5,950	5,950	0.15	1.50	7102 Nurs Admin DON Salaries	7,506	17,850	10,344	1.03	1.50
513	1,160	647	0.21	0.29	7103 Nurs Admin ADON Salaries	1,010		1,010*	0.14	
2,635	3,500	865	1.06	0.89	7104 Nurs Admin PTO	2,361	3,480	1,119	0.33	0.29
3,500	3,500		1.41	0.89	7106 Nurs Admin PR Taxes	8,618	10,500	1,882	1.19	0.89
15	10	5*	0.01	0.00	7108 Nurs Admin Consultants	10,500	10,500		1.45	0.89
		9,205	5.39	5.72	7109 Nurs Admin Medical Director Expense	10,500	10,500		0.05	0.00
13,415	22,620	9,205			7111 Nurs Admin Supplies	348	30	318*	7.62	5.72
		15,651	12.80	12.01	Total Nursing Administration	55,256	67,860	12,604	12.22	12.01
93,931	120,800	26,869	37.75	30.55	7200 Nursing Service	88,667	142,500	53,833	36.83	30.55
110,167	140,500	30,333	44.28	35.53	7201 Nursing RN Salaries	267,209	362,400	95,191	43.54	35.53
					7202 Nursing LPN Salaries	315,939	421,500	105,561		
					7203 Nursing CNA Salaries					

* Unfavorable Differences

Statement of Operations

White Oak Manor - Burlington Inc (BU)
12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
11,024	14,000	2,976	4.43	3.54	7206 Nursing PTO	27,798	42,000	14,202	3.83	3.54
18,051	18,000	51 *	7.26	4.55	7207 Nursing Overtime	44,516	54,000	9,484	6.14	4.55
21,366	27,300	5,934	8.59	6.90	7208 Nursing PR Taxes	57,332	81,900	24,568	7.90	6.90
502	2,100	1,598	0.20	0.53	7209 Nursing Clinical Software	1,506	6,300	4,794	0.21	0.53
8,957	14,000	5,043	3.60	3.54	7210 Nursing Supplies	22,909	42,000	19,091	3.16	3.54
346	250	96 *	0.14	0.06	7211 Nursing Travel and Meetings	346	750	404	0.05	0.06
296,194	384,450	88,257	119.05	97.23	Total Nursing Service	826,223	1,153,350	327,128	113.87	97.23
17,880		17,880 *	7.19		7250 COVID-19	17,880		17,880 *	2.46	
5,136		5,136 *	2.06		7252 COVID-19 Nursing Hero Bonuses	9,462		9,462 *	1.30	
					7253 COVID-19 Nursing Isolating Pay	(880)		880	(0.12)	
9,130		9,130 *	3.67		7254 COVID-19 Other Salaries	10,790		10,790 *	1.49	
(25)		25	(0.01)		7255 COVID-19 Other Hero Bonuses	2,121		2,121 *	0.29	
137,507		137,507 *	55.27		7256 COVID-19 Other Isolating Pay	270,079		270,079 *	37.22	
288		288 *	0.12		7258 COVID-19 Nursing Contract Labor	135		135 *	0.02	
12,567		12,567 *	5.05		7259 COVID-19 Maint Minor Equipment	288		288 *	0.04	
1,467		1,467 *	0.59		7261 COVID-19 Electronic Devices	33,875		33,875 *	4.67	
113		113 *	0.05		7262 COVID-19 Nursing Supplies/PPE	4,005		4,005 *	0.55	
2,100		2,100 *	0.84		7263 COVID-19 Housekeeping Supplies	113		113 *	0.02	
50,470		50,470 *	20.29		7264 COVID-19 Maint Non-Capital Facility M	4,675		4,675 *	0.64	
100		100 *	0.04		7266 COVID-19 Med Supp-Test Kits-Resider	133,910		133,910 *	18.46	
236,732	0	236,732 *	95.15	0.00	7267 COVID-19 Med Supp-Test Kits Vis/Emt	100		100 *	0.01	
					7274 COVID-19 Other	486,553	0	486,553 *	67.06	0.00
23,777	21,600	2,177 *	9.56	5.46	7300 Ancillaries	73,700	64,800	8,900 *	10.16	5.46
995	790	205 *	0.40	0.20	7301 Physical Therapy - Contract	2,247	2,370	123	0.31	0.20
8,222	8,640	418	3.30	2.19	7302 Physical Therapy - Supplies	25,105	25,920	815	3.46	2.19
21,829	18,780	3,049 *	8.77	4.75	7303 Speech Therapy - Contract	59,714	56,340	3,374 *	8.23	4.75
622	400	222 *	0.25	0.10	7304 Occupational Therapy - Contract	879	1,200	321	0.12	0.10
173	200	27	0.07	0.05	7305 PEN Therapy Nutrient	343	600	257	0.05	0.05
1,274	1,300	26	0.51	0.18	7306 PEN Therapy Supplies	2,540	2,100	440	0.35	0.18
810	1,980	1,170	0.33	0.33	7307 Wound Care Expense - Non Part B	2,994	3,900	1,360	0.41	0.33
625	590	35 *	0.25	0.50	7308 Laboratory Expense	1,131	5,940	2,946	0.16	0.50
30,904	39,130	8,226	12.42	0.14	7312 X-Ray Expense	5,487	1,770	639	0.76	0.15
2,125	2,770	645	0.85	0.14	7313 Flu/Pneumonia Expense	89,957	117,390	27,433	12.40	9.90
4,133	3,950	183 *	1.66	0.70	7314 Prescription Drug Expense	6,064	8,310	2,246	0.84	0.70
					7315 OTC/Stock Drug Expense	12,375	11,850	525 *	1.71	1.00
					7316 Pharmacy Consultant Expense					

* Unfavorable Differences

Statement of Operations

White Oak Manor - Burlington Inc (BU)

12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget	
2,766	4,550	1,784	1.11	1.15	7317 Medical Supplies	9,208	13,650	4,442	1.27	1.15	
	40	40		0.01	7319 Misc Ancillary Expense - MCR A	340	120	220 *	0.05	0.01	
2,780	2,175	605 *	1.12	0.55	7327 Misc Ancillary Expense-VA	7,783	6,525	1,258 *	1.07	0.55	
101,034	108,145	7,111	40.61	27.35	Total Ancillaries	299,865	324,435	24,570	41.33	27.35	
7400 Dietary											
8,347	9,800	1,453	3.36	2.48	7401 Dietary Director Salaries	27,142	29,400	2,258	3.74	2.48	
26,808	30,500	3,692	10.77	7.71	7402 Dietary Other Salaries	79,075	91,500	12,425	10.90	7.71	
1,720	1,600	120 *	0.69	0.40	7404 Dietary PTO	3,494	4,800	1,306	0.48	0.40	
1,399	600	799 *	0.56	0.15	7405 Dietary Overtime	2,828	1,800	1,028 *	0.39	0.15	
3,130	3,400	270	1.26	0.86	7406 Dietary PR Taxes	8,756	10,200	1,444	1.21	0.86	
563	350	213 *	0.23	0.09	7407 Dietary Consultants	1,709	1,050	659 *	0.24	0.09	
30,600	37,500	6,900	12.30	9.48	7408 Dietary Raw Food	88,872	112,500	23,628	12.25	9.48	
4,370	3,500	870 *	1.76	0.89	7409 Dietary Supplies	11,247	10,500	747 *	1.55	0.89	
					7411 Dietary Travel and Meetings	191		191 *	0.03		
(17,135)	(18,000)	865 *	(6.89)	(4.55)	7412 Dietary Emp/Guest Meal Income	(56,119)	(54,000)	2,119	(7.73)	(4.55)	
59,803	69,250	9,447	24.04	17.51	Total Dietary	167,195	207,750	40,555	23.04	17.51	
7500 Social Services											
4,074	4,100	26	1.64	1.04	7501 Social Services Director Salaries	12,091	12,300	209	1.67	1.04	
	3,000	3,000		0.76	7502 Social Services Other Salaries		9,000	9,000		0.76	
	600	600		0.15	7504 Social Services PTO		1,800	1,800		0.15	
328	620	292	0.13	0.16	7506 Social Services PR Taxes	959	1,860	901	0.13	0.16	
135	1,800	1,665	0.05	0.46	7507 Social Services Consultants	435	5,400	4,965	0.06	0.46	
	10	10		0.00	7508 Social Services Supplies	62	30	32 *	0.01	0.00	
	40	40		0.01	7510 Social Services Travel and Meetings		120	120		0.01	
4,537	10,170	5,633	1.82	2.57	Total Social Services	13,547	30,510	16,963	1.87	2.57	
7600 Activities											
2,990	2,900	90 *	1.20	0.73	7601 Activities Director Salaries	8,716	8,700	16 *	1.20	0.73	
1,696	3,500	1,804	0.68	0.89	7602 Activities Other Salaries	4,913	10,500	5,587	0.68	0.89	
116	400	284	0.05	0.10	7604 Activities PTO	537	1,200	663	0.07	0.10	
378	540	162	0.15	0.14	7606 Activities PR Taxes	1,040	1,620	580	0.14	0.14	
949	800	149 *	0.38	0.20	7608 Activities Supplies	1,600	2,400	800	0.22	0.20	
167		167 *	0.07	0.00	7609 Activities Purchased Services	324		324 *	0.04		
	10	10		0.00	7610 Activities Travel and Meetings		30	30		0.00	
6,296	8,150	1,854	2.53	2.06	Total Activities	17,130	24,450	7,320	2.36	2.06	
7700 Medical Records											
2,610	2,900	290	1.05	0.73	7701 Medical Records Salaries	8,134	8,700	566	1.12	0.73	

* Unfavorable Differences

Statement of Operations

White Oak Manor - Burlington Inc (BU)
12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
384	250	134*	0.15	0.06	7703 Medical Records PTO	384	750	366	0.05	0.06
(22)		22	(0.01)		7704 Medical Records Overtime	83		83*	0.01	
235	280	45	0.09	0.07	7705 Medical Records PR Taxes	655	840	185	0.09	0.07
461	350	111*	0.19	0.09	7707 Medical Records Supplies	882	1,050	168	0.12	0.09
	70	70		0.02	7708 Medical Records Purchased Services	537	210	327*	0.07	0.02
346		346*	0.14	0.02	7709 Medical Records Travel and Meetings	346		346*	0.05	
	70	70		0.02	7710 Medical Records Misc Expense		210	210		0.02
4,014	3,920	94*	1.61	0.99	Total Medical Records	11,022	11,760	738	1.52	0.99
8,676	7,800	876*	3.49	1.97	7800 Laundry	23,087	23,400	313	3.18	1.97
(51)	500	551	(0.02)	0.13	7802 Laundry Other Salaries	1,193	1,500	307	0.16	0.13
					7804 Laundry PTO	125		125*	0.02	
740	730	10*	0.30	0.18	7805 Laundry Overtime	1,910	2,190	280	0.26	0.18
2,143	1,200	943*	0.86	0.30	7807 Laundry PR Taxes	4,318	3,600	718*	0.60	0.30
	2,000	2,000		0.51	7808 Laundry Linen and Bedding	5,738	6,000	262	0.79	0.51
	525	525		0.13	7809 Laundry Underpads	1,432	1,575	143	0.20	0.13
11,508	12,755	1,247	4.63	3.23	Total Laundry	37,802	38,265	463	5.21	3.23
3,058	3,200	142	1.23	0.81	7900 Housekeeping	9,354	9,600	246	1.29	0.81
19,404	19,200	204*	7.80	4.86	7901 Housekeeping Director Salaries	52,412	57,600	5,188	7.22	4.86
1,231	1,000	231*	0.49	0.25	7902 Housekeeping Other Salaries	3,518	3,000	518*	0.48	0.25
(62)		62	(0.02)		7904 Housekeeping PTO	936		936*	0.13	
1,912	2,060	148	0.77	0.52	7905 Housekeeping Overtime	5,103	6,180	1,077	0.70	0.52
2,725	4,700	1,975	1.10	1.19	7906 Housekeeping PR Taxes	7,792	14,100	6,308	1.07	1.19
					7908 Housekeeping Supplies					
28,268	30,160	1,892	11.36	7.63	Total Housekeeping	79,116	90,480	11,364	10.90	7.63
2,879	6,400	3,521	1.16	1.62	8000 Plant Operations and Maint.	5,286		5,286*	0.73	
1,563		1,563*	0.63		8001 POM Director Salaries	5,857	19,200	13,343	0.81	1.62
	100	100		0.03	8002 POM Other Salaries	2,013	300	2,013*	0.28	0.03
318	570	252	0.13	0.14	8004 POM PTO	920	1,710	790	0.13	0.14
361	1,050	689	0.15	0.27	8005 POM Overtime	1,367	3,150	1,783	0.19	0.27
589	2,900	2,311	0.24	0.73	8006 POM PR Taxes	3,583	8,700	5,117	0.49	0.73
2,512	4,100	1,588	1.01	1.04	8007 POM Consultants	6,785	12,300	5,515	0.94	1.04
11,908	14,500	2,592	4.79	3.67	8008 POM Supplies	38,176	43,500	5,324	5.26	3.67
2,000	2,025	25	0.80	0.51	8009 POM Purchased Services	6,335	6,075	260*	0.87	0.51
102		102*	0.04		8010 POM Utilities	186		186*	0.03	
					8011 POM Cable/TV Expense					
					8015 POM Vehicle Expense					

* Unfavorable Differences

Statement of Operations

White Oak Manor - Burlington Inc (BU)

12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
22,231	31,645	9,414	8.94	8.00	Total Plant Operations and Maint.	70,508	94,935	24,427	9.72	8.00
					8100 Transportation					
3,212	3,500	288	1.29	0.89	8101 Transportation Salaries	8,939	10,500	1,561	1.23	0.89
246	350	104	0.10	0.09	8103 Transportation PTO	246	1,050	804	0.03	0.09
20		20*	0.01		8104 Transportation Overtime	199		199*	0.03	
275	560	285	0.11	0.14	8105 Transportation PR Taxes	688	1,680	992	0.09	0.14
372	1,000	628	0.15	0.25	8106 Transportation Vehicle Expense	1,175	3,000	1,825	0.16	0.25
	350	350		0.09	8107 Transportation NEMT Contr Veh-Mcaid	1,050	1,050	1,050		0.09
4,125	5,760	1,635	1.66	1.46	Total Transportation	11,247	17,280	6,033	1.55	1.46
					8200 Depreciation					
7,000	7,000		2.81	1.77	8205 Depr Expense - Moveable Equipment	21,000	21,000	0	2.89	1.77
7,000	7,000	0	2.81	1.77	Total Depreciation	21,000	21,000	0	2.89	1.77
					8300 Interest, Amortization & Lease					
85	130	45	0.03	0.03	8302 Interest Expense - Other	94	390	296	0.01	0.03
26,500	26,500		10.65	6.70	8303 Building Lease Expense	79,500	79,500	0	10.96	6.70
26,585	26,630	45	10.69	6.73	Total Interest, Amortization & Lease	79,594	79,890	296	10.97	6.73
					8400 Taxes and Insurance					
4,100	4,100		1.65	1.04	8401 Property Tax Expense	12,300	12,300	0	1.70	1.04
25	400	375	0.01	0.10	8402 Misc Tax Expense	25	1,200	1,175	0.00	0.10
1,900	1,900		0.76	0.48	8403 Insurance Expense- Property	5,700	5,700	0	0.79	0.48
6,000	6,000		2.41	1.52	8404 Insurance Expense- Liability	18,000	18,000	0	2.48	1.52
12,025	12,400	375	4.83	3.14	Total Taxes and Insurance	36,025	37,200	1,175	4.96	3.14
					8500 Employee Benefits					
59,438	60,000	562	23.89	15.17	8501 Employee Group Insurance	166,066	180,000	13,934	22.89	15.17
9,000	9,000		3.62	2.28	8502 Workers Compensation Expense	27,000	27,000	0	3.72	2.28
(54)		54	(0.02)		8503 Uniform Expense - NC Locations	(73)		73	(0.01)	
2,151	2,000	151*	0.86	0.51	8505 Employee Benefits Misc Expense	4,363	6,000	1,637	0.60	0.51
70,536	71,000	464	28.35	17.96	Total Employee Benefits	197,356	213,000	15,644	27.20	17.96
					8600 General and Administration					
7,591	9,200	1,609	3.05	2.33	8601 Administrative Administrator Salaries	26,860	27,600	740	3.70	2.33
18,661	19,000	339	7.50	4.81	8603 Administrative Other Salaries	55,598	57,000	1,402	7.66	4.81
4,225	1,000	3,225*	1.70	0.25	8605 Administrative PTO	5,665	3,000	2,665*	0.78	0.25
381	400	19	0.15	0.10	8606 Administrative Overtime	934	1,200	266	0.13	0.10
2,236	2,310	74	0.90	0.58	8607 Administrative PR Taxes	8,241	6,930	1,311*	1.14	0.58

* Unfavorable Differences

Statement of Operations

White Oak Manor - Burlington Inc (BU)

12/1/20 to 12/31/20

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
47,800	47,800		19.21	12.09	8608 Management Fee Expense	143,400	143,400		19.76	12.09
602	600	2*	0.24	0.15	8609 Telephone Expense	1,789	1,800	11	0.25	0.15
1,401	1,100	301*	0.56	0.28	8610 Auto Expense	4,035	3,300	735*	0.56	0.28
2,475	1,600	875*	0.99	0.40	8612 Dues and Subscriptions	8,189	4,800	3,389*	1.13	0.40
204	700	496	0.08	0.18	8613 Office Supplies	953	2,100	1,147	0.13	0.18
1,371	1,200	171*	0.55	0.30	8614 Copier Expense	3,521	3,600	79	0.49	0.30
45	250	205	0.02	0.06	8615 Postage Expense	478	750	272	0.07	0.06
	100	100		0.03	8616 Professional Fees - Legal		300	300		0.03
	400	400		0.10	8619 Admin - Travel and Meetings		1,200	1,200		0.10
	400	400		0.10	8620 Help Wanted Advertising Expense	400	1,200	800	0.06	0.10
	40	40		0.01	8621 General Advertising Expense		120	120		0.01
501	725	224	0.20	0.18	8622 Bank Charge Expense	1,338	2,175	837	0.18	0.18
119	300	181	0.05	0.08	8623 Printing Expense	661	900	239	0.09	0.08
4,300	2,500	1,800*	1.73	0.63	8624 Data Processing Expense	9,672	7,500	2,172*	1.33	0.63
	25	25		0.01	8626 Meals & Entertainment		75	75		0.01
91,913	89,650	2,263*	36.94	22.67	Total General and Administration	271,733	268,950	2,783*	37.45	22.67
					8800 Other Costs					
	200	200		0.05	8801 Non-Allowable Expense	13	600	587	0.00	0.05
	50	50		0.01	8803 Promotional Expense		150	150		0.01
7,000	7,000		2.81	1.77	8804 Bad Debt Expense	21,000	21,000		2.89	1.77
					8805 Contribution Expense	(80)		80	(0.01)	
	2,200	2,200		0.56	8808 Mcare Co-Ins Bad Debt	(1,497)	6,600	8,097	(0.21)	0.56
7,000	9,450	2,450	2.81	2.39	Total Other Costs	19,436	28,350	8,914	2.68	2.39
1,003,214	903,155	100,059*	403.22	228.42	Total Operating Costs	2,700,608	2,709,465	8,857	372.19	228.42
(99,969)	(33,990)	65,979*	(40.18)	(8.60)	Total Income/Loss from Operations	(81,620)	(101,970)	20,350	(11.25)	(8.60)
(99,969)	(33,990)	65,979*	(40.18)	(8.60)	Total Net Income Before Taxes	(81,620)	(101,970)	20,350	(11.25)	(8.60)
(99,969)	(33,990)	65,979*	(40.18)	(8.60)	Total Net Income/Loss	(81,620)	(101,970)	20,350	(11.25)	(8.60)

* Unfavorable Differences

Balance Sheet
as of 12/31/20
 Oak Creek Inc (OC)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	466,143.33
1100	Accounts Receivable	10,719.58
1400	Other Current Assets	230,612.00
	Total Current Assets	707,474.91
1500	Non-Current Assets	
1501	Other Assets	(147,141.15)
1800	Property, Plant and Equipment	82,637.22
	Total Non-Current Assets	(64,503.93)
	Total Assets	\$642,970.98
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	
3004	Notes and Accounts Payable	7,565.63
3200	Accrued Liabilities	12,182.13
3300	Other Current Liabilities	(10,494.40)
		<u>9,253.36</u>
3003	Long Term Liabilities	
3500	Deferred Revenue	108,000.06
		<u>108,000.06</u>
	Total Total Liabilities	117,253.42
4000	Equity	
	Total Equity	525,717.56
	Total Liabilities & Equity	\$642,970.98

Balance Sheet
as of 12/31/20
 Oak Creek Inc (OC)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	465,443.33
1003	Operating Bank Account	700.00
1005	Petty Cash	
		<u>466,143.33</u>
1100	Accounts Receivable	
1113	Accts Receivable-VA	900.00
1115	Accts Receivable Other	9,819.58
		<u>10,719.58</u>
1400	Other Current Assets	
1403	Accrued Interest	9,000.00
1504	Assets Limited to Use	221,612.00
		<u>230,612.00</u>
	Total Current Assets	707,474.91
1500	Non-Current Assets	
1501	Other Assets	
1613	Intercompany Account-Oak Creek	(37,216.99)
1622	Intercompany Account-OC with BU	(59,715.04)
1686	Intercompany Account-Payroll-Ultimate	(50,209.12)
		<u>(147,141.15)</u>
1800	Property, Plant and Equipment	
1810	Moveable Equipment	295,010.64
1811	Accm Deprn-Moveable Equipment	(212,373.42)
		<u>82,637.22</u>
	Total Non-Current Assets	(64,503.93)
	Total Assets	\$642,970.98
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	

Balance Sheet
as of 12/31/20
 Oak Creek Inc (OC)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
3004	Notes and Accounts Payable	
3100	Accounts Payable	7,565.63
		<u>7,565.63</u>
3200	Accrued Liabilities	
3201	Accrued Salaries and Wages	6,671.86
3202	Accrued Vacation/PTO Payable	5,510.27
		<u>12,182.13</u>
3300	Other Current Liabilities	
3301	Property Taxes Payable	(10,495.00)
3350	Unearned Revenue	0.60
		<u>(10,494.40)</u>
		<u>9,253.36</u>
3003	Long Term Liabilities	
3500	Deferred Revenue	
3501	Deposits for Apartments Waiting List	2,000.00
3502	Deposits on Apartments	101,000.06
3503	Misc Deposits Account	5,000.00
		<u>108,000.06</u>
		<u>108,000.06</u>
	Total Total Liabilities	117,253.42
4000	Equity	
4001	Common Stock	78,405.00
4003	Retained Earnings	725,030.83
4004	Current Earnings	58,072.08
4006	Interdivision Equity	(333,703.35)
4007	Unrealized (Gain)Loss on Investments	(2,087.00)
	Total Equity	525,717.56
	Total Liabilities & Equity	\$642,970.98

Balance Sheet

as of 12/31/20

White Oak Manor - Burlington Inc (BU)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	491,388.08
1100	Accounts Receivable	1,328,859.76
1200	Inventory	35,876.96
1300	Prepaid Expenses	4,899.80
	Total Current Assets	1,861,024.60
1500	Non-Current Assets	
1501	Other Assets	(701,852.50)
1800	Property, Plant and Equipment	248,429.20
	Total Non-Current Assets	(453,423.30)
	Total Assets	\$1,407,601.30
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	
3004	Notes and Accounts Payable	581,824.47
3200	Accrued Liabilities	273,866.97
3300	Other Current Liabilities	86,899.06
	Total Total Liabilities	942,590.50
4000	Equity	
	Total Equity	465,010.80
	Total Liabilities & Equity	\$1,407,601.30

Balance Sheet

as of 12/31/20

White Oak Manor - Burlington Inc (BU)

Account	Description	Amount
1000	Assets	
1001	Current Assets	
1002	Cash	490,288.08
1003	Operating Bank Account	600.00
1005	Petty Cash	500.00
1008	Resident Trust Funds Petty Cash	<u>491,388.08</u>
1100	Accounts Receivable	214,010.49
1101	Accts Receivable-Private	101,155.99
1102	Accts Receivable-Medicaid SNF	17,549.86
1104	Accts Receivable-Hospice	75,032.52
1105	Accts Receivable-Medicare Pt A	5,292.00
1106	Accts Receivable-Mcare Crossover Part A	8,800.00
1107	Accts Receivable-3rd Party Ins Part A	13,440.11
1108	Accts Receivable-Medicare Pt B	2,585.62
1109	Accts Receivable-Mcare Crossover Pt B	35,972.74
1110	Accts Receivable-Medicaid Pending	48,056.00
1111	Accts Receivable-Insurance	140,691.90
1112	Accts Receivable-Managed Care	292,653.61
1113	Accts Receivable-VA	226,466.22
1115	Accts Receivable Other	(70,210.44)
1120	Allowance For Doubtful Accounts	220,400.39
1124	Resident Judgments	(3,037.25)
1125	Activities Fund	<u>1,328,859.76</u>
1200	Inventory	
1201	Inventory-Food	5,255.57
1202	Inventory-Medical Supplies	8,349.83
1203	Inventory-Nursing Supplies	12,436.88
1204	Inventory-PEN	280.93
1205	Inventory-Laundry	2,818.45
1206	Inventory-Housekeeping	1,735.30
1207	Inventory-Other	<u>35,876.96</u>
1300	Prepaid Expenses	
1301	Prepaid Insurance	4,899.80

Balance Sheet

as of 12/31/20

White Oak Manor - Burlington Inc (BU)

Account	Description	Amount
	Total Current Assets	4,899.80
	Non-Current Assets	
	Other Assets	
1500	Intercompany Account-Burlington	(761,097.80)
1501	Intercompany Account-OC with BU	59,715.04
1609	Intercompany Account-Payroll-Ultimate	(469.74)
1622		(701,852.50)
1686		
	Property, Plant and Equipment	
1800	Moveable Equipment	1,494,487.21
1810	Accm Depn-Moveable Equipment	(1,246,058.01)
1811		248,429.20
	Total Non-Current Assets	(453,423.30)
	Total Assets	\$1,407,601.30
	Liabilities & Equity	
3000	Total Liabilities	
3001	Current Liabilities	
3002	Notes and Accounts Payable	300,811.71
3004	Accounts Payable	(3,520.95)
3100	Medicare Cost Report Payable	282,846.02
3102	Medicare Covid Advance	1,687.69
3104	Employee Deductions-Cancer	581,824.47
3109		
	Accrued Liabilities	
3200	Accrued Salaries and Wages	174,450.27
3201	Accrued Vacation/PTO Payable	99,416.70
3202		273,866.97
	Other Current Liabilities	
3300	Property Taxes Payable	141.06
3301	Asset Retirement Obligation	79,034.00
3303	Derivatives	(2,245.00)
3306	Unearned Revenue	9,969.00
3350		

Balance Sheet

as of 12/31/20

White Oak Manor - Burlington Inc (BU)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
	Total Total Liabilities	942,590.50
		<u>86,899.06</u>
		942,590.50
	Equity	
4000	Common Stock	231,085.00
4001	Retained Earnings	1,294,049.99
4003	Current Earnings	(81,619.67)
4004	Interdivision Equity	(978,504.52)
4006	Total Equity	465,010.80
	Total Liabilities & Equity	\$1,407,601.30

Balance Sheet

as of 12/31/20

White Oak Management (WI)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	4,217,397.85
1100	Accounts Receivable	1,117,263.32
1200	Inventory	247,540.33
1300	Prepaid Expenses	760,424.30
1400	Other Current Assets	(7,892.40)
	Total Current Assets	6,334,733.40
1500	Non-Current Assets	
1501	Other Assets	(39,875,528.66)
1800	Property, Plant and Equipment	77,418.07
	Total Non-Current Assets	(39,798,110.59)
	Total Assets	(\$33,463,377.19)
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	
3004	Notes and Accounts Payable	5,779,739.04
3200	Accrued Liabilities	2,796,734.30
3300	Other Current Liabilities	168,090.89
	Total Total Liabilities	8,744,564.23
4000	Equity	
	Total Equity	(42,207,941.42)
	Total Liabilities & Equity	(\$33,463,377.19)

Balance Sheet

as of 12/31/20

White Oak Management (WI)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	
1003	Operating Bank Account	4,216,947.85
1005	Petty Cash	450.00
		<u>4,217,397.85</u>
1100	Accounts Receivable	
1114	Accts Receivable-Other	256,006.74
1115	Accts Receivable Other	774,159.35
1118	Due from Karesh	87,097.23
		<u>1,117,263.32</u>
1200	Inventory	
1202	Inventory-Medical Supplies	12,754.91
1203	Inventory-Nursing Supplies	211,632.37
1207	Inventory-Other	23,153.05
		<u>247,540.33</u>
1300	Prepaid Expenses	
1301	Prepaid Insurance	773,864.64
1304	Prepaid Ins-W Comp	(13,440.34)
		<u>760,424.30</u>
1400	Other Current Assets	
1402	Health Insurance Claims Account	(7,892.40)
		<u>(7,892.40)</u>
	Total Current Assets	6,334,733.40
1500	Non-Current Assets	
1501	Other Assets	
1509	Deferred Loan Costs	12,030.00
1510	Accm Amort Def Loan Costs	(12,030.00)
1601	Intercompany Account-Spartanburg	(1,043,862.18)
1602	Intercompany Account-Columbia	(6,213,201.38)
1603	Intercompany Account-Newberry	(5,784,479.73)
1604	Intercompany Account-Rock Hill	(11,940,219.37)
1605	Intercompany Account-Shelby	2,581,935.56

Balance Sheet
as of 12/31/20

White Oak Management (WI)

Account	Description	Amount
1606	Intercompany Account-Kings Mountain	(5,277,379.07)
1607	Intercompany Account-Tryon	708,925.62
1609	Intercompany Account-Burlington	761,097.80
1610	Intercompany Account-Charleston	(10,635,483.07)
1611	Intercompany Account-Charlotte	926,347.54
1612	Intercompany Account-SV Apartments	17,346.31
1613	Intercompany Account-Oak Creek	37,216.99
1614	Intercompany Account-Benson Hall	5,178.13
1615	Intercompany Account-White Oak Estates	27,168,295.62
1616	Intercompany Account-WOE Assisted Living	(15,408,809.22)
1617	Intercompany Account-WOE Apartments	(18,944,245.07)
1618	Intercompany Account-Lancaster	(8,823,520.67)
1619	Intercompany Account-York	(4,399,342.85)
1626	Intercompany Account- Waxhaw	4,814,297.39
1627	Intercompany Account-WO Village	41,259.25
1631	Intercompany Account-WOE Wellness Center	861,841.92
1635	Intercompany Account-North Grove	(1,800,868.36)
1686	Intercompany Account-Payroll-Ultimate	10,735,378.55
1687	Interdivision-Purchase Acct	1,736,761.63
		(39,875,528.66)
1800	Property, Plant and Equipment	
1810	Moveable Equipment	736,255.95
1811	Accm Dept-Moveable Equipment	(658,837.88)
		77,418.07
	Total Non-Current Assets	(39,798,110.59)
	Total Assets	(\$33,463,377.19)
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	
3004	Notes and Accounts Payable	
3100	Accounts Payable	2,029,118.68
3109	Employee Deductions-Cancer	5,402.79
3110	Covid SS Tax Payable	3,745,217.57
		5,779,739.04
3200	Accrued Liabilities	

Balance Sheet
as of 12/31/20

White Oak Management (WI)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
3201	Accrued Salaries and Wages	127,268.75
3202	Accrued Vacation/PTO Payable	103,917.55
3211	Accrued Audit Fees	90,209.00
3212	Accrued Insurance Liabilities	1,000,000.00
3213	Accrued Liabilities-Bonus	30,000.00
3214	Accrued Liabilities-Other	1,445,339.00
		2,796,734.30
3300	Other Current Liabilities	
3301	Property Taxes Payable	86,537.40
3306	Derivatives	81,553.49
		168,090.89
	Total Total Liabilities	8,744,564.23
4000	Equity	
4001	Common Stock	123,381.00
4003	Retained Earnings	(32,785,621.25)
4004	Current Earnings	(325,738.54)
4006	Interdivision Equity	(9,219,962.63)
	Total Equity	(42,207,941.42)
	Total Liabilities & Equity	(\$33,463,377.19)

ATTACHMENT 3

STATE OF NORTH CAROLINA) APARTMENT RENTAL AGREEMENT
)
COUNTY OF ALAMANCE) (WITH RETENTION SCHEDULE INCLUDED)

THIS AGREEMENT, made and entered into as of the _____ day of _____, 20_____, by and between White Oak Manor - Burlington, Inc., a corporation doing business as Oak Creek Apartments hereinafter referred to as "Owner" and _____, a resident of the State and County aforesaid, hereinafter referred to as "Resident."

W I T N E S S E T H:

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which the parties hereto acknowledge, and the full and faithful performance of all terms, covenants and conditions herein contained, the Owner hereby agrees to rent to the Resident, and the Resident hereby agrees to rent from the Owner, Apartment No. _____, located at Oak Creek, Burlington, North Carolina (hereinafter called the "premises," "complex," or "apartment complex") for Resident's sole occupancy, according to the following terms, covenants, and conditions:

1. TERM. The term of this Agreement shall begin on the _____ day of _____, 20_____, and end upon the first of the following to occur:
 - (a) The last day of the month following the Resident's death, or at such time thereafter as the Resident's belongings have been removed from the premises; or
 - (b) Resident's default as hereinafter defined; or
 - (c) Owner's having determined, and having given written notification thereof, that the Resident:
 - (i) is socially incompatible with the Owner's employees, other residents, or guests;
 - (ii) has demonstrated possible emotional instability;

- (iii) poses a risk to the life and well-being of him/herself or others;
 - (iv) has destroyed, or attempted to destroy, property belonging to the Owner, him/herself or others; or
 - (v) fails to fully comply with all terms and provisions contained in this Agreement; or
 - (vi) has acted in any other unreasonable fashion or poses for the Owner, its employees, residents or guests, any other unreasonable risks; or
- (d) The last day of any month prior to which the Resident has given to the Owner;
- (i) In the event the Resident is to be transferred, based upon written medical certification, to a hospital or to White Oak Manor - Burlington Nursing Center, at least ten (10) days prior written notice; or
 - (ii) In the event the Resident is to be transferred, based upon written medical certification, anywhere else, at least thirty (30) days prior written notice; or
 - (iii) In the event the Resident is to be transferred anywhere else, without written medical certification, at least (60) sixty days prior written notice; or
- (e) At such time as, if ever, the apartment is destroyed by fire or other calamity, or if the apartment, or a substantial portion of the complex, is acquired through condemnation proceedings, making it such, under the circumstances, that the apartment is no longer reasonably fit for its intended use.

In the event the Resident is transferred as provided in Paragraph (i) above, to a hospital, he/she shall have sixty (60) days from date of transfer to return to his/her apartment, and to have the within Agreement remain in full force and effect, so long as all terms, covenants and conditions herein contained, including those pertaining to rental payments, have been (and are then being) fully complied with.

In the event the Resident is transferred, as provided in Paragraph (i) above, to White Oak Manor - Burlington Nursing Center, the Resident shall have thirty (30) days from date of transfer to return to his apartment, and to have the within Agreement remain in full force and effect, so long as all terms, covenants and conditions herein contained, including those pertaining to rental payments, have been (and are then being) fully complied with.

In the event that the Resident, upon being transferred elsewhere as provided above, wishes to again become a tenant of the Owner, after the within Agreement has terminated, and is certified, in writing, by a qualified physician, as being again able to reside in the apartment complex, Owner agrees to give the Resident, to the extent reasonable possible, a priority as far as the next available apartment, with Retention Deposits and rental rates to be those then in effect, and a new Apartment Rental Agreement to be entered into.

In the situations described in Paragraphs (i) and (ii) above, the Owner may, but shall have no legal duty to, waive the requirement regarding written

notification based upon terms and conditions mutually agreeable to both Owner and Resident.

2. RETENTION DEPOSIT. At the time of executing this Agreement, Resident has paid to the Owner a Retention Deposit of _____ . The purpose of the Retention Deposit is to reduce the monthly rent when compared to the Straight Rental payment plan. Subject to the Retention Schedule herein contained, all such monies paid by the Resident to the Owner shall remain the property of the Resident. However, periodically, as provided by the Retention Schedule, the Owner shall be entitled to and become the owner of portions of the Retention Deposit, and eventually, according to the terms of the Agreement, shall become the owner of the entire fee. Notwithstanding ownership by the Resident of a portion of the fee, as provided in the Retention Schedule, throughout the entire term of this Agreement, the Owner shall have the absolute right to use the entire fee as the owner may, in its sole judgment, determine and shall be solely entitled to all benefits derived therefrom, including all interest earned thereon. The Retention Schedule is as follows:

<u>LENGTH OF OCCUPANCY</u>	<u>AMOUNT RETAINED</u>	<u>AMOUNT REFUNDED</u>
Upon Occupancy	20%	80%
1 Year (prorated daily)	40%	60%
2 Years (prorated daily)	60%	40%
3 Years (prorated daily)	80%	20%
4 Years (prorated daily)	100%	0%

In the event this Agreement shall terminate due to Resident's death or default as provided in Paragraphs i(a) or i(b) above, the balance of the Retention Deposit to

which the Resident would otherwise be entitled shall immediately become the property of the Owner and neither the Resident, nor anyone claiming in his/her behalf, shall have any further entitlement thereto. However, should this Agreement terminate as provided in Paragraphs 1(c), (d), or (e) above, Resident or his legal representative, as the case may be, shall be entitled to such refund as the Resident may be due according to the Retention Schedule described above. The amount of refund will be calculated on a daily basis (365 days per year). Refunds of this nature will be promptly made to the Resident or his/her legal representative but under no circumstances later than 30 days after the termination date of the agreement.

If for any reason, a resident would be precluded from occupying a living unit in the facility under the terms of the contract for continuing care, the contract is automatically canceled and all monies will be promptly refunded to the resident or their legal representative but within 30 days after the termination date of the agreement.

3. TRANSFERS. A transfer fee may apply if you desire to transfer from your current apartment to another. After 10 years of residency in the same apartment, a transfer fee may be waived. A 50% transfer fee will apply if transfer occurs within 5-10 years of residency. If request is made prior to 5 years, 100% of the transfer fee will apply. An exception to applying the transfer fee may apply if a prearranged admission agreement signed by both parties stipulates a desire to transfer to another specific apartment within one year. The transfer fee is not a preset cost but is based on cost to refurbish current apartment.

4. MARRIAGES. If a current resident(s) of Oak Creek becomes married, the rent will increase based on the rent schedules in effect at that time for two persons. No additional deposit is required and the balance outstanding on any deposit(s) will continue to amortize in accordance with each Resident's original Rental Agreement. A new Rental Agreement will be negotiated between Oak Creek and the husband and wife as Residents. Other than for medical reasons there are no qualifying requirements for a spouse to meet as a condition for entry. In the event the spouse does not medically qualify for admission, the agreement will terminate and alternate placement will be required.
5. RENT. In addition to paying the Retention Deposit provided for above, Resident also agrees to pay monthly rental to the Owner in the amount of _____, said rent to be payable in advance on or before the first day of each month for which due and owing, provided, however:
- (a) The rent for a partial month at the beginning of the term shall be prorated;
 - (b) Although the Owner will attempt to keep rental increases to a minimum, during any calendar year following the first full calendar year of this Agreement, the Owner may, due to an increase in the cost of operation, or for any other reason, upon thirty (30) days prior written notice to the Resident, increase the monthly rental payable hereunder so long as the sum of the increases in monthly rental during any calendar year does not exceed the greater of:
 - (i) Six (6%) percent of the average monthly rental during the preceding calendar year; or
 - (ii) An amount equal to the average monthly rental during the preceding calendar year multiplied by

the percentage increase in the "Consumer Price Index" figures for January and December of the preceding calendar year, the Consumer Price Index being the "Consumer Price Index - U.S. City Average - All Items Figures for Urban Wage Earners and Clerical Workers (Including Single Workers)", "which index is currently published in the "Monthly Labor Review" of the Bureau of Labor Statistics of the United States Department of Labor, or its successor index.

- (c) All rental payments shall be due and payable on or before the first day of the month for which due and owing, and if received on or after the tenth (10) day of that particular month shall accrue a five (5%) percent late charge (5% of the monthly payment) which sum shall be immediately due and payable and collectible as additional rent.

6. USE OF APARTMENT; COMPLIANCE WITH RULES AND REGULATIONS; SMOKING POLICY. Resident will make no unlawful or offensive use of the apartment and the common areas belonging to the Owner and will comply with all laws, ordinances and regulations of duly constituted governmental authorities. Resident will use the apartment only as a private dwelling for him/her and such other persons as may be authorized. In addition, Resident agrees to abide by the reasonable rules and regulations promulgated from time to time by Owner generally applicable to all occupants and designed for the general health, welfare, and comfort of the other occupants. In addition to all such other rules and regulations, Resident specifically acknowledges that Owner has a policy prohibiting the use of all tobacco products in the apartments as well as on the Oak Creek

property, and Resident agrees to abide by said policy. Any resident who violates this policy by using tobacco products in his/her apartment or on the Oak Creek property or by allowing anyone else to use tobacco products in his/her apartment or on the property will be deemed to be in default under this agreement and subject to the provisions of Paragraph 14 of this Agreement, including eviction and reimbursement of Owner's costs, expenses and attorney's fees. Notwithstanding the foregoing, Resident further acknowledges that this tobacco policy does not apply to other residents who signed their Apartment Rental Agreements prior to the implementation of this policy in September, 2008.

7. USE OF PREMISES. Resident shall have the use, possession and enjoyment during the term of this Agreement of the apartment above identified jointly with any other tenant, but all common areas, including stairways, walkways and grounds, shall be used and enjoyed with other residents, and no portion of the same may or shall be permanently or temporarily appropriated by Resident to Resident's exclusive use, enjoyment or possession.
8. CARE OF APARTMENT AND REPAIRS. Resident will take good care of the apartment and common areas and will report promptly to Owner any repairs which may be needed. Owner shall keep and maintain the apartment in tenable condition and shall have the right to make at reasonable times any and all repairs, renovations and alterations as it shall determine necessary or desirable. Resident shall reimburse Owner for expenses incurred by Owner for repairs attributable to Resident's abuse or mistreatment of the apartment (including appliances) or the common areas.

9. ALTERATIONS BY RESIDENT. Resident shall make no alterations to the apartment without the prior written consent of the Owner, which consent shall not be unreasonably withheld.
10. PETS. Resident may not keep any pets or animals of any kind anywhere upon the premises without the prior written consent of the Owner. Even after the Owner's consent has been given, this consent may be reasonably withdrawn by the Owner according to its sole judgment and discretion based upon what it believes to be in the best interest of the complex and the other residents. A \$500 pet deposit is required if a pet is maintained in the apartment. The deposit may be refunded at the discretion of Management.
11. POSSESSION OF FIREARMS. No person, including residents, friends of residents or family members, may possess or carry, whether openly or concealed, any guns, rifles, pistols or firearms of any type on the premises. Violation of this policy shall be deemed a violation of the Apartment Rental Agreement and may constitute grounds for discharge or cancellation of the Agreement.
12. RIGHT OF ENTRY. Owner's representative may enter the apartment at any reasonable time to examine same and/or make such alterations and repairs as Owner may determine.
13. SURRENDER OF PREMISES. Upon the expiration or termination of this Apartment Rental Agreement, Resident shall surrender the apartment to the Owner in the same condition as at the beginning of the term, ordinary wear and tear excepted.
14. INSURANCE, RISK OF LOSS AND RENTAL ABATEMENT. Resident shall be solely responsible for insuring Resident's personal belongings. If the apartment is damaged by fire, casualty, or act of God, regarding which the Resident was

neither negligent nor at fault, the Owner shall promptly repair the damages and the rental provided for herein shall be abated on a daily basis so long as the Resident is unable to occupy the premises while repairs are being made. However, at such time as the premises are again tenable, the obligation to pay rent shall resume. In the event that the damages involved are caused by negligence or fault on the part of the Resident, the rental provided for herein shall not abate, but shall be paid, as agreed, in timely fashion, and the Resident shall be further responsible for paying any sums deductible under the Owner's insurance coverage, which the Owner would otherwise be required to pay.

15. LIABILITY AND INDEMNIFICATION. The Owner shall not be liable for any damages or injuries to person or property occasioned anyone whatsoever, including other residents, employees, guests, or the like, by reason of Resident's use or occupancy of the apartment or the common areas, and Resident shall indemnify, defend and hold harmless Owner from and against any and all claims for damages or liability arising from injury to person or property regardless of how occurring. Furthermore, Owner shall not be liable to Resident, his family, employees or guests, for any injuries or damages caused by acts or omissions of other residents or occupants, whether caused on or off the property owned by the Owner. Finally, the Owner shall not be liable for any loss or damage resulting from failure, interruption or malfunction in the utilities provided Resident in connection with his/her occupancy of the apartment.
16. CONDEMNATION. If the apartment or all or any part of the premises shall be at any time taken for any public or

quasi-public use under any statute or by right of eminent domain, Owner shall be entitled to and shall receive the award or payment therefore (hereinafter called the "Award"), and Resident shall assign, and does hereby assign and transfer, such Award to the Owner free and clear of every claim of every kind whatsoever by or on the part of the Resident.

17. DEFAULT. This Apartment Rental Agreement is made upon the condition that the Resident shall faithfully perform all of the terms, covenants and conditions herein contained by him/her to be performed as herein set forth or in other agreements heretofore or hereafter entered into between the Owner and the Resident, and Resident shall be in default if:

- (a) Any rental payment due hereunder shall at any time be in arrears and unpaid for fifteen (15) days after receipt by Resident of written notice making demand therefore; or
- (b) Resident shall fail to observe or perform any of the covenants, agreements, or conditions set forth herein and said failure shall continue for a period of fifteen (15) days after receipt by Resident of written notice of such failure from Owner.

In the event of a default, Owner may at its option, declare the term of this Agreement ended and repossess the Apartment, and shall further be entitled to all other rights and remedies set forth herein. A waiver of any default by Owner shall not constitute a waiver of any other or subsequent default. The Owner shall be entitled to be fully reimbursed for all costs and expenses incurred in enforcing its rights hereunder, including a reasonable attorney's fee, and shall be entitled to have accrued

monthly interest, at the maximum rate allowed by law, as to any payments due and owing hereunder.

18. ASSIGNMENT AND SUBLETTING. Should the apartment complex be sold or leased to another party, Owner shall have the right to assign this lease to the new owner. However, Resident may not assign or transfer this lease or sublet the apartment or any part thereof without the prior written consent of the Owner, which consent the Owner may withhold.
19. SUBORDINATION. This Apartment Rental Agreement is subject and subordinate to all ground or underlying leases and to all mortgages or deeds of trust which may now or hereafter affect such leases or the real property on which the apartment is located. In the event of foreclosure, any Retention Deposits or security deposits will be refunded to the Resident on the basis of the applicable retention schedule. Furthermore, every effort will be made to have the mortgagee honor all agreements between the Owner and Resident and continue the apartment complex as an operating entity.
20. NOTICES. Any notice required or provided for herein shall be deemed to have been served sufficiently or received if the same shall be in writing and either hand delivered or mailed, postage prepaid, to a party's present address, or to such other address as that party may subsequently provide.
21. DISPOSITION OF PERSONAL PROPERTY. Upon the expiration or termination of this Agreement, Owner shall have the right, after ten (10) days written notice, to remove, at the Resident's sole cost and expense, from the premises, all of the Resident's personal belongings and other property remaining therein, and to dispose of same as the Owner in its sole judgment shall determine, with no liability

therefore. In addition, as to any expenses thereby incurred, or incurred by the Owner in cleaning Resident's apartment, Resident shall reimburse Owner therefore.

22. SERVICES OFFERED.

- (a) Meals. Owner will provide Resident with one meal per day, the meal to be determined by Owner, and to be served in the common dining area.
- (b) Guest Meals. Are available at \$8.00 per meal.
- (c) Utilities. All utilities, except telephone expenses, will be paid for by the Owner. However, the cost of telephone installation and removal shall be paid by Resident.
- (d) Janitorial Services. Owner will provide services in all service areas, halls and community areas.
- (e) Maid Service. Owner will provide maid service twice a month, on a regularly scheduled basis, to clean Resident's apartment if so desired by Resident.
- (f) Laundry. Twice each week, Resident's flat laundry will be picked up outside the door of Resident's apartment, cleaned and returned.
- (g) Laundromat. Laundry facilities are available free of charge at the apartment complex for Resident's use (Resident must provide detergent).
- (h) Transportation. Transportation will be available at certain scheduled times, to be determined by the Owner in view of the needs of the Resident and the other occupants of apartments.
- (i) Nursing Center. A bed in the adjoining nursing center will be made available, on a priority basis, whenever Resident's health, as determined by Resident's physician, so requires.

- (j) Nurse Call System. Is located in the master bedroom and bath of each apartment and is connected to the nurse's station at the adjacent nursing facility. If activated, a trained member of the Nursing Department will respond to the apartment.
- (k) Health Services Available. Skilled and Intermediate Nursing Care (Medicare and Medicaid Certified).
- (l) Storage Facilities. Owner shall provide, at Resident's sole risk, reasonable storage space for Resident's belongings other than furniture and other household furnishings.
- (m) Recreational Facilities. Recreational facilities are available for Resident's use on first come / first served basis.
- (n) Basic Cable TV Service. Basic Cable TV service is provided by the Owner. Additional services can be purchased by the Resident.
- (o) Personal Services. The following are available at the resident's expense:
 - Beauty/ Barber Shop
 - Accommodations for overnight guests
 - Dry cleaning pick-up and delivery
 - Daily delivery of local and national newspapers

23. ENTIRE AGREEMENT AND AMENDMENT. This Apartment Rental Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and sets forth all representations and warranties and supersedes any and all prior or contemporaneous oral or written agreements, representations, warranties or understandings with respect to the subject matter hereof. No amendment or modification of this Agreement shall be binding unless evidenced by an agreement in writing signed by both the Resident (or his/her legal representative) and the Owner.
24. NORTH CAROLINA LAW. Notwithstanding anything else herein contained to the contrary, the following rights afforded by North Carolina law shall apply. Specifically:
- (a) In accordance with N.C.G.S. §58-64-25(a)(1), Resident may rescind this Agreement within thirty (30) days following the later of the execution of the contract as set forth below or the receipt of a disclosure statement that meets the requirements of N.C.G.S. §58-64. Furthermore, Resident is hereby notified that he/she is not required to move into the apartment described below prior to the expiration of the thirty day period described herein.
 - (b) In accordance with N.C.G.S. §58-64-25(a)(2), if a resident dies before occupying a living unit in the facility, or if, on account of illness, injury, or incapacity, a resident would be precluded from occupying a living unit in the facility, under the terms of the contract for continuing care, the contract is automatically canceled. All fees and deposits will be fully refundable to the resident or their Legal Representative within 30 days of notification to the facility.

- (c) In accordance with N.C.G.S. §58-64-25(a)(3), if an executed contract is rescinded or cancelled under the terms of this contract, all unearned fees and deposits will be fully refundable to the Resident or their Legal Representative within 30 days of notification to the facility. The amount of refund will be calculated on a daily basis (365 days per year).
- (d) In accordance with N.C.G.S. §58-64-25(b)(3), Owner will follow the following procedure to change resident's accommodations, if necessary, for the protection of the health or safety of the Resident or the general and economic welfare of the residents. All decisions regarding your permanent transfer from Oak Creek will be made after consultation with you and, when appropriate, with your family or designee. Oak Creek's decision will be binding.
- (e) In accordance with N.C.G.S. §58-64-25(b)(8), Resident is hereby informed that Owner has no religious or charitable affiliation. Furthermore, there is no affiliate organization that will be responsible for the financial and/or contractual obligations of the Owner.
- (f) In accordance with N.C.G.S. §58-64-25(b)(9), Resident has no property rights hereunder.
- (g) In accordance with N.C.G.S. §58-64-25(b)(10), Oak Creek's policy, regarding adjusting fees and/or rental sums hereunder, is that if the Resident is voluntarily absent from the facility, no adjustment will be made. In other words, all fees owed Owner hereunder, in the event of the voluntary absence of the Resident from the premises, will nevertheless be due and payable as otherwise provided for herein.

- (h) In accordance with N.C.G.S. §58-64-25(b)(11), there is no requirement that the Resident apply for Medicaid, public assistance, or any public benefit program. More specifically, no such benefits are available to the Resident under this Agreement or while living at Oak Creek.
- (i) In accordance with N.C.G.S. §58-64-40(b), "The Board of Directors or other governing body of a facility or its designated representative shall hold semiannual meetings with the residents of the facility for free discussions of subject including, but not limited to, income, expenditures, and financial trends and problems as they apply to the facility and discussions of proposed changes in policies, programs, and services. Upon request of the most representative residents' organization, a member of the governing body of the provider, such as a board member, a general partner, or a principal owner shall attend such meetings. Residents shall be entitled to at least seven days advance notice of each meeting. An agenda and any materials that will be distributed by the governing body at the meetings shall remain available upon request to residents."
25. APPLICABLE LAW. This Apartment Rental Agreement shall be governed by and construed according to the laws of the State of North Carolina.
26. BINDING EFFECT. This Apartment Rental Agreement and all terms, covenants and conditions herein contained, shall extend to and be binding upon the parties hereto and upon their respective heirs, administrators, successors, executors, and assigns.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals as of the date and year first above written.

WHITE OAK MANOR - BURLINGTON, INC.
d/b/a OAK CREEK APARTMENTS

By: _____
(Name and Title)

_____ (SEAL)
(Resident)

RESIDENT ACKNOWLEDGES THAT HE/SHE HAS READ THIS AGREEMENT BEFORE SIGNING, UNDERSTANDS ITS CONTENTS, AND AGREES TO ABIDE BY ALL OF ITS TERMS AND PROVISIONS.

STATE OF NORTH CAROLINA) APARTMENT RENTAL AGREEMENT
)
COUNTY OF ALAMANCE) (WITH NO INITIAL DEPOSIT)

THIS AGREEMENT, made and entered into as of the _____ day of _____, 20_____, by and between White Oak Manor - Burlington, Inc., a corporation doing business as Oak Creek Apartments hereinafter referred to as "Owner" and _____, a resident of the State and County aforesaid, hereinafter referred to as "Resident."

W I T N E S S E T H:

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which the parties hereto acknowledge, and the full and faithful performance of all terms, covenants and conditions herein contained, the Owner hereby agrees to rent to the Resident, and the Resident hereby agrees to rent from the Owner, Apartment No. _____, located at Oak Creek, Burlington, North Carolina (hereinafter called the "premises," "complex," or "apartment complex") for Resident's sole occupancy, according to the following terms, covenants, and conditions:

1. TERM. The term of this Agreement shall begin on the _____ day of _____, 20_____, and end upon the first of the following to occur:
 - (a) The last day of the month following the Resident's death, or at such time thereafter as the Resident's belongings have been removed from the premises; or
 - (b) Resident's default as hereinafter defined; or
 - (c) Owner's having determined, and having given written notification thereof, that the Resident:
 - (i) is socially incompatible with the Owner's employees, other residents, or guests;
 - (ii) has demonstrated possible emotional instability;

- (iii) poses a risk to the life and well-being of him/herself or others;
 - (iv) has destroyed, or attempted to destroy, property belonging to the Owner, him/herself or others; or
 - (v) fails to fully comply with all terms and provisions contained in this Agreement; or
 - (vi) has acted in any other unreasonable fashion or poses for the Owner, its employees, residents or guests, any other unreasonable risks; or
- (d) The last day of any month prior to which the Resident has given to the Owner;
- (i) In the event the Resident is to be transferred, based upon written medical certification, to a hospital or to White Oak Manor - Burlington Nursing Center, at least ten (10) days prior written notice; or
 - (ii) In the event the Resident is to be transferred, based upon written medical certification, anywhere else, at least thirty (30) days prior written notice; or
 - (iii) In the event the Resident is to be transferred anywhere else, without written medical certification, at least (60) sixty days prior written notice; or
- (e) At such time as, if ever, the apartment is destroyed by fire or other calamity, or if the apartment, or a substantial portion of the complex, is acquired through condemnation proceedings, making it such, under the circumstances, that the apartment is no longer reasonably fit for its intended use.

In the event the Resident is transferred as provided in Paragraph (i) above, to a hospital, he/she shall have sixty (60) days from date of transfer to return to his/her apartment, and to have the within Agreement remain in full force and effect, so long as all terms, covenants and conditions herein contained, including those pertaining to rental payments, have been (and are then being) fully complied with.

In the event the Resident is transferred, as provided in Paragraph (i) above, to White Oak Manor - Burlington Nursing Center, the Resident shall have thirty (30) days from date of transfer to return to his apartment, and to have the within Agreement remain in full force and effect, so long as all terms, covenants and conditions herein contained, including those pertaining to rental payments, have been (and are then being) fully complied with.

In the event that the Resident, upon being transferred elsewhere as provided above, wishes to again become a tenant of the Owner, after the within Agreement has terminated, and is certified, in writing, by a qualified physician, as being again able to reside in the apartment complex, Owner agrees to give the Resident, to the extent reasonable possible, a priority as far as the next available apartment, with retention deposits and rental rates to be those then in effect, and a new Apartment Rental Agreement to be entered into.

In the situations described in Paragraphs (i) and (ii) above, the Owner may, but shall have no legal duty to, waive the requirement regarding written

notification based upon terms and conditions mutually agreeable to both Owner and Resident.

If for any reason, a resident would be precluded from occupying a living unit in the facility under the terms of the contract for continuing care, the contract is automatically canceled and all monies will be promptly refunded to the resident or their legal representative within 30 days after the termination date of the agreement.

2. TRANSFERS. A transfer fee may apply if you desire to transfer from your current apartment to another. After 10 years of residency in the same apartment, a transfer fee may be waived. A 50% transfer fee will apply if transfer occurs within 5-10 years of residency. If request is made prior to 5 years, 100% of the transfer fee will apply. An exception to applying the transfer fee may apply if a prearranged admission agreement signed by both parties stipulates a desire to transfer to another specific apartment within one year. The transfer fee is not a preset cost but is based on cost to refurbish vacated apartment.
3. MARRIAGES. If a current resident(s) of Oak Creek becomes married, the rent will increase based on the rent schedules in effect at that time for two persons. No additional deposit is required and the balance outstanding on any deposit(s) will continue to amortize in accordance with each Resident's original Rental Agreement. A new Rental Agreement will be negotiated between Oak Creek and the husband and wife as Residents. Other than for medical reasons there are no qualifying requirements for a spouse to meet as a condition for entry. In the event the spouse does not medically qualify for admission, the agreement will terminate and alternate placement will be required.

4. RENT. Resident agrees to pay monthly rental to the Owner in the amount of _____, said rent to be payable in advance on or before the first day of each month for which due and owing, provided, however:
- (a) The rent for a partial month at the beginning of the term shall be prorated;
 - (b) Although the Owner will attempt to keep rental increases to a minimum, during any calendar year following the first full calendar year of this Agreement, the Owner may, due to an increase in the cost of operation, or for any other reason, upon thirty (30) days prior written notice to the Resident, increase the monthly rental payable hereunder so long as the sum of the increases in monthly rental during any calendar year does not exceed the greater of:
 - (i) Six (6%) percent of the average monthly rental during the preceding calendar year; or
 - (ii) An amount equal to the average monthly rental during the preceding calendar year multiplied by the percentage increase in the "Consumer Price Index" figures for January and December of the preceding calendar year, the Consumer Price Index being the "Consumer Price Index - U.S. City Average - All Items Figures for Urban Wage Earners and Clerical Workers (Including Single Workers)", "which index is currently published in the "Monthly Labor Review" of the Bureau of Labor Statistics of the United States Department of Labor, or its successor index.
 - (c) All rental payments shall be due and payable on or before the first day of the month for which due and owing, and if received on or after the tenth (10) day

of that particular month shall accrue a five (5%) percent late charge (5% of the monthly payment) which sum shall be immediately due and payable and collectible as additional rent.

5. USE OF APARTMENT; COMPLIANCE WITH RULES AND REGULATIONS; SMOKING POLICY. Resident will make no unlawful or offensive use of the apartment and the common areas belonging to the Owner and will comply with all laws, ordinances and regulations of duly constituted governmental authorities. Resident will use the apartment only as a private dwelling for him/her and such other persons as may be authorized. In addition, Resident agrees to abide by the reasonable rules and regulations promulgated from time to time by Owner generally applicable to all occupants and designed for the general health, welfare, and comfort of the other occupants. In addition to all such other rules and regulations, Resident specifically acknowledges that Owner has a policy prohibiting the use of all tobacco products in the apartments as well as on the Oak Creek property, and Resident agrees to abide by said policy. Any resident who violates this policy by using tobacco products in his/her apartment or on the Oak Creek property or by allowing anyone else to use tobacco products in his/her apartment or on the property will be deemed to be in default under this agreement and subject to the provisions of Paragraph 14 of this Agreement, including eviction and reimbursement of Owner's costs, expenses and attorney's fees. Notwithstanding the foregoing, Resident further acknowledges that this tobacco policy does not apply to other residents who signed their Apartment Rental Agreements prior to the implementation of this policy in September, 2008.

6. USE OF PREMISES. Resident shall have the use, possession and enjoyment during the term of this Agreement of the apartment above identified jointly with any other tenant, but all common areas, including stairways, walkways and grounds, shall be used and enjoyed with other residents, and no portion of the same may or shall be permanently or temporarily appropriated by Resident to Resident's exclusive use, enjoyment or possession.
7. CARE OF APARTMENT AND REPAIRS. Resident will take good care of the apartment and common areas and will report promptly to Owner any repairs which may be needed. Owner shall keep and maintain the apartment in tenable condition and shall have the right to make at reasonable times any and all repairs, renovations and alterations as it shall determine necessary or desirable. Resident shall reimburse Owner for expenses incurred by Owner for repairs attributable to Resident's abuse or mistreatment of the apartment (including appliances) or the common areas.
8. ALTERATIONS BY RESIDENT. Resident shall make no alterations to the apartment without the prior written consent of the Owner, which consent shall not be unreasonably withheld.
9. PETS. Resident may not keep any pets or animals of any kind anywhere upon the premises without the prior written consent of the Owner. Even after the Owner's consent has been given, this consent may be reasonably withdrawn by the Owner according to its sole judgment and discretion based upon what it believes to be in the best interest of the complex and the other residents. A \$500 pet deposit is required if a pet is maintained in the apartment. The deposit may be refunded at the discretion of Management.

10. POSSESSION OF FIREARMS. No person, including residents, friends of residents or family members, may possess or carry, whether openly or concealed, any guns, rifles, pistols or firearms of any type on the premises. Violation of this policy shall be deemed a violation of the Apartment Rental Agreement and may constitute grounds for discharge or cancellation of the Agreement.
11. RIGHT OF ENTRY. Owner's representative may enter the apartment at any reasonable time to examine same and/or make such alterations and repairs as Owner may determine.
12. SURRENDER OF PREMISES. Upon the expiration or termination of this Apartment Rental Agreement, Resident shall surrender the apartment to the Owner in the same condition as at the beginning of the term, ordinary wear and tear excepted.
13. INSURANCE, RISK OF LOSS AND RENTAL ABATEMENT. Resident shall be solely responsible for insuring Resident's personal belongings. If the apartment is damaged by fire, casualty, or act of God, regarding which the Resident was neither negligent nor at fault, the Owner shall promptly repair the damages and the rental provided for herein shall be abated on a daily basis so long as the Resident is unable to occupy the premises while repairs are being made. However, at such time as the premises are again tenable, the obligation to pay rent shall resume. In the event that the damages involved are caused by negligence or fault on the part of the Resident, the rental provided for herein shall not abate, but shall be paid, as agreed, in timely fashion, and the Resident shall be further responsible for paying any sums deductible under the Owner's insurance coverage, which the Owner would otherwise be required to pay.

14. LIABILITY AND INDEMNIFICATION. The Owner shall not be liable for any damages or injuries to person or property occasioned anyone whatsoever, including other residents, employees, guests, or the like, by reason of Resident's use or occupancy of the apartment or the common areas, and Resident shall indemnify, defend and hold harmless Owner from and against any and all claims for damages or liability arising from injury to person or property regardless of how occurring. Furthermore, Owner shall not be liable to Resident, his family, employees or guests, for any injuries or damages caused by acts or omissions of other residents or occupants, whether caused on or off the property owned by the Owner. Finally, the Owner shall not be liable for any loss or damage resulting from failure, interruption or malfunction in the utilities provided Resident in connection with his/her occupancy of the apartment.
15. CONDEMNATION. If the apartment or all or any part of the premises shall be at any time taken for any public or quasi-public use under any statute or by right of eminent domain, Owner shall be entitled to and shall receive the award or payment therefore (hereinafter called the "Award"), and Resident shall assign, and does hereby assign and transfer, such Award to the Owner free and clear of every claim of every kind whatsoever by or on the part of the Resident.
16. DEFAULT. This Apartment Rental Agreement is made upon the condition that the Resident shall faithfully perform all of the terms, covenants and conditions herein contained by him/her to be performed as herein set forth or in other agreements heretofore or hereafter entered into between the

Owner and the Resident, and Resident shall be in default if:

- (a) Any rental payment due hereunder shall at any time be in arrears and unpaid for fifteen (15) days after receipt by Resident of written notice making demand therefore; or
- (b) Resident shall fail to observe or perform any of the covenants, agreements, or conditions set forth herein and said failure shall continue for a period of fifteen (15) days after receipt by Resident of written notice of such failure from Owner.

In the event of a default, Owner may at its option, declare the term of this Agreement ended and repossess the Apartment, and shall further be entitled to all other rights and remedies set forth herein. A waiver of any default by Owner shall not constitute a waiver of any other or subsequent default. The Owner shall be entitled to be fully reimbursed for all costs and expenses incurred in enforcing its rights hereunder, including a reasonable attorney's fee, and shall be entitled to have accrued monthly interest, at the maximum rate allowed by law, as to any payments due and owing hereunder.

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apartment is located. In the event of foreclosure, any retention deposits or security deposits will be refunded to the Resident on the basis of the applicable retention schedule. Furthermore, every effort will be made to have the mortgagee honor all agreements between the Owner and Resident and continue the apartment complex as an operating entity.

19. NOTICES. Any notice required or provided for herein shall be deemed to have been served sufficiently or received if the same shall be in writing and either hand delivered or mailed, postage prepaid, to a party's present address, or to such other address as that party may subsequently provide.

20. DISPOSITION OF PERSONAL PROPERTY. Upon the expiration or termination of this Agreement, Owner shall have the right, after ten (10) days written notice, to remove, at the Resident's sole cost and expense, from the premises, all of the Resident's personal belongings and other property remaining therein, and to dispose of same as the Owner in its sole judgment shall determine, with no liability therefore. In addition, as to any expenses thereby incurred, or incurred by the Owner in cleaning Resident's apartment, Resident shall reimburse Owner therefore.

21. SERVICES OFFERED.

(a) Meals. Owner will provide Resident with one meal per day, the meal to be determined by Owner, and to be served in the common dining area.

(b) Guest Meals. Are available at \$8.00 per meal.

(c) Utilities. All utilities, except telephone expenses, will be paid for by the Owner. However, the cost of telephone installation and removal shall be paid by Resident.

- (d) Janitorial Services. Owner will provide services in all service areas, halls and community areas.
- (e) Maid Service. Owner will provide maid service twice a month, on a regularly scheduled basis, to clean Resident's apartment if so desired by Resident.
- (f) Laundry. Twice each week, Resident's flat laundry will be picked up outside the door of Resident's apartment, cleaned and returned.
- (g) Laundromat. Laundry facilities are available free of charge at the apartment complex for Resident's use (Resident must provide detergent).
- (h) Transportation. Transportation will be available at certain scheduled times, to be determined by the Owner in view of the needs of the Resident and the other occupants of apartments.
- (i) Nursing Center. A bed in the adjoining nursing center will be made available, on a priority basis, whenever Resident's health, as determined by Resident's physician, so requires.

- (j) Nurse Call System. Is located in the master bedroom and bath of each apartment and is connected to the nurse's station at the adjacent nursing facility. If activated, a trained member of the Nursing Department will respond to the apartment.
- (k) Health Services Available. Skilled and Intermediate Nursing Care (Medicare and Medicaid Certified).
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 - Beauty/ Barber Shop
 - Accommodations for overnight guests
 - Dry cleaning pick-up and delivery
 - Daily delivery of local and national newspapers

22. ENTIRE AGREEMENT AND AMENDMENT. This Apartment Rental Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and sets forth all representations and warranties and supersedes any and all prior or contemporaneous oral or written agreements, representations, warranties or understandings with respect to the subject matter hereof. No amendment or modification of this Agreement shall be binding unless evidenced by an agreement in writing signed by both the Resident (or his/her legal representative) and the Owner.

23. NORTH CAROLINA LAW. Notwithstanding anything else herein contained to the contrary, the following rights afforded by North Carolina law shall apply. Specifically:

(a) In accordance with N.C.G.S. §58-64-25(a)(1), Resident may rescind this Agreement within thirty (30) days following the later of the execution of the contract as set forth below or the receipt of a disclosure statement that meets the requirements of N.C.G.S. §58-64. Furthermore, Resident is hereby notified that he/she is not required to move into the apartment described below prior to the expiration of the thirty day period described herein.

(b) In accordance with N.C.G.S. §58-64-25(a)(2), if a resident dies before occupying a living unit in the facility, or if, on account of illness, injury, or incapacity, a resident would be precluded from occupying a living unit in the facility, under the terms of the contract for continuing care, the contract is automatically canceled. All fees and deposits will be fully refundable to the resident or their Legal Representative within 30 days of notification to the facility.

- (c) In accordance with N.C.G.S. §58-64-25(a)(3), if an executed contract is rescinded or cancelled under the terms of this contract, all unearned fees and deposits will be fully refundable to the Resident or their Legal Representative within 30 days of notification to the facility.
- (d) In accordance with N.C.G.S. §58-64-25(b)(3), Owner will follow the following procedure to change resident's accommodations, if necessary, for the protection of the health or safety of the Resident or the general and economic welfare of the residents. All decisions regarding your permanent transfer from Oak Creek will be made after consultation with you and, when appropriate, with your family or designee. Oak Creek's decision will be binding.
- (e) In accordance with N.C.G.S. §58-64-25(b)(8), Resident is hereby informed that Owner has no religious or charitable affiliation. Furthermore, there is no affiliate organization that will be responsible for the financial and/or contractual obligations of the Owner.
- (f) In accordance with N.C.G.S. §58-64-25(b)(9), Resident has no property rights hereunder.
- (g) In accordance with N.C.G.S. §58-64-25(b)(10), Oak Creek's policy, regarding adjusting fees and/or rental sums hereunder, is that if the Resident is voluntarily absent from the facility, no adjustment will be made. In other words, all fees owed Owner hereunder, in the event of the voluntary absence of the Resident from the premises, will nevertheless be due and payable as otherwise provided for herein.

(h) In accordance with N.C.G.S. §58-64-25(b)(11), there is no requirement that the Resident apply for Medicaid, public assistance, or any public benefit program. More specifically, no such benefits are available to the Resident under this Agreement or while living at Oak Creek.

(i) In accordance with N.C.G.S. §58-64-40(b), "The Board of Directors or other governing body of a facility or its designated representative shall hold semiannual meetings with the residents of the facility for free discussions of subject including, but not limited to, income, expenditures, and financial trends and problems as they apply to the facility and discussions of proposed changes in policies, programs, and services. Upon request of the most representative residents' organization, a member of the governing body of the provider, such as a board member, a general partner, or a principal owner shall attend such meetings. Residents shall be entitled to at least seven days advance notice of each meeting. An agenda and any materials that will be distributed by the governing body at the meetings shall remain available upon request to residents."

24. APPLICABLE LAW. This Apartment Rental Agreement shall be governed by and construed according to the laws of the State of North Carolina.

25. BINDING EFFECT. This Apartment Rental Agreement and all terms, covenants and conditions herein contained, shall extend to and be binding upon the parties hereto and upon their respective heirs, administrators, successors, executors, and assigns.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals as of the date and year first above written.

WHITE OAK MANOR - BURLINGTON, INC.
d/b/a OAK CREEK APARTMENTS

By: _____

(Name and Title)

_____ (SEAL)

(Resident)

RESIDENT ACKNOWLEDGES THAT HE/SHE HAS READ THIS AGREEMENT BEFORE SIGNING, UNDERSTANDS ITS CONTENTS, AND AGREES TO ABIDE BY ALL OF ITS TERMS AND PROVISIONS.

Facility Use Only:
Apt. & Bldg. _____



**INDEPENDENT LIVING RETIREMENT COMMUNITY
WELLNESS EVALUATION FORM**

(This physical examination must be completed by patient(s) primary care physician)

PLEASE PRINT NEATLY

Name: _____ Birthdate: _____ / _____ / _____

Social Security Number: _____ Male Female

Address: _____

How long has this individual been a patient of yours or seen at this practice? _____

- Reason for Review: Pre-Residency
 Change in Condition
 Other

MEDICAL REVIEW FINDINGS:

Date of Exam: _____

Wt: _____ Ht: _____ BP: _____ Pulse: _____ Rhythms: _____

Resp: _____ Temp: _____

General Appearance: _____

Skin: _____

Equilibrium: _____ Tremor: _____ Reflexes: _____

Vision: _____ Does patient require the use of glasses, readers or contacts? _____

Hearing: _____ Does patient require the use of hearing aids? _____

Do you recommend an audiology consult? _____

Oral Health: _____ Does patient require the use of dentures or partials? _____

Lungs: _____ Does patient require the use of oxygen? _____

Heart: _____ Extremities: _____

Tuberculin Test: Negative: _____ Positive: _____ (x-ray if positive)

Date of last Balance Test: *(if not in last 6 months, please administer)* _____

Results: _____

Is patient ambulatory? Yes No

Does patient require use of the following?

- Walker
- Cane
- Rollator
- Motorized Chair
- Wheelchair
- Scooter

MEDICAL HISTORY:

Primary Diagnoses(s): _____

Secondary Diagnoses(s): _____

(Please check any of the following illnesses or diseases which apply currently or in the past)

		Date of Onset	Resolved? Y or N	Controlled with Medications? Y or N
<input type="checkbox"/>	High Blood Pressure			
<input type="checkbox"/>	Diabetes			
<input type="checkbox"/>	Congestive Heart Failure			
<input type="checkbox"/>	Asthma			
<input type="checkbox"/>	Ulcers			
<input type="checkbox"/>	Anemia			
<input type="checkbox"/>	Depression			
<input type="checkbox"/>	Mental Illness			
<input type="checkbox"/>	Intellectual Disability			
<input type="checkbox"/>	Muscular Dystrophy			
<input type="checkbox"/>	Cancer			
<input type="checkbox"/>	Stroke			
<input type="checkbox"/>	Heart Attack			
<input type="checkbox"/>	Arteriosclerosis			
<input type="checkbox"/>	Chronic Lung Disease			
<input type="checkbox"/>	Rectal Bleeding			
<input type="checkbox"/>	Memory Loss			
<input type="checkbox"/>	Cataracts			
<input type="checkbox"/>	Arthritis			
<input type="checkbox"/>	Macular Degeneration			
<input type="checkbox"/>	Significant Vision Loss			

Present Illnesses not listed above and date of onset: _____

Past Illnesses not listed above and dates: _____

Mental / Emotional Illnesses: Please provide history, if any (*If ever institutionalized, please provide dates and location(s)*) _____

Operation(s) and date(s): _____

Allergies:

Medications: _____
Food Allergies: _____
Seasonal: _____
Anaphylactic: _____
Diet: _____

Alcohol Use: _____ Socially
_____ Weekly
_____ Daily

Is patient on any medication that contraindicates use of alcohol? (*If yes, please list*) _____

Is patient a tobacco user (any form of tobacco)? Yes No
(*White Oak is a tobacco-free campus*)

Does patient require any orders for: Physical Therapy: _____
 Occupational Therapy: _____
 Speech Therapy: _____

Does patient have any cognitive impairment? Yes No If yes, Minor Moderate Severe

Does Patient have memory loss? Yes No If yes, Minor Moderate Severe

Is patient capable of correctly administering, filling and refilling their own medications?
 Yes No (**Please attach current medication list**)

Is patient physically and mentally capable of living in an independent living environment, without supervision? Yes No

(If no, please explain): _____

Is there any other diagnosis that would prevent patient from living independently? _____

White Oak is a traditional, free-standing apartment community that requires residents to exit their building and walk outside to our dining room. Residents must also be able to shop for groceries.

Is patient able, without assistance, to attend daily noon meals served in the Campus Community Dining Room or able to prepare meals? Yes No

In the event of fire, flood or any emergency situation, would you consider this patient able to exit: With Assistance Without Assistance

Do you consider this patient more appropriate for: Independent Living Assisted Living

Any additional information: _____

I certify that I have physically examined this patient and have accurately described the individual's medical state, cognitive status, and medication regimen.

Date: _____ Signature of Physician

Printed Name of Physician: _____

Physician Phone Number: _____ Fax Number: _____

Examining Physician – Return this form via:

MAIL:

OAK CREEK
INDEPENDENT LIVING APARTMENTS
ATTN: KELLY RIVERS
343 BALDWIN RD.
BURLINGTON, NC 27217-2775

FAX: 336-226-5072
ATTN: KELLY RIVERS

I hereby give permission for my physician to release my medical information to:

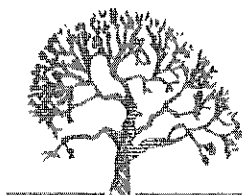
OAK CREEK APARTMENTS

Patient's Signature: _____

Patient's Printed Name: _____

Date: _____

Facility Use Only:
Apt. & Bldg. # _____



Oak Creek

APPLICATION FOR ADMISSION

Please Print or Type – *(Each person must submit separate applications even if married)*

1. Full Name: _____
2. Spouse: _____
3. Present Address: (If you maintain more than one home, please indicate):

4. Present Phone Number: _____
5. Social Security #: _____ Medicare #: _____
6. Health Insurance Co.: _____ Policy #: _____

7. Financial/ Legal Representative(s):
Name: _____ Name: _____
Address: _____ Address: _____

Phone: _____ Phone: _____
8. Marital Status: Single Married Widow/Widower
9. Veteran: Yes No If yes, branch of service: _____
10. Birthdate: _____ Place of Birth: _____
11. Former Occupation(s): _____
12. Hobbies, special talents or interests: _____

13. Church Affiliation: _____
How long affiliated? _____
Name of Minister, Priest or Rabbi: _____
Address: _____

14. Special Needs (or Handicaps): _____

15. Names of Living Children (or next closest relative):

<u>Names</u>	<u>Addresses</u>	<u>Telephone #</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

16. Medical History: *(Please check any of the following illnesses or diseases which applies currently or in the past)*
- | | | |
|---|---|---|
| <input type="checkbox"/> High Blood Pressure | <input type="checkbox"/> Stroke | <input type="checkbox"/> Depression |
| <input type="checkbox"/> Diabetes | <input type="checkbox"/> Heart Attack | <input type="checkbox"/> Mental Illness |
| <input type="checkbox"/> Congestive Heart Failure | <input type="checkbox"/> Arteriosclerosis | <input type="checkbox"/> Mental Retardation |
| <input type="checkbox"/> Asthma | <input type="checkbox"/> Chronic Lung Disease | <input type="checkbox"/> Muscular Dystrophy |
| <input type="checkbox"/> Ulcers | <input type="checkbox"/> Rectal Bleeding | <input type="checkbox"/> Cancer |
| <input type="checkbox"/> Anemia | <input type="checkbox"/> Surgeries in the last five years | |

17. Oak Creek is a tobacco-free campus.
Will anyone residing in your apartment use tobacco products? Yes No

18. Physician who will prepare your medical evaluation form certificate:
Physician's Name: _____
Telephone #: _____
Office Address: _____

Do you authorize OAK CREEK to discuss your health with the above physician?
YES NO

List all currently prescribed medications: _____

19. List all hospitalizations/institutions in past five years: *(Specify reason and date{s})*

<u>Hospital/Institution</u>	<u>Date</u>	<u>Reason</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

20. Have you ever been denied admission to another retirement community?

YES NO

(If your answer is Yes, explain) _____

Emergency Contact Person: _____

Address: _____

Telephone #: _____ Email Address: _____

21. List one person (not a relative) whom you have known at least five years, whom you wish to use as a personal reference:

A complete application will also include a completed Medical Evaluation Form.

I make this application for admission to OAK CREEK APARTMENTS of my own free will and accord, with the knowledge that I may always change my mind. I declare the answers to be true, full and complete. To the best of my knowledge and belief, I am capable of living at Oak Creek Apartments without extraordinary care and that the facilities, services, fees, costs, refunds and policies have been explained to me and are acceptable as presented. I hereby give Oak Creek Apartments, Inc. the right to seek out any necessary information and/or reference, including those references set forth in this Application, in processing the Application.

Signature of Applicant

Date

ATTACHMENT 4

ENV# CEBJXFGFBBLZSG_BBBBB
COMMONWEALTH FINANCIAL NETWORK
29 SAWYER ROAD
WALTHAM, MA 02453

004694 FICS0V01 110000 AT 02

WHITE OAK MANOR BURLINGTON
PO BOX 3347
SPARTANBURG SC 29304



DEHOLLANDER & JANSE
FINANCIAL GROUP

Your Account Representative does business as DeHollander & Janse Financial Group and offers securities through
Commonwealth Financial Network, Member FINRA/SIPC.

STATEMENT FOR THE PERIOD SEPTEMBER 1, 2020 TO SEPTEMBER 30, 2020

WHITE OAK MANOR BURLINGTON - Corporation
Account Number: B3S-706113

YOUR ACCOUNT REPRESENTATIVE For questions about your accounts:
IS ROY JANSE Local: 864 770 0220
RR#: 1FA

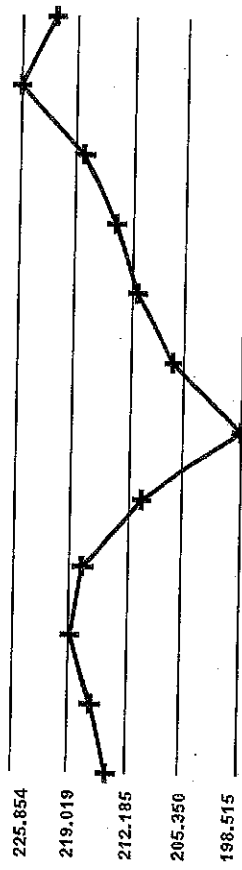
TOTAL VALUE OF YOUR PORTFOLIO **\$221,612.44**

FOR YOUR INFORMATION

SECURITIES OFFERED THROUGH COMMONWEALTH FINANCIAL NETWORK
MEMBER FINRA, SIPC. YOU CAN CONTACT COMMONWEALTH AT 781-736-0700.

CHANGE IN VALUE OF YOUR PORTFOLIO

\$ thousands



Change In Value Of Your Portfolio information can be found in Miscellaneous Footnotes at the end of this statement.

COMMONWEALTH FINANCIAL NETWORK

MN_CEBJXFGFBBLZSG_BBBBB 20200930

Account carried with National Financial Services LLC, Member
NYSE, SIPC

Statement for the Period September 1, 2020 to September 30, 2020
 WHITE OAK MANOR BURLINGTON - Corporation
 Account Number: B3S-706113



Your Account Representative does business as DeHollander & Janse Financial Group and offers securities through Commonwealth Financial Network®, Member FINRA/SIPC.

Account Overview

CHANGE IN ACCOUNT VALUE	Current Period	Year-to-Date
BEGINNING VALUE	\$225,854.48	\$218,859.28
Additions and Withdrawals	\$0.00	\$1,000.00
Income	\$314.93	\$1,492.91
Taxes, Fees and Expenses	\$0.00	(\$1,609.22)
Change in Value	(\$4,556.97)	\$1,869.47
ENDING VALUE (AS OF 09/30/20)	\$221,612.44	\$221,612.44
Total Pending Accrued Dividends	\$42.32	
Ending Value with Accrued Dividends	\$221,654.76	

Refer to Miscellaneous Footnotes for more information on Change in Value.

Pending dividends and stock distributions reflect projected values only, are subject to change and may not represent the actual amount, if any, that you may receive. This information is provided for informational purposes only and should not be relied on for tax reporting or other purposes.

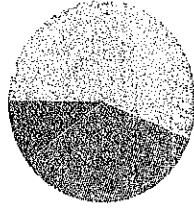
TAXABLE	Current Period	Year-to-Date
Taxable Dividends	\$163.19	\$759.42
TOTAL TAXABLE	\$163.19	\$759.42
NON-TAXABLE	Current Period	Year-to-Date
Non-Taxable Dividends	\$151.74	\$733.49
TOTAL NON-TAXABLE	\$151.74	\$733.49
TOTAL INCOME	\$314.93	\$1,492.91

Taxable income is determined based on information available to NFS at the time the statement was prepared, and is subject to change. Final information on taxation of interest and dividends is available on Form 1099-Div, which is mailed in February of the subsequent year.

TAXES, FEES AND EXPENSES	Current Period	Year-to-Date
Account Fees	\$0.00	(\$1,609.22)
TOTAL TAXES, FEES AND EXPENSES	\$0.00	(\$1,609.22)

ACCOUNT ALLOCATION

Money Markets 10.3%



Fixed Income 33.9%

Equities 55.8%

	Percent	Prior Period	Current Period
Money Markets	10.3 %	\$22,444.52	\$22,759.45
Equities	55.8	\$128,150.09	\$123,742.83
Fixed Income	33.9	\$75,259.87	\$75,110.16
TOTAL	100.0 %	\$225,854.48	\$221,612.44

Account Allocation shows the percentage that each asset class represents of your total account value. Account Allocation for equities, fixed income, and other categories may include mutual funds and may be net of short positions. NFS has made assumptions concerning how certain mutual funds are allocated. Closed-end mutual funds and Exchange Traded Products (ETPs) listed on an exchange may be included in the equity allocation. The chart may not reflect your actual portfolio allocation. Consult your broker/dealer prior to making investment decisions.



Statement for the Period September 1, 2020 to September 30, 2020

WHITE OAK MANOR BURLINGTON - Corporation
Account Number: B3S-706113



DEHOLLANDER & JANSE
FINANCIAL GROUP

Your Account Representative does business as DeHollander & Janse Financial Group and offers securities through
Commonwealth Financial Network, Member FINRA/SIPC.

Account Overview *continued*

MESSAGES AND ALERTS

The Coronavirus Aid, Relief, and Economic Security Act or CARES Act, waives required minimum distributions for calendar year 2020. In some cases, the CARES Act also allows for certain coronavirus-related distributions in 2020 for those who meet eligibility requirements. Eligible coronavirus-related distributions are limited to an aggregate of \$100,000 per individual and would not be subject to the usual 10 percent early withdrawal penalty for those under age 59.5. In addition, income tax due on the taxable portion of a qualifying distribution may be spread evenly over 3 years and a qualifying distribution may be repaid to an eligible retirement plan within 3 years. Please discuss options available to you with your financial representative or or tax advisor.

Due to current events, mail may be delayed by circumstances beyond NFS's control. You can always view your statements and other documents online. To learn more about paperless options please contact your Broker-Dealer.

The minimum base rate for the purposes of determining interest to be applied under the terms of the Margin Account Agreement for any credit extended or maintained shall not fall below 0.00 percent for Federal Funds Target and the Overnight Bank Funding rate, 1.75 percent for the Call Money rate and 3.00 percent for the Prime rate. All terms and conditions of the Margin Account Agreement shall continue to apply.

Statement for the Period September 1, 2020 to September 30, 2020
 WHITE OAK MANOR BURLINGTON - Corporation
 Account Number: B3S-706113



Your Account Representative does business as DeHollander & Janse Financial Group and offers securities through Commonwealth Financial Network, Member FINRA/SIPC

Holdings

For additional information regarding your holdings, please refer to the footnotes at the end of the statement.

CASH AND CASH EQUIVALENTS - 10.27% of Total Account Value

Description	Symbol/Cusip Account Type	Quantity	Price on 09/30/20	Current Market Value	Estimated Annual Income
Money Markets					
FIDELITY GOVT MMKT CAPITAL RESERVES CL	FZAXX	22,759.45	\$1.00	\$22,759.45	
7 DAY YIELD .01%	CASH				
Dividend Option Cash					
Capital Gain Option Cash					

Total Cash and Cash Equivalents

\$22,759.45

HOLDINGS > MUTUAL FUNDS - 51.65% of Total Account Value

Description	Symbol/Cusip Account Type	Quantity	Price on 09/30/20	Current Market Value	Estimated Annual Income
Equity					
BLACKROCK EVENT DRIVEN EQUITY INSTL					
Estimated Yield 0.57%	BLIPX	680.785	\$9.63	\$6,555.96	\$37.61
Dividend Option Cash	CASH				
Capital Gain Option Cash					
FEDERATED HERMES KAUFMANN SM CAP IS					
Dividend Option Cash	FKAIX	149.756	\$51.37	\$7,692.97	
Capital Gain Option Cash	CASH				
INVESCO INTL SMALL MID COMPANY Y					
Estimated Yield 0.37%	OSMYX	86.553	\$52.50	\$4,544.03	\$16.96
Dividend Option Cash	CASH				
Capital Gain Option Cash					
JPMORGAN EMERGING MKTS EQUITY CLASS I					
Estimated Yield 0.68%	JEMSX	269.025	\$35.94	\$9,668.76	\$66.24
Dividend Option Cash	CASH				



Statement for the Period September 1, 2020 to September 30, 2020

WHITE OAK MANOR BURLINGTON - Corporation
Account Number: B3S-706113



Your Account Representative does business as DeHollander & Janse Financial Group and offers securities through Commonwealth Financial Network®, Member FINRA/SIPC.

HOLDINGS > MUTUAL FUNDS *continued*

Description	Symbol/Cusip Account Type	Quantity	Price on 09/30/20	Current Market Value	Estimated Annual Income
JPMORGAN EMERGING MKTS EQUITY CLASS I JEMSX <i>continued</i>					
Capital Gain Option Cash					
VIRTUS KAR MID CAP GROWTH FUND CL I	PICMX CASH	181.105	\$60.16	\$10,895.28	
Dividend Option Cash					
Capital Gain Option Cash					
Total Equity				\$39,357.00	\$129.81
Fixed Income					
AMERICAN TAX EXEMPT BOND OF AMERICAN FZ TEAFX CASH					
Estimated Yield 2.58%		918.584	\$13.44	\$12,345.77	\$317.17
Dividend Option Cash					
Capital Gain Option Cash					
EATON VANCE NAT'L MUNI INCOME CL I EIHMX CASH					
Estimated Yield 3.04%		2,041.034	\$10.24	\$20,900.19	\$635.79
Dividend Option Cash					
Capital Gain Option Cash					
MAINSTAY MACKAY HIGH YIELD MUNI BD CL I MIMHX CASH					
Estimated Yield 3.73%		389.968	\$12.77	\$4,979.89	\$185.95
Dividend Option Cash					
Capital Gain Option Cash					
THORNBURG LTD TERM MUNICIPAL FUND CL I LTMIX CASH					
Estimated Yield 1.87%		1,312.482	\$14.64	\$19,214.74	\$360.84
Dividend Option Cash					
Capital Gain Option Cash					
WELLS FARGO STRATEGIC MUNI BD I STRIX CASH					
Estimated Yield 2.07%		1,912.291	\$9.24	\$17,689.57	\$365.87
Dividend Option Cash					
Capital Gain Option Cash					
Total Fixed Income				\$75,110.16	\$1,865.62
Total Mutual Funds				\$114,467.16	\$1,986.43

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Statement for the Period September 1, 2020 to September 30, 2020
 WHITE OAK MANOR BURLINGTON - Corporation
 Account Number: B3S-706113



Your Account Representative does business as DeHollander & Janse Financial Group and offers securities through
 Commonwealth Financial Network®, Member FINRA/SIPC.

HOLDINGS > EXCHANGE TRADED PRODUCTS - 38.08% of Total Account Value

Description	Symbol/Cusip Account Type	Quantity	Price on 09/30/20	Current Market Value	Estimated Annual Income
Equity					
HEALTH CARE SELECT SECTOR SPDR	XLV CASH	126	\$105.48	\$13,290.48	\$207.53
Estimated Yield 1.56%					
Dividend Option Cash					
Capital Gain Option Cash					
INDEXIQ ETF TR HDGD FTSE INTL	HEXI CASH	452	\$19.89	\$8,990.28	\$191.98
Estimated Yield 2.13%					
Dividend Option Cash					
Capital Gain Option Cash					
INVESCO QQQ TR UNIT SER 1	QQQ CASH	109	\$277.84	\$30,284.56	\$177.98
Estimated Yield 0.58%					
Dividend Option Cash					
Capital Gain Option Cash					
Next Dividend Payable: 10/30/20					
ISHARES TR MSCI USA MIN VOL	USMV CASH	77	\$63.73	\$4,907.21	\$101.04
Estimated Yield 2.05%					
Dividend Option Cash					
Capital Gain Option Cash					
SELECT SECTOR SPDR TRUST TECHNOLOGY	XLK CASH	121	\$116.70	\$14,120.70	\$144.38
Estimated Yield 1.02%					
Dividend Option Cash					
Capital Gain Option Cash					
VANGUARD MEGA CAP GROWTH INDEX FUND	MGK CASH	69	\$135.40	\$12,792.60	\$88.44
Estimated Yield 0.69%					
Dividend Option Cash					
Capital Gain Option Cash					
Total Equity				\$84,385.83	\$911.35
Total Exchange Traded Products				\$84,385.83	\$911.35
Total Securities				\$198,852.99	\$2,897.78
TOTAL PORTFOLIO VALUE				\$221,612.44	\$2,897.78

COMMONWEALTH FINANCIAL NETWORK
 MN_CEBJXFGFBBLZSG_BBBB 20200930

Account carried with National Financial Services LLC, Member
 NYSE, SIPC



Statement for the Period September 1, 2020 to September 30, 2020
 WHITE OAK MANOR BURLINGTON - Corporation
 Account Number: B3S-706113



DEHOLLANDER & JANSE
 FINANCIAL GROUP

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Activity

CORE FUND ACTIVITY

For more information about the operation of your core account, please refer to your Customer Agreement.

Settlement Date	Account Type	Transaction	Description	Quantity	Amount
09/01/20	CASH	YOU BOUGHT	FIDELITY GOVT MMKT CAPITAL RESERVES CL @ 1	151.74	(\$151.74)
09/16/20	CASH	YOU BOUGHT	FIDELITY GOVT MMKT CAPITAL RESERVES CL MORNING TRADE @ 1	18.44	(\$18.44)
09/24/20	CASH	YOU BOUGHT	FIDELITY GOVT MMKT CAPITAL RESERVES CL MORNING TRADE @ 1	82.54	(\$82.54)
09/29/20	CASH	YOU BOUGHT	FIDELITY GOVT MMKT CAPITAL RESERVES CL MORNING TRADE @ 1	24.13	(\$24.13)
09/30/20	CASH	YOU BOUGHT	FIDELITY GOVT MMKT CAPITAL RESERVES CL MORNING TRADE @ 1	37.89	(\$37.89)
09/30/20	CASH	YOU BOUGHT	FIDELITY GOVT MMKT CAPITAL RESERVES CL @ 1	0.19	(\$0.19)
TOTAL CORE FUND ACTIVITY					(\$314.93)

ACTIVITY > INCOME > TAXABLE INCOME

Settlement Date	Account Type	Transaction	Description	Quantity	Amount
Taxable Dividends					
09/16/20	CASH	DIVIDEND RECEIVED	VANGUARD MEGA CAP GROWTH INDEX FUND		\$18.44
09/24/20	CASH	DIVIDEND RECEIVED	HEALTH CARE SELECT SECTOR SPDR		\$52.71
09/24/20	CASH	DIVIDEND RECEIVED	SELECT SECTOR SPDR TRUST TECHNOLOGY SELECT SECTOR USD DIS		\$29.83

COMMONWEALTH FINANCIAL NETWORK

MN_CEBJXFCJFBBLZSG_BBBBB 20200930

Account carried with National Financial Services LLC, Member NYSE, SIPC

Statement for the Period September 1, 2020 to September 30, 2020
 WHITE OAK MANOR BURLINGTON - Corporation
 Account Number: B3S-706113



Your Account Representative does business as DeHollander & Janse Financial Group and offers securities through Commonwealth Financial Network, Member FINRA/SIPC.

ACTIVITY > INCOME > TAXABLE INCOME *continued*

Settlement Date	Account Type	Transaction	Description	Quantity	Amount
09/29/20	CASH	DIVIDEND RECEIVED	ISHARES TR MSCI USA MIN VOL		\$24.13
09/30/20	CASH	DIVIDEND RECEIVED	FIDELITY GOVT MMKT CAPITAL RESERVES CL DIVIDEND RECEIVED		\$0.19
09/30/20	CASH	DIVIDEND RECEIVED	INDEXIQ ETF TR HDGD FTSE INTL		\$37.89
Total Taxable Dividends					\$163.19
Total Taxable Income					\$163.19

ACTIVITY > INCOME > NON-TAXABLE INCOME

Settlement Date	Account Type	Transaction	Description	Quantity	Amount
Non-Taxable Dividends					
08/31/20	CASH	DIVIDEND RECEIVED	EATON VANCE NAT'L MUNI INCOME CL		\$52.50
08/31/20	CASH	DIVIDEND RECEIVED	MAINSTAY MACKAY HIGH YIELD MUNI BD CL I		\$14.24
08/31/20	CASH	DIVIDEND RECEIVED	THORNBERG LTD TERM MUNICIPAL FUND CL I		\$31.05
08/31/20	CASH	DIVIDEND RECEIVED	WELLS FARGO STRATEGIC MUNI BD I		\$29.31
09/01/20	CASH	DIVIDEND RECEIVED	AMERICAN TAX EXEMPT BOND OF AMERICAN FZ		\$24.64
Total Non-Taxable Dividends					\$151.74
Total Non-Taxable Income					\$151.74
TOTAL INCOME					\$314.93

ACTIVITY > PENDING DISTRIBUTIONS

Pending dividends and stock distributions reflect projected values only, are subject to change and may not represent the actual amount, if any, that you may receive. This information is provided for informational purposes only and should not be relied on for tax reporting or other purposes.

COMMONWEALTH FINANCIAL NETWORK

MIN_CEBJXFGFBBBLZSG_BBBB 20200930

Account carried with National Financial Services LLC, Member NYSE, SIPC

Statement for the Period September 1, 2020 to September 30, 2020

WHITE OAK MANOR BURLINGTON - Corporation
 Account Number: B3S-706113



DEHOLLANDER & JANSE
 FINANCIAL GROUP

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 Commonwealth Financial Network, Member FINRA/SIPC.

Symbol/Cusip	Security Description	Eligible Quantity	Rate	Payment Amount
Pending Accrued Dividends 000	INVESCO 000 TR UNIT SER 1	109	\$0.39	\$42.32
Total Pending Accrued Dividends				\$42.32

Miscellaneous Footnotes

CHANGE IN VALUE OF YOUR PORTFOLIO is the change in market value of your portfolio assets over the time period shown. The portfolio assets include the market value of all the securities in the account, plus insurance and annuity assets if applicable. The time frame of the graph is from account opening or September 2011, whichever is later, to the current period. Please note that large increases and/or declines in the change in the value of the portfolio can be due to additions, distribution and/or performance.

CHANGE IN VALUE reflects appreciation or depreciation of your holdings due to price changes plus any activity not reflected within Additions and Withdrawals. Income, Taxes, Fees and Expenses, and Other Activity sections. Change in Value does not reflect activity related to assets in which NFS is not the custodian (e.g. Insurance and Annuities, Assets Held Away and Other Assets Held Away).

CALLABLE SECURITIES LOTTERY - When street name or bearer securities held for you are subject to a partial call or partial redemption by the issuer, NFS may or may not receive an allocation of called/redemmed securities by the issuer, transfer agent and/or depository. If NFS is allocated a portion of the called/redemmed securities, NFS utilizes an impartial lottery allocation system, in accordance with applicable rules, that randomly selects the securities within customer accounts that will be called/redemmed. NFS' allocations are not made on a pro rata basis and it is possible for you to receive a full or partial allocation, or no allocation. You have the right to withdraw uncalled fully paid securities at any time prior to the cutoff date and time established by the issuer, transfer agent and/or depository with respect to the partial call, and also to withdraw excess margin securities provided your account is not subject to restriction under Regulation T or such withdrawal will not cause an undermargined condition.

PRICING INFORMATION - Prices displayed are obtained from sources that may include pricing vendors, broker/dealers who clear through NFS and/or other sources. Prices may not reflect current fair market value and/or may not be readily marketable or redeemable at the prices shown.

FOREIGN EXCHANGE TRANSACTIONS - Some transaction types necessitate a foreign currency exchange (FX) in order to settle. FX transactions may be effected by Fidelity Forex, Inc. on a principal basis. Fidelity Forex, Inc., an affiliate of NFS, may impose a commission or markup on the prevailing interbank market price, which may result in a higher price to you. Fidelity Forex, Inc. may share a portion of any FX commission or markup with NFS. More favorable rates may be available through third parties not affiliated with NFS. The rate applicable to any transaction involving an FX is available upon request through your broker-dealer.

COST BASIS LEGISLATION - New IRS Rules will require National Financial Services to report cost basis and holding period information for the sale of shares of open end Mutual Fund holdings purchased on or after January 1, 2012 on Form 1099-B. National Financial Services determines the cost basis for all shares of open end mutual funds using a default method of average cost. Alternatively, account owners or their brokers and advisors can instruct National Financial Services to determine the cost basis for shares of open end mutual funds by 1) setting up their non-retirement accounts with one of our eleven tax lot disposal methods available to investors or 2) identifying specific tax lots to sell at the time of a transaction. Contact your broker or advisor to learn more about the cost basis tracking of your holdings.

GLOSSARY Short Account Balances-If you have sold securities under the short sale rule, we have, in accordance with regulations, segregated the proceeds from such transactions in your Short Account. Any market increases or decreases from the original sale price will be marked to the market and will be transferred to your Margin Account on a weekly basis. **Market Value** - The Total Market Value has been calculated out to 9 decimal places, however, the individual unit price is displayed in 5 decimal places. The Total Market Value represents prices obtained from various sources, may be impacted by the frequency in which such prices are reported and such prices are not guaranteed. Prices received from pricing vendors are generally based on current market quotes, but when such quotes are not available the pricing vendors use a variety of techniques to estimate value. These estimates, particularly for fixed income securities, may be based on certain minimum principal amounts (e.g. \$1 million) and may not reflect all of the factors that affect the value of the security, including liquidity risk. The prices provided are not firm bids or offers. Certain securities may reflect "N/A" or "unavailable" where the price for such security is generally not available from a pricing source. The Market Value of a security, including those priced at par value, may differ from its purchase price and may not

CUSTOMER SERVICE: Please review your statement and report any inaccuracy or discrepancy immediately by calling the telephone number of your broker-dealer reflected on the front of this statement. Reports of any inaccuracy or discrepancy regarding your brokerage account or the activity therein should be directed to your broker-dealer at the telephone number and address reflected on the front of this statement and National Financial Services LLC ("NFS").

NFS carries your brokerage account and acts as your custodian for funds and securities that are deposited with NFS by you or your broker-dealer. In addition to your initial contact with your broker-dealer you may contact NFS at (800) 801-9942. Any oral communications regarding inaccuracies or discrepancies should be reconfirmed in writing to protect your rights, including those under the Securities Investor Protection Act ("SIPA"). When contacting either your broker-dealer or NFS, remember to include your entire brokerage account number to ensure a prompt reply.

ADDITIONAL INFORMATION Free credit balances ("FCB") are funds payable to you on demand. FCB are subject to open commitments such as uncleared checks and exclude proceeds from sales of certificated securities without delivery of the certificate. If your FCB is swept to a core position, you can liquidate the core position and have the proceeds sent to you or held in your account subject to the terms of your account agreement. Required rule 10b-10(a) information not contained herein will be provided on written request. Fidelity may use this free credit balance in connection with its business, subject to applicable law.

Credit Adjustment Program. Accountholders receiving payments in lieu of qualified dividends may not be eligible to receive credit adjustments intended to help cover additional associated federal tax credits. NFS reserves the right to deny the adjustment to any account holder and to amend or terminate the credit adjustment program.

Options Customers. Each transaction confirmation previously delivered to you contains full information about commissions and other charges. If you require further information, please contact your broker-dealer.

Assignments of American and European-style options are allocated among customer short positions pursuant to a random allocation procedure, a description of which is available upon request. Short positions in American-style options are liable for assignment at any time. The writer of a European-style option is subject to exercise assignment only during the exercise period. You should advise your broker-dealer promptly of any material change in your investment objectives or financial situation. **Splits, Dividends, and Interest.** Expected stock split, next dividend payable, and next interest payable information has been provided by third parties and may be subject to change. Information for certain securities may be missing if not received from third parties in time for printing. NFS is not responsible for inaccurate, incomplete, or missing information. Please consult your broker-dealer for more information about expected stock split, next dividend payable, and next interest payable for certain securities.

Equity Dividend Reinvestment Customers. Shares credited to your brokerage account resulted from transactions effected as agent by either: 1) Your broker-dealer for your investment account, or 2) through the Depository Trust Company (DTC) dividend reinvestment program. For broker-dealer effected transactions, the time of the transactions, the exchange upon which these transactions occurred and the name of the person from whom the security was purchased will be furnished upon written request. NFS may have acted as market maker in effecting trades in over-the-counter securities.

Retirement Contributions/Distributions. A summary of retirement contributions/distributions is displayed for you in the activity summary section of your statement. **Income Reporting.** NFS reports earnings from investments in Traditional IRAs, Rollover IRAs, SEP-IRAs and Keoghs as tax-deferred income. Earnings from Roth IRAs are reported as tax-free income, since distributions may be tax-free after meeting the 5 year aging requirement and certain other conditions. **A financial statement** of NFS is available for your personal inspection at its office or a copy of it will be mailed to you upon your written request.

Statement Mailing. NFS will deliver statements by mail or, if applicable, notify you by e-mail of your statement's availability, if you had transactions that affected your cash balances or security positions held in your account(s) during the last monthly reporting period. At a minimum, all brokerage customers will receive quarterly statements (at least four times per calendar year) as long as their accounts contain a cash or securities balance.

Sales Leads and Fees. In connection with (i) access to, purchase or redemption of, and/or maintenance of positions in mutual funds and other investment products such as alternative investments or private placements ("funds") or (ii) infrastructure needed to support such funds, some funds, or their investment affiliates, pay your

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closely reflect the value at which the security may be sold or purchased based on various market factors. Investment decisions should be made only after consulting your broker-dealer.

Estimated Annual Income (EAI) & Estimated Yield (EY) - EAI for fixed income is calculated using the coupon rate. For all other securities, EAI is calculated using an indicated annual dividend (AD). The AD is an estimate of a security's dividend payments for the next 12 months calculated based on prior and/or declared dividends for that security. EY reflects only the income generated by an investment and not changes in its price which may fluctuate. Interest and dividend rates are subject to change at any time and may be affected by current and future economic, political and business conditions. EAI and EY are estimates only and may include return of principal and/or capital gains, which would render them overstated. EAI and EY are provided for informational purposes only and should not be used or relied on for making investment, trading or tax decisions. EAI and EY are based on data obtained from information providers believed to be reliable, but no assurance can be made as to accuracy, timeliness or completeness.

Including broker dealer and/or NFS sales loads and 12b-1 fees described in the Offering Materials as well as additional compensation for shareholder services, start-up fees, infrastructure support and maintenance and marketing, engagement and analytics programs. Additional information about the source(s) and amount(s) of compensation as well as other remuneration received by NFS or NFS will be furnished to you upon written request. At time of purchase fund shares may be assigned a load, transaction fee or no transaction fee status. At time of sale, any fees applicable to your transaction will be assessed based on the status assigned to the shares at time of purchase. **Margin.** If you have applied for margin privileges and been approved, you may borrow money from NFS in exchange for pledging the assets in your account as collateral for any outstanding margin loan. The amount you may borrow is based on the value of securities in your margin account, which is identified on your statement. If you have a margin account, this is a combined statement of your margin account and special memorandum account other than your non-purpose margin accounts maintained for you under Section 220.5 of Regulation T issued by the Board of Governors of the Federal Reserve Board. The permanent record of the separate account, as required by Regulation T, is available for your inspection upon request. **NYSE and FINRA.** All transactions are subject to the constitution, rules, regulations, customs, usages, rulings and interpretations of the exchange market and its clearing house, if any, where the transactions are executed, and of the New York Stock Exchange (NYSE) and of the Financial Industry Regulatory Authority ("FINRA"). The FINRA requires that we notify you in writing of the availability of an investor brochure that includes information describing FINRA Regulation's BrokerCheck Program ("Program"). To obtain a brochure or more information about the Program or FINRA Regulation, contact the FINRA Regulation BrokerCheck Program Hotline at (800) 289-9999 or access the FINRA's web site at www.finra.org. **FINRA Rule 4311** requires that your broker-dealer and NFS

allocate between them certain functions regarding the administration of your brokerage account. The following is a summary of the allocation services performed by your broker-dealer and NFS. A more complete description is available upon request. **Your broker-dealer is responsible for:** (1) obtaining and verifying brokerage account information and documentation, (2) opening, approving and monitoring your brokerage account, (3) transmitting timely and accurate orders and other instructions to NFS with respect to your brokerage account, (4) determining the suitability of investment recommendations and advice, (5) operating, and supervising your brokerage account and its own activities in compliance with applicable laws and regulations including compliance with margin rules pertaining to your margin account, if applicable, and (6) maintaining required books and records for the services that it performs. **NFS shall, at the direction of your broker-dealer:** (1) execute, clear and settle transactions processed through NFS by your broker-dealer, (2) prepare and send transaction confirmations and periodic statements of your brokerage account (unless your broker-dealer has undertaken to do so). Certain securities pricing and descriptive information may be provided by your broker-dealer or obtained from third parties deemed to be reliable, however, this information has not been verified by NFS. (3) act as custodian for funds and securities received by NFS on your behalf, (4) follow the instructions of your broker-dealer with respect to transactions and the receipt and delivery of funds and securities for your brokerage account, and (5) extend margin credit for purchasing or carrying securities on margin. Your broker-dealer is responsible for ensuring that your brokerage account is in compliance with federal, industry and NFS margin rules, and for advising you of margin requirements. NFS shall maintain the required books and records for the services it performs. **Securities in accounts carried by NFS** are protected in accordance with the Securities Investor Protection Corporation ("SIPC") up to \$500,000. The \$500,000 total amount of SIPC protection is inclusive of up to \$250,000 protection for claims for cash, subject to periodic adjustments for inflation in accordance with terms of the SIPC statute and approval by SIPC's Board of Directors. NFS also has arranged for coverage above these limits. Neither coverage protects against a decline in the market value of securities, nor does either coverage extend to certain securities that are considered ineligible for coverage. For more details on SIPC, or to request a SIPC brochure, visit www.sipc.org or call 1-202-371-8300. Funds used to purchase or sweep to a bank deposit are SIPC protected until deposited to a Program Bank at which time funds may be eligible for FDIC insurance. Assets Held Aways, commodities, unregistered investment contracts, futures accounts, loaned securities and other investments may not be covered. Precious metals are not covered by SIPC protection. Mutual funds and/or other securities are not backed or guaranteed by any bank, nor are they insured by the FDIC and involve investment risk including possible loss of principal.

End of Statement

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Account carried with National Financial Services LLC, Member
NYSE, SIPC