

DISCLOSURE STATEMENT

Dated: February 25, 2022

Name of Community: **Brookridge Retirement Community**,
a division of Baptist Retirement Homes of North Carolina,
Incorporated

Located at: 1199 Hayes Forest Drive
Winston-Salem, North Carolina 27106

Telephone Number: 336.759.1044

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 26, 2023;**
- **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 insure accuracy or completeness of the information set out.**

TABLE OF CONTENTS

	<u>Page No.</u>
I. Organization Introduction and Information	2
II. Facility Introduction and Information	8
III. Policies – Admissions	10
IV. Services	16
V. Fees	20
VI. Financial Information	23
VII. Reserves, Escrow, and Trusts	24
VIII. Facility Development/Expansion	27
IX. Other Material Information	27
X. Resident Agreement/Contract	28
XI. Attachments	28

DISCLOSURE STATEMENT of

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED

I. ORGANIZATION INTRODUCTION AND INFORMATION

- A. The name of this corporation is Baptist Retirement Homes of North Carolina, Incorporated. The business address of the organization is:

1912 Bethabara Road
P.O. Box 11024
Winston-Salem, North Carolina 27116-1024

Baptist Retirement Homes of North Carolina, Incorporated is a not-for-profit corporation incorporated under the laws of the State of North Carolina.

- B. Baptist Retirement Homes of North Carolina, Incorporated has a historical relationship with the Baptist State Convention of North Carolina. Baptist Retirement Homes is a separate and distinct corporate entity from the Baptist State Convention of North Carolina. The Baptist State Convention of North Carolina is not responsible for the financial or contractual obligations of the Baptist Retirement Homes of North Carolina, Incorporated. Baptist Retirement Homes of North Carolina, Incorporated is exempt from the payment of federal income tax under Section 501(c) (3) of the Internal Revenue Code.
- C. The names and business addresses of the Trustees and Officers and management staff of the corporation are set forth below. No person has an equitable or beneficial interest in the corporation.

Terms Expiring 2022

A. Edward Beddingfield, Jr.	PO Box 485 Buies Creek, NC 27506 Occupation: Minister
Jeffrey L. Cobb	4400 Six Forks Road Raleigh, NC 28609 Occupation: Banker
Clarence R. Lambe, Jr.	PO Box 1785 Kernersville, NC 27285 Occupation: Businessman

Michael R. Taylor 325 Cape Fear Loop
Emerald Isle, NC 28594
Occupation: Retired Educator

Bobby F. Watson 2127 Jack Wilson Road
Shelby, NC 28150
Occupation: Retired Businessman

Terms Expiring 2023

Nathaniel P. Leonard 810 Bridges Street
Morehead City, NC 28557
Occupation: Senior Pastor

Rhonda Lowe 2836 Wycliff Road
Raleigh, NC 27607
Occupation: Learning & Organization
Development

James L. McCoy, III 11325 N. Community House Road
Suite 170
Charlotte, NC 28211
Occupation: Senior Vice-President

Daniel Rice 1607 Sabra Drive
Kinston, NC 28504
Occupation: Nonprofit Consultant

Wanda J. Rose Post Office Box 2243
Morganton, NC 28680
Occupation: Retired Insurance Professional

Franklin S. Watkins J. Paul Sticht Center on Aging
1 Medical Center Blvd.
Winston-Salem, NC 27157
Occupation: Geriatrician/Internal Medicine
Physician

Terms Expiring 2024

Carolyn D. Helms 415 Broadmeade Drive
Southern Pines, NC 28387

Occupation: Interim Minister to Children
and Families

Dave Horne

1118 Marlowe Road
Raleigh, NC 27607
Occupation: Attorney

Charles D. Mast

Post Office Box 119
Smithfield, NC 27577
Occupation: Attorney

John S. Pond, Jr.

One University Place
Murfreesboro, NC 27855
Occupation: Educator

Terms Expiring 2025

Sobeida Adolphus

741 N. Highland Avenue
Winston Salem, NC 27199
Occupation: Social Work Program Manager

Janet Blanford

6411 Orr Road
Charlotte, NC 28213
Occupation: Director of Sales

Betty Lynne Johnson

166 McLemore Road
Clayton, NC 27520
Occupation: PA Program Chair and Director

Sarah Mayo

1501 Reins Court
Greenville, NC 27858

Ralph Morgan

127 Club Point Drive
Cape Carteret, NC 28584
Occupation: Retired Businessman

OFFICERS

Clarence R. Lambe, Jr.
Chair

Post Office Box 1785
Kernersville, NC 27285

Danny Rice
Vice Chair

1607 Sabra Drive
Kinston, NC 28504

A. Edward Beddingfield, Jr. Post Office Box 485
Corporate Secretary Buies Creek, NC 27506

MANAGEMENT STAFF

Reed A. VanderSlik 1912 Bethabara Road
President and CEO Winston-Salem, NC 27106

Jessica P. McCollum 1912 Bethabara Road
Vice President of Operations Winston-Salem, NC 27106

Jennifer R. Bartscht 1912 Bethabara Road
Vice President of Sales Winston-Salem, NC 27106
and Marketing

Scott M. Farkas 1912 Bethabara Road
Chief Financial Officer Winston-Salem, NC 27106

D. The Trustees and Officers of Baptist Retirement Homes of North Carolina, Incorporated have the following experience in the operation and management of the “Homes”:

TRUSTEES

Sobeida Adolphus began serving as a Trustee in 2022.
Janet Blanford began serving as a Trustee in 2022.
Edward Beddingfield, Jr. has served as a Trustee since 2010.
Jeffrey L. Cobb has served as a Trustee since 2010.
Carolyn D. Helms has served as a Trustee since 2009.
Dave Horne began serving as a Trustee in 2020.
Betty Lynne Johnson has served as a Trustee since 2019.
Clarence R. Lambe, Jr. has served as a Trustee since 2006.
Rhonda Lowe began serving as a Trustee in 2020.
Charles D. Mast has served as a Trustee since 2010.
Sarah Mayo began serving as a Trustee in 2022.
Nathaniel P. Leonard has served as a Trustee since 2020.
James L. McCoy, III has served as a Trustee since 2020.
Ralph Morgan has served as a Trustee since 2000.
John S. Pond, Jr. has served as a Trustee since 2016.
Daniel Rice began serving as a Trustee in 2021.
Wanda J. Rose has served as a Trustee since 2020.
Michael R. Taylor has served as a Trustee since 2007.
Bobby F. Watson has served as a Trustee since 2017.
Franklin Watkins began serving as a Trustee in 2020.

OFFICERS

Clarence R. Lambe has been a member of the Board of Trustees for 16 years and is serving his first term as Chair of the Board.

Daniel Rice has been a member of the Board of Trustees for two years and is serving his first term as Vice Chair of the Board.

A. Edward Beddingfield, Jr. has been a member of the Board of Trustees for 12 years and is serving his second term as Corporate Secretary.

MANAGEMENT STAFF

Reed VanderSlik joined the Baptist Retirement Homes of North Carolina, Incorporated in September of 2019, serving as the President and Chief Executive Officer. Prior to assuming this position, he worked for 28 years in business leadership roles; 15 years in senior living. Mr. VanderSlik's credentials include a CMA and MBA.

Jessica P. McCollum was promoted to Vice President of Operations for Baptist Retirement Homes in July of 2020. She was hired as Brookridge Retirement Community's Administrator in August 2019. Jessica has over 10 years' experience in the healthcare industry and has a Master's Degree in Healthcare Administration.

Jennifer Bartscht has over 20 years of sales and marketing experience in the senior living industry. She joined Baptist Retirement Homes of North Carolina in February of 2021 as the Vice President of Sales and Marketing. Jennifer has a Bachelor of Science degree and a Master degree in Education and Science.

Scott M. Farkas has been employed as the Chief Financial Officer of the Baptist Retirement Homes since January 2021. Prior to employment with Baptist Retirement Homes, he served in financial leadership roles in the senior living industry for 14 years. Mr. Farkas' credentials include a CPA.

Unless otherwise set forth above, the Trustees, Officers, and Management Staff of the "Homes" are not known to have other business experience in the operation or management of similar facilities.

Jeffrey L. Cobb, Senior Vice President of First Citizens Bank is employed by a financial institution with which Baptist Retirement Homes transacts business. (The "bank" provides commercial banking and investment services to the organization). The Trustees mentioned above is not involved in the provision of those services to the Baptist Retirement Homes organization. Due to the changing nature of the

services provided by those institutions, it is not possible to estimate how much those services cost the organization on an annual basis. Mary Beth Johnston is a Partner with the K&L Gates LLP Law Firm, a firm which BRH also does business. On average, estimated payments to the firm are \$45,000 a year. Dave Horne is a Partner with the Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan L.L.P. Law Firm that Baptist Retirement Homes does business with averaging \$35,000 per year. None of the other individuals named as Trustees, Officers, or Management Staff above are currently providing nor in the foreseeable future shall provide goods, leases, or services to the organization, or the residents of the organization, of an aggregate value of five hundred dollars (\$500) or more except for services rendered in their respective capacity as a Trustee or Officer or Management Staff member of the corporation. None of the Trustees, Officers, or Management Staff named above has ownership in any professional service, association, trust, partnership, or corporation in which this person has, or which has in this person, a ten percent (10%) or greater interest and which it is presently intended shall currently or in the future provide goods, leases, or services to the facility, of an aggregate value of five hundred dollars (\$500) or more within any year, including a description of the goods, leases, or services and the probable or anticipated cost thereof to the facility, provider, or residents or a statement that the cost cannot presently be estimated.

None of the individuals named as Trustees, Officers, or Management Staff above has been convicted of a felony or pleaded nolo contendere to a felony charge, nor been held liable or enjoined in a civil action by final judgment which involved fraud, embezzlement, fraudulent conversion, or misappropriation of property; or 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 related to the business activity of health care, including actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged, or facility.

- E. Baptist Retirement Homes of North Carolina, Incorporated presently operates the following existing facilities:

Brookridge Retirement Community, Winston-Salem, North Carolina

Total Occupancy as of September 30, 2021 – 75%

Brookridge Retirement Community (Brookridge Health Care Center)

77-bed nursing care center

Occupancy as of September 30, 2021 – 81%

Brookridge Retirement Community (Adult Care Home Residence)

26 adult care home residences

10 memory-enhanced residences

Occupancy as of September 30, 2021 – 94%

Brookridge Retirement Community (Independent Living Apartments)

137 independent living apartments

Occupancy as of September 30, 2021 – 66%

CCRC Resident Contracts – 91

-Covering 77 Single Residents and 14 Double Occupancies for a total of 105 Residents

The Gardens of Taylor Glen Retirement Community, Concord, North Carolina

Total Occupancy as of September 30, 2021 – 77%

The Gardens of Taylor Glen Retirement Community (Gardens of Taylor Glen Health Care Center)

24-bed nursing care center

Occupancy as of September 30, 2021 – 58%

The Gardens of Taylor Glen Retirement Community (Adult Care Home Residences)

12 adult care home residences / 12 memory-enhanced residences

Occupancy as of September 30, 2021 – 71%

The Gardens of Taylor Glen Retirement Community (Independent Living Apartments)

125 independent living apartments

Occupancy as of September 30, 2021 – 82%

CCRC Resident Contracts – 103

-Covering 70 Single Residents and 33 Double Occupancies for a total of 136 Residents

The Taylor House, Albemarle, North Carolina

30 adult care home residences

Occupancy as of September 30, 2021 – 64%

Western North Carolina Baptist Home, Asheville, North Carolina

Total Occupancy as of September 30, 2021 – 62%

Western North Carolina Baptist Home (Western North Carolina Baptist Home Health Care Center)

100-bed nursing care center

Occupancy as of September 30, 2021 – 47%

Western North Carolina Baptist Home (Adult Care Home Residences)

50 adult care home residences

Occupancy as of September 30, 2021 – 52%

II. FACILITY INTRODUCTION AND INFORMATION

The Brookridge Retirement Community is a continuing care retirement community located on a 44-acre tract of land on Bethabara Road in northwest Winston-Salem. It consists of 137 independent living apartments (46 detached residences, 91 congregate residences) and 113 health care beds (26 adult care residences, 10 memory-enhanced residences, and 77 intermediate and skilled nursing care beds). It also contains the following support facilities: administrative offices, a bank, a chapel, a multi-purpose

room, arts and crafts rooms, a library, a guestroom, physical therapy rooms, recreation areas, a swimming pool and exercise area, dining rooms, a café, beauty/barber shops, a convenience store, a mail area, parlors, a kitchen, and service areas for environmental services, maintenance and laundry. Construction began in October 1987, and the project was completed in the summer of 1989. In 1997, construction began on five two-bedroom deluxe apartments, and this project was completed in the summer of 1998. Construction was completed in September 1999 on an indoor swimming pool and exercise area. A special residence for Older Adults with dementia was opened in October 2001. A café dining option was opened for operation in September 2006 for independent living residents. In 2010, the Prince Center main entry area was renovated. In 2014, major renovation of the Brookridge Community was completed.

The Gardens of Taylor Glen Retirement Community is a continuing care retirement community that is located on a 124 plus-acre tract of land located in southwest Concord. It includes 125 independent living apartments, 12 adult care home residences, 12 memory-enhanced residences, and 24 nursing care beds. It also incorporates administrative offices, a bank, a chapel, a multi-purpose room, a swimming pool, an exercise area, arts and crafts rooms, a wood-working shop, a library, a guest cottage, physical therapy rooms, recreation/social areas to include a lake and walking paths, dining areas, beauty/barber shops, a mail area, a convenience store, parlors, a café, a kitchen, a training area for health care employees, and several areas for environmental services, maintenance, and laundry. Construction began in September 2001, and the Community was opened for residency in November 2002.

The Taylor House is a 30-bed Adult Care Home Residence located on a 3-acre tract of land on Palmer Street in Albemarle, North Carolina. It was opened for service to its first resident in 1953.

The Western North Carolina Baptist Home is a combination facility with 50 adult care home residences and 100 nursing care beds located on a 22-acre tract of land on Richmond Hill in Asheville. It was opened for service to its first resident in April 1979. A 100-bed Medicare/Medicaid certified nursing care center opened in February 1993. A special residence for Older Adults with dementia was opened in August 2003. The Assisted Living area of the Community was renovated in 2012. A major renovation of the Western North Carolina Baptist Home Health Care Center began in May 2015 (45 nursing care beds were out of service during the renovation) and was completed in July 2016.

Care provided at The Taylor House Community is currently confined to the custodial level of care (Adult Care Home). Care provided at the Western North Carolina Community is confined to the custodial level of care (Adult Care Home) and nursing care. No Continuing Care Agreements involving independent living residences are currently provided for residents at these Communities. Continuing care contracts, involving independent living, are provided only for those residents entering independent living apartments at the Brookridge Retirement Community and The Gardens of Taylor Glen Retirement Community. The contracts for independent living apartments and adult

care home and nursing care beds at the Brookridge Retirement Community are attached as Attachments IV through VI.

The Brookridge Retirement Community offers continuing care contracts for Older Adults living in independent living apartments and garden homes, adult care home residences, and nursing care rooms. In addition to Brookridge, Baptist Retirement Homes owns and operates The Gardens of Taylor Glen Retirement Community in Concord, which is the only other Community in its system that offers continuing care contracts. Both Communities are operational divisions of the Baptist Retirement Homes of North Carolina, Incorporated, not separate legal entities and, therefore, have no officers or Trustees of their own. Of the four Communities owned and operated by Baptist Retirement Homes of North Carolina, Incorporated, only the Winston-Salem and Concord Communities, known as the Brookridge Retirement Community and The Gardens of Taylor Glen Retirement Community, offer continuing care contracts. The Brookridge Retirement Community and The Gardens of Taylor Glen Retirement Community are owned and operated by the Baptist Retirement Homes of North Carolina, Incorporated.

Sections III through X of this Disclosure Statement deal only with the independent living apartments and the adult care home residences at the Brookridge Retirement Community.

III. **POLICIES – ADMISSION**

A. **Independent Living**

1. In order for an individual to be accepted as a RESIDENT of the Brookridge Retirement Community, the individual must be a minimum of fifty-five (55) years of age and in reasonable health sufficient to be capable of maintaining an independent living arrangement as determined by Baptist Retirement Homes. After the acceptance of a RESIDENT, but prior to occupancy, if Baptist Retirement Homes should determine that the RESIDENT has become incapable of independent living, the Agreement shall be canceled. After occupancy, the RESIDENT'S right to occupy an independent living residence shall terminate upon Baptist Retirement Homes' determination that the RESIDENT is no longer capable of independent living. When it is determined by the Baptist Retirement Homes organization that a RESIDENT can no longer live safely in an independent living environment and his/her right to occupy an independent living apartment has been terminated, he/she can elect to leave the community and if his/her occupancy has lasted for less than twenty four (24) months, receive a partial refund of the "fee" paid by him/her to the organization at the time of admission. The RESIDENT can also, if he/she elects this option, enter the organization's health care center at the health care center's current rates if the Baptist Retirement Homes organization concludes that the health care center can provide the level of services the RESIDENT'S condition requires. If the RESIDENT elects the

above mentioned option, he/she will not be required to pay an entrance fee for admission to the health care center nor will he/she receive a partial refund of the “fee” paid to the organization at the time of admission.

2. In general, the individual must pay the admission fees and be capable of paying the reasonable periodic fees as determined by Baptist Retirement Homes in order to be accepted as a RESIDENT. The RESIDENT agrees to prudently conserve and maintain current and future income and assets in order to provide for payment of services to be provided by Baptist Retirement Homes under this Agreement or otherwise. Upon verification satisfactory to Baptist Retirement Homes that RESIDENT has complied with this obligation and that RESIDENT’S income and assets are no longer sufficient to pay for services required, Baptist Retirement Homes will endeavor to provide assistance to RESIDENT by prudent use of finite funds available to it for such purposes. Baptist Retirement Homes has no legal obligation to provide such assistance and is unable to represent or guarantee with certainty that such assistance will be available to RESIDENT. In any event, such assistance as may be available will be provided only after RESIDENT has applied for and taken all necessary steps to qualify for any public benefit program, or private funds or programs through which benefits may be available for payment of services required by RESIDENT.

Baptist Retirement Homes offers three (3) options for entrance fee payments to the residents. The RESIDENT may choose between a Traditional Payment Program, a Fifty-Percent Refund Program, and a Ninety-Percent Refund Program. The Traditional program provides for a twenty-four (24) month amortization of the RESIDENT’S entrance fee (after twenty-four (24) months, there is no remaining equity). The Fifty-Percent Refund Program provides for a fifty-percent refund of the entrance fee paid at admission and the Ninety-Percent Refund Program provides for a ninety percent refund of the entrance fee paid at admission. The Fifty-Percent Refund Program is offered to RESIDENTS at the Brookridge Retirement Community at a cost of 1.4 times the Traditional Program entrance fees. The Ninety-Percent Refund Program is offered to RESIDENTS at the Brookridge Retirement Community at a cost of 1.8 times the Traditional Program entrance fees.

3. If a RESIDENT marries while at the Community, the RESIDENT must have the advance written permission of Baptist Retirement Homes for the non-resident spouse to live in an apartment unit with the RESIDENT. Such permission is conditioned upon the non-resident spouse’s ability and willingness to pay an entrance fee equal to the difference between the “single” and “double” entrance fee rate, and he/she must also be capable of paying the difference between the “single” and “double” monthly fee. The non-resident spouse must also agree to prudently conserve and maintain his/her current and future financial assets in order to provide for payment of

services to be provided by the Baptist Retirement Homes organization. The non-resident spouse must also be willing to submit medical information demonstrating his/her ability to live independently as determined by the Baptist Retirement Homes organization. Lastly, admission of a non-resident spouse is conditioned on the execution of a new Apartment Residency Agreement. Until such an Agreement is reached, the new spouse has no rights or privileges under the existing "Agreement" with the RESIDENT and cannot reside in his/her apartment. If a RESIDENT of the Baptist Retirement Homes marries a Baptist Retirement Homes RESIDENT (with the permission of the Baptist Retirement Homes organization), only one of the apartments used by the new couple can be occupied and the other must be relinquished. If the RESIDENT relinquishing his/her apartment has lived in that unit for less than 24 months, the Baptist Retirement Homes will refund to the RESIDENT an amount equal to the amortized remaining value of the entrance fee paid by the RESIDENT. The refund will be made upon the re-occupancy of the unit and receipt and unrestricted use of the entrance fee from the successor resident. The new couple will be expected to pay the "couple" monthly rate.

4. The RESIDENT must agree to prudently conserve and maintain current and future income and assets in order to provide for the payment of services. Upon verification that the RESIDENT has complied with this obligation and that the RESIDENT'S income and assets are no longer sufficient to pay for the services required, Baptist Retirement Homes will endeavor to provide financial assistance to the RESIDENT pursuant to the Apartment Residence Agreement. Baptist Retirement Homes has no legal obligation to provide such assistance and does not represent or guarantee that such assistance will be provided to a RESIDENT.
5. The RESIDENT may rescind the contract both prior to and following occupancy of the unit according to the following paragraphs:

The RESIDENT may rescind the contract by giving written notice to Baptist Retirement Homes within thirty (30) days following the later of the execution of the contract or the receipt of a disclosure statement that meets the requirements of this section. The RESIDENT is not required to move into the facility during the thirty (30) day automatic rescission period. If such action is taken, the RESIDENT shall receive a full refund of any entrance fees paid within sixty (60) days following the receipt of the written notice. The RESIDENT to whom the contract pertains is not required to move into the community before the expiration of the thirty (30) day period. After the initial (30) day period following the payment of the full entrance fee but prior to occupancy, the RESIDENT may cancel the Agreement by giving thirty (30) days written notice to the Homes and receive a refund of the entrance fees paid less five percent (5%). The refund will be paid within sixty (60)

days following receipt of the written notice. Should a RESIDENT die before occupying an independent living unit in the facility, or if, on account of illness, injury, or incapacity, a RESIDENT would be precluded from occupying an independent living unit in the facility under the terms of the contract for continuing care, the contract is automatically cancelled and the RESIDENT is entitled to a full refund of the Entrance fee paid. During the first 24 months of occupancy, the RESIDENT may cancel his/her "Agreement" with the organization by giving thirty (30) days written notice to the Baptist Retirement Homes organization. The Baptist Retirement Homes will refund to the RESIDENT all amounts paid to the organization as an entrance fee less four percent (4%) of the "fee" for each month of occupancy, or part thereof, which will be retained by the organization. The RESIDENT will receive his/her entrance fee "refund" when RESIDENT'S unit has been occupied by another RESIDENT or within two (2) years of his/her termination of their Agreement, whichever event occurs sooner. If the RESIDENT who purchased the Traditional Payment Program cancels the Agreement after twenty-four (24) months of occupancy, there shall be no refund of the entrance fee. The RESIDENT who purchased the Fifty-Percent Refund Program has a fifty percent refund option for life and the Resident who purchased the Ninety-Percent Refund Program has a ninety percent refund option for life. Baptist Retirement Homes may cancel the Apartment Residence Agreement prior to or following occupancy by the RESIDENT, upon determining that the RESIDENT has either become incapable of independent living or has failed to comply with the obligations assumed pursuant to the Agreement. In the event of such cancellation, the RESIDENT shall receive a full refund if cancellation occurs prior to occupancy; a partial refund if cancellation occurs during the first twenty-four (24) months of occupancy; and, no refund if cancellation occurs thereafter.

If a RESIDENT dies within twenty-four (24) months of occupancy, a refund of the unamortized entrance fee will be made to the estate of the RESIDENT. The refund will be made upon re-occupancy of the unit and the receipt and unrestricted use of the entrance fee proceeds from the successor RESIDENT. No refund is made if death occurs after the first twenty-four (24) months of occupancy. If a RESIDENT who purchased the Fifty Percent Refund Program dies, a refund of fifty percent of the entrance fee will be paid to his/her estate. If a resident who purchased the Ninety-Percent Refund Program dies, a refund of ninety percent of the entrance fee will be paid to his/her estate.

A RESIDENT contract with Baptist Retirement Homes of North Carolina, Incorporated can be terminated if the RESIDENT being provided service requires a higher level of care than can be provided in the RESIDENT'S current setting. In such a case, every effort will be made to place the RESIDENT at an appropriate level of care within the Baptist Retirement

Homes' system. If a contract is terminated by Baptist Retirement Homes, a refund of the unamortized entrance fee will be made to the RESIDENT as soon as the RESIDENT'S residence has been re-leased.

6. RESIDENTS living in garden home units can choose from one of three plans in regard to services offered to them via the Brookridge Community:

The Silver Club Plan – Garden home RESIDENTS who choose this Plan receive credit via their monthly maintenance fee to purchase thirty (30) meals a month, housekeeping services, and concierge services.

The Gold Club Plan – Garden home RESIDENTS who choose this Plan receive credit via their monthly maintenance fee to purchase twenty (20) meals a month and housekeeping services.

The Platinum Club Plan – Garden home RESIDENTS who choose this Plan receive no credit via their monthly maintenance fee to purchase meals, housekeeping, or concierge services.

7. If RESIDENT is away from the Brookridge Retirement Community for thirty consecutive days, he/she will receive a credit equal to the cost of the thirty-day dining plan for each person. If for any reason, RESIDENT returns to the Brookridge Retirement Community for an overnight stay, he/she will be ineligible to take advantage of the away rate. The "away rate" can be taken for a maximum of three months.
8. Upon cancellation of the Agreement by the RESIDENT or the Homes, the independent living apartment of the prior RESIDENT may be made available to a different or new resident by the Homes if the rights of all residents residing in the independent living apartment have been terminated.

B. **Adult Care Home**

1. In order for an individual to be accepted as a RESIDENT, the individual must be a minimum of fifty-five (55) years of age and in the mental and physical condition to be able to adequately function at the Adult Care Home level of care, which is determined by the Homes' Admissions Committee. After the acceptance of a RESIDENT, if Baptist Retirement Homes should determine that the RESIDENT has become incapable of functioning at an Adult Care Home level of care, the Agreement shall be canceled pursuant to Sections 7 and 8 of the Resident Care Agreement.
2. Also, in general, the individual must be capable of paying the reasonable periodic fees as determined by Baptist Retirement Homes in order to be accepted as a RESIDENT. The RESIDENT agrees to prudently conserve

and maintain current and future income and assets in order to provide for payment of services to be provided by the Homes under this Agreement or otherwise. Upon verification satisfactory to the Homes that the RESIDENT has complied with this obligation, and that the RESIDENT'S income and assets are no longer sufficient to pay for services required, the Homes will endeavor to provide financial assistance to the RESIDENT, by prudent use of finite funds available to it for such purposes. The Homes has no legal obligation to provide such assistance, and is unable to represent or guarantee with certainty that such assistance will be available to the RESIDENT. In any event, such assistance as may be available will be provided only after the RESIDENT has applied for and taken all necessary steps to qualify for any available public benefit program, or private funds or programs through which benefits may be available for payment of services required by the RESIDENT.

3. If a RESIDENT marries while at the facility, the RESIDENT must have the advanced written permission of Baptist Retirement Homes for the new spouse to live with the RESIDENT. Such permission is conditioned upon negotiation and execution of a new written Resident Care Agreement and shall be subject to the appropriate fees. Until such an Agreement is reached, the new spouse has no rights or privileges under the existing Agreement with the RESIDENT.
4. The RESIDENT must agree to prudently conserve and maintain current and future income and assets in order to provide for the payment of services. Upon verification that the RESIDENT has complied with this obligation and that the RESIDENT'S income and assets are no longer sufficient to pay for the services required, Baptist Retirement Homes will endeavor to provide financial assistance to the RESIDENT pursuant to the Resident Care Agreement. Baptist Retirement Homes has no legal obligation to provide such assistance and does not represent or guarantee that such assistance will be provided to a RESIDENT.
5. The RESIDENT may cancel the Resident Care Agreement within thirty (30) days of execution and prior to occupancy by giving written notice to Baptist Retirement Homes and receive a full refund of any admission fees paid. After the initial thirty (30) day period but prior to occupancy, the RESIDENT may cancel the Agreement by giving thirty (30) days written notice to the Homes.

Baptist Retirement Homes may cancel the Resident Care Agreement prior to or following occupancy by the RESIDENT, upon determining that the RESIDENT has either become incapable of living at the Adult Care Home level of care or has failed to comply with the obligations assumed pursuant to the Agreement.

A RESIDENT contract with Baptist Retirement Homes of North Carolina, Incorporated can be terminated if the RESIDENT being provided services requires a higher level of care than can be provided in the RESIDENT'S current setting. In such a case, every effort would be made to place the RESIDENT at an appropriate level of care within the Baptist Retirement Homes' system.

6. Upon cancellation of the Agreement by the RESIDENT or the Homes, the Adult Care Home room of the prior RESIDENT may be made available to a different or new resident by the Homes if the rights of the RESIDENT residing in the Adult Care Home room have been terminated.

IV. **SERVICES**

A. **Independent Living**

The Homes provides the "continuing care" services outlined below in the Independent Living Apartments at the Brookridge Retirement Community. All parties who wish to reside in the Independent Living Apartments at the Brookridge Retirement Community shall do so by entering into a contract entitled "Apartment Residence Agreement". A current copy of this Agreement is enclosed with this Disclosure Statement. This Agreement is the sole contract between Baptist Retirement Homes of North Carolina, Incorporated and the RESIDENT. If more than one person enters into the Agreement, the word "RESIDENT" as used herein and as used in the Agreement shall include both residents unless otherwise stated. This Disclosure Statement constitutes Exhibit C to the Agreement and is incorporated therein by reference. Baptist Retirement Homes of North Carolina, Incorporated provides the following "continuing care" services at the Brookridge Retirement Community pursuant to the Residency Agreement based upon the admission fee and the monthly service fee (the monthly service fee is that amount paid by the RESIDENT on a monthly basis to underwrite the cost of the service provided to him/her via the RESIDENT'S contract with the Baptist Retirement Homes – see Apartment Resident Agreement Page 1, #2) specified therein:

1. UTILITIES: Including heat, electricity, air conditioning, telephone and television outlets, water and sewer services, and trash disposal.
2. FURNISHINGS:
 - a. Independent Living Apartments located in the Main Building are furnished with carpeting, window covering, electric range with hood, frost-free refrigerator, dishwasher, and disposal.

- b. Independent Living Apartments designated as Garden Homes are furnished as indicated above with the addition of a washer/dryer.
- 3. INSURANCE: Baptist Retirement Homes provides fire and casualty insurance. The insurance provided by Baptist Retirement Homes does not cover personal contents of the Apartments.
- 4. MEAL SERVICE: Baptist Retirement Homes in its standard contract provides at no additional charge to RESIDENT, one meal each day to be served in its dining room. Garden Home residents have three options for dining services:
 - The Platinum Plan- 30 meals a month
 - The Gold Plan- 20 meals a month
 - The Silver Plan- 0 meals a month
- 5. HEALTH SERVICE: If required by RESIDENT'S health status, Baptist Retirement Homes will provide without additional charge a cumulative total of thirty (30) days residential care in its Health Care Center while the Residency Agreement is in force. Such care, as appropriate, will be at either the adult care home level, or at the nursing care level. If for any reason such care is temporarily unavailable when required by the RESIDENT, it will be provided at the expense of Baptist Retirement Homes at other comparable facilities. During provision of such care, the RESIDENT will be charged for medicines, physician's services, and for supplies not normally included in the base fee for such services. The RESIDENT will pay for health care services in excess of the thirty (30) day cumulative total provided by this Agreement at the rate established for such care by Baptist Retirement Homes at the time such care is required. All other medical care, services and supplies provided to the RESIDENT by Baptist Retirement Homes or others, will be at the RESIDENT'S expense.
- 6. MAINTENANCE of all common areas and grounds, and furnishings and equipment owned by Baptist Retirement Homes.
- 7. PARKING: More than adequate parking located in three parking areas adjacent to the main building on the Brookridge campus is provided for residents living in independent living apartments. Every resident is guaranteed a parking place for his/her vehicle, and no parking fee is charged to the resident for that service. Every resident living in a garden home located on the Brookridge campus has access to covered parking adjacent to his/her garden home. No parking fee is charged to the resident for that service.

8. RECREATIONAL, SOCIAL, AND RELIGIOUS ACTIVITIES and other life enrichment programs are provided. Space and equipment to facilitate various hobbies and crafts are furnished. An indoor swimming pool and exercise area, the West Water Therapy Center, is also available on site.
9. HOUSEKEEPING:
 - a. Congregate Building apartments are provided biweekly housekeeping (general vacuuming, dusting, and cleaning of bath) and weekly changes of white sheets and pillowcases.
 - b. Garden home apartments are provided twice-monthly housekeeping (general vacuuming, dusting, and cleaning of bath).
10. LAUNDRY: For Residents living in Congregate Building Apartments, Baptist Retirement Homes furnishes and maintains washers and dryers for RESIDENT'S use.
11. SCHEDULED TRANSPORTATION: Baptist Retirement Homes provides scheduled transportation to local shopping areas, churches, and social activities.
12. STAFF: Baptist Retirement Homes has staff on duty at all times to be responsive to the needs of the RESIDENTS and to assist in case of emergencies.

Baptist Retirement Homes makes available to the RESIDENT on an optional basis, upon payment of additional fees as may be established:

1. One or two additional meals per day in the central dining room;
2. In case of temporary illness, tray service of meals in the RESIDENT'S apartment;
3. Additional housekeeping services as required;
4. Transportation to extra-curricular events and locations;
5. Beauty and barber services; and
6. Transportation to medical appointments.

B. Adult Care Home

Baptist Retirement Homes of North Carolina, Incorporated provides the following “continuing care” services at the Adult Care Home level of care at the Brookridge Retirement Community, pursuant to the Resident Care Agreement based upon the admission fee and monthly service fee specified therein:

1. UTILITIES: Including heat, electricity, air conditioning, telephone outlets and television outlets, water and sewer services, and trash disposal.
2. FURNISHINGS: Each Adult Care Home room at the Brookridge Retirement Community will be furnished with carpeting and window covering.
3. INSURANCE: Baptist Retirement Homes carries fire and casualty insurance. The insurance provided by Baptist Retirement Homes does not cover personal contents of the room.
4. MEAL SERVICE: Baptist Retirement Homes provides, at no additional charge to the RESIDENT, three meals each day served in its dining room.
5. MEDICATION MONITORING: Certified staff will monitor and/or administer medications to the RESIDENT.
6. MAINTENANCE of all common areas and grounds, and furnishings and equipment owned by Baptist Retirement Homes.
7. PARKING: More than adequate parking is provided for Adult Care Home residents and their families in two parking areas adjacent to the Health Care Center located on the Brookridge campus. Adult Care Home residents who own their own vehicles are provided parking spaces for their automobiles at no charge to the residents.
8. RECREATIONAL, SOCIAL, AND RELIGIOUS ACTIVITIES and other life enrichment programs are provided. Space and equipment to facilitate various hobbies and crafts are also furnished.
9. HOUSEKEEPING: Residents of the Adult Care Home area receive daily housekeeping services (general vacuuming, dusting, and cleaning of bath) and changes of white sheets and pillowcases as needed.
10. LAUNDRY: Baptist Retirement Homes provides personal laundry services for each RESIDENT.
11. SCHEDULED TRANSPORTATION: Baptist Retirement Homes provides scheduled transportation to local shopping areas, churches, social activities, and routine medical appointments.

12. STAFF: Baptist Retirement Homes has staff on duty at all times to be responsive to the needs of the RESIDENTS and to assist in case of emergencies.

Baptist Retirement Homes will make available to the RESIDENT on an optional basis, upon payment of additional fees as may be established:

1. Medical supplies and equipment related to hospitalization, prescription medicines, medical supplies, physician services, dental and optical care;
2. Physical, Speech, and Occupational therapy;
3. Clothing;
4. Personal Care items;
5. Beauty and Barber Services.

V. **FEES**

A. **Independent Living**

1. A description of all current fees required of residents of the Brookridge Retirement Community including admission fees and periodic charges is set forth as follows:

ENTRANCE FEES

The Apartment/Garden Home Entrance fee is paid by the RESIDENT thirty (30) days after he/she signs the Apartment Resident Agreement or the receipt of a Disclosure Statement and assures the RESIDENT a place in the “Community” for a term of years or life as long as the RESIDENT complies with his/her contract with the Baptist Retirement Homes.

Independent Living 0% Refundable Entrance Fees

Garden Homes

Single residence – single	\$ 160,950
Single residence – double	\$ 177,569
Duplex residence – single	\$ 99,683 - \$130,652
Duplex residence – double	\$ 116,301 - \$148,931

Apartments

Studio	\$ 41,377
One bedroom – single	\$ 65,483
One bedroom – double	\$ 79,804
Deluxe one bedroom – single	\$ 86,965

Deluxe one bedroom – double	\$ 102,588
Two bedroom – single	\$ 86,965
Two bedroom – double	\$ 102,588
Two bedroom Classic – single	\$ 94,355
Two bedroom Classic – double	\$ 110,257
Deluxe two bedroom – single	\$ 156,353
Deluxe two bedroom – double	\$ 172,496

MONTHLY FEES

The monthly service fee is that amount paid by the RESIDENT on a monthly basis to underwrite the cost of the services provided to him/her via the RESIDENT’S contract with the Baptist Retirement Homes.

<u>Type of Unit</u>	<u>Monthly Fee</u>		
Independent Living			
Garden Homes			
	<u>Platinum</u>	<u>Gold</u>	<u>Silver</u>
Single residence – single	\$3,066	\$2,936	\$2,546
Single residence – double	\$3,918	\$3,658	\$2,978
Duplex residence – single	\$2,786	\$2,656	\$2,266
Duplex residence – double	\$3,634	\$3,374	\$2,694
Apartments			
Studio	\$ 1,522		
One bedroom – single	\$ 1,974		
One bedroom – double	\$ 2,846		
Deluxe one bedroom – single	\$ 2,436		
Deluxe one bedroom – double	\$ 3,315		
Two bedroom – single	\$ 2,436		
Two bedroom – double	\$ 3,315		
Two bedroom Classic – single	\$ 2,679		
Two bedroom Classic – double	\$ 3,646		
Deluxe two bedroom – single	\$ 3,066		
Deluxe two bedroom – double	\$ 3,917		

Fees for Additional Services Available

Transportation expense	\$30.00 Trip
------------------------	--------------

- The monthly service fee may be adjusted from time to time by Baptist Retirement Homes by giving sixty days written notice of any increase or decrease to the RESIDENT in accordance with Section 2 of the Apartment

Residence Agreement. The frequency and dollar amount of each average increase during the past five years at the Brookridge Retirement Community, owned and operated by Baptist Retirement Homes, as it relates to independent living apartments is as follows:

<u>DATE</u>	<u>AVERAGE AMOUNT OF INCREASE</u>	<u>FREQUENCY</u>
10/1/17	\$68.33 (garden homes/apartments)	1 time per year
10/1/18	\$70.09 (garden homes/apartments)	1 time per year
10/1/19	\$66.13 (garden homes/apartments)	1 time per year
10/1/20	\$76.01 (garden homes/apartments)	1 time per year
10/1/21	\$80.11 (garden homes/apartments)	1 time per year

B. Adult Care Home

1. A description of all current fees required of residents, including admission fees and periodic changes, is as follows:

Regular – entrance fee paid	\$5,086
Regular – no entrance fee	\$6,029
Memory-Enhanced residence	\$7,515

2. The monthly service fee may be adjusted from time to time by Baptist Retirement Homes upon giving sixty (60) days written notice of any increase or decrease to the RESIDENT in accordance with Section 2 of the Resident Care Agreement.

The frequency and dollar amounts of each average increase at the Brookridge Retirement Community, owned and operated by Baptist Retirement Homes, during the past five years is as follows:

<u>DATE</u>	<u>AVERAGE AMOUNT OF INCREASE</u>	<u>FREQUENCY</u>
10/1/17	\$153.25	1 time per year
10/1/18	\$157.84	1 time per year
10/1/19	\$162.58	1 time per year
10/1/20	\$195.36	1 time per year
10/1/21	\$432.81	1 time per year

C. Skilled Nursing

1. A description of all current fees required of residents, including admission fees and periodic changes, is as follows:

<u>Nursing Care</u>	<u>Daily Rate</u>
---------------------	-------------------

Private room	\$326
Semi-private room	\$305

2. The monthly service fee may be adjusted from time to time by Baptist Retirement Homes.

The frequency and dollar amounts of each average increase at the Brookridge Retirement Community, during the past five years is as follows:

<u>DATE</u>	<u>AVERAGE AMOUNT OF INCREASE</u>	<u>FREQUENCY</u>
10/1/16	Daily Rate \$ 6.23	1 time per year
10/1/17	Daily Rate \$ 7.67	1 time per year
10/1/18	Daily Rate \$ 7.90	1 time per year
10/1/19	Daily Rate \$ 8.14	1 time per year
10/1/20	Daily Rate \$14.81	1 time per year
10/1/21	Daily Rate \$21.27	1 time per year

VI. FINANCIAL INFORMATION

Unless otherwise indicated all financial data is derived from the consolidated financial statements of the Baptist Retirement Homes of North Carolina, Incorporated.

- A. The Brookridge Retirement Community has a fully funded Statutory Operating Reserve Fund of \$6.112 million, in addition to resident entrance fees in funding the Brookridge Retirement Community. If unforeseen financial need is ever experienced in connection with the operation of the Brookridge Retirement Community, Baptist Retirement Homes will, in the same manner utilize any funds that may be available to it from gifts or contributions to enable it to perform its obligations fully under contracts to provide continuing care at the Community.

- B. Baptist Retirement Homes of North Carolina, Incorporated operates on a fiscal year of October 1 through September 30. From 1986 to 1990, D.E. Gatewood and Company, Certified Public Accountants, audited the financial records of the organization. From 1991 to 1993, Coopers and Lybrand, Certified Public Accountants audited the financial statements of the organization. From 1994 through 2000, Ernst and Young, LLP audited the financial statements of the organization. From 2001 to 2006, the financial statements of the organization were audited by McGladrey & Pullen, LLP. From 2007 to 2009, LarsonAllen LLP audited the financial statements of the organization. From 2010-2015, RSM/McGladrey, LLP audited the financial statements of the organization. For 2016 to 2021, Clifton Larson Allen, LLP audited the financial statements of the organization. Certified consolidated financial statements covering all facilities are attached hereto as follows:

Interim Financial Statements as of
January 2021 (unaudited)

Attachment VIII

- C. Pro-forma financial statements are attached hereto as Attachment III.

VII. **RESERVES, ESCROW, AND TRUSTS**

- A. Baptist Retirement Homes of North Carolina, Incorporated is the income beneficiary of various trusts administered by the North Carolina Baptist Foundation. These trusts have a market value of approximately \$5,692,269. Income received from these trusts is approximately \$210,096 per year.

Baptist Retirement Homes of North Carolina, Incorporated is the income beneficiary of a trust under the Will of John Alonzo Bolich, Jr. The trust, being administered by Wells Fargo Bank, has a market value of approximately \$2,470,496. Annual income from the trust is approximately \$82,605.

Baptist Retirement Homes of North Carolina, Incorporated is the income beneficiary of a trust under the Will of Clyde Little. The trust is being held in an account at Wells Fargo Charitable Funds Department, and has a market value of \$703,095. Annual income from the trust is approximately \$20,996.

In 1994, Baptist Retirement Homes of North Carolina, Incorporated established a memorial fund for the benefit of supplementing the cost of care for residents who do not have the financial resources to pay for their care. The funds have a balance of \$3,403,027. Annual income from the fund is approximately \$234,480.

- B. The forecasted financial statements will reflect the Homes' funding of an operating reserve as required by N.C.G.S. §58-64. The operating reserve must be an amount at least equal to fifty percent (50%) of operating expenses (net of depreciation and amortization) plus debt service for all facilities considered to be continuing care retirement communities. As only the Brookridge Retirement Community and The Gardens of Taylor Glen Retirement Community qualify as a continuing care retirement communities, only the operating expenses related to the Brookridge Retirement Community and to The Gardens of Taylor Glen Retirement Community are used to calculate the reserve. The forecast will also assume an interest rate between one to five percent (1-5%) will be earned on these funds based on the average balance during the year.
- C. The asset managers of Wells Fargo Bank invest the reserve portfolio managed by Wells Fargo Charitable Funds. The funds on deposit with Wells Fargo are invested seventy percent (70%) in equities and thirty percent (30%) in fixed income funds. The following is a list of the investment management professionals that are over-

seeing the investment decisions and their professional investment experience for each fund.

<u>Fund</u>	<u>Manager</u>	<u>Years of Experience</u>
Abbey Capital Futures Strategy I	Mgmt Team	Avg 7.6 for Group
BlackRock Global Long/Short Credit K	Mgmt Team	Avg 5.0 for Group
Cohen & Steers Instl Realty Shares	Mgmt Team	Avg 7.9 for Group
Dodge & Cox Income	Mgmt Team	Avg 15.6 for Group
Dodge & Cox International Stock	Mgmt Team	Avg 11.6 for Group
Dodge & Cox Stock	Mgmt Team	Avg 13.2for Group
Eaton Vance Gbl Macro Abs Ret Advtg R6	Mgmt Team	Avg 3.4 for Group
Federated Treasury Obligations Fund	Deborah Cunningham & Susan Hill	Avg 36.5 for Group
Fuller & Thaler Behavioral Sm-Cp Eq R6	Mgmt Team	Avg 7.7 for Group
Invesco Developing Markets R6	Justin Leverenz	14.8 Years
Invesco Optimum Yield Commodity ETF	Passive Strategy – No Mgr.	N/A
iShares Core MSCI EAFE ETF	Passive Strategy – No Mgr.	N/A
iShares Russell Midcap ETF	Passive Strategy – No Mgr.	N/A
Neuberger Berman Long Short Instl	Mgmt Team	Avg 7.6 for Group
Principal MidCap R-6	Mgmt Team	Avg 15 for Group
Principal Spectrum Pref&Cptl Scs IncR6	Mgmt Team	Avg 10.5 for Group
T. Rowe Price Blue Chip Growth	Paul Greene	3 Years
T. Rowe Price Instl Floating Rate	Paul Massaro	12.8 Years
TCW Emerging Markets Income Plan	Mgmt Team	Avg 10.3 for Group
Vanguard 500 Index Admiral	Mgmt Team	Avg 5 for Group
Vanguard FTSE Emerging Markets ETF	Passive Strategy – No Mgr.	N/A
Vanguard Mid-Cap Value Index Admiral	Mgmt Team	Avg 8 for Group
Vanguard Russell 2000 Index ETF	Passive Strategy – No Mgr.	N/A
Wells Fargo Fixed Income Strategy	Mgmt Team	Avg 13 for Group
Western Asset Intermediate Bond IS	Mgmt Team	Avg 6.2 for Group

The asset managers of First Citizens invest the reserve portfolio managed by First Citizens Bank. The funds on deposit with First Citizens are invested seventy percent (65%) in equities and thirty percent (35%) in fixed income funds. The short-term time horizon funds on deposit with First Citizens are invested approximately twenty percent (20%) in equities and eighty percent (80%) in fixed income funds/cash. The following is a list of the investment management professionals that are overseeing the investment decisions and their professional investment experience for each fund.

<u>Fund</u>	<u>Manager</u>	<u>Years of Experience</u>
Equities/Fixed Income/Asset Allocation (CIO)	Brent Ciliano	27
Asset Allocation/Manager Due Diligence	Partick Nolan	25
Equities	Steve Eubanks	37
Fixed Income	Joe Mirsky	31

VIII. FACILITY DEVELOPMENT/EXPANSION

The Baptist Retirement Homes of North Carolina, Incorporated has been involved in the following development since 1990:

In December 1990, Baptist Retirement Homes of North Carolina, Incorporated was given Certificate of Need approval to construct a one-hundred (100)-bed nursing care addition to its Western North Carolina Baptist Home in Asheville. Construction on the one-hundred (100)-bed addition began in the fall of 1991, and the center was opened in February 1993.

In 1994, a Solarium was added to the Prince Nursing Care Center to house a special small group program designed to enhance the quality of life experienced by institutionalized Older Adults who have dementia. A similar addition was made to the Western North Carolina Baptist Home in 1995.

In 1997, community-wide renovation work at The Taylor House was completed.

In 1997, renovation work at the Adult Care Home Residence at the Western North Carolina Baptist Home was completed.

In 1997, construction began on five two bedroom deluxe apartments at the Brookridge Retirement Community. The apartment project was completed in the summer of 1998.

In 1998, construction began on an indoor swimming pool and fitness center at the Brookridge Retirement Community. The pool was completed in September 1999.

In 1998, renovation work at the Western North Carolina Baptist Home began to develop a nine (9)-bed memory-enhanced residence. The memory-enhanced residence was completed in the fall of 1999.

In 2001, The Gardens of Taylor Glen was opened for operation.

Construction of a memory-enhanced residence at the Brookridge Retirement Community began in February 2001, and the project was completed in October 2001.

In 2002, community-wide renovation of The Taylor House was completed to include a new elevator, new boiler, and new kitchen area.

In 2003, a special residence for Older Adults with dementia was opened in the Adult Care Home area of the Western North Carolina Baptist Home.

In 2006, a café dining option for independent living residents at the Brookridge Retirement Community was opened for operation.

In 2006 – 2007, the Prince Nursing Care Center in Winston-Salem and the Rickman Nursing Care Center in Asheville underwent significant renovations.

In 2010, the administrative and family area at Brookridge Retirement Community Nursing Care Center was renovated.

In 2012, Baptist Retirement Homes began construction of a new wing and renovation of existing rooms and administrative offices at the Prince Nursing Care Center in Winston-Salem. The new wing was completed in 2013 and the renovations completed in 2014.

In 2014, the Brookridge Independent Living Lobby was renovated.

In 2015, the Western North Carolina Baptist Home began renovation of the Nursing Care Center, which was completed in 2016.

In 2021, The Brookridge Independent Living commons areas renovation was approved for construction to be completed in the summer of 2022.

IX. **OTHER MATERIAL INFORMATION**

As of the date of this Disclosure Statement, Baptist Retirement Homes of North Carolina, Incorporated is not involved in any past or current litigation, bankruptcy filings, receivership, liquidation, impending actions or perils.

X. **RESIDENT AGREEMENT/CONTRACT**

Copies of the current resident agreements which comply with all contract specifications as per N.C.G.S. 58-64-25 are attached to this Disclosure Statement as Attachment IV, Attachment V, and Attachment VI and VI-A for Independent Living, Adult Care Home, and Nursing Care at the Brookridge Retirement Community.

XI. **ATTACHMENTS TO DISCLOSURE STATEMENT**

Attachment I	9/30/21 Audit Report
Attachment II	Financial Data – Actual Compared to Forecasted
Attachment III	Pro-Forma Financial Statements
Attachment IV	Apartment Resident Agreement – Independent Living Apartments
Attachment V	Resident Care Agreement – Adult Care Home Residence
Attachment VI	Nursing Care Agreement
Attachment VII	Life Expectancy Table
Attachment VIII	October 2021 – January 2022 Interim Financial Statements (unaudited)

ATTACHMENT I

9/30/21 Audit Report

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED SEPTEMBER 30, 2021 AND 2020



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAcconnect.com

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
TABLE OF CONTENTS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED BALANCE SHEETS	3
CONSOLIDATED STATEMENTS OF ACTIVITIES	5
CONSOLIDATED STATEMENTS OF CASH FLOWS	6
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	8
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	36
SUPPLEMENTARY INFORMATION	
CONSOLIDATING BALANCE SHEET	37
CONSOLIDATING STATEMENT OF ACTIVITIES	39
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	41



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Baptist Retirement Homes of North Carolina, Incorporated
Winston-Salem, North Carolina

We have audited the accompanying consolidated financial statements of Baptist Retirement Homes of North Carolina, Incorporated and Affiliate (collectively, the Organization), which comprise the consolidated balance sheets as of September 30, 2021 and 2020, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. For the year ended September 30, 2021, we also conducted our audit in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of 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 auditor's 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 Organization'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 Organization'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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Baptist Retirement Homes of North Carolina, Incorporated and Affiliate as of September 30, 2021 and 2020, and the results of their operations, changes in their net assets, 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 financial statements, Baptist Retirement Homes of North Carolina, Incorporated and Affiliate adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update 2014-09, *Revenue from Contracts with Customers*. The new accounting standard clarifies how revenue is to be recognized and requires expanded disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The adoption of this standard did not result in a cumulative change in accounting principle. Our opinion is not modified with respect to that matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022, on our consideration of Baptist Retirement Homes of North Carolina, Incorporated and Affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Baptist Retirement Homes of North Carolina, Incorporated and Affiliate's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Baptist Retirement Homes of North Carolina, Incorporated and Affiliate's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Charlotte, North Carolina
January 31, 2022

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2021 AND 2020**

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 6,005,297	\$ 9,743,004
Accounts Receivable	2,231,841	1,688,402
Investments	57,358,235	50,786,318
Contributions Receivable	132,500	132,500
Prepaid Expenses and Other Assets	493,238	432,863
Total Current Assets	66,221,111	62,783,087
ASSETS LIMITED AS TO USE		
Internally Designated for Capital Development	1,996,546	1,554,891
Internally Designated for Statutory Operating Reserve	9,835,999	7,734,500
Total Assets Limited as to Use	11,832,545	9,289,391
INVESTMENTS AND OTHER ASSETS		
Assets in Split-Interest Agreements:		
Charitable Remainder Trusts	1,699,722	1,734,404
Beneficial Interest in Perpetual Trusts	8,162,766	7,056,907
Other Assets	15,000	15,000
Total Investments and Other Assets	9,877,488	8,806,311
PROPERTY AND EQUIPMENT, NET		
	46,217,182	44,442,871
Total Assets	\$ 134,148,326	\$ 125,321,660

See accompanying Notes to Consolidated Financial Statements.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
CONSOLIDATED BALANCE SHEETS (CONTINUED)
SEPTEMBER 30, 2021 AND 2020**

	2021	2020
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$ 1,746,599	\$ 1,689,627
Accounts Payable	1,954,435	501,900
Accrued Expenses	280,504	396,077
Accrued Employee Compensation	989,858	1,575,182
Other Current Liabilities	89,324	71,093
Current Portion of Refundable Advance Fees	258,853	118,567
CARES Act - Provider Relief Funds	141,349	937,270
Refundable Advance	-	2,273,300
Total Current Liabilities	5,460,922	7,563,016
LONG-TERM DEBT, LESS CURRENT MATURITIES	27,578,668	29,294,040
DEFERRED REVENUE AND OTHER LIABILITIES		
Deferred Revenue from Advance Fees	13,053,051	11,307,278
Refundable Advance Fees on Occupied Units, Net of Current Portion	2,039,239	2,055,973
Total Deferred Revenue and Other Liabilities	15,092,290	13,363,251
Total Liabilities	48,131,880	50,220,307
NET ASSETS		
Without Donor Restrictions	57,806,233	48,667,822
With Donor Restrictions	28,210,213	26,433,531
Total Net Assets	86,016,446	75,101,353
Total Liabilities and Net Assets	\$ 134,148,326	\$ 125,321,660

See accompanying Notes to Consolidated Financial Statements.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	2021	2020
REVENUES, GAINS, AND OTHER SUPPORT		
Resident Service Revenue, including Amortization of Deferred Revenue from Nonrefundable Advance Fees of \$2,010,377 in 2021 and \$1,877,813 in 2020	\$ 25,235,357	\$ 24,116,745
Gifts, Including Gifts from Churches and Special Offerings	332,923	436,578
Income from Grants	305,097	331,050
Income from Estates and Trusts	113,956	435,191
Investment Income and Realized Gains	3,119,158	2,023,444
Contributions - Paycheck Protection Program	2,273,300	-
CARES Act- Provider Relief Fund Revenue	937,270	243,084
Net Assets Released from Restrictions	964,812	425,917
Other	489,525	459,019
Total Revenues, Gains, and Other Support	33,771,398	28,471,028
OPERATING EXPENSES		
Resident Care	13,327,079	11,602,569
Dietary	2,905,441	2,736,883
Maintenance and Housekeeping	4,630,935	4,307,988
General and Administrative	5,375,235	5,227,025
Depreciation	3,557,794	3,759,442
Interest	996,928	1,291,194
Total Operating Expenses	30,793,412	28,925,101
OPERATING INCOME (LOSS)	2,977,986	(454,073)
NONOPERATING INCOME (LOSS)		
Loss on Extinguishment of Debt	-	(531,715)
Unrealized Gains on Investments	5,578,561	1,931,509
Total Nonoperating Income	5,578,561	1,399,794
EXCESS OF REVENUES OVER EXPENSES	8,556,547	945,721
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Transfers to Net Assets With Donor Restrictions	(266,834)	-
Net Assets Released from Restrictions for Property and Equipment	848,698	-
Total Other Changes in Net Assets Without Donor Restrictions	581,864	-
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	9,138,411	945,721
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	185,457	-
Transfers from Net Assets Without Donor Restrictions	266,834	-
Investment Income	893,602	449,696
Change in Value of Charitable Remainder Trusts	(34,682)	261,258
Unrealized Gains on Investments	1,173,122	249,625
Change in Value of Beneficial Interest in Perpetual Trusts	1,105,859	158,056
Net Assets Released from Restrictions	(1,813,510)	(425,917)
Increase in Net Assets With Donor Restrictions	1,776,682	692,718
INCREASE IN NET ASSETS	10,915,093	1,638,439
Net Assets - Beginning of Year	75,101,353	73,462,914
NET ASSETS - END OF YEAR	\$ 86,016,446	\$ 75,101,353

See accompanying Notes to Consolidated Financial Statements.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ 10,915,093	\$ 1,638,439
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	3,557,794	3,759,442
Loss on Extinguishment of Debt	-	531,715
Unrealized Gains on Investments	(6,751,683)	(2,181,134)
Change in Value of Charitable Remainder Trusts	34,682	(261,258)
Change in Value of Beneficial Interest in Perpetual Trusts	(1,105,859)	(158,056)
Amortization of Deferred Revenue from Advance Fees	(2,010,377)	(1,877,813)
Amortization of Deferred Costs	25,694	93,177
Bad Debt Expense	97,266	141,407
Advance Fees Received	4,512,199	2,397,390
Advance Fees Refunded	(632,497)	(141,908)
Realized Gains on Investments	(2,486,940)	(1,018,871)
Gain on Disposal of Asset	(12,500)	(7,048)
(Increase) Decrease in Assets:		
Accounts Receivable	(640,705)	(425,436)
Contributions Receivable	-	4,518
Prepaid Expenses and Other Current Assets	(60,375)	(33,866)
Increase (Decrease) in Liabilities:		
Accounts Payable, Accrued Expenses, Accrued Compensation, and Other Current Liabilities	769,869	(32,326)
CARES Act - Provider Relief Funds	(795,921)	937,270
Proceeds from Refundable Advance	(2,273,300)	2,273,300
Net Cash Provided by Operating Activities	3,142,440	5,638,942
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Change in Investments	(504,114)	1,178,485
Net Change of Assets Limited as to Use	731,592	(670,672)
Purchases of Property and Equipment	(5,332,104)	(1,556,764)
Proceeds from Sale of Property and Equipment	12,499	21,299
Net Cash Used by Investing Activities	(5,092,127)	(1,027,652)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Long-Term Debt	-	31,753,569
Refunding of Long-Term Debt	-	(31,753,569)
Payments of Long-Term Debt	(1,684,094)	(2,378,189)
Payment of Financing Costs	-	(385,399)
Net Cash Used by Financing Activities	(1,684,094)	(2,763,588)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(3,633,781)	1,847,702
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	11,763,096	9,915,394
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 8,129,315	\$ 11,763,096

See accompanying Notes to Consolidated Financial Statements.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	2021	2020
Cash and Cash Equivalents	\$ 6,005,297	\$ 9,743,004
Restricted Cash and Cash Equivalents Included in Assets Limited as to Use	2,124,018	2,020,092
Total Cash, Cash Equivalents, and Restricted Cash	\$ 8,129,315	\$ 11,763,096
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Payments for Interest	\$ 997,408	\$ 1,294,728
 SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Purchases of Equipment included in Accounts Payable	\$ 768,814	\$ 44,953

See accompanying Notes to Consolidated Financial Statements.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Baptist Retirement Homes of North Carolina, Incorporated (Homes) is a church-related not-for-profit corporation organized under the laws of the state of North Carolina. The trustees of the Homes are nominated and elected by the board. All trustees must be members of North Carolina Baptist churches. The Homes has a historical relationship with the Baptist State Convention of North Carolina.

The Baptist Retirement Homes Foundation (the Foundation) was established primarily to raise funds for the benevolent ministries of the Homes.

The board of directors of the Foundation is elected by the board of trustees of the Homes.

Homes owns, maintains, and operates facilities throughout North Carolina for the purpose of providing for the care of older adults. The facilities consist of independent living homes and apartments, with freestanding and combination facilities that include assisted living residences and skilled nursing care rooms. Homes receives direct support from North Carolina Baptist churches, special church offerings, grants from foundations and through gifts and bequests from individuals and businesses to assist with capital projects and the benevolent ministries of the Homes.

Principles of Consolidation

The consolidated financial statements include the accounts of the Homes and the Foundation (collectively, the Organization). All material related party balances and transactions have been eliminated in consolidation.

Adoption of New Accounting Principles

In May 2014, the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* (ASU 2014-09). ASU 2014-09's core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which extended the effective date of the adoption of this standard to fiscal years beginning after December 15, 2019. During the year ended September 30, 2021, the Organization adopted ASU 2014-09 as described in Note 7 – Resident Service Revenue.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Adoption of New Accounting Principle (Continued)

ASU 2014-09 requires the Organization to exercise more judgment and recognize revenue using a five-step process. The Organization adopted ASU 2014-09 using the full retrospective method for all contracts effective October 1, 2019 and is using a portfolio approach to group contracts with similar characteristics and analyze historical cash collections trends. Full retrospective adoption requires entities to apply the standard retrospectively to all periods presented in the consolidated financial statements, requiring the cumulative effect of the retrospective application as an adjustment to the opening balance of net assets at the date of the earliest year presented. No cumulative-effect adjustment in net assets was recorded as the adoption of ASU 2014-09 did not significantly impact the Organization's reported historical revenue.

The adoption of ASU 2014-09 has no impact on the Organization's accounts receivable as it was historically recorded net of allowance for doubtful accounts and contractual adjustments, and the Organization has eliminated the presentation of allowance for doubtful accounts on the consolidated balance sheets. The adoption of ASU 2014-09 had no impact on the Organization's consolidated statements of activities.

The Organization evaluated the nature, amount, timing and uncertainty of revenue and cash flows using the five-step process provided within ASU 2014-09.

In addition, the Organization adopted (ASU) 2018-13 *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The ASU removes and modifies disclosure requirements retrospectively for non-public entities and is effective for fiscal years beginning after December 15, 2019.

Basis of Presentation

The Organization classifies its funds for accounting and reporting purposes as either with or without donor restrictions:

Net Assets Without Donor Restrictions

Resources of the Organization that are not restricted by donors or grantors as to use or purpose. These resources include amounts generated from operations, undesigned gifts, and the investment in property and equipment.

Net Assets With Donor Restrictions

Resources that carry a donor-imposed restriction that permits the Organization to use or expend the donated assets as specified for which the restrictions are satisfied by the passage of time or by actions of the Organization. These resources may also include amounts restricted by the donor in perpetuity, but may permit the Organization to use or expend part or all of the income derived from the donated assets. As restrictions are met, the contributions are released from net assets with donor restrictions and are transferred to net assets without donor restrictions. Those resources for which the restrictions are met in the same fiscal year in which they are received are included in net assets without donor restrictions.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments with an original maturity of three months or less from the date of acquisition, which are not included in investments.

Accounts Receivable

The Organization records accounts receivable at the total unpaid balance, which approximates fair value as of September 30, 2021 and 2020. The Organization determines past due status based on the billing dates, and charges a late fee on overdue accounts. The Organization provides an allowance for uncollectible accounts using management's judgment. Accounts past due are individually analyzed for collectability. Accounts receivable that management determines will be uncollectible are written off upon such determination. It is the Organization's policy to seek collection on all overdue accounts.

Contributions and Support

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at their fair value, which is measured at the present value of their future cash flows. Contributions receivable was approximately \$133,000 at September 30, 2021 and 2020.

Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Conditional contributions with conditions met in the same reporting period in which they are received are reported as unconditional contributions.

Grant awards are evaluated by management and determined to either be unconditional contributions, exchange transactions, or conditional contributions. If considered to be an unconditional contribution, revenue from grants is recorded upon notification of the award. If considered to be an exchange transaction, revenue from grants is recorded as expenses are incurred under the terms of the respective grant agreement. If considered to be a conditional contribution, revenue from grants is recorded at the time the conditions on which they depend have been met.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Contributions and Support (Continued)

A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Any amounts received prior to incurring qualifying expenditures would be reported as refundable advances in the consolidated balance sheets. The Organization received no advance payments for the year ended September 30, 2021. The Organization received cost-reimbursable grants that had not been recognized of approximately \$2,273,000 for the year ended September 30, 2020 because qualifying expenditures have not yet been incurred, as further described in Note 17.

Assets Limited as to Use

Assets limited as to use include amounts set aside to meet the operating reserve requirements of NC General Statute Chapter 58, Article 64 and amounts internally designated for future capital development. The board retains control over amounts held for future capital expenditures and may, at its discretion, subsequently use them for other purposes. The statutory operating reserve balance can only be released upon the submittal of a detailed request and approval of the Commissioner of the North Carolina Department of Insurance.

Investments

Investments in debt and equity securities are measured at fair value based on quoted market prices. In determining realized gains and losses, the cost of investments is determined using the first-in, first-out method. Donated investments are recorded at fair value at the date of gift.

The Organization's investments are classified as trading securities. The investments are managed by brokers who actively buy and sell investments within the Organization's Investment Policy Statement. As trading securities, the investments are not subject to other than temporary impairment as the unrealized gains and losses on the investments are shown above the performance indicator of increase in net assets without donor restrictions on the consolidated statements of activities.

Assets in Split-Interest Agreements

The Organization is a beneficiary to several irrevocable split-interest agreements. These split-interest agreements are categorized as charitable remainder trusts and beneficial interests in perpetual trusts, both of which are included in net assets with donor restrictions. Assets in split-interest agreements are stated at fair value net of discounted future contractual payment obligations.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Deferred Financing Costs

Deferred financing costs represent expenses incurred in connection with the permanent financing of the Homes and are deferred and amortized over the life of the related indebtedness using the straight-line method, which approximates the effective interest method. Deferred financing costs are net of accumulated amortization. Amortization expense was approximately \$26,000 for the years ended September 30, 2021 and 2020 and is included as a component of interest expense on the consolidated statements of activities.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at market value at the date of contribution. Depreciation is computed over the estimated useful lives of the related assets, ranging from 3 to 31.5 years, using the straight-line method. All additions are depreciated beginning on the date of acquisition.

Homes periodically assesses its long-lived assets and evaluates such assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. For assets to be held and used, impairment is determined to exist if estimated future cash flows, undiscounted and without interest charges, are less than the carrying amount. For assets to be disposed of, impairment is determined to exist if the estimated net realizable value is less than the carrying amount.

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

Deferred Revenue from Advance Fees

Advance fees paid by a resident, net of the estimated portion that is refundable to the resident, are recorded as deferred revenue and are amortized into income using the straight-line method over the estimated remaining life expectancy of the resident. Advance fees are refundable pro-rata over the first 24 or 60 months of residency depending on the contract type.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Obligation to Provide Future Services

The Organization annually calculates the present value of the net cost of future services and use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from advance fees, a liability is recorded with the corresponding charge to income (obligation to provide future services and use of facilities). There was no liability recognized at September 30, 2021 and 2020. The discount rate used in calculating the present value of the net cost of future services was 4.00% for 2021 and 2020, respectively, and was based on the expected long-term rate of return on governmental obligations.

Resident Service Revenue

Resident service revenue is reported at the estimated net realizable amounts due from residents and patients, third-party payors, and others for services rendered, including estimated retroactive revenue adjustments due to future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as cost report years are no longer subject to such audits, reviews and investigations.

Excess of Revenues Over Expenses

The consolidated statements of activities include excess of revenues over expenses. Changes in net assets without donor restrictions, that are included in excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments in trading securities. Changes that are excluded include contributions of long-lived assets (including assets acquired using contributions that by donor restriction were to be used for the purposes of acquiring such assets), transfers of net assets, and net assets released from restrictions for property and equipment.

Income Taxes

The Homes and the Foundation are not-for-profit organizations exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3).

The Homes and the Foundation file as tax-exempt organizations. Management is not aware of any activities that would jeopardize the tax-exempt status of the Homes or the Foundation. Management is not aware of any significant activities that are subject to tax on unrelated business income or excise or other taxes for the Homes or the Foundation.

The Homes and the Foundation follow guidance in the income tax standard regarding recognition and measurement of uncertain tax positions. The application of the standard has had no impact on the Homes' or the Foundation's consolidated financial statements.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Functional Expenses

The costs of program, management and general, and fundraising activities have been summarized on a functional basis in Note 12. Expenses not associated with a specific functional classification are allocated to program services, support services, and fundraising based on staff utilization or management's estimates of time spent, square footage, or other various allocation methods appropriate to the type of expense.

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 Organization 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 Organization 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.

Fair value measurement is based upon 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 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. Assets valued using Level 2 inputs include charitable remainder trusts, gift annuity funds, and real estate investment trusts. Assets valued using Level 3 inputs include beneficial interests in perpetual trusts.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Fair Value of Financial Instruments (Continued)

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Organization has not elected to measure any existing financial instruments at fair value. The Organization may elect to measure newly acquired financial instruments at fair value in the future.

Risks and Uncertainties

The Organization 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 risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments, either positively or negatively, will continue to occur in the near term and those changes could materially affect the Organization's investment and net asset balances and the amounts reported in the consolidated balance sheets of the Organization.

Upcoming Accounting Standards

In February 2016, the FASB issued ASU 2016-02 – *Leases*, which adds ASC 842 and updates various other sections throughout the ASC. The standard attempts to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet while disclosing relevant information regarding leasing arrangements. The ASU is currently effective for the Organization for the year ending September 30, 2023. Management does not believe this standard will have a material impact on the consolidated financial statements.

Reclassifications

Certain amounts in the 2020 consolidated financial statements have been reclassified to conform to the 2021 presentation. These reclassifications had no effect on previously reported net assets or changes in net assets.

Subsequent Events

All the effects of subsequent events that provide additional evidence about conditions that existed at the consolidated financial statements date, including the estimates inherent in the process of preparing the consolidated financial statements, are recognized in the consolidated financial statements. The Organization does not recognize subsequent events that provide evidence about conditions that did not exist at the consolidated financial statements date but arose after, but before the consolidated financial statements are available to be issued. In some cases, nonrecognized subsequent events are disclosed to keep the consolidated financial statements from being misleading.

The Organization has evaluated its subsequent events through January 31, 2022, the date the consolidated financial statements were available to be issued.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 2 ASSETS LIMITED AS TO USE AND INVESTMENTS

Assets limited as to use at September 30 are summarized in the following table. Assets limited as to use are stated at fair value.

	<u>2021</u>	<u>2020</u>
Internally Designated for Capital Development:		
Cash and Cash Equivalents	\$ 1,996,546	\$ 1,554,891
Internally Designated for Statutory Operating Reserve:		
Cash and Cash Equivalents	127,472	465,201
Mutual Funds, Equities	6,765,160	5,046,837
Mutual Funds, Bonds	1,469,259	1,313,952
Equity Securities	1,474,014	905,741
Real Estate Investment Trusts	94	2,769
Total	<u>9,835,999</u>	<u>7,734,500</u>
 Total Assets Limited as to Use	 <u><u>\$ 11,832,545</u></u>	 <u><u>\$ 9,289,391</u></u>

Two of Homes' facilities are required by NC General Statute Chapter 58, Article 64 to fund an operating reserve account. The operating reserve must be an amount at least equal to 25% or 50% (depending on occupancy) of forecasted operating expenses (net of depreciation and amortization), plus annual debt service. The operating reserve requirement for Brookridge Retirement Community was \$6,112,499 and \$5,171,500 as of September 30, 2021 and 2020. The operating reserve requirement for The Gardens of Taylor Glen was \$3,723,500 and \$2,563,000 as of September 30, 2021 and 2020.

Other investments, stated at fair value, at September 30 include:

	<u>2021</u>	<u>2020</u>
Other Investments:		
Cash and Cash Equivalents	\$ 10	\$ 532,837
Mutual Funds, Equities	36,455,956	30,034,236
Mutual Funds, Bonds and Government Bond Funds	16,208,663	16,331,808
Equity Securities	4,691,845	3,839,264
Real Estate Investment Trusts	1,761	48,173
Total	<u><u>\$ 57,358,235</u></u>	<u><u>\$ 50,786,318</u></u>

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 2 ASSETS LIMITED AS TO USE AND INVESTMENTS (CONTINUED)

Investment income and unrealized and realized gains for assets limited as to use, cash equivalents, and other investments are comprised of the following for the years ended September 30:

	2021	2020
Investment Income and Realized and Unrealized Gains:		
Interest and Dividend Income	\$ 1,525,820	\$ 1,454,269
Net Realized Gains on Sales of Securities	2,486,940	1,018,871
Total	4,012,760	2,473,140
Unrealized Gains on Investments	\$ 6,751,683	\$ 2,181,134

The Organization has assessed the classification of its investments and determined the investments should be classified as trading securities. The investments are managed by two different investment brokers who have the ability to buy and sell investments within the parameters set forth by the Organization's investment policies. The brokers are not expressly limited to any number of transactions they can execute to achieve investment goals. Due to this, the investments are classified as trading securities. As trading securities, the investments are not subject to other-than-temporary impairment.

NOTE 3 ASSETS IN SPLIT-INTEREST AGREEMENTS

The irrevocable split-interest agreements in which the Organization has a beneficial interest are categorized as follows:

Charitable Remainder Trusts

A charitable remainder trust provides for payments to the grantor or other designated beneficiaries over the trust's term. The terms of most of the charitable remainder trusts which name the Organization as a remainder beneficiary are the lifetimes of the respective distribution recipients. At the end of the respective trust's terms, the remaining assets in which Homes has an interest will be distributed to the Organization.

Upon receipt of a beneficial interest in a charitable remainder trust, the present value of such interest is recorded as contribution revenue. The annual change in the present value of the beneficial interest is recorded as a change in value of charitable remainder trusts on the consolidated statements of activities. Such valuations are based on estimated mortality rates and other assumptions that could change in the near term. The discount rates used in the calculations were 1.52% and 1.68% for the fiscal years 2021 and 2020, respectively.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 3 ASSETS IN SPLIT-INTEREST AGREEMENTS (CONTINUED)

Beneficial Interest in Perpetual Trust

Beneficial interest in perpetual trusts represents assets held in trust and administered by a third party, from which the Organization has the irrevocable right to receive a share of income from the trust's assets in perpetuity. These assets are stated at the fair value of the Organization's share of trust assets, which is an approximation of the present value of the estimated future distributions from this trust.

Upon receipt of an irrevocable interest in the income of a perpetual trust administered by a third party, the Organization records the fair value of estimated future distributions from the trust as permanently restricted contribution revenue. Over the term of the perpetual trust, income distributions to the Organization are included in investment income. Annual changes in the fair value of trust assets are recorded as permanently restricted gains or losses on the consolidated statements of activities. Such valuations are based on estimated mortality rates and other assumptions that could change in the near term.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at September 30:

	2021	2020
Land and Land Improvements	\$ 7,045,638	\$ 7,045,638
Buildings and Improvements	94,298,010	91,759,820
Furniture, Fixtures, and Equipment	5,496,817	5,493,714
Vehicles	865,811	765,658
Total	<u>107,706,276</u>	<u>105,064,830</u>
Less: Accumulated Depreciation	64,768,624	61,411,083
Total	<u>42,937,652</u>	<u>43,653,747</u>
Construction in Progress	3,279,530	789,124
Total Property and Equipment	<u><u>\$ 46,217,182</u></u>	<u><u>\$ 44,442,871</u></u>

Construction in progress as of September 30, 2021 and 2020 related mainly to renovations at the Taylor Glen and Brookridge locations.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 5 LONG-TERM DEBT

Long-term debt consists of the following at September 30:

<u>Description</u>	<u>2021</u>	<u>2020</u>
Term Loan at 3.22%, Maturing in 2035	\$ 18,900,584	\$ 19,973,792
Permanent Loan at 3.22%, Maturing in 2035	<u>10,758,491</u>	<u>11,369,377</u>
Total	29,659,075	31,343,169
Less: Current Maturities	1,746,599	1,689,627
Less: Unamortized Deferred Financing Costs	<u>333,808</u>	<u>359,502</u>
Long-Term Debt, Net	<u>\$ 27,578,668</u>	<u>\$ 29,294,040</u>

In 2013, the Organization entered into a Term Loan Agreement for \$34,650,000 to refinance the remaining balances on the Organization's North Carolina Medical Care Commission term bonds. During the year ended September 30, 2020 the Organization refinanced this loan and recognized a loss on the early extinguishment of debt of approximately \$258,000 related to the write-off of unamortized deferred financing costs. Under the terms of the new agreement, the Organization is responsible for monthly payments consisting of interest and principal through maturity in June 2035 in the amount of \$142,416. The refinanced term loan carries an interest rate of 3.22%.

In 2012, the Organization entered into a Construction and Permanent Loan Agreement to finance construction and renovations at Brookridge Retirement Community with a maximum borrowing of \$16,500,000. Interest only was due and payable for the first 12 months under the agreement and then principal and interest based on the bank's amortization schedule. On October 25, 2014, the Loan Agreement was finalized upon the completion of the construction project to adjust the principal and interest payments based on the actual borrowings. During the year ended September 30, 2020 the Organization refinanced this loan and recognized a loss on the early extinguishment of debt of approximately \$274,000 related to the write-off of unamortized deferred financing costs. Under the terms of the new agreement, the Organization is responsible for monthly payments consisting of interest and principal through maturity in June 2035 in the amount of \$81,065. The refinanced permanent loan carries an interest rate of 3.22%.

Security for the debt agreements consist of a pledge and assignment to the lender of all rights, title, interest in and first priority deeds of trust on all property of Brookridge and The Gardens of Taylor Glen.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 5 LONG-TERM DEBT (CONTINUED)

The debt agreements contain certain payments and covenants, which include the maintenance of a long-term debt service coverage ratio, cash-to-debt ratio and restricts, among other things, incurrence of indebtedness, existence of liens on property, consolidations and mergers, disposition of assets and changes in members of the obligated group. As part of the refinancing that occurred during fiscal year 2020, the debt agreements were modified to remove the requirement for a debt service reserve to be set aside by the Organization in assets limited as to use. At September 30, 2021 and 2020, management believes the Organization is in compliance with these requirements.

Aggregate maturities required on long-term debt as of September 30, 2021 are due in future years as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 1,746,599
2023	1,810,378
2024	1,869,540
2025	1,930,636
2026	1,993,728
Thereafter	<u>20,308,194</u>
Total	<u><u>\$ 29,659,075</u></u>

NOTE 6 DEFERRED REVENUE FROM ADVANCE FEES AND REFUNDABLE ADVANCES

Prior to the opening of The Gardens of Taylor Glen, the Organization offered an incentive for new entrants which entitled the initial residents to a refund equal to 90% of the full entrance fees regardless of when they leave the facility. Brookridge Retirement Community offers incentives to new Garden Home residents on a 90% and 50% refundable basis.

At September 30, 2021 and 2020, the portion of advance fees subject to refund provisions was approximately \$2,298,000 and \$2,175,000, respectively. The amount expected to be refunded to current residents within the next year, based on the Organization's experience, is approximately \$259,000.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 7 RESIDENT SERVICE REVENUE

Resident service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing resident care. These amounts are due from residents, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the residents and third-party payors several days after the services are performed. Service fees paid by residents for maintenance, meals, and other services are assessed monthly and are recognized as revenue in the period services are rendered. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facilities receiving skilled nursing services or housing residents receiving services in the facilities. The Organization considers daily services provided to residents of the skilled nursing facilities, and monthly rental for housing services as a separate performance obligation and measures this on a monthly basis, or upon move-out within the month, whichever is shorter. Nonrefundable entrance fees are considered to contain a material right associated with access to future services, which is the related performance obligation. Revenue from nonrefundable entrance fees is recognized ratably in future periods covering a resident's life expectancy using a time-based measurement similar to the output method. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to residents and customers in a retail setting (for example, gift shop and cafeteria meals) and the Organization does not believe it is required to provide additional goods or services related to that sale.

Because all of its performance obligations have a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Organization's policy, and/or implicit price concessions provided to residents. The Organization determines its estimates of contractual adjustments based on contractual agreements, its policy, and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 7 RESIDENT SERVICE REVENUE (CONTINUED)

Agreements with third-party payors typically provide for payments at amounts less than the established charges. A summary of the payment arrangements with major third-party payors follows:

Medicare

The Organization's licensed nursing facilities participate in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). The nursing facilities were paid under the Medicare Prospective Payment System (PPS) for residents who are Medicare Part A eligible and met the coverage guidelines for skilled nursing facility services. The PPS was a per diem price-based system. CMS finalized the Patient Driven Payment Model (PDPM) to replace the existing Medicare reimbursement system effective October 1, 2019. Under PDPM, therapy minutes are removed as the primary basis for payment and instead use the underlying complexity and clinical needs of a patient as a basis for reimbursement. In addition, PDPM introduces variance adjustment factors that change reimbursement rates during the resident's length of stay. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

Nursing facilities licensed for participation in the Medicare and Medical Assistance programs are subject to annual licensure renewal. If it is determined that a nursing facility is not in substantial compliance with the requirements of participation, CMS may impose sanctions and penalties during the period of noncompliance. Such a payment ban would have a negative impact on the revenues of the licensed nursing facility.

Medicaid

The Organization's licensed nursing facilities participate in the Medicaid program which is administered by the North Carolina Division of Health Benefits. Services rendered to Medicaid program beneficiaries are reimbursed using predetermined per diem rates as defined for each Medicaid provider in North Carolina. Annual cost report filings are required for Medicaid providers, which include the completion of the North Carolina Division of Health Benefit's supplemental schedules. For Continuing Care Retirement Facilities, the Supplemental Schedules do not contain a cost settlement.

Other

Payment agreements with certain commercial insurance carriers provide for payment using prospectively determined daily rates.

Approximately 9% and 10% of the Homes' resident service revenue for the years ended September 30, 2021 and 2020, respectively, was derived from Medicare. Approximately 13% and 11% of Homes' resident service revenue for the years ended September 30, 2021 and 2020, respectively, was derived from Medicaid.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 7 RESIDENT SERVICE REVENUE (CONTINUED)

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in an implicit price concession impacting transaction price, were not significant in 2021 or 2020.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are recorded as adjustments to resident services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended September 30, 2021 and 2020. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense.

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors, service line, method of reimbursement, and timing of when revenue is recognized.

A summary of resident service revenue for the years ended September 30 is as follows:

	<u>2021</u>	<u>2020</u>
Gross Resident Service Charges	\$ 25,489,410	\$ 25,453,817
Contractual Adjustments and Benevolent Care	<u>(2,264,430)</u>	<u>(3,214,885)</u>
Resident Service Charges	23,224,980	22,238,932
Amortization of Deferred Revenue	<u>2,010,377</u>	<u>1,877,813</u>
Total	<u>\$ 25,235,357</u>	<u>\$ 24,116,745</u>

The Organization maintains records, and the board has oversight, to identify and monitor the amount of charges foregone for services and supplies furnished under its benevolent assistance policy and to identify and monitor the level of benevolent assistance it provides. These include reduced rates for Medicare, Medicaid, and other governmental programs. The charges foregone, based on established rates, were approximately \$1,327,000 and \$2,537,000 during the years ended September 30, 2021 and 2020, respectively.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 7 RESIDENT SERVICE REVENUE (CONTINUED)

The Organization has estimated the costs of providing assistance under its benevolent assistance policy. In order to estimate the cost of providing such assistance, management calculated a ratio by comparing the charges foregone to total operating revenue and applying this ratio to expenses to estimate the costs of providing benevolent assistance. Using this methodology, the Organization has estimated the costs for services under the Organization's benevolent assistance policy to be approximately \$1,035,000 and \$795,000 for the years ended September 30, 2021 and 2020, respectively. In addition, the amount of direct benevolent assistance provided by Homes was approximately \$937,000 and \$678,000 during the years ended September 30, 2021 and 2020, respectively.

The total foregone charges and direct benevolent assistance totaled approximately \$2,264,000 and \$3,215,000 during the years ended September 30, 2021 and 2020, respectively.

Contract Costs

The Organization has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Organization otherwise would have recognized is one year or less in duration.

The opening and closing contract balances were as follows:

	Accounts Receivable	Deferred Revenue from Advanced Fees	Refundable Advanced Fees
Balance as of October 1, 2019	\$ 1,404,373	\$ 10,785,697	\$ 2,318,452
Balance as of September 30, 2020	1,688,402	11,307,278	2,174,540
Balance as of September 30, 2021	2,231,841	13,053,051	2,298,092

NOTE 8 RETIREMENT PLAN

The Organization has a defined contribution annuity plan (the Plan) with Guidestone Financial Resources. The Plan has a contributory feature and participation in the Plan is optional at the election of the employees. To qualify for the employer matching contribution, employees must have been employed with the Organization for two years and must contribute 3% of their compensation to the Plan. Employer contributions to the Plan are made after each pay period at an amount equal to 100% match of the first 3% of employees' contributions and a 50% match of the next 2% contributed by employees. Employer contributions to the Plan were approximately \$146,000 and \$147,000 for the years ended September 30, 2021 and 2020, respectively.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisting of contributions restricted as to purpose, the passage of time, or in perpetuity consist of the following at September 30:

	<u>2021</u>	<u>2020</u>
Restricted for Purpose:		
Charitable Remainder Trusts	\$ 1,699,722	\$ 1,734,404
Geneva Stroupe Support	205,417	179,248
Employee Benefit Account	12,656	12,656
New Residential Development	5,625,191	5,583,484
Taylor House Benevolence and Operating Support	5,574,234	5,173,475
Medicine from the Heart	78,046	-
Life at Home	158,824	-
Total Restricted for Purpose	<u>13,354,090</u>	<u>12,683,267</u>
Restricted in Perpetuity:		
Beneficial Interest in Perpetual Trusts	8,162,766	7,056,907
Endowments	6,693,357	6,693,357
Total Restricted in Perpetuity	<u>14,856,123</u>	<u>13,750,264</u>
Total Net Assets With Donor Restrictions	<u>\$ 28,210,213</u>	<u>\$ 26,433,531</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes and/or by occurrence of other events specified by donors.

	<u>2021</u>	<u>2020</u>
New Residential Development	\$ 848,698	\$ 10,914
Taylor House Benevolence and Operating Support	929,717	415,003
Medicine from the Heart	35,000	-
Life at Home	95	-
Total	<u>\$ 1,813,510</u>	<u>\$ 425,917</u>

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 10 ENDOWMENT FUNDS

Interpretation of Relevant Law

The state of North Carolina adopted the North Carolina Prudent Management of Institutional Funds Act (the Act). The board of trustees of the Organization has interpreted the Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions, restricted in perpetuity, (1) the original value of gifts donated to the permanent endowment and (2) the original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted Endowment Fund that is not classified in net assets restricted in perpetuity is classified as net assets restricted for purpose until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed in the Act. In accordance with the Act, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Funds with Deficiencies

It is the Organization's policy to maintain the corpus amounts of each individual donor-restricted endowment fund received. If the fair value of assets associated with individual donor-restricted endowment funds were to fall below the level that the donor or the Act requires the Organization to retain as a fund of perpetual duration, in accordance with GAAP, then such deficiencies would be reported in net assets with donor restrictions.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to preserve and grow capital, strive for consistent absolute returns, preserve purchasing power by striving for long-term returns which either match or exceed the set payout, fees and inflation without putting the principal value at imprudent risk, and diversify investments consistent with commonly accepted industry standards to minimize the risk of large losses.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 10 ENDOWMENT FUNDS (CONTINUED)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Management targets a diversified asset allocation that meets the Organization's long-term rate of return objectives while avoiding undue risk from imprudent concentration in any single asset class or investment vehicle.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization's spending policy is consistent with its objective of preservation of the fair value of the original gift of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

At September 30, 2021 and 2020, the Organization had approximately \$14,856,000 and \$13,750,000 in net assets with donor restrictions-restricted in perpetuity, respectively. Of these respective totals, approximately \$8,163,000 and \$7,057,000 relates to split-interest agreements that are administered and managed by third parties as trustees at September 30, 2021 and 2020, respectively. The remaining \$6,693,000 of net assets restricted in perpetuity at September 30, 2021 and 2020, respectively, are managed by two different investment brokers within the Organization's Investment Policy Statement. The Organization had no board-designated endowment funds as of September 30, 2021 or 2020.

The following is the change in endowment net assets for the years ended September 30, 2021 and 2020:

	Without Donor Restrictions	Purpose Restricted	Perpetual in Nature	Total
Endowment Net Assets, September 30, 2019	\$ -	\$ -	\$ 6,693,357	\$ 6,693,357
Unrealized Gains on Investments	-	243,145	-	243,145
Contributions	-	-	-	-
Net Assets Released from Restrictions	-	(96,771)	-	(96,771)
Endowment Net Assets, September 30, 2020	-	146,374	6,693,357	6,839,731
Unrealized Loss on Investments	-	1,139,430	-	1,139,430
Contributions	-	-	-	-
Net Assets Released from Restrictions	-	(96,771)	-	(96,771)
Endowment Net Assets, September 30, 2021	<u>\$ -</u>	<u>\$ 1,189,033</u>	<u>\$ 6,693,357</u>	<u>\$ 7,882,390</u>

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 11 CONCENTRATIONS OF CREDIT RISK

The Organization maintains demand deposits with financial institutions, the balances of which exceed the federally insured amount. Included in demand deposits are Advance Fee Escrow Accounts, which are mandated by State Statute. The Organization has not experienced any loss as a result of these holdings.

The Organization accepts residents based on strict financial verifications of assets, which become part of their residency contracts. No Medicare or Medicaid residents are accepted without approval from federal, state and/or county agencies.

The mix of accounts receivable from residents and third-party payors at September 30 was as follows:

	<u>2021</u>	<u>2020</u>
Medicare	20 %	24 %
Medicaid	11	13
Other Third-Party Payers	49	52
Self-Pay	20	11
Total	<u>100 %</u>	<u>100 %</u>

NOTE 12 FUNCTIONAL EXPENSES

The functional classification of expenses for the years ended September 30, 2021 and 2020 consist of the following:

	<u>2021</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries and Wages	\$ 11,009,650	\$ 2,523,857	\$ 90,277	\$ 13,623,784
Benefits	1,629,974	324,154	18,055	1,972,183
Advertising	767	421,382	-	422,149
Insurance	-	423,827	-	423,827
Professional Services	3,145,068	252,392	-	3,397,460
Dues and Subscriptions	291	42,043	-	42,334
Occupancy	1,030,344	137,529	-	1,167,873
Meals and Entertainment	933,436	28,887	-	962,323
Interest	996,928	-	-	996,928
IT	-	235,279	-	235,279
Travel	950	22,631	-	23,581
Medical Supplies	344,853	-	-	344,853
Supplies	277,102	723,845	-	1,000,947
Pharmaceuticals	49,998	-	-	49,998
Equipment	51,908	25,252	-	77,160
Maintenance and Repair	769,823	78,796	-	848,619
Depreciation and Amortization	3,546,003	11,791	-	3,557,794
Development	54,465	46,733	60,531	161,729
Other	185,177	1,181,058	21,090	1,387,325
Bad Debt	97,266	-	-	97,266
Total	<u>\$ 24,124,003</u>	<u>\$ 6,479,456</u>	<u>\$ 189,953</u>	<u>\$ 30,793,412</u>

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 12 FUNCTIONAL EXPENSES (CONTINUED)

	2020			
	Program Services	Management and General	Fundraising	Total Expenses
Salaries and Wages	\$ 10,232,344	\$ 2,633,151	\$ 89,124	\$ 12,954,619
Benefits	1,522,632	377,344	17,825	1,917,801
Advertising	26,317	91,850	-	118,167
Insurance	-	373,094	-	373,094
Professional Services	2,332,005	384,367	-	2,716,372
Dues and Subscriptions	437	40,779	-	41,216
Occupancy	1,017,870	240,697	-	1,258,567
Meals and Entertainment	837,025	29,629	-	866,654
Interest	1,291,194	-	-	1,291,194
IT	-	243,879	-	243,879
Travel	812	3,835	-	4,647
Medical Supplies	338,148	-	-	338,148
Supplies	263,181	451,443	-	714,624
Pharmaceuticals	43,251	-	-	43,251
Equipment	31,481	6,750	-	38,231
Maintenance and Repair	709,623	80,704	-	790,327
Depreciation and Amortization	3,749,203	10,239	-	3,759,442
Development	29,741	17,862	71,409	119,012
Other	207,508	893,826	93,115	1,194,449
Bad Debt	141,407	-	-	141,407
Total	\$ 22,774,179	\$ 5,879,449	\$ 271,473	\$ 28,925,101

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 13 FAIR VALUE MEASUREMENTS

The Organization 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 Organization measures fair value refer to Note 1 – Nature of Organization and Summary of Significant Accounting Policies. The following table presents the fair value hierarchy for the consolidated balances of the assets and liabilities of the Organization measured at fair value on a recurring basis as of September 30, 2021 and 2020:

	Assets at Fair Value as of September 30, 2021			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments and Assets Limited as to Use:				
Mutual Funds, Equities:				
Stock Funds	\$ 429,946	\$ -	\$ -	\$ 429,946
Small Cap	2,507,773	-	-	2,507,773
Mid Cap	9,192,778	-	-	9,192,778
Large Cap	7,577,495	-	-	7,577,495
Emerging Markets	3,911,200	-	-	3,911,200
Growth Funds	4,428,933	-	-	4,428,933
International Stock Funds	7,443,102	-	-	7,443,102
Real Estate Funds	7,542,744	-	-	7,542,744
Specialty Funds	187,145	-	-	187,145
Mutual Funds, Bonds:				
Aggregate Bond Fixed				
Income Institutional	8,905,625	-	-	8,905,625
Corporate Bond Funds	790,510	-	-	790,510
Governmental Bond Funds	5,565,538	-	-	5,565,538
High Yield Corporate Bond Funds	950,157	-	-	950,157
Short-Term Bond Funds	1,322,806	-	-	1,322,806
Mortgage Back	143,286	-	-	143,286
Equity Securities:				
Industrial Goods	175,076	-	-	175,076
Health Care	568,114	-	-	568,114
Services	1,721,348	-	-	1,721,348
Financials	1,267,066	-	-	1,267,066
Technology	1,007,958	-	-	1,007,958
Consumer Goods and Services	541,341	-	-	541,341
Consumer Staples	147,443	-	-	147,443
Energy	169,149	-	-	169,149
Utilities	89,023	-	-	89,023
Materials	38,140	-	-	38,140
Transportation	20,610	-	-	20,610
Real Estate	56,812	-	-	56,812
Communications	363,779	-	-	363,779
Real Estate Investment Trusts	-	1,855	-	1,855
Total Investments	67,064,897	1,855	-	67,066,752
Charitable Remainder Trusts	-	1,673,113	-	1,673,113
Charitable Gift Annuities Fund	-	26,609	-	26,609
Beneficial Interest in Perpetual Trusts	-	-	8,162,766	8,162,766
Total	<u>\$ 67,064,897</u>	<u>\$ 1,701,577</u>	<u>\$ 8,162,766</u>	<u>\$ 76,929,240</u>

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

	Assets at Fair Value as of September 30, 2020			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments and Assets Limited as to Use:				
Mutual Funds, Equities:				
Stock Funds	\$ 333,384	\$ -	\$ -	\$ 333,384
Small Cap	4,120,081	-	-	4,120,081
Mid Cap	6,083,644	-	-	6,083,644
Large Cap	7,505,616	-	-	7,505,616
Alternatives	-	-	-	-
Emerging Markets	2,462,600	-	-	2,462,600
Growth Funds	3,775,576	-	-	3,775,576
International Stock Funds	6,144,441	-	-	6,144,441
Real Estate Funds	4,479,174	-	-	4,479,174
Specialty Funds	176,558	-	-	176,558
Mutual Funds, Bonds:				
Aggregate Bond Fixed				
Income Institutional	13,854,948	-	-	13,854,948
Corporate Bond Funds	1,703,072	-	-	1,703,072
Governmental Bond Funds	1,265,665	-	-	1,265,665
High Yield Corporate Bond Funds	27,610	-	-	27,610
Short-Term Bond Funds	626,114	-	-	626,114
Foreign Bond Funds	35,319	-	-	35,319
Mortgage Back	133,032	-	-	133,032
Equity Securities:				
Industrial Goods	168,030	-	-	168,030
Health Care	422,855	-	-	422,855
Services	1,033,231	-	-	1,033,231
Financials	982,523	-	-	982,523
Technology	768,164	-	-	768,164
Consumer Goods and Services	477,318	-	-	477,318
Consumer Staples	190,443	-	-	190,443
Energy	109,902	-	-	109,902
Utilities	28,758	-	-	28,758
Materials	50,930	-	-	50,930
Real Estate	289,190	-	-	289,190
Communications	223,661	-	-	223,661
Real Estate Investment Trusts	-	50,942	-	50,942
Total Investments	57,471,838	50,942	-	57,522,780
Charitable Remainder Trusts	-	1,712,309	-	1,712,309
Charitable Gift Annuities Fund	-	22,095	-	22,095
Beneficial Interest in Perpetual Trusts	-	-	7,056,907	7,056,907
Total	<u>\$ 57,471,838</u>	<u>\$ 1,785,346</u>	<u>\$ 7,056,907</u>	<u>\$ 66,314,091</u>

The Organization had approximately \$2,124,000 and \$2,553,000 of cash and cash equivalents included with investments as of September 30, 2021 and 2020, respectively, which is not included in the fair value hierarchy.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used for assets measured at fair value subsequent to initial recognition. These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Mutual Funds and Equity Securities

Securities traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

Other Various Investments

Bond securities traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the date of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. The remainder of investments included in this classification is estimated using various techniques, which may consider recently executed transactions in securities of the issuer or comparable issuers, or market price quotations (where observable) and are, therefore, categorized in Level 2 of the fair value hierarchy.

Beneficial Interest in Perpetual Trusts

The value of Beneficial Interest in Perpetual Trusts represents an irrevocable right to receive distributions in perpetuity from a trust that is managed by a third-party. The Organization does not have variance power over the trust's portfolio. The value of Beneficial Interest in Perpetual Trusts uses a market approach and is estimated based on the fair value of the underlying investments held by the trust.

Beneficial Interest in Charitable Remainder Trusts

Valued using the income approach based on estimated mortality and discount rates. The discount rates used in the valuation calculations were 1.52% and 1.68% for fiscal years 2021 and 2020, respectively.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 14 COMMITMENTS AND CONTINGENCIES

The health care industry is subject to numerous laws and regulations by 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 resident 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-Insured Health Insurance

The Organization self-insures its employees' health plan. It has contracted with an administrative service company to supervise and administer the program and act as its representative. Provisions for expected future payments are accrued based on the Organization's experience and include amounts for claims filed and claims incurred but not reported. The Organization has stop loss insurance for excessive and unexpected health claims with an individual deductible of \$75,000 and an aggregate deductible of approximately \$1,137,000. The Organization reserved approximately \$183,000 and \$161,000 related to its self-insured health insurance at September 30, 2021 and 2020, respectively.

NOTE 15 LINES OF CREDIT

During the year ended September 30, 2020, the Organization obtained two revolving lines of credit (LOCs) with maximum borrowing limits of \$2,000,000 and \$800,000, respectively, which expire June 25, 2022. Interest on the LOCs is based upon one-month LIBOR plus 1.75%, with a floor of 2.00%. As of September 30, 2021, the interest rate on the LOCs was 2.00%. As of September 30, 2021, there were no outstanding balances on the LOCs.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 16 PROVIDER RELIEF FUNDS

As a result of the Coronavirus pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Provider Relief Fund (PRF). During the years ended September 30, 2021 and 2020 the Organization received \$141,349 and \$1,180,354, respectively. The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. As of September 30, 2021 and 2020 the Organization recognized \$937,270 and \$243,084, respectively, as other operating revenue in the consolidated statement of activities. As of September 30, 2021 and 2020, \$141,349 and \$937,270, respectively, is recorded as a contract liability in the consolidated balance sheet. Management believes the amounts have been recognized appropriately as of September 30, 2021 and 2020.

NOTE 17 REFUNDABLE ADVANCE

On April 23, 2020, the Organization received proceeds in the amount of \$2,273,300 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The PPP Loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act. Therefore, the Organization has classified this loan as a conditional contribution for accounting purposes. The Organization recognized no revenue related to this agreement during the year ended September 30, 2020 on the consolidated statement of activities. As of September 30, 2020, the PPP Loan is presented on the consolidated balance sheet as a Refundable Advance. In June 2021, the SBA granted formal forgiveness to the Organization related to its PPP Loan, and as such, the Organization has recognized \$2,273,300 as contribution revenue in the consolidated statement of activities for the year ended September 30, 2021. The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 18 LIQUIDITY AND AVAILABILITY

The Organization regularly monitors the availability of resources required to meet its operating, capital, and benevolence needs. With a focus on maintaining adequate liquid funds to meet these needs, the Organization strives to maximize the return on the investment of its available funds, while adhering to the Investment Committee and Board Investment Policy Statement. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing care of its residents, campuses, and community outreach. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The statement of cash flows, which identifies the sources and uses of the Organization's cash, reflects positive cash generated by operations.

The following table reflects the Organization's liquid financial assets as of September 30:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 6,005,297	\$ 9,743,004
Accounts Receivable	2,231,841	1,688,402
Investments	57,358,235	50,786,318
Contributions Receivable	132,500	132,500
Assets Limited as to Use:		
Internally Designated for Capital Development	1,996,546	1,554,891
Internally Designated for Statutory Operating Reserve	9,835,999	7,734,500
	<u>77,560,418</u>	<u>71,639,615</u>
Less: Net Assets with Donor Restrictions (Not Included in Charitable Remainder Trusts or Beneficial Interest in Perpetual Trusts)	<u>(18,347,725)</u>	<u>(17,642,220)</u>
Financial Assets Available to Meet Liquidity Needs	<u>\$ 59,212,693</u>	<u>\$ 53,997,395</u>

NOTE 19 RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared COVID-19 a pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may adversely impact the local, regional, national, and global economies. The extent to which COVID-19 impacts the Organization's results are dependent on the breadth and duration of the pandemic and could be affected by other factors currently unable to be predicted. These impacts may include, but are not limited to additional costs for emergency preparedness, disease control and containment, potential shortages of health care personnel, or loss of revenue due to reductions in certain revenue streams. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact is unknown and cannot be reasonably estimated at this time.



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Trustees
Baptist Retirement Homes of North Carolina, Incorporated
Winston-Salem, North Carolina

We have audited the consolidated financial statements of Baptist Retirement Homes of North Carolina, Incorporated and Affiliate as of and for the year ended September 30, 2021, and our report thereon dated January 31, 2022, which contains an unmodified opinion on those consolidated financial statements, 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 is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual organizations 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 consolidated financial statements. The consolidating 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 31, 2022

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
CONSOLIDATING BALANCE SHEET
SEPTEMBER 30, 2021**

ASSETS	<u>Homes</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 4,596,486	\$ 1,408,811	\$ -	\$ 6,005,297
Accounts Receivable	2,231,841	-	-	2,231,841
Investments	14,433,205	42,925,030	-	57,358,235
Contributions Receivable	132,500	-	-	132,500
Prepaid Expenses and Other Assets	488,238	5,000	-	493,238
Due from Foundation	2,467,636	-	(2,467,636)	-
Total Current Assets	<u>24,349,906</u>	<u>44,338,841</u>	<u>(2,467,636)</u>	<u>66,221,111</u>
ASSETS LIMITED AS TO USE				
Internally Designated for Capital Development	1,996,546	-	-	1,996,546
Internally Designated for Statutory Operating Reserve	9,835,999	-	-	9,835,999
Total Assets Limited as to Use	<u>11,832,545</u>	<u>-</u>	<u>-</u>	<u>11,832,545</u>
INVESTMENTS AND OTHER ASSETS				
Assets in Split-Interest Agreements:				
Charitable Remainder Trusts	1,673,113	26,609	-	1,699,722
Beneficial Interest in Perpetual Trust	5,692,269	2,470,497	-	8,162,766
Other Assets	15,000	-	-	15,000
Total Investments and Other Assets	<u>7,380,382</u>	<u>2,497,106</u>	<u>-</u>	<u>9,877,488</u>
PROPERTY AND EQUIPMENT, NET	<u>45,084,557</u>	<u>1,132,625</u>	<u>-</u>	<u>46,217,182</u>
Total Assets	<u>\$ 88,647,390</u>	<u>\$ 47,968,572</u>	<u>\$ (2,467,636)</u>	<u>\$ 134,148,326</u>

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
CONSOLIDATING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2021**

LIABILITIES AND NET ASSETS	<u>Homes</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT LIABILITIES				
Current Maturities of Long-Term Debt	\$ 1,746,599	\$ -	\$ -	\$ 1,746,599
Accounts Payable	1,954,435	-	-	1,954,435
Accrued Expenses	280,504	-	-	280,504
Accrued Employee Compensation	989,858	-	-	989,858
Due to Obligated Group	-	2,467,636	(2,467,636)	-
Other Current Liabilities	89,324	-	-	89,324
Current Portion of Refundable Advance Fees	258,853	-	-	258,853
CARES Act - Provider Relief Funds	141,349	-	-	141,349
Total Current Liabilities	<u>5,460,922</u>	<u>2,467,636</u>	<u>(2,467,636)</u>	<u>5,460,922</u>
LONG-TERM DEBT, LESS CURRENT MATURITIES	27,578,668	-	-	27,578,668
DEFERRED REVENUE AND OTHER LIABILITIES				
Deferred Revenue from Advance Fees	13,053,051	-	-	13,053,051
Refundable Advance Fees on Occupied Units, Net of Current Portion	2,039,239	-	-	2,039,239
Total Deferred Revenue and Other Liabilities	<u>15,092,290</u>	<u>-</u>	<u>-</u>	<u>15,092,290</u>
Total Liabilities	48,131,880	2,467,636	(2,467,636)	48,131,880
NET ASSETS				
Without Donor Restrictions	30,169,115	27,637,118	-	57,806,233
With Donor Restrictions	10,346,395	17,863,818	-	28,210,213
Total Net Assets	<u>40,515,510</u>	<u>45,500,936</u>	<u>-</u>	<u>86,016,446</u>
Total Liabilities and Net Assets	<u>\$ 88,647,390</u>	<u>\$ 47,968,572</u>	<u>\$ (2,467,636)</u>	<u>\$ 134,148,326</u>

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021**

	Homes	Foundation	Eliminations	Consolidated
REVENUES, GAINS, AND OTHER SUPPORT				
Resident Service Revenue, Including Amortization of Deferred Revenue from Nonrefundable Advance Fees of \$2,010,377	\$ 25,235,357	\$ -	\$ -	\$ 25,235,357
Gifts, including Gifts from Churches and Special Offerings	327,553	5,370	-	332,923
Income from Grants	305,097	-	-	305,097
Income from Estates and Trusts	113,811	145	-	113,956
Investment Income and Realized Gains	2,686,824	432,334	-	3,119,158
Contributions- Paycheck Protection Program	2,273,300	-	-	2,273,300
CARES Act- Provider Relief Fund Revenue	937,270	-	-	937,270
Net Assets Released from Restrictions	964,812	-	-	964,812
Other	309,525	180,000	-	489,525
Total Revenues, Gains, and Other Support	<u>33,153,549</u>	<u>617,849</u>	<u>-</u>	<u>33,771,398</u>
OPERATING EXPENSES				
Resident Care	13,327,079	-	-	13,327,079
Dietary	2,905,441	-	-	2,905,441
Maintenance and Housekeeping	4,630,935	-	-	4,630,935
General and Administrative	5,059,144	316,091	-	5,375,235
Depreciation	3,546,003	11,791	-	3,557,794
Interest	996,928	-	-	996,928
Total Operating Expenses	<u>30,465,530</u>	<u>327,882</u>	<u>-</u>	<u>30,793,412</u>
OPERATING INCOME	2,688,019	289,967	-	2,977,986
NONOPERATING INCOME				
Unrealized Gains on Investments	475,214	5,103,347	-	5,578,561
EXCESS OF REVENUES OVER EXPENSES	3,163,233	5,393,314	-	8,556,547
OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
Transfers to Net Assets with Donor Restrictions	(266,834)	-	-	(266,834)
Net Assets Released from Restrictions for Property and Equipment	-	848,698	-	848,698
Total Other Changes in Net Assets Without Donor Restrictions	<u>(266,834)</u>	<u>848,698</u>	<u>-</u>	<u>581,864</u>
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	2,896,399	6,242,012	-	9,138,411

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

	Homes	Foundation	Eliminations	Consolidated
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Contributions	\$ 185,457	\$ -	\$ -	\$ 185,457
Transfers from Net Assets Without Donor Restrictions	266,834	-	-	266,834
Investment Income	-	893,602	-	893,602
Change in Value of Charitable Remainder Trusts	(39,196)	4,514	-	(34,682)
Change in Unrealized Gains on Investments	1,139,430	33,692	-	1,173,122
Change in Value of Beneficial Interest in Perpetual Trusts	811,089	294,770	-	1,105,859
Net Assets Released from Restrictions	(964,812)	(848,698)	-	(1,813,510)
Increase in Temporarily Restricted Net Assets	<u>1,398,802</u>	<u>377,880</u>	<u>-</u>	<u>1,776,682</u>
INCREASE IN NET ASSETS	4,295,201	6,619,892	-	10,915,093
Net Assets - Beginning of Year	<u>36,220,309</u>	<u>38,881,044</u>	<u>-</u>	<u>75,101,353</u>
NET ASSETS - END OF YEAR	<u>\$ 40,515,510</u>	<u>\$ 45,500,936</u>	<u>\$ -</u>	<u>\$ 86,016,446</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROLS OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees
Baptist Retirement Homes of North Carolina, Incorporated
Winston-Salem, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Baptist Retirement Homes of North Carolina, Incorporated and Affiliate (collectively, the Organization), which comprise the consolidated balance sheet as of September 30, 2021, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 31, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’s consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Charlotte, North Carolina
January 31, 2022

ATTACHMENT II

Financial Data – Actual Compared to Forecasted

Baptist Retirement Homes Of North Carolina, Incorporated
Comparison of Actual Net Income Results to Forecasted Projected
Balance Sheet
FYE 9/30/2021 (In Thousands of Dollars)

	2021 Actual (Audited)	2021 Forecasted	Variance	%	
Assets					
Current Assets					
Cash and Cash Equivalents	6,005	9,921	(3,916)	-39.5%	E
Accounts receivable, net	2,232	1,575	657	41.7%	
Investments	57,358	47,574	9,784	20.6%	F
Contributions receivable	133	150	(17)	-11.3%	
Prepaid expenses and other current assets	493	469	24	5.1%	
Total Current Assets	66,221	59,689	6,532	10.9%	
Assets whose Use is Limited, Net					
Internally designated for capital development	1,997	1,555	442	28.4%	
Internally designated for statutory operating reserve	9,836	9,836	-	0.0%	
Total assets limited to use	11,833	11,391	442	3.9%	
Investments, Deferred Costs and Other Assets					
Assets in split-interest agreements:					
Charitable remainder trusts	1,699	1,734	(35)	-2.0%	
Beneficial interest in perpetual trust	8,163	7,057	1,106	15.7%	
Other assets	15	15	-	0.0%	
	9,877	8,806	1,071	12.2%	
Property and equipment, Net	46,217	44,237	1,980	4.5%	
Total assets	134,148	124,123	10,025	8.1%	
Liabilities and Net Assets					
Current Liabilities					
Current maturities of long-term debt	1,747	1,753	(6)	-0.3%	
Accounts payable	1,954	568	1,386	244.0%	G
Accrued expenses	281	420	(139)	-33.1%	
Accrued employee compensation	990	1,802	(812)	-45.1%	
Other current liabilities	89	74	15	20.3%	
Current portion of refundable advance fees	259	119	140	117.6%	
CARES Act - Provider Relief Fund	141	-	141	N/A	
Total current liabilities	5,461	4,736	725	15.3%	
Long-Term Debt, Less Current Maturities	27,579	27,559	20	0.1%	
Deferred Revenue and Other Liabilities					
Deferred revenue from advance fees	13,053	11,675	1,378	11.8%	H
Refundable advance fees on occupied units, net of current portion	2,039	2,767	(728)	-26.3%	
Total Deferred Revenue and Other Liabilities	15,092	14,442	650	4.5%	
Total liabilities	48,132	46,737	1,395	3.0%	
Net Assets					
Net Assets Without Donor Restrictions	57,806	50,953	6,853	13.4%	I
Net Assets With Donor Restrictions	28,210	26,433	1,777	6.7%	I
Total net assets	86,016	77,386	8,630	11.2%	
Total liabilities and net assets	134,148	124,123	10,025	8.1%	

Baptist Retirement Homes Of North Carolina, Incorporated
Comparison of Actual Net Income Results to Forecasted Projected
Statements of Operations and Changes in Net Assets
FYE 9/30/2021 (In Thousands of Dollars)

	2021 Actual (Audited)	2021 Forecasted	Variance	%	
Revenues, gains and other support:					
Net resident service revenue, including amortization of deferred revenue from nonrefundable advance fees of \$2,010,377 in 2021	\$ 25,235	\$ 27,334	\$ (2,099)	-7.7%	A
Gifts, including gifts from churches and special day offerings	333	314	19	6.1%	
Income from Grants	305	275	30	0.109091	
Income from Estates and Trusts	114	426	(312)	-73.2%	
Investment Income and Realized Gains	3,119	2,258	861	38.1%	B
Contributions - Paycheck Protection Program	2,273	2,273	-	0.0%	
CARES ACT - Provider Relief Fund Revenue	937	937	-	0.0%	
Net Assets Released from Restrictions	965	-	965	N/A	C
Other	490	43	447	1039.5%	
Total revenues, gains and other support	33,771	33,860	(89)	-0.3%	
Operating expenses:					
Resident care	13,327	13,846	519	3.7%	
Dietary	2,905	3,452	547	15.8%	
Maintenance & Housekeeping	4,631	4,285	(346)	-8.1%	
General & administrative	5,375	5,441	66	1.2%	
Depreciation	3,558	3,541	(17)	-0.5%	
Interest	997	1,010	13	1.3%	
Total operating expenses	30,793	31,575	782	2.5%	
Operating Income	2,978	2,285	693	30.3%	
Nonoperating Income					
Loss on extinguishment of debt	-				
Unrealized Gains (Losses) on Investments	5,579	-	5,579	N/A	D
Total Nonoperating income	5,579	-	5,579	N/A	
Excess (Deficit) of Revenues Over Expenses and Increase (Decrease) in Unrestricted Net Assets	8,557	2,285	6,272	274.5%	
Other Changes in Net Assets Without Donor Restriction					
Transfers to Net Assets With Donor Restriction	(267)		(267)	N/A	
Net Assets Released from Restrictions for Property and Equipment	849		849	N/A	C
Total Other Changes in Net Assets Without Donor Restrictions	582		582	N/A	
Changes in Net Assets with Donor Restrictions					
Contributions	185	-	185	N/A	
Transfers from Net Assets With Donor Restriction	267	-	267	N/A	
Investment Income	894	-	894	N/A	D
Change in Value of Charitable Remainder Trusts	(35)	-	(35)	N/A	
Change in Unrealized Gains(Losses) on Investments	1,173	-	1,173	N/A	D
Change in Value of Beneficial Interest in Perpetual Trusts	1,106	-	1,106	N/A	D
Net Assets Released from Restrictions	(1,814)	-	(1,814)	N/A	C
Change in temporarily restricted net assets	1,776	-	1,776	#DIV/0!	
Change in net assets	10,915	2,285	8,048	352.21%	

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED

STATEMENT OF CASH FLOWS
FYE 09/30/2021 (In Thousands of Dollars)

	2021 Actual (Audited)	2021 Forecasted	Variance	%	
Cash Flows From Operating Activities					
Increase (decrease) in net assets	\$ 10,915	\$ 2,285	\$ 8,630	377.7%	
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:				N/A	
Depreciation	3,558	3,541	17	0.5%	
Loss on extinguishment of debt	-	-	-	N/A	
Unrealized gains on investments	(6,752)	-	(6,752)	N/A	J
Change in value of charitable remainder trusts	35	-	35	N/A	
Change in value of beneficial interest in perpetual trusts	(1,106)	-	(1,106)	N/A	
Amortization of deferred revenue from advance fees	(2,010)	(2,379)	369	-15.5%	
Amortization of deferred costs and bond discount	26	26	-	0.0%	
Bad debt expense	97	-	97	N/A	
Advance fees received	4,512	4,103	409	10.0%	
Advance fees refunded	(633)	(645)	12	-1.9%	
Realized Gains on Investments	(2,487)	-	(2,487)	N/A	J
(Gain) Loss on Disposal of Assets	(13)	-	(13)	N/A	
Contributions restricted for long-term purposes	-	-	-	N/A	
Change in assets and liabilities:				N/A	
(Increase) decrease in Assets:				N/A	
Accounts receivable	(641)	113	(754)	-667.3%	
Contributions receivable	-	(17)	17	-100.0%	
Prepaid expenses and other current assets	(60)	(36)	(24)	66.7%	
Accounts payable, accrued expenses, accrued compensation, and other current liabilities	770	319	451	141.4%	
CARES Act - Provider Relief Fund	(796)	(937)	141	-15.0%	
Refundable advance	(2,273)	(2,273)	-	0.0%	
Net cash provided by operating activities	3,142	4,100	(958)	-23.4%	
Cash Flows From Investing Activities					
Net change in investments	(504)	3,212	(3,716)	-115.7%	J
Net change of assets whose use is limited	732	(2,101)	2,833	-134.8%	K
Purchase of property and equipment	(5,320)	(3,335)	(1,985)	59.5%	L
Net cash provided in investing activities	(5,092)	(2,224)	(2,868)	129.0%	
Cash Flows From Financing Activities					
Payments of long-term debt	(1,684)	(1,698)	14	-0.8%	
Payment of financing costs	-	-	-	N/A	
Net cash used in financing activities	(1,684)	(1,698)	14	-0.8%	
Net increase in cash and cash equivalents	(3,634)	178	(3,812)	-2141.6%	
Cash and cash equivalents:					
Beginning	11,763	11,763	-	0.0%	
Ending	\$ 8,129	\$ 11,941	\$ (3,812)	-31.9%	

Notes to the Comparison of Actual Net Income Results to Forecasted Projected

For the Statement of Operations, any variances greater than 5% and \$670,000 (.5% of assets) are highlighted on the comparison and explained below. For the Balance Sheet and Statement of Cash Flows, any variances greater than 5% and \$1,341,000 (1% of assets) are highlighted on the comparison and explained below.

Statement of Operations

- A. Actual Net Resident Revenue was \$2,099,000 or 7.7% below the forecast. The variance was due to lower actual occupancy compared to forecasted occupancy in all levels of care as well as lower than forecasted amortization of entrance fee revenue.
- B. Actual Investment Income and Realized Gains was \$861,000 or 38.1% above the forecast. The variance was primarily due to the strong market performance during the year.
- C. Net Assets Released from Restrictions are not included in the forecast due to their unpredictable nature.
- D. Because the market is not predictable, these investment line items are not included in the forecast.

Balance Sheet

- E. Cash and Cash equivalents was \$3,916,000 or 39.5% below the forecast primarily due the purchases of property and equipment and increase in accounts receivable.
- F. Actual investments were \$9,784 or 20.6% above the forecast. Actual market performance was much better than forecasted.
- G. Actual accounts payable was \$1,386,000 or 244% above forecast due to timing of payments for property taxes and various remarketing projects.
- H. Actual deferred revenue from advance fees was \$1,378,000 or 11.8% above the forecast due to higher than forecasted net entrance fees received and lower than forecasted entrance fee amortization revenue.
- I. Actual net assets were higher than forecast due to investment performance and operating income.

Statement of Cash Flows

- J. Investment performances are not typically forecasted as the market is not predictable and we have limited control on outcomes.
- K. Actual net change of assets who are limited \$2,833 or 134.8% below the forecast due to increases in reserves higher than forecast and changes to internally designated funds that were not included in the forecast.
- L. Actual purchases of property and equipment was \$1,985,000 or 59.5% above the forecast due to the actual volume of renovations that occurred during the fiscal year.

ATTACHMENT III

Pro-Forma Financial Statements

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA,
INCORPORATED AND ITS CONSOLIDATED AFFILIATE**

**PROJECTED CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

**FOR THE YEARS ENDING
SEPTEMBER 30, 2022 THROUGH SEPTEMBER 30, 2026**



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

[CLAconnect.com](https://www.CLAconnect.com)

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED
AND ITS CONSOLIDATED AFFILIATE
TABLE OF CONTENTS
FOR THE YEARS ENDING
SEPTEMBER 30, 2022 THROUGH SEPTEMBER 30, 2026**

Independent Accountants' Compilation Report..... 1

**Projected Consolidated Statements of Operations and Changes in Net Assets for
the Years Ending September 30, 2022 through 2026..... 2**

**Projected Consolidated Statements of Cash Flows for the Years Ending
September 30, 2022 through 2026 3**

Projected Consolidated Balance Sheets at September 30, 2022 through 2026 4

Summary of Significant Projection Assumptions and Accounting Policies

Background and Information 5

Summary of Significant Accounting Policies..... 8

Management's Basis for Projection of Revenue 12

Management's Basis for Projection of Operating Expenses 18

Management's Basis for Projection of Other Items..... 19



INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Officers and Trustees
Baptist Retirement Homes of North Carolina, Incorporated
Winston-Salem, North Carolina

Management is responsible for the accompanying projected consolidated financial statements of Baptist Retirement Homes of North Carolina, Incorporated and its consolidated affiliate (the Organization), which comprise the projected consolidated balance sheets as of September 30, 2022, 2023, 2024, 2025 and 2026, and the related projected consolidated statements of operations and changes in net assets, and cash flows for the years then ending, and the related summaries 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 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 consolidated 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 consolidated financial statements or the assumptions. Furthermore, even if the Organization is able to achieve the hypothetical assumptions as noted in Management's Summary of Significant Projection Assumptions and Accounting Policies on page 5 (the "Hypothetical Assumptions"), 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.

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

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 11, 2022

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED AND ITS
CONSOLIDATED AFFILIATE**
PROJECTED CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
FOR THE YEARS ENDING SEPTEMBER 30,
(In Thousands of Dollars)

	2022	2023	2024	2025	2026
REVENUES, GAINS, AND OTHER SUPPORT					
Resident Service Revenue	\$ 30,869	\$ 35,537	\$ 37,776	\$ 39,213	\$ 40,287
Amortization of Deferred Revenue from Nonrefundable Advance Fees	2,443	2,698	2,718	2,622	2,504
Gifts, Including Gifts from Churches and Special Day Offerings	278	281	284	286	289
Income from Grants	315	318	321	325	328
Income from Estates and Trusts	405	409	413	417	421
Investment Income	1,400	1,785	1,816	1,831	1,797
Income from Provider Relief Funds	141	-	-	-	-
Other	68	70	72	74	77
Total Revenues, Gains, and Other Support	35,919	41,098	43,400	44,768	45,703
OPERATING EXPENSES					
Health Care	15,966	17,839	18,846	19,576	20,169
Dietary	3,726	4,163	4,398	4,568	4,707
Maintenance and Housekeeping	4,676	5,243	5,547	5,765	5,940
Laundry	283	298	307	316	325
General and Administrative	5,970	6,558	6,932	7,201	7,419
Depreciation	3,553	3,897	4,195	4,519	4,868
Interest Expense	954	896	837	776	713
Total Expenses	35,128	38,894	41,062	42,721	44,141
OPERATING INCOME	791	2,204	2,338	2,047	1,562
EXCESS OF REVENUES OVER EXPENSES AND INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	791	2,204	2,338	2,047	1,562
Change in Net Assets with Donor Restrictions	-	-	-	-	-
Increase in Net Assets	791	2,204	2,338	2,047	1,562
Net Assets - Beginning of Year	86,016	86,807	89,011	91,349	93,396
Net Assets - End of Year	\$ 86,807	\$ 89,011	\$ 91,349	\$ 93,396	\$ 94,958

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

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED AND ITS
CONSOLIDATED AFFILIATE**

**PROJECTED CONSOLIDATED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
FOR THE YEARS ENDING SEPTEMBER 30,
(In Thousands of Dollars)**

	2022	2023	2024	2025	2026
CASH FLOWS FROM OPERATING ACTIVITIES					
Increase in Net Assets	\$ 791	\$ 2,204	\$ 2,338	\$ 2,047	\$ 1,562
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:					
Depreciation	3,553	3,897	4,195	4,519	4,868
Amortization of Deferred Revenue from Advance Fees	(2,443)	(2,698)	(2,718)	(2,622)	(2,504)
Amortization of Deferred Issuance Costs	25	25	25	25	25
Advance Fees Received	5,060	4,547	3,432	2,990	2,808
Advance Fees Refunded	(369)	(373)	(377)	(381)	(385)
(Increase) Decrease in Current Assets					
Accounts Receivable	(146)	(351)	(161)	(95)	(69)
Contributions Receivable	(50)	(27)	(12)	(8)	(5)
Prepaid Expenses and Other Current Assets	(66)	(64)	(35)	(26)	(20)
Increase (Decrease) in Current Liabilities					
Accounts Payable	(752)	137	76	55	44
Accrued Expenses	138	48	27	19	15
Accrued Employee Compensation	828	206	115	83	67
Other Current Liabilities	(5)	9	6	4	3
Change in Provider Relief Funds	(141)	-	-	-	-
Net Cash Provided by Operating Activities	6,423	7,560	6,911	6,610	6,409
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) Decrease in Investments	2,248	160	(2,954)	978	1,531
(Increase) Decrease in Assets Limited as to Use	1,274	(517)	3,214	(170)	(156)
Acquisition of Property and Equipment	(4,270)	(4,264)	(4,676)	(5,034)	(5,423)
Net Cash Used in Investing Activities	(748)	(4,621)	(4,416)	(4,226)	(4,048)
CASH FLOWS FROM FINANCING ACTIVITIES					
Principal Payments on Long-Term Debt	(1,753)	(1,810)	(1,870)	(1,931)	(1,994)
Net Cash Used in Investing Activities	(1,753)	(1,810)	(1,870)	(1,931)	(1,994)
INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH					
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	3,922	1,129	625	453	367
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 12,051	\$ 13,180	\$ 13,805	\$ 14,259	\$ 14,625
Cash and Cash Equivalents	\$ 9,927	\$ 11,056	\$ 11,681	\$ 12,134	\$ 12,501
Restricted Cash and Cash Equivalents Included in Assets Limited as to Use	2,124	2,124	2,124	2,124	2,124
Total Cash, Cash Equivalents, and Restricted Cash	\$ 12,051	\$ 13,180	\$ 13,805	\$ 14,258	\$ 14,625
Supplementary Disclosure: Interest Paid During the Year	\$ 942	\$ 884	\$ 825	\$ 764	\$ 701

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

**BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED AND ITS
CONSOLIDATED AFFILIATE**

**PROJECTED CONSOLIDATED BALANCE SHEETS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS NOTED ON PAGE 5
AT SEPTEMBER 30,
(In Thousands of Dollars)**

	2022	2023	2024	2025	2026
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 9,927	\$ 11,056	\$ 11,681	\$ 12,134	\$ 12,501
Accounts Receivable, Net	2,378	2,729	2,890	2,985	3,054
Investments	55,110	54,950	57,904	56,926	55,395
Contributions Receivable	183	210	222	230	235
Prepaid Expenses and Other Assets	559	623	658	684	704
Total Current Assets	68,157	69,568	73,355	72,959	71,889
ASSETS LIMITED AS TO USE					
Internally Designated for Capital Development	1,997	1,997	1,997	1,997	1,997
Internally Designated for Statutory Operating Reserve	8,562	9,079	5,865	6,035	6,191
Total Assets Limited as to Use	10,559	11,076	7,862	8,032	8,188
INVESTMENTS AND OTHER ASSETS					
Investments Under Split-Interest Agreements:					
Charitable Remainder Trusts	1,700	1,700	1,700	1,700	1,700
Beneficial Interest in Perpetual Trust	8,163	8,163	8,163	8,163	8,163
Other Assets	15	15	15	15	15
Total Investments and Other Assets	9,878	9,878	9,878	9,878	9,878
PROPERTY AND EQUIPMENT, NET					
	46,934	47,301	47,782	48,297	48,852
Total Assets	\$ 135,528	\$ 137,823	\$ 138,877	\$ 139,166	\$ 138,807
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Current Maturities of Long-Term Debt	\$ 1,810	\$ 1,870	\$ 1,931	\$ 1,994	\$ 2,059
Accounts Payable	1,203	1,340	1,416	1,471	1,515
Accrued Expenses	419	467	494	513	528
Accrued Employee Compensation	1,818	2,024	2,139	2,222	2,289
Other Current Liabilities	84	93	99	103	106
Current Portion of Refundable Advance Fees	259	259	259	259	259
Total Current Liabilities	5,593	6,053	6,338	6,562	6,756
LONG-TERM DEBT, LESS CURRENT MATURITIES, NET OF ISSUANCE COSTS					
	25,788	23,943	22,037	20,068	18,034
DEFERRED REVENUE AND OTHER LIABILITIES					
Deferred Revenue from Advance Fees	14,122	15,324	15,598	15,588	15,522
Refundable Advance Fees On Occupied Units, Net of Current Portion	3,218	3,492	3,555	3,552	3,537
Total Deferred Revenue and Other Liabilities	17,340	18,816	19,153	19,140	19,059
Total Liabilities	48,721	48,812	47,528	45,770	43,849
NET ASSETS					
Net Assets Without Donor Restrictions	58,597	60,801	63,139	65,186	66,748
Net Assets With Donor Restrictions	28,210	28,210	28,210	28,210	28,210
Total Net Assets	86,807	89,011	91,349	93,396	94,958
Total Liabilities and Net Assets	\$ 135,528	\$ 137,823	\$ 138,877	\$ 139,166	\$ 138,807

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

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND INFORMATION

Basis of Presentation

This financial projection presents, to the best of management's knowledge and belief, the Baptist Retirement Homes of North Carolina, Incorporated (the "Homes") and its consolidated affiliate, Baptist Retirement Homes Foundation (the "Foundation") (collectively, the "Organization"), expected consolidated balance sheets, statements of operations and changes in net assets and cash flows as of September 30, 2022, 2023, 2024, 2025, and 2026 (the "Projection Period") and for each of the years then ending. As used herein, management of the Organization is referred to as "Management."

Accordingly, the projection reflects Management's judgment as of February 11, 2022, the date of this projection, of the expected conditions and its expected course of action during the Projection Period. The financial projection is based on Management's assumptions concerning future events and circumstances. The assumptions disclosed herein are those that Management believes are significant to the projection or are key factors upon which the financial results of the Organization depend.

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. Management does not intend to revise this projection to reflect changes in present circumstances or the occurrence of unanticipated events.

A projection 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 a "Hypothetical Assumption" 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 has prepared its financial projection with the following Hypothetical Assumptions:

- 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 Organization, COVID-19 may continue to impact various parts of its 2022 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 Home's occupancies in fiscal year 2021, Management has projected occupancy recoveries, as presented within the Projection Period. In addition, Management has projected utilizing the remaining \$141,000 of provider relief funds in fiscal year 2022 on expenses related to preventing, preparing for, or responding to the COVID-19 pandemic.
- Management is able to achieve projected occupancies, operating revenue, and entrance fee receipts as a result of increased marketing efforts, capital improvements, and strategic initiatives of the Homes.

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND INFORMATION (CONTINUED)

Background of the Organization

Homes is a church-related, not-for-profit corporation organized under the laws of the state of North Carolina. Baptist Retirement Homes of North Carolina, Incorporated is governed by a Board of Trustees. The Board of Trustees nominates and elects its own members, each serving a four-year term.

The Foundation was established primarily to raise funds for the benevolent ministries of the Homes.

The board members of the Foundation are appointed by and serve at the pleasure of the Board of Trustees of Homes.

Homes owns, maintains, and operates facilities throughout North Carolina for the purpose of providing for the care of older adults. The facilities consist of independent living homes and apartments, and freestanding and combination facilities that include assisted living residences and skilled and intermediate nursing care rooms. Homes receives direct support from North Carolina Baptist churches, special church offerings, grants from foundations and through gifts and bequests from individuals and businesses to assist with capital projects and the benevolent ministries of the Homes.

Principles of Consolidation

The projected consolidated financial statements include the accounts of the Homes and the Foundation. All material related party balances and transactions have been eliminated in consolidation.

The Homes' Facilities

Brookridge Retirement Community: Brookridge Retirement Community (Brookridge) is a continuing care retirement community located on a 44-acre tract of land on Bethabara Road in Winston-Salem, North Carolina. The community consists of 137 independent living units, 26 adult care home residences, 10 memory-enhanced residences, and a 77-unit nursing care center. Brookridge also contains the following support facilities: administrative offices, a bank, a chapel, a multi-purpose room, arts and crafts rooms, a library, a guestroom, physical therapy rooms, recreation areas, dining rooms, a cafe, beauty/barber shops, a convenience store, a mail area, parlors, pool and exercise area, a kitchen, and several areas for environmental services, maintenance and laundry. The facility originally opened in 1989, with additions made in 1998, 1999, 2001, 2006 and 2012-2014.

The Gardens of Taylor Glen Retirement Community: The Gardens of Taylor Glen Retirement Community (Gardens) is a continuing care retirement community that opened in November 2002. It is located on a 134-plus-acre tract of land located in Concord, North Carolina. The community consists of 125 independent living apartments, 12 adult care home residences, 12 memory-enhanced residences, and 24 nursing care beds. The Gardens also incorporates the following support facilities: administrative offices, a bank, a chapel, a multi-purpose room, a swimming pool, an exercise area, arts and crafts rooms, a wood-working shop, a library, a guest cottage, physical therapy rooms, recreation/social areas to include a pond and walking paths, dining areas, beauty/barber shops, a convenience store, a mail area, parlors, a cafe, a kitchen, a training area for health care employees, and several areas for environmental services, maintenance and laundry.

Taylor House: The Taylor House (Taylor) is a 30-bed adult care home residence located on a 3-acre tract of land on Palmer Street in Albemarle, North Carolina. It was opened for service to its first resident in 1953.

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND INFORMATION (CONTINUED)

Western North Carolina Baptist Home: The Western North Carolina Baptist Home (Western) is a combination facility with 50 adult care home residences and 100 nursing care beds located on a 22-acre tract of land on Richmond Hill in Asheville, North Carolina. It was opened for services to its first residents in April 1979. A 100-bed Medicare/Medicaid certified nursing care center (the Rickman Center) opened in February 1993.

The following table shows the current unit configurations for each of the Homes' facilities.

	Brookridge	Gardens	Taylor	Western
Independent Living Units:				
Studio	11	-	-	-
One Bedroom	49	36	-	-
Two Bedroom	31	89	-	-
Garden Homes, Single Units	4	-	-	-
Garden Homes, Duplex	42	-	-	-
Total Independent Living Units	137	125	-	-
Assisted Living Units:				
Traditional Residence	26	12	30	50
Memory-Enhanced Residence	10	12	-	-
Total Assisted Living Units	36	24	30	50
Total Nursing Units	77	24	-	100
Total Units	250	173	30	150

Source: Management

Summary of Significant Projection Assumptions and Accounting Policies

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization classifies its funds for accounting and reporting purposes as either without donor restrictions or with donor restrictions:

Net Assets without Donor Restrictions

Resources of the Organization that are not restricted by donors or grantors as to use or purpose. These resources include amounts generated from operations, undesignated gifts, and the investment in property and equipment.

Net Assets with Donor Restrictions

Included in net assets with donor restrictions are those resources that carry a donor-imposed restriction that permits the Organization to use or expend the donated assets as specified for which the restrictions are satisfied by the passage of time or by actions of the Organization. As those restrictions are met, the contributions are released from net assets with donor restrictions and are transferred to net assets without donor restrictions. Those resources for which the restrictions are met in the same fiscal year in which they are received are included in net assets without donor restrictions. In addition, included in net assets under donor restrictions are those resources that carry a donor-imposed restriction that stipulates that donated assets be maintained in perpetuity, but may permit the Organization to use or expend part or all of the income derived from the donated assets.

Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments with an original maturity of three months or less from the date of acquisition which are not included in assets limited as to use or investments.

Accounts Receivable

The Organization records accounts receivable at the total unpaid balance. The Organization determines past due status based on the billing dates, and charges a late fee on overdue accounts. The Organization provides an allowance for uncollectible accounts using management's judgment. Accounts past due are individually analyzed for collectability. Accounts receivable that management determines will be uncollectible are written off upon such determination. It is the Organization's policy to seek collection on all overdue accounts.

Contributions and Support

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at their present values. Conditional promises to give are not included as support until the conditions are substantially met.

Grant awards are evaluated by management and determined to either be unconditional contributions, exchange transactions, or conditional contributions. If considered to be an unconditional contribution, revenue from grants is recorded upon notification of the award. If considered to be an exchange transaction, revenue from grants is recorded as expenses are incurred under the terms of the respective grant agreement. If considered to be a conditional contribution, revenue from grants is recorded at the time the conditions on which they depend have been met.

Summary of Significant Projection Assumptions and Accounting Policies

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Any amounts received prior to incurring qualifying expenditures would be reported as refundable advances in the consolidated balance sheets. Management has not projected any contribution income from cost-reimbursable based grants during the Projection Period.

Assets Limited as to Use

Assets limited as to use include amounts set aside to meet the operating reserve requirements of North Carolina General Statute Chapter 58, Article 64. In addition, assets limited as to use include amounts held for future capital expenditures. The Board retains control over amounts held for future capital expenditures and may, at its discretion, subsequently use them for other purposes. The statutory operating reserve balance can only be released upon the submittal of a detailed request and approval of the Commissioner of the North Carolina Department of Insurance.

Investments

Investments in debt and equity securities are measured at fair value based on quoted market prices. In determining realized gains and losses, the cost of investments is determined using the first-in first-out method. Donated investments are reported at fair value at the date of receipt.

The Organization's investments are classified as trading securities. The investments are managed by brokers who actively buy and sell investments within the Organization's Investment Policy Statement. Investment income (including realized gains and losses on investments, interest, and dividends) is included in excess of revenues over expenses unless the income is restricted by donor or law. Unrealized gains and losses on investments, if any, are included in excess of revenues over expenses on the projected consolidated statement of operations and changes in net assets.

Assets in Split-Interest Agreements

The Organization is a beneficiary to several irrevocable split-interest agreements. These split-interest agreements are categorized as charitable remainder trusts and beneficial interests in perpetual trusts, both of which are included in net assets with donor restrictions. Charitable remainder trusts are stated at fair value net of discounted future contractual payment obligations. The value of beneficial interests in perpetual trusts represents an irrevocable right to receive distributions in perpetuity from a trust that is managed by a third-party. The Organization does not have variance power over the trust's portfolio. The value of beneficial interest in perpetual trusts uses a market approach and is estimated based on the fair value of the underlying investments held by the trust.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at market value at date of contribution. Property and equipment are capitalized if it has a cost over \$2,000 and an estimated useful life of at least 2 years. Depreciation is computed over the estimated useful lives of the related assets, ranging from 5 to 31.5 years, using the straight-line method. All additions are depreciated beginning on the date of acquisition.

Summary of Significant Projection Assumptions and Accounting Policies

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Organization periodically assesses the realizability of its long-lived assets and evaluates such assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. For assets to be held, impairment is determined to exist if estimated future cash flows, undiscounted and without interest charges, are less than the carrying amount. For assets to be disposed of, impairment is determined to exist if the estimated net realizable value is less than the carrying amount.

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

Deferred Costs

Financing costs relative to the permanent financing of the Homes have been deferred and will be amortized over the term of the respective loans. Deferred financing costs are presented as a reduction of the related borrowings and the amortization is presented as a component of interest expense.

Deferred Revenue from Advance Fees

Advance fees paid by a resident, net of the estimated portion that is refundable to the resident, are recorded as deferred revenue and are amortized into income using the straight-line method over the estimated remaining life expectancy of the resident. Advance fees are refundable pro-rata over the first 24 or 60 months of residency depending on the contract type.

Obligation to Provide Future Services

The Organization annually calculates the present value of the net cost of future services and use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from advance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income.

Excess of Revenue Over Expenses

The projected consolidated statements of operations and changes in net assets include excess of revenues over expenses. Changes in net assets without donor restrictions, that are included in excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments in trading securities. Changes that are excluded include contributions of long-lived assets (including assets acquired using contributions that by donor restriction were to be used for the purpose of acquiring such assets), transfers of net assets, and net assets released from restrictions for property and equipment.

Summary of Significant Projection Assumptions and Accounting Policies

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Resident and Health Care Service Revenue

Resident service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing resident care. These amounts are due from residents, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the residents and third-party payors several days after the services are performed. Service fees paid by residents for maintenance, meals, and other services are assessed monthly and are recognized as revenue in the period services are rendered. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facilities receiving skilled nursing services or housing residents receiving services in the facilities. The Organization considers daily services provided to residents of the skilled nursing facilities, and monthly rental for housing services as a separate performance obligation and measures this on a monthly basis, or upon move-out within the month, whichever is shorter. Nonrefundable entrance fees are considered to contain a material right associated with access to future services, which is the related performance obligation. Revenue from nonrefundable entrance fees is recognized ratably in future periods covering a resident's life expectancy using a time-based measurement similar to the output method. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to residents and customers in a retail setting (for example, gift shop and cafeteria meals) and the Organization does not believe it is required to provide additional goods or services related to that sale.

Because all of its performance obligations have a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Organization's policy, and/or implicit price concessions provided to residents. The Organization determines its estimates of contractual adjustments based on contractual agreements, its policy, and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience.

Agreements with third-party payors typically provide for payments at amounts less than the established charges. A summary of the payment arrangements with major third-party payors follows:

Summary of Significant Projection Assumptions and Accounting Policies

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Medicare

The Organization's licensed nursing facilities participate in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). The nursing facilities were paid under the Medicare Prospective Payment System (PPS) for residents who are Medicare Part A eligible and met the coverage guidelines for skilled nursing facility services. The PPS was a per diem price-based system. CMS finalized the Patient Driven Payment Model (PDPM) to replace the existing Medicare reimbursement system effective October 1, 2019. Under PDPM, therapy minutes are removed as the primary basis for payment and instead use the underlying complexity and clinical needs of a patient as a basis for reimbursement. In addition, PDPM introduces variance adjustment factors that change reimbursement rates during the resident's length of stay. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

Nursing facilities licensed for participation in the Medicare and Medical Assistance programs are subject to annual licensure renewal. If it is determined that a nursing facility is not in substantial compliance with the requirements of participation, CMS may impose sanctions and penalties during the period of noncompliance. Such a payment ban would have a negative impact on the revenues of the licensed nursing facility.

Medicaid

The Organization's licensed nursing facilities participate in the Medicaid program which is administered by the North Carolina Division of Health Benefits. Services rendered to Medicaid program beneficiaries are reimbursed using predetermined per diem rates as defined for each Medicaid provider in North Carolina. Annual cost report filings are required for Medicaid providers, which include the completion of the North Carolina Division of Health Benefit's supplemental schedules. For Continuing Care Retirement Facilities, the Supplemental Schedules do not contain a cost settlement.

Other

Payment agreements with certain commercial insurance carriers provide for payment using prospectively determined daily rates.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent charges to the estimate of the transaction price are recorded as adjustments to resident services revenue in the period of the change.

Summary of Significant Projection Assumptions and Accounting Policies

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments are not projected by Management during the Projection Period. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense.

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors, service line, method of reimbursement, and timing of when revenue is recognized.

The Organization maintains records, and the board has oversight, to identify and monitor the amount of charges foregone for services and supplies furnished under its benevolent assistance policy and to identify and monitor the level of benevolent assistance it provides. These include reduced rates for Medicare, Medicaid, and other governmental programs.

The Organization has estimated the costs of providing assistance under its benevolent assistance policy. In order to estimate the cost of providing such assistance, management calculated a ratio by comparing the charges foregone to total operating revenue and applying this ratio to expenses to estimate the costs of providing benevolent assistance.

Contract Costs

The Organization has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Organization otherwise would have recognized is one year or less in duration.

Income Taxes

Homes and Foundation are not-for-profit organizations that are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE

Revenue for the Organization is generated primarily from monthly service fees for the independent living units, amortization of entrance fees, and monthly service fees and per diem charges from the assisted living and nursing residents.

Revenue for the independent living units is based on the monthly service fees assumed by Management to be charged to the residents and the assumed utilization of the independent living units. Health care revenues consist of funds generated from services provided to residents transferring from the independent living units, and those services provided to residents admitted directly to the Health Center.

Management's projected occupancy assumptions are presented in Table 2.

Health Center Free Days

At the date of occupancy, each resident whose residence is in independent living at Gardens or Brookridge, is granted 30 Health Center Free Days (Free Days). Free Days are non-transferable, must be used only as defined in the Resident Agreements and in Corporate policy, and have no value if not used. No new Free Days are granted after the resident moves to either assisted living or nursing, collectively the Health Center. Free Days will not be applied if the resident is receiving Medicare benefits.

For each day a resident occupies or holds an accommodation in the Health Center, whether or not that accommodation is the primary residence, Free Days will be credited until all such accumulated days are used. When Free Days are exhausted, the resident will be charged the private pay rate for their Health Center unit. While the resident uses Free Days, service fees continue based on the independent living residence from which the resident moved or transferred, and the resident will be charged for medicines, physician's services, and for supplies not normally included in the base fee for Health Center services.

The 30 Free Days benefit is not available for residents who were admitted directly to the Health Center and assisted living.

Projected Occupancy Levels

Projected occupancy for the Organization's independent living units is based upon the historical experience of Management as well as marketing efforts and strategies aimed at improving occupancy through a build-up of brand awareness of the Organization and upgrades to the product standards within the Organization.

Occupancy of the assisted living units and nursing beds are projected to be from transfers from independent living units, when available at the particular community, as well as direct admissions from the local market areas. Nursing bed occupancy for Gardens is based solely on internal transfers primarily from both independent living units and assisted living units. Projected resident transfers from independent living to assisted living or nursing have been provided by Management, and are based on the Organization's historical experience.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

The following table shows projected occupancy for each of the Homes' facilities for the Projection Period, as projected by Management based in part on the Organization's historical experience and adjusted to give effect to a revamped marketing program, including additional market staff additions and the hiring of an external marketing firm, that are expected to positively impact marketing and sales activities.

Table 2					
Homes					
Projected Occupancy In The Years Ending September 30,					
	2022	2023	2024	2025	2026
Brookridge					
Independent Living Units	69.8%	79.2%	87.1%	91.5%	94.2%
Assisted Living Units	92.4%	92.1%	92.1%	92.1%	92.1%
Nursing Units	88.1%	91.1%	90.3%	90.3%	90.3%
Gardens:					
Independent Living Units	91.0%	97.1%	97.4%	97.4%	97.4%
Assisted Living Units	75.5%	88.5%	91.2%	91.2%	91.2%
Nursing Units	62.9%	74.7%	85.0%	87.5%	87.5%
Taylor:					
Assisted Living Units	54.2%	57.5%	61.5%	65.5%	69.5%
Western:					
Assisted Living Units	64.8%	76.3%	85.2%	91.3%	92.3%
Nursing Units	61.5%	82.5%	89.6%	92.3%	93.4%

Source: Management

The projected double occupancy percentages in the independent living units of Gardens and Brookridge are approximately 16 percent and 49 percent, respectively, based upon assumptions provided by Management.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

Projected Entrance and Monthly Service Fees

The following tables summarize the entrance fees, monthly service fees and daily rates for the Organization's facilities. Note that these fees became effective during fiscal year 2022.

Brookridge Retirement Community offers three options for entrance fee payments for residents living in the garden home units. The resident may choose between a traditional entrance fee plan (the "Standard Plan – 24 Month"), a Fifty Percent Refund Plan, and a Ninety Percent Refund Plan. The Standard Plan – 24 Month provides for a twenty-four-month amortization of the resident's entrance fee, and after 24 months, no refund balance remains. The Fifty Percent Refund Plan provides for a fifty-percent refund of the entrance fee paid at admission and the Ninety Percent Refund Plan provides for a ninety percent refund of the entrance fee paid at admission.

The Gardens of Taylor Glen Retirement Community offers three options for entrance fee payments for residents. The traditional entrance fee plan (the "Standard Plan – 60 Month") provides for a sixty-month amortization of the resident's entrance fee, and after 60 months, no refund balance remains. The Gardens of Taylor Glen also offers the Fifty Percent Refund Plan and the Ninety Percent Refund Plan.

Management assumes that all units sold are under the Standard Refund Plan – 24 Month for Brookridge Retirement Community and Standard Plan – 60- Month for The Gardens of Taylor Glen Retirement Community, based on historical experience.

Table 3
Homes
Monthly Fees / Daily Fees - 2022

	Brookridge	Gardens	Taylor	Western
Independent Living Units (Monthly Rates):				
Single Rates:				
Studio	\$ 1,522	\$ -	\$ -	\$ -
One Bedroom	1,974	2,115	-	-
One Bedroom, Deluxe	2,436	2,444	-	-
Two Bedrooms	2,436	3,541	-	-
Two Bedrooms, Deluxe	3,066	3,914	-	-
Two Bedrooms, Classic	2,679	4,083	-	-
Two Bedroom, Combo	-	4,436	-	-
Garden Homes, Single Unit	3,066	-	-	-
Garden Homes, Duplex	2,786	-	-	-
Second Person Fees	848 - 967	803	-	-
Assisted Living Units (Monthly Rates):				
Large Room	\$ -	\$ -	\$ 3,145	\$ -
Regular Room	6,029	5,418	3,038	4,669
Regular Room, Entrance Fee	5,086	-	-	-
Suites	9,947	-	4,861	7,471
Suites, Entrance Fee	8,293	-	-	-
Memory-Enhanced Residence	7,515	6,976	-	-
Nursing Beds (Daily Rates):				
Semi-Private	\$ 305	\$ -	\$ -	\$ 304
Private	326	313	-	316

Source: Management

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

As previously noted, Management has projected all units sold under the Standard Refund Plan (Brookridge) and the Standard Plan (Gardens). The below table reflects those respective entrance fee pricings:

**Table 4
Homes
Entrance Fees – 2022**

	Brookridge	Gardens	Taylor	Western
Independent Living Units:				
Studio	\$ 41,377	\$ -	\$ -	\$ -
One Bedroom	65,483	82,844	-	-
One Bedroom, Deluxe	86,965	95,590	-	-
Two Bedrooms	86,965	126,583	-	-
Two Bedrooms, Deluxe	156,353	169,487	-	-
Two Bedrooms, Classic	94,355	205,580	-	-
Two Bedroom Combo	-	232,320	-	-
Garden Homes, Single Unit	188,615	-	-	-
Garden Homes, Duplex	130,652 - 136,427	-	-	-
Second Person Fees	14,321 - 18,279	-	-	-
Assisted Living Units:				
Large Room	\$ -	\$ -	\$ -	\$ -
Regular Room	-	30,300	-	-
Suites	-	-	-	-
Memory-Enhanced Residence	-	38,380	-	-
Nursing Beds:				
Semi-Private	\$ -	\$ -	\$ -	\$ -
Private	-	-	-	-

Source: Management

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

The following table reflects projected rate increases. Increases in fees are generally anticipated to approximate increases in operating expenses during the Projection Period. However, fee increases may be adjusted to reflect actual changes in expenses.

	2022	2023	2024	2025	2026
Independent Living Monthly Fee Increases	**	3%	3%	3%	3%
Entrance Fee Increases	**	3%	3%	3%	3%
Assisted Living Rate Increases	**	3%	3%	3%	3%
Nursing Rate Increases					
Private	**	3%	3%	3%	3%
Medicare	**	2%	2%	2%	2%
Medicaid	**	1%	1%	1%	1%

Source: Management

* Annual pricing increases are effective on October 1 of the fiscal year.

** The 2022 pricing is noted in the two preceding tables.

Entrance Fee Receipts

Entrance fee receipts and refunds are based on information provided by Management based on historical experience. The following table reflects entrance fees received and refunds paid during the Projection Period for the Organization, as projected by Management.

	2022	2023	2024	2025	2026
Advance Fees from Turnover	\$ 5,060	\$ 4,547	\$ 3,432	\$ 2,990	\$ 2,808
Advance Fees Refunded	(369)	(373)	(377)	(381)	(385)
Total Advance Fees, Net	\$ 4,691	\$ 4,174	\$ 3,055	\$ 2,609	\$ 2,423

Source: Management

Investment Income

Investment income consists of interest earnings on cash, cash equivalents, investments, and assets limited as to use, as provided by Management. Management has assumed investment returns on certain assets as noted in Table 7. Management does not project unrealized gains or losses.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT’S BASIS FOR PROJECTION OF REVENUE (CONTINUED)

The following table reflects Management’s assumed realized (net of expenses) investment earning rates during the Projection Period for funds invested by the Organization.

Table 7
Projected Investment Earning Rates
For The Years Ending September 30,

	2022	2023	2024	2025	2026
Cash and Cash Equivalents	0.25%	0.25%	0.25%	0.25%	0.25%
Investments	3.00%	3.00%	3.00%	3.00%	3.00%
Assets Limited as to Use	1.00%	1.00%	1.00%	1.00%	1.00%

Source: Management

Other Revenue Items

Management projects income from gifts, grants, estates, and trusts based upon past experience. For fiscal year 2022, Management projects that income from gifts will be approximately \$998,000 and Management has assumed a 1.0 percent increase throughout the Projection Period.

Other revenue items include food service income from additional meals, guest meals, guest house, catering, etc., for the Organization. Management assumes that charges for other revenues will increase approximately 3.0 percent annually throughout the Projection Period.

As a result of the Coronavirus pandemic, the U.S. Department of Health and Human Services (“HHS”) made available emergency relief grant funds to health care providers through the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) Provider Relief Fund (“PRF”). During the years ended September 30, 2021 and 2022, the Organization received \$141,349 and \$1,180,354, respectively. The PRF’s are subject to certain restrictions on eligible expenses or uses, reporting requirement, and will be subject to audit. As of September 30, 2021, approximately \$141,000 of the total \$1,322,000 received remained as deferred and was recorded as a contract liability in the consolidated balance sheet. Management has projected that it will utilize the remaining \$141,000 as allowed under the CARES Act and has projected income from Provider Relief Funds in the projected consolidated statements of operations and changes in net assets during the year ending September 30, 2022.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF OPERATING EXPENSES

Operating Expenses

Management has projected operating expenses based upon Management's operating plans, as well as historical operations, and has increased expenses in part based on inflationary increases as well as increases from increased occupancy levels. Management has projected inflationary increases of 5.0 percent in 2023 for Health Care, Dietary, and Maintenance and Housekeeping and 3.0 percent for General and Administrative. Management has projected inflationary increases of 3.0 percent for all expenses in 2024 and all periods thereafter during the Projection Period.

The specific basis for major expense items were formulated by Management and are discussed below.

Salaries and Related Benefits

Benefit costs include payroll taxes and employee benefits including FICA, unemployment taxes, workers' compensation, health insurance, retirement plan, incentives and other miscellaneous benefits for the entire facility. These benefit costs are assumed to vary with changes in occupancy levels as well as increase at a rate of 5.0 percent during 2023 and 3.0 percent for the remainder of the Projection Period, based on Management's historical experience.

Resident and Health Care

Nonsalary related costs of resident health care include costs for care and support of residents. These costs are anticipated to vary with changes in occupancy levels as well as increase at 5.0 percent in 2023 and 3.0 percent in 2024 through 2026 for inflation, based on historical operating experience. These costs include activities and other similar costs.

Dietary

Nonsalary related costs of the food service include costs for raw food and dietary supplies and other such costs and are based on the historical operating experience of Management. Management projects that these costs would vary with changes in occupancy levels as well as increase at approximately 5.0 percent in 2023 and 3.0 percent in 2024 through 2026 for inflation.

Maintenance, Housekeeping and Laundry

Nonsalary related costs in these departments include housekeeping, laundry, and all activities of maintenance for the campus. Management assumes that these costs would vary with changes in occupancy levels as well as increase at approximately 5.0 percent in 2023 and 3.0 percent in 2024 through 2026 for inflation, based on historical operating experience.

General and Administrative

Nonsalary related costs of general and administrative include costs for supplies, professional fees, insurance, and other miscellaneous costs. Management projects that these costs would vary with changes in occupancy levels as well as annual inflation of 3.0 percent for these costs, based on historical operating experience.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS

Assets Limited as to Use

A narrative description of the assets limited as to use follows:

Internally Designated for Capital Development

The Board has designated certain amounts to be held for future capital requirements.

Internally Designated for Statutory Operating Reserve

Section 58-64-33 of the General Statutes of North Carolina, as amended, requires that all continuing care facilities maintain operating reserves equal to 50 percent of the total operating costs (as defined in Section 58-64-33) (or 25 percent of the total operating costs if such facilities maintain an occupancy level in excess of 90 percent and the North Carolina Commissioner of Insurance so approves) projected for the 12-month period following the period covered by the most recent annual statement filed with the North Carolina Department of Insurance. Such operating reserves may only be released upon approval of the North Carolina Commissioner of Insurance.

Summary of Significant Projection Assumptions and Accounting Policies

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

The following reflects the operating reserve requirements, as projected by Management:

Table 8
Projected Operating Reserve Requirements
For The Years Ending September 30,

Brookridge	2022	2023	2024	2025	2026
Total Operating Expenses ⁽¹⁾	\$ 13,731	\$ 14,526	\$ 14,980	\$ 15,482	\$ 15,994
Include:					
Bond Principal Payments	815	842	869	897	926
Exclude:					
Depreciation	(1,498)	(1,643)	(1,769)	(1,906)	(2,053)
Amortization of Issuance Costs included in Interest Expense	(9)	(9)	(9)	(9)	(9)
Debt Service Portion, if provided for by way of a separate reserve account	-	-	-	-	-
Total Operating Costs	\$ 13,039	\$ 13,716	\$ 14,071	\$ 14,464	\$ 14,858
Operating Reserve Percentage	50%	50%	25%	25%	25%
Operating Reserve at 9/30	\$ 6,519	\$ 6,858	\$ 3,517	\$ 3,615	\$ 3,714
Forecasted Occupancy Level ⁽²⁾	77.5%	85.6%	90.0%	93.0%	94.4%
Gardens	2022	2023	2024	2025	2026
Total Operating Expenses ⁽¹⁾	\$ 8,652	\$ 9,464	\$ 10,058	\$ 10,442	\$ 10,768
Include:					
Bond Principal Payments	916	946	977	1,009	1,042
Exclude:					
Depreciation	(1,378)	(1,511)	(1,627)	(1,753)	(1,888)
Amortization of Issuance Costs included in Interest Expense	(16)	(16)	(16)	(16)	(16)
Debt Service Portion, if provided for by way of a separate reserve account	-	-	-	-	-
Total Operating Costs	\$ 8,174	\$ 8,883	\$ 9,392	\$ 9,682	\$ 9,906
Operating Reserve Percentage	25%	25%	25%	25%	25%
Operating Reserve at 9/30	\$ 2,043	\$ 2,221	\$ 2,348	\$ 2,420	\$ 2,477
Forecasted Occupancy Level ⁽²⁾	94.3%	96.4%	96.4%	96.4%	96.4%

Source: Management

Notes:

(1) Total operating expenses include all line items as presented on the consolidated statements of operations and changes in net assets for the respective community.

(2) The Occupancy noted above is the projected occupancy of the independent living and assisted living occupants as of September 30 of each respective year presented, for Brookridge and the Gardens.

Summary of Significant Projection Assumptions and Accounting Policies

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

Property and Equipment

Property and equipment balances, net of accumulated depreciation, were projected based on anticipated property and equipment additions during the Projection Period, reduced by estimated annual depreciation.

Management has projected the following major property and equipment categories:

Table 9
Projected Property and Equipment Major Categories
For The Years Ending September 30,
(In Thousands of Dollars)

	2022	2023	2024	2025	2026
Land and Land Improvements	\$ 7,046	\$ 7,046	\$ 7,046	\$ 7,046	\$ 7,046
Buildings and Improvements	96,006	97,712	99,582	101,596	103,765
Furniture, Fixtures, and Equipment	8,058	10,616	13,422	16,442	19,696
Vehicles	866	866	866	866	866
Total	111,976	116,240	120,916	125,950	131,373
Less: Accumulated Depreciation	(68,322)	(72,219)	(76,414)	(80,933)	(85,801)
Add: Construction in Process	3,280	3,280	3,280	3,280	3,280
Net Property and Equipment	\$ 46,934	\$ 47,301	\$ 47,782	\$ 48,297	\$ 48,852

Source: Management

Assets in Split-Interest Agreements

Management has not projected any gains or losses arising from changes in the value of assets in split-interest agreements.

Long-Term Debt and Interest Expense

Projected interest expense and long-term debt for 2022 and subsequent years were based on the construction loan and the commercial loan associated with the improvements at Brookridge.

In 2013, the Homes entered into a Term Loan Agreement for \$34,650,000 to refinance North Carolina Medical Care Commission term bonds outstanding. During the year ended September 30, 2020 the Organization refinanced this loan. Under the terms of the new agreement, the Organization is responsible for monthly payments consisting of interest and principal through maturity in June 2035 in the amount of \$142,416. The refinanced term loan carries an interest rate of 3.22%.

Management made draws under a Construction and Permanent Loan Agreement that closed in 2012 for the purpose of improvements at the Homes' Brookridge Retirement Community. The total amount financed was \$16,018,000. The financing required interest-only payments until March 2013 when the Homes began making principal payments on this loan. During the year ended September 30, 2020 the Organization refinanced this loan. Under the terms of the new agreement, the Organization is responsible for monthly payments consisting of interest and principal through maturity in June 2035 in the amount of \$81,065. The refinanced permanent loan carries an interest rate of 3.22%.

Summary of Significant Projection Assumptions and Accounting Policies

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

Projected principal payments on the Organization's debt are as follows:

Year Ending September 30,	Permanent Loan	Term Loan	Total Debt
2022	\$ 636	\$ 1,117	\$ 1,753
2023	657	1,153	1,810
2024	678	1,192	1,870
2025	700	1,231	1,931
2026	723	1,271	1,994
2027	747	1,312	2,059
2028	771	1,355	2,126
2029	796	1,399	2,195
Thereafter	5,050	8,871	13,921
Total Projected Long-Term Debt	\$ 10,758	\$ 18,901	\$ 29,659

Source: Management

Current Assets and Current Liabilities

Cash and Cash Equivalents

Cash and cash equivalents balances for the Projection Period are projected to approximate 118 days of cash on hand during the Projection Period.

Net Accounts Receivable

Net accounts receivable is projected based on historical levels throughout the Projection Period.

Contributions Receivable

Contributions receivable is projected based on historical levels throughout the Projection Period.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets have been projected based on historical levels.

Accounts Payable

Accounts payable has been projected based on historical levels.

Accrued Expenses

Accrued expenses have been projected based on historical levels, with the exception of accrued interest. Accrued interest has been calculated based on projected interest rates and repayment terms of the Organization.

Accrued Employee Compensation

Accrued employee compensation has been projected based on historical levels.

Other Current Liabilities

Other current liabilities have been projected based on historical levels.

ATTACHMENT IV

Apartment Resident Agreement – Independent Living Apartments

BAPTIST RETIREMENT HOMES OF NORTH CAROLINA, INCORPORATED

**APARTMENT RESIDENT AGREEMENT
BROOKRIDGE RETIREMENT COMMUNITY**

THIS AGREEMENT, made in Forsyth County, North Carolina between Baptist Retirement Homes of North Carolina, Incorporated, a non-profit corporation duly organized under, the laws of the State of North Carolina, hereinafter referred to as "Baptist Homes," _____, hereinafter referred to as "Resident" and _____, hereinafter referred to as "Responsible Party." (If more than one person who will be a resident enters into this Agreement, the "Resident" as used herein shall include both of them unless otherwise stated.)

Resident has applied for admission to an Independent Living Apartment at Baptist Homes' Brookridge Community, in Winston Salem, North Carolina, a retirement facility which consists of Independent Living Apartments and a Health Center including Assisted Living Beds (Domiciliary Home or Home for the Aged), Nursing Care Beds (Intermediate and Skilled) and a Health Clinic.

Responsible Party is Resident's personal representative, attorney-in-fact, or other individual who has legal access to Resident's income, assets or resources.

All of the terms and conditions of this Residence Agreement are necessary for the comfort and security of the residents of Brookridge and for the proper operation of a retirement facility. All the terms and conditions have been fully agreed upon by the parties to this Agreement. The signing of this agreement does not convey to the Resident any ownership interest in the Brookridge Retirement Community.

THEREFORE, in consideration of the admission fee stated hereafter, and in further consideration of the mutual covenants and agreements herein cited, the sufficiency of said consideration being hereby acknowledged, the parties hereto agree as follows:

1. Resident shall pay to Baptist Homes the sum of \$_____ as an admission fee for _____, Winston-Salem, NC 27106 in the following manner:
 - a. The percent upon execution of this Agreement by Resident, including \$_____ credit for reservation fee previously paid and \$_____ paid herewith
 - b. Balance of \$_____ to be paid in full not less than 30 days prior to the "date of occupancy" as described in Paragraph 2.

2. In addition to the admission fee, Resident agrees to pay a service fee of \$_____ per month, or such amount as may be established from time to time by Baptist Homes. Payment of the monthly service fee shall begin on the Resident's "date of occupancy." The "date of occupancy" is either the date on which the Resident actually occupies the

Apartment, or 60 days after the Resident has been notified that the Apartment is available for occupancy, whichever shall first occur. The service fee for the first month shall be pro-rated and is payable prior to occupancy. Thereafter payments shall be made in advance on or before the fifth day of each month during the time that this Agreement is in force. Baptist Homes will provide 60 days written notice of any increase or decrease in the monthly service fee before same becomes effective.

3. The Independent Living Apartment is owned by Baptist Homes and Resident in signing this agreement does not obtain or assume ownership rights in regard to the apartment. For so long as Resident is capable of independent living (see Paragraphs 15 & 16) and complies with the terms of this Agreement, Resident may occupy solely for residential purposes the Apartment designated in Paragraph 1. In addition, Baptist Homes shall provide for Resident the following facilities and services.
 - (a) UTILITIES: Baptist Homes will furnish heat, electricity, air conditioning, telephone and television outlets, water and sewer services, and trash disposal.
 - (b) FURNISHINGS:
 - i. The Independent Living Apartments located in the Main Building will be furnished by Baptist Homes with carpeting, window covering, electric range with hood, frost-free refrigerator, dishwasher and disposal.
 - ii. The Independent Living Apartments designated as Garden Homes and located on sites detached from the Main Building will be furnished by Baptist Homes with carpeting, window covering, electric range with hood, frost-free refrigerator, dishwasher, disposal and washer/dryer.
 - (c) INSURANCE: Baptist Homes will carry fire, casualty and extended coverage insurance adequate to allow it to repair or replace the facilities owned by Baptist Homes in the event of fire or other casualty.
 - (d) MEAL SERVICE: Baptist Homes will provide, at no additional charge to Resident, one meal each day to be served in its dining room.
 - (e) HEALTH SERVICE: If required by Resident's health status, Baptist Homes will provide without additional charge a cumulative total of 30 days residential care in its Health Center while this Agreement is in force. Such care, as appropriate, will be at either the Assisted Living level, or at the SNF or ICF nursing care level. If for any reason such care is temporarily unavailable when required by the Resident, it will be provided at the expense of Baptist Homes at other comparable facilities. During provision of such care, Resident will be charged for medicines, physician's services and for supplies not included in the base fee for such services. Resident will pay for residential health care services in excess of the 30 day cumulative total provided by this Agreement at the rate established for such care by Baptist Homes at the time such care is required. All other medical care,

services and supplies provided to Resident by Baptist Homes or others, will be at the Resident's expense.

- (f) **PRIORITY NURSING BEDS:** In the event Resident requires residential health care services (Assisted Living or Nursing Care Bed) at the Health Center, Resident will be given priority status and will be provided with the first available bed appropriate to Resident's needs.
- (g) **MAINTENANCE:** All common areas and grounds, and furnishings and equipment owned by Baptist Retirement Homes.
- (h) **PARKING:** More than adequate parking located in three parking areas adjacent to the main building on the Brookridge Campus is provided for the RESIDENTS living in the Independent Living Apartments. Every RESIDENT is guaranteed a parking place for his/her vehicle, and no parking fee is charged to the RESIDENT for that service. Every RESIDENT living in a Garden Home located on the Brookridge campus has access to covered parking adjacent to his/her Garden Home. No parking fee is charged to the RESIDENT for that service.
- (i) **ACTIVITIES:** Recreational, social and religious activities and other life enrichment programs will be provided. Space and equipment to facilitate various hobbies and crafts will be furnished.
- (j) **HOUSEKEEPING:**
 - i. The Independent Living Apartments located in the Main Building will be provided twice weekly housekeeping (general vacuuming, dusting and cleaning of bath) and weekly changes of white sheets and pillowcases.
 - ii. **GARDEN HOMES:** The Independent Living Apartments designated as Garden Homes and located on sites detached from the Main facility will be provided twice monthly housekeeping (general vacuuming, dusting and cleaning of bath).
- (k) **LAUNDRY:** Baptist Homes will furnish and maintain washers and dryers for Resident's use.
- (l) **SCHEDULED TRANSPORTATION:** Baptist Homes will provide scheduled transportation to local shopping areas, churches and social activities.
- (m) **STAFF:** Baptist Homes will have staff on duty at all times to be responsive to the needs of the Resident and to assist in case of emergencies.
- (n) **OPTIONAL SERVICES:** Baptist Homes will make available to the Resident on an optional basis, at an additional cost:

- i. One or two additional meals per day in the central dining room;
 - ii. In case of temporary illness, tray service of meals in the Resident's Apartment.
 - iii. Additional maid or housekeeping services as required;
 - iv. Transportation to extra-curricular events and locations;
 - v. Beauty and barber services;
 - vi. Regularly scheduled access to the on-site Health Clinic maintained by Baptist Homes as part of its Health Center.
4. Resident agrees to abide by all rules and regulations Baptist Homes may establish from time to time.
5. The Resident's Application for Residency is attached to this Agreement as Exhibit A and incorporated by reference herein. Resident and Responsible Party represent and warrant that Exhibit A is true, complete and accurate in all material respects. Resident and Responsible Party further certify the continuing accuracy and completeness of the factual representations contained in the application. Resident and Responsible Party understand and agree that the representations contained in the Application for Residency, and in particular the financial representations, were made by Resident and Responsible Party to induce Baptist Homes to enter into this Agreement. Any material misrepresentations or omissions in the Application for Residency shall render this Agreement voidable or terminable, including to the extent permitted by law the right to terminate the Resident's residency, at the option of Baptist Homes.

In addition, Resident and Responsible Party shall provide Baptist Homes an accurate and complete financial statement during the month of January in the year following admission as a Resident, and during each subsequent January, or at such intervals as Baptist Homes may request, for so long as residency continues.

Resident and Responsible Party agree to prudently conserve and maintain Resident's current and future income, resources, and assets in order to provide for payment of services to be provided by Baptist Homes under this Agreement or otherwise. Responsible Party expressly agrees, without incurring direct personal liability under this Agreement, to provide payment for all fees or charges incurred under this Agreement from Resident's income, resources, or assets. Resident and Responsible Party agree to provide Baptist Homes thirty (30) days prior written notice of any material transfer of Resident's income, assets or resources, including the creation of any trust, any material expenditure of Resident's income, assets, or resources, or any change in Responsible Party. Resident and Responsible Party shall promptly notify Baptist Homes of any material change in Resident's medical or financial condition, including but not limited to

Resident's qualification for and intention to seek assistance from any public assistance benefit program, as hereinafter defined.

Responsible Party further acknowledges and agrees that he or she will personally be subject to a claim of breach of contract and held liable for any resulting damage to Baptist Homes to the extent he or she participates in a breach of the covenant to prudently conserve and maintain Resident's income, assets, or resources or violates the covenant to provide prior written notice of a change in Resident's financial position or in the Responsible Party. In addition, such breach by the Responsible Party of the covenant to prudently conserve or provide prior notice shall render this Agreement voidable or terminable, including to the extent permitted by law the right to terminate the Resident's residency, at the option of Baptist Homes. Resident or Responsible Party, as the case may be, agrees to require any successor responsible party to become a party to this Agreement.

Upon verification satisfactory to Baptist Homes that Resident has complied with the foregoing obligations and that Resident's income, resources, and assets are insufficient to pay for services required, Baptist Homes will endeavor to provide financial assistance to Resident, by prudent use of finite funds available to it for such purposes. Baptist Homes has no legal obligation to provide such assistance and is unable to represent or guarantee with certainty that such assistance will be available to Resident. In any event, such assistance as may be available will be provided only after Resident has applied for and taken all necessary steps to qualify for Medicaid, public assistance, any public benefit program, or private funds or programs through which benefits ("public assistance benefits") may be available for payment of services required by Resident.

6. Resident, at Resident's expense, shall maintain Part A and B Medicare Insurance in addition to a supplemental policy. Health care provided under the terms of this Agreement is exclusive of that covered under Medicare or any other health care policies maintained by Resident. If Resident is ineligible for Medicare, Resident shall maintain equivalent health insurance in full force and effect, unless Resident demonstrates to Baptist Homes' satisfaction that Resident is financially able to pay for those services that otherwise would be paid for by Medicare. Resident shall take such action and execute such forms as are reasonable and necessary to secure the payment to any hospital, nursing facility or other provider of health care services (including to Baptist Homes for services provided by it), or to any physician, of any and all amounts payable in respect of services rendered to Resident and for which insurance is available.

However, notwithstanding any other provision in this Agreement, including but not limited to Paragraph 5 and this Paragraph 6, and to the extent allowed by law, Resident's failure to qualify for, obtain benefits under, or be reimbursed for any or all services set forth herein under a federal, state, or local grant, aid, benefit, or health care program or under any private health care insurer shall not effect Resident's and Responsible Party's direct obligation to pay the charges set forth herein.

7. In the event Baptist Homes deems the Resident to be in need of emergency medical or surgical care requiring consent, and the Resident is unable to give consent, and attempts to contact Responsible Person or next of kin have failed, the Resident authorizes Baptist Homes to give such consent on the Resident's behalf. In such event, Baptist Homes shall use its best judgment under the circumstances and with the information then available. In the event that Baptist Homes exercises this authority to give or withhold consent, the Resident, and his or her heirs, estate and personal representative, release and hold harmless Baptist Homes and its agents for any exercise of this authority.
8. The rights and privileges of Resident under this Agreement to an apartment, facilities and services are personal to Resident and cannot be transferred or assigned by act of Resident, or by any proceeding at law, or otherwise. Except for occasional brief visits, subject to rules and regulations of Baptist Homes, no person other than Resident may occupy the Apartment designated by this Agreement except with the written approval of Baptist Homes.
9. Should Resident desire to have another person live with him or her, advance written permission of Baptist Homes shall be required. Such permission, if granted, will be conditioned upon negotiation and execution of a new written Agreement acceptable to all parties. The other person shall have no rights or privileges under this Agreement.
10. After Resident's execution of this Agreement, but prior to occupancy, the following procedure for termination of this Agreement shall apply:
 - (a) The resident may rescind the agreement by giving written notice to the Baptist Retirement Homes within thirty (30) days following the later of the execution of this agreement or the receipt of a disclosure statement that meets the requirements of this section. If such action is taken, the resident shall receive a full refund of any entrance fee paid. The resident to whom the agreement pertains is not required to move into the community before the expiration of the thirty (30) day period. Any such refund shall be paid within sixty (60) days following the receipt of the written notice of rescission.
 - (b) Should Resident die or should Baptist Homes determine that Resident has become incapable of independent living as a result of illness, injury or incapacity prior to occupancy, this Agreement shall be automatically canceled and Baptist Homes shall refund to Resident or Resident's estate all amounts paid to Baptist Homes.
 - (c) Refunds pursuant to Paragraph 10(a) or (b) will be paid by Baptist Homes within 60 days of rescission or cancellation and shall include interest at the rate paid during the dates of deposit by the bank in which the funds have been deposited.
 - (d) After the initial 30 day period, the Resident may voluntarily for any reason terminate this Agreement prior to occupancy by giving thirty (30) days' written notice to Baptist Homes. Subject to the provisions of Paragraph 13 of this Agreement, Baptist Homes shall refund to Resident all amounts paid to Baptist

Homes less five percent (5%) of the admission fee, which shall be retained by Baptist Homes.

11. After Resident first occupies the Apartment, and after the thirty (30) day rescission period, the following procedures for termination of this Agreement by Resident shall apply:
 - (a) Resident may, during the first twenty-four (24) months of occupancy, terminate this Agreement by giving Baptist Homes thirty (30) days' written notice. Termination shall not become effective until the end of that 30 day period and after Resident actually vacates the Apartment and removes all personal belongings. In such event, but subject to Paragraph 13, Baptist Homes shall refund to Resident all amounts paid to Baptist Homes as an admission fee less four percent (4%) of the admission fee for each month of occupancy, or part thereof, which shall be retained by Baptist Homes.
 - (b) Should Resident die after occupancy but prior to twenty-four (24) months of occupancy, Baptist Homes shall refund to Resident's estate, subject to Paragraph 13, all amounts paid to Baptist Homes as an admission fee less four percent (4%) of the admission fee for each month of residency or part thereof, which shall be retained by Baptist Homes.
 - (c) Should Resident or Responsible Party fail for any reason to timely comply with any of the obligations assumed by Resident or Responsible Party pursuant to this Agreement, Baptist Homes will provide written notice of such failure and will attempt to work with Resident, Resident's family, or Responsible Party to achieve a consensual cure of such failure. If such cure is not achieved within thirty (30) days after written notice, however, Baptist Homes may at its option declare this Agreement canceled. Resident shall vacate the Apartment within thirty (30) days of receipt of notice of any such cancellation. In such a case, but subject to Paragraphs 13, 18 and 19, Baptist Homes shall refund to Resident all amounts paid to Baptist Homes as an admission fee less four percent (4%) of the admission fee for each month of occupancy, or part thereof, which shall be retained by Baptist Homes.
 - (d) In the event Resident terminates this Agreement or dies after twenty-four (24) months of occupancy, there shall be no refund of the admission fee.
12. Baptist Homes shall have the right to remove and store all property from an Apartment which has been vacated or remaining following a termination of this Agreement. Resident, Responsible Party, or Resident's estate, as applicable, shall be responsible for the costs of such storage and/or moving.
13. Refunds of the admission fee to Resident or Resident's estate pursuant to Paragraphs 10(d), 11(a), (b), or (c) shall be made at such time as Baptist Homes has obtained an executed Resident Agreement and has received full payment and unrestricted use of the

admission fee from another resident for the Apartment which is the subject of this Agreement. Baptist Homes shall make reasonable efforts to secure a Resident for said Apartment as soon as is feasible. No interest shall be paid to Resident with respect to refunds pursuant to this Paragraph.

14. When an Apartment is occupied by more than one person, all of whom have initially signed this Agreement, and one Resident dies, or moves from the Apartment and releases or relinquishes further occupancy rights, leaving one or more Resident remaining in the Apartment, no refund is payable at that time. In such a case, the remaining Resident shall have the option of:
 - (a) Retaining the same Apartment, receiving no refund on the admission fee and paying the monthly service fee applicable to the number of persons then occupying that Apartment, OR
 - (b) Moving to a smaller Apartment (when available), receiving no refund on the admission fee and paying the monthly service fee applicable to the number of persons then occupying the new Apartment. (While waiting to move into a smaller Apartment, Resident will pay the monthly service fee of the new Apartment, if Resident agrees to move to the first such apartment that becomes available.)
15. If at any time after Resident executes this agreement Resident becomes incapable of independent living, Resident's right to occupy an Independent Living Apartment in Brookridge shall terminate. Resident shall be entitled to priority space in the health care facility at the health care facility's then current rates if Baptist Homes concludes that the facility provides the level of care Resident's condition requires; however, the Resident (a) shall not be required to pay an admission fee for entrance into the health care facility and (b) shall not receive any admission fee refund pursuant to Paragraph 10 or 11 of this Agreement. This right to make a determination of Resident's capability for independent living and the need for alternative care shall be vested solely in Baptist Homes. Such a determination shall take into account the Resident's physical and mental condition, the Resident's ability to make a satisfactory social and behavioral adjustment to the Brookridge Community, the Resident's best interest, the best interest of other Baptist Homes residents and the effective operation of the Brookridge Community. Baptist Homes shall consult with Resident's physician and Responsible Party, next of kin or other personal representative to the extent such consultation is feasible.
16. If a Resident is away from the Brookridge Community for thirty (30) consecutive days, he/she will receive a credit for thirty (30) meals at the then current rate for each person on the monthly statement following the 30-day period. If a resident takes advantage of the away rate, no meal credits are accrued during the away time. If for any reason, a resident returns to the Brookridge Community for an overnight stay, he or she will be ineligible to take advantage of the away rate. The away rate can be taken for a maximum of three (3) months.

17. If, at any time, Resident transfers to the Health Center of Baptist Homes to receive residential care in an Assisted Living or Nursing Care Bed (excluding 30 days of free care for temporary illness as provided by Paragraph 3 (e)), and without regard to whether such care is at the Resident's election or a consequence of a determination by Baptist Homes that the Resident is no longer capable of independent living,

A. Baptist Homes agrees to:

- (1) Waive any entrance fees for admission to the Health Care facility from Independent Living into an Assisted Living or Nursing Care Bed.
- (2) Assist Resident in obtaining the services of a physician if Resident's personal physician is not available and to obtain emergency services when required. All charges for services shall be at Resident's expense.
- (3) Maintain written records of all financial transactions with Resident or Responsible Party, including records of funds or personal property held by Baptist Homes for safekeeping.
- (4) As soon as available, furnish room, board, nursing service and such basic services as may be required for the health, good grooming (exclusive of supplies) and well-being of Resident.
- (5) Assist in processing required forms for reimbursement for insurance and public assistance benefits, to the extent of the availability of personnel, but not to accept assignment thereof unless agreed to in advance.
- (6) Provide required assistance in daily living. Should supportive equipment, such as wheelchair, walker or other special equipment be prescribed for sole, continued use or desired for such by Resident, same must be supplied at the expense of Resident.
- (7) Arrange for the prompt transfer of Resident to a hospital upon Resident's physician's order, immediately notifying Responsible Party or next of kin.
- (8) Administer such medication as may be prescribed, the cost of which will be paid by Resident.
- (9) Provide appropriate recreational, social and religious programs.
- (10) Furnish services as applicable to the Health Care Center facility of Baptist Homes as prescribed by the applicable governmental regulations.

B. Resident and Responsible Party agree:

- (1) To provide complete information regarding Resident as requested and to authorize release of necessary information to appropriate agencies if requested.
 - (2) To pay all fees and charges described in this Agreement with Resident's income, assets, or other resources.
 - (3) To provide or be responsible for personal items of clothing, toiletries, and other personal property.
 - (4) To accept full responsibility for and absolve Baptist Homes, its personnel and attending physician of responsibility for any event, accident, or deterioration of medical condition while the Resident is away from and not under the direct care and supervision of the Health Care Center facility.
 - (5) To authorize Baptist Homes to effect Resident's move from room to room for reasons involving nursing, compatibility and the convenience of Baptist Homes.
 - (6) To abide by Baptist Homes' policies and regulations regarding visiting hours, the welfare of Resident and conduct of Health Center operations.
 - (7) With Resident's income, assets, or other resources, to pay all costs, expenses, and reasonable attorney's fees, whether or not suit be brought, in the event same must be expended in the collection of any sums due and owing by Resident to Baptist Homes.
18. If Resident, within the first twenty-four (24) months of occupancy, transfers to the Health Care Unit of Baptist Homes to receive residential care in an Assisted Living or Nursing Care Bed (excluding 30 days of free care for temporary illness as provided by Paragraph 3(e)), and without regard to whether such care is at the Resident's election or as a consequence of a determination by Baptist Homes that the Resident is no longer capable of independent living, Resident shall receive no refund of any admission fee paid according to this Agreement at that time, and Baptist Homes shall continue to retain four percent (4%) of the admission fee for each month of occupancy or part thereof in the Health Care Unit.
19. If Resident, after the first twenty-four (24) months of occupancy, transfers to the Health Care Unit of Baptist Homes to receive care in an Assisted Living or Nursing Care Bed, and without regard to whether such care is at the Resident's election or as a consequence of a determination by Baptist Homes that the Resident is no longer capable of independent living, Resident shall receive no refund of any admission fee paid according to this Agreement.

20. If Baptist Homes determines that a Resident who moved from an Independent Living Apartment because of ill health can resume occupancy in an Independent Living Apartment, Resident's right to occupancy of an Independent Living Apartment shall be reinstated pursuant to the original terms of this Agreement, in either the same or a similar Apartment, as soon as it is available. If Resident returns to an Independent Living Apartment within twenty-four (24) months of the original date of occupancy, Baptist Homes shall continue to retain four percent (4%) of the admission fee for each month of occupancy or part thereof.
21. In case of injury to Resident by a third party, Baptist Homes shall have the right of subrogation for all its costs and expenses incurred by reason of such injury, and shall have the right, in the name of the Resident or otherwise, to take all necessary steps and procedures to enforce the payment of the same by the person responsible for such injury.
22. Resident and Responsible Party agree to pay or reimburse Baptist Homes with Resident's assets, income or resources for any loss or damage suffered by Baptist Homes as the result of Resident's, or Resident's guests, negligence or intentional misconduct. Resident and Responsible Party (with Resident's assets, income or resources) also agree to indemnify Baptist Homes for any claim, judgment, cost or fee, including reasonable attorney's fees, arising from injury to or damage to the property of any person or party caused by the negligence or intentional misconduct of Resident or Resident's guest.
23. If this Agreement concerns an existing Independent Living Apartment, the Resident acknowledges an inspection of the Apartment and accepts same as satisfactory in every respect. Any exceptions to the foregoing statement are agreed to by both parties and set forth in a statement signed by both parties and attached to this Agreement as Exhibit B.
24. If this Agreement concerns an Apartment as to which construction has not been completed, the Resident acknowledges an inspection of an acceptance of the plans and specifications for the Apartment as set forth by Exhibit B attached to this Agreement, subject to completion of construction with the plans and specifications.
25. To facilitate the transaction of essential business in case of illness or disability, the Resident shall, prior to occupancy, grant a general durable power of attorney pursuant to the provisions of North Carolina Gen. Stat. § 32A-8 to a Responsible Party, maintain same for the duration of this Agreement, and provide Baptist Homes a recorded copy of the original and any amendments thereto.
26. Baptist Homes has an historical relationship to the Baptist State Convention of North Carolina. The Baptist State Convention of North Carolina is not responsible for the financial or contractual obligations of Baptist Homes
27. Attached to this Agreement as Exhibit C and incorporated herein as if fully set forth, is a disclosure statement prepared by Baptist Homes in accordance with North Carolina Gen. Stat. § 58-64-1 et. seq. Resident and Responsible Party hereby acknowledge receipt of said disclosure statement.

28. The Resident and Responsible Party have read this Agreement and understand its provisions. This Agreement constitutes the entire contract between Baptist Homes and Resident and Responsible Party supercedes in any prior written or oral understanding. Baptist Homes is not liable for nor bound in any manner by any statements, representations or promises made by any person representing or purporting to represent Baptist Homes unless such statements, representations or promises are set forth in this Agreement.
29. The rights of Resident are limited to those rights and privileges expressly granted by the terms of this Agreement. The Brookridge Retirement Community or other Baptist Homes facilities, properties or revenues are or may be subject to a first deed of trust or serve as security for various financing arrangements. Certain legal rights of the lender, including any right of foreclosure in the event of default, are superior to the rights and privileges granted the Resident by this Agreement.
30. This Agreement shall bind and inure to the benefit of the successors and assigns of Baptist Homes and the heirs, executors and administrators of Resident as well as any successor Responsible Party.
31. If there is a final determination by appropriate legal authorities that any portion of this Agreement conflicts with or is inconsistent with valid state or federal law or regulation applicable to Baptist Homes, the Resident and/or the services covered by this Agreement, such law or regulation shall control the relationship between Baptist Homes and the Resident in lieu of any portion of this Agreement as to which there has been such a final determination.
32. If a portion of this Agreement shall be determined to be illegal or not in conformity with appropriate laws and regulations, it shall not invalidate or affect the validity of the remainder of this Agreement.
33. This Agreement shall not be binding on Baptist Homes until it is approved by and executed on behalf of Baptist Homes, as indicated below.

This the ____ day of ____, 20__.

Witness Resident (SEAL)

Witness Resident (SEAL)

Witness Responsible Party (individually and not as personal representative of Resident) (SEAL)

Witness Responsible Party (individually and not as personal representative of Resident) (SEAL)

BAPTIST RETIREMENT HOMES
OF NORTH CAROLINA, INCORPORATED

By: _____
President

County of Forsyth

State of North Carolina

I certify that the following person(s) personally appeared before me this the ____ day of _____, 20____, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: _____ [name of Resident(s)].

Date: _____

(Official Signature of Notary)

(Official Seal)

_____, Notary Public
(Print/Type Name)

My commission expires: _____.

* * * *

County of Forsyth

State of North Carolina

I certify that the following person personally appeared before me this the ____ day of _____, 20____, acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: _____ [name of Responsible Party].

Date: _____

(Official Signature of Notary)

(Official Seal)

_____, Notary Public
(Print/Type Name)

My commission expires: _____.

* * * *

County of Forsyth

State of North Carolina

I certify that the following person personally appeared before me this the ____ day of _____, 20____, acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: _____ [Baptist Retirement Homes of North Carolina, Incorporated].

Date: _____

(Official Signature of Notary)

(Official Seal)

_____, Notary Public
(Print/Type Name)

My commission expires: _____.

ATTACHMENTS

**Apartment Residence Agreement
Brookridge Retirement Community**

Exhibit A Application(s) for Residency

Exhibit B Statement of Exceptions to Condition of Apartment to be occupied pursuant to this Agreement

OR

Plans and Specifications for Construction of Apartment to be occupied pursuant to this Agreement

Exhibit C Disclosure

Exhibit D Documents or Information Provided to Residents & Acknowledgement of Receipt

EXHIBIT D

I, the undersigned Resident, acknowledge receipt of the following documents or information from Baptist Retirement Homes of North Carolina, Incorporated:

1. Brookridge Retirement Community's Continuing Care Retirement Community Disclosure Statement pursuant to N.C. Gen. Stat. § 58-64-20.
2. The following address and telephone number pursuant to N.C. Gen. Stat. Ch. 58, Art. 64:

Nancy Wise
Manager – Special Entities
1203 Mail Service Center
Raleigh, NC 27699-1203

North Carolina Department of Insurance
Financial Analysis and Receivership Division
Special Entities Section
1203 Mail Service Center
Raleigh, NC 27699-1203

Telephone (919)807-6140

By: _____
President
Baptist Retirement Homes
Of North Carolina, Incorporated

Resident

Resident

Responsible Party

County of Forsyth

State of North Carolina

I certify that the following person(s) personally appeared before me this the ____ day of _____, 20__, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: _____ [name of Resident(s)].

Date: _____

(Official Signature of Notary)

(Official Seal)

_____, Notary Public
(Print/Type Name)

My commission expires: _____.

* * * *

County of Forsyth

State of North Carolina

I certify that the following person personally appeared before me this the ____ day of _____, 20__, acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: _____ [name of Responsible Party].

Date: _____

(Official Signature of Notary)

(Official Seal)

_____, Notary Public
(Print/Type Name)

My commission expires: _____.

ATTACHMENT V

Resident Care Agreement –

Adult Care Home Residence



BAPTIST RETIREMENT HOMES

FINANCIAL AND ADMISSION AGREEMENT

The Baptist Retirement Home Community and (patient/resident name), on (date) do hereby agree to the following financial terms and arrangements providing for the medical, nursing and personal care of (patient/resident).

Med Rec#: MR#

ASSISTED LIVING AND NURSING COMMUNITY AGREEMENT

1. Community shall use reasonable efforts to assist the resident in obtaining financial aid such as Medicare and Medicaid.
2. Community shall furnish room, board, linens and bedding and nursing care as may be required for the health, safety and well being of the Resident, at the current cost as determined by the Resident's level of care and type of room.
3. The Community shall provide Resident personal laundry services, toilet articles, and non-prescription medications as may be required by the Resident.
4. The Community shall obtain the services of a licensed physician of the Residents' choosing whenever necessary, or the services of another licensed physician if Resident's personal physician is not available.
5. Community shall obtain such medications as the physician may order (to be billed by the providing pharmacy to applicable payor).
6. Community shall arrange for emergency transfer of the Resident to the hospital of the Resident's choosing when hospitalization is ordered by the Resident's attending physician. Community shall immediately notify the Resident's legal representative and/or responsible party in the event of Resident's transfer to hospital.
7. Community shall make refunds within sixty (60) days after all third-party balances have been resolved for all monies received in excess of total charges.
8. Community shall make available upon request a listing of all current charges not included in the daily rate.
9. Community shall pay all interest on Resident trust account each month.
10. Community shall photograph Resident for medical record identification.
11. Community shall provide a locked drawer or closet for personal use upon request, consistent with resident rights).

AGREEMENT OF RESIDENT, SPONSOR OR LEGAL REPRESENTATIVE

The Resident, their legal representative or any individual signing this Agreement as the "Responsible Party" shall be responsible for the following:

1. To provide such personal clothing as needed or desired by the Resident.
2. To provide personal funds as needed by the Resident for "personal spending money."
3. Payment of all hospital charges, if hospitalization of the Resident becomes necessary, and transportation to the hospital, if not covered by a third-party payor.
4. Payment of physician's fees, pharmacy charges, and supplies or aids required or desired by the Resident, if not covered by a third-party payor, as well as applicable Medicaid liabilities and Medicare co-pays.
5. Transportation to and from a consulting physician, any agency or outside referred services, as ordered or requested for the Residents' plan of care. Transportation may be provided by the Community if the Resident is able to be transported by car or van and if the Community vehicles are available.
6. Payment in advance the monthly rate as determined by the Residents' level of care and type of room, unless the cost of care is paid by a Community-approved third party. The current rates are listed on the attached "Rates and Charges Form."
7. Payment of any applicable returned check fees. After the second returned check, the Resident, the Resident's legal representative and/or the Resident's responsible party will be required to make payments by money order, cashier's check or other form of payment approved the Administrator of the Community, with the exception of personal checks.
8. Payment of any other costs as stated on the "Rates and Charges Form". In the event the undersigned fails to pay on demand or in monthly payments established and approved by Community, the Community reserves the right to refer the account to an attorney or professional collection agency and the undersigned shall pay all reasonable attorneys' fees and collection agency expenses.



STANDARD ADMISSION WAIVER

1. The Community shall not be responsible for lost missing or damages personal articles or belongings, such as, though not limited to, dentures, glasses, hearing aids, furniture, equipment or clothing.
2. The Community shall not be responsible for any valuables or money left in possession of the Resident of this Community.
3. The Community shall exercise such reasonable care towards the Resident as his/her known condition may require; however, Community does not represent, claim or promise that someone a Community employee or representative will be with the Resident at all times. Resident, the Resident's legal representative and/or the Resident's Responsible Party understand that the Community will not be able to prevent falls or other accidents brought about by the Resident's own activities.

DURATION OF AGREEMENT

The resident, sponsor, or legal representative may terminate this agreement with an appropriate notice. A five (5) day notice is requested in order to give the community, the resident and/or responsible family members time to make necessary arrangements. Otherwise, it will remain in effect until a different agreement is executed. However, this does not mean that the resident will be forced to remain in this Nursing Community against his or her will for any length of time. Community may discharge resident with appropriate notice if resident no longer requires services provided by Community or resident's needs can no longer be met by community or the safety of individuals in the community is endangered, or the health of the individuals in the community would otherwise be endangered, or failure to pay for services provided.

HOLDING ROOM PROVISION

If the Resident is transferred to the hospital for admission, the Resident or their legal representative shall notify the Community within twenty-four (24) hours following transfer if they desire to request that the Resident's bed be reserved. If the Community is not notified within the twenty-four (24) hour period, then the room will be automatically released by the Community for use. If the Resident or their legal representative desires to hold the bed for Resident, then an advance payment for a five (5) day period at the full regular room rate must be made (the "Room Hold Charge"). The Room Hold Charge begins the day the Resident goes to the hospital, however, there will not be any charge for the day the Resident returns to the Community. Except in special circumstances, residents are not normally re-admitted on weekend or holidays.

Out of Community Visits

Residents may leave the community, but please notify the nurse when you leave and when you plan on returning. Residents whose stay is being paid by Medicare cannot leave for extended periods of time and cannot stay out overnight. Residents who leave without telling staff or who stay out overnight may be considered discharged against medical advice.



The Baptist Retirement Home Community (community name) and (patient/resident) on (date) do hereby agree to the following financial terms and arrangements providing for the medical, nursing and personal care of (patient/resident)

PAYMENT GUARANTEE

The Community will not require that the legal representative of the resident or the person signing this Agreement as the "Responsible Party" of the Resident guarantee payment as a condition of admission, or to expedite the admission. However, an individual or legal representative who has access to the Resident's income and/or other assets will be required to sign this Admission Agreement guaranteeing payment from such funds or assets for the care and services provided to the Resident by Community.

The execution of this Agreement will constitute an acceptance on the part of the Community, the Resident, the legal representative of the Resident and the person signing this Agreement as the "Responsible Party" of the Resident to undertake faithfully all the obligations of this Agreement.

"I have been informed that this nursing home is licensed by the State of North Carolina and as such it is subject to inspections and investigations by the North Carolina Department of Human Resources to determine compliance with the North Carolina Licensure Act and licensure rules adopted pursuant to the Act." I have also been informed that I have the right to object in writing to the release of information or review of records pertaining to me or the care and services provided to me and that by an objection in writing I may prohibit the inspection or release of the records, except when I am transferred to another health care institution or when record release is required by law.

May we contact you by Email? Email Address: _____

_____ Resident Responsible Party POA
Printed Name

Legal Representative Guardian of Person

Signature

Date

Authorization to Release Records and Assignment of Benefits

I hereby authorize the release of medical records and other information to authorized payment sources; to include, but not limited to, Medicare, Medicaid, third party insurance companies.

I also authorize payment of medical benefits to the above supplier/provider for services rendered (to include those services which may be billed on an outpatient basis, i.e. PT, OT, SLP, Tube Feeding, and those services rendered at an outside provider) that are the responsibility of the above provider to bill during my stay at the above community.

Signature _____ (sealed) Date _____



ADMISSION PACKET

This packet includes a list of all policies and forms and is signed in conjunction with the new Resident Welcome Guide. The Welcome Guide outlines the rules and regulations within the community.

ACKNOWLEDGEMENTS

Please accept this as notice that I have received copies of the following and have had an opportunity to review and ask questions about the items listed below.

1. General Guidelines

- a. Grievance Resolution Program
- b. Declaration of NC Patient's Rights with the procedures as to how it will be accomplished (G.S. 131E-117)
- c. Federal Residents' Rights (HCFA 42CFR Part 483.10 through 483.15 "Medicare and Medicaid Requirements for Long Term Care Facilities")
- d. Privacy Act Notification Statement.
- e. Smoking Policy
- f. Community Privacy Notification and Southern LTC Pharmacy Privacy Notification

2. Patient Care Guidelines

- a. Advanced Directives Policy
- b. Written Explanation prepared by NC Division of Medical Assistance explaining a resident's rights under NC law to direct the course of their medical care and to execute Advanced Directives.
- c. Brochure "Advance Directives – What you should know"
- d. Patient Care Review Committee
- e. Restraint Policy
- f. Abuse Prohibition Protocol
- g. Resident to Resident Abuse Protocol

3. Patient Financing Guidelines

- a. Health Care Community Financial and Admission Agreement
- b. Room-Hold Policy
- c. Daily Room Rates (Rates and Charges Sheet)
- d. Charges Not covered
- e. Medicare & Medicaid Basic Information Received

_____ Resident Responsible Party POA

Printed Name

_____ Legal Representative Guardian of Person

_____ Signature

_____ Date

Signature of Witness (if applicable): _____ Date: _____



Consent for Treatment

Resident's Name: (patient/resident) _____

Med. Rec. #: (MR#) _____

I hereby authorize the above named community to provide or obtain any medical, surgical, or dental treatment necessary as ordered by the physician for me, the above named resident, during my stay at the community.

I also authorize the community to release any information as needed to any health institution, insurance company, or similar institution or organization concerning my welfare in connection with my stay at the community.

I understand that if a physician issues an order to transfer me to a hospital, the community will contact the appropriate ambulance service for transportation.

Release and/or Review of Medical Information

I have been informed that this community is licensed by the State of North Carolina and as such it is subject to inspection and investigation by the North Carolina Department of Human Resources to determine compliance with the North Carolina Nursing Home Licensure Act.

____ I do ____ do not authorize any identified representative of the above agency to review my Medical Record.

I hereby authorize the community to furnish such professional information as may be necessary for the completion of health claims for third party payee, i.e. Medicare, Medicaid, VA or private insurance. I release the community from legal liability that may arise from the release of this information. Medical Care and Services

____ I agree to receive general medical care and specialized rehabilitation services provided by the community, as directed by my physician.

____ I give permission to the community to arrange for the following services to be provided if required by my physician and/or plan of care and I understand the costs are not included in the daily rate.

Dental ____ Yes ____ No PPD (annually) ____ Yes ____ No Therapy ____ Yes ____ No Optometry ____ Yes ____ No

Mental Health ____ Yes ____ No Mental Health Provider: Life Source, LLC

Audiology ____ Yes ____ No Podiatry ____ Yes ____ No

Freedom of Choice of Physician and Pharmacy

I understand that all medications must be prescribed by a licensed physician and administered by licensed nurses or other persons who have been approved in accordance with state regulations unless I request to be evaluated for self-administration of medications. Medications must be ordered by the Community and delivered directly from the pharmacy to the nursing community. I also understand that medication should not be brought into the community unless ordered by the physician. This includes Over-The-Counter Medications as well as prescription medications.

____ I choose to use the Community's designated pharmacy, Southern Pharmacy

____ I prefer to use _____ Pharmacy that provides 24-hour delivery.

____ I understand that upon release or discharge, **medications that have been covered by my Part D plan**, including controlled drugs will be released to me or my legal representative only by order of my physician.

____ My chosen treating physician is: _____

____ Resident ____ Responsible Party ____ POA ____ Legal Representative ____ Guardian of Person
Printed Name

Signature

Date

Signature of Witness (if applicable): _____ Date: _____



BAPTIST RETIREMENT HOMES

Advance Directive and Self Administration of Medication

_____ I request to be evaluated for self-administration of Medication.

_____ I have read the CPR policy and elect the following Code Status:
(following the MD approval and signature on the necessary DNR community forms)

_____ No Code

_____ Full Code

_____ Resident ___ Responsible Party ___ POA
Printed Name

_____ Legal Representative ___ Guardian of Person

Signature

Date

Unable to sign:

_____ Medical Incapacity ___ Physical Incapacity

Telephone Consent (Complete the top portion of the form and then complete and sign this section):

Person contacted: _____ Date: _____

Person Receiving Consent Signature: _____



Policy Title: Resident Pneumococcal Vaccination Consent Record

Section 1: Information regarding Resident

MR#: MR#

Resident's Full Name: (patient) DOB: DOB

Section 2: Screening for vaccine eligibility. Circle the correct answers.

If yes is answered to any of the below three questions, then the resident may not be eligible to receive the influenza vaccine. We will need to discuss your options with your MD.

1. Do you have any serious allergies? Yes No Please List if any:
2. Have you ever had a serious reaction to a previous flu or Pneumonia vaccine? Yes No
3. Have you ever received the Pneumonia vaccine? Yes No If yes, please provide the dates.
Date received PCV13 _____ Date received PPSV23 _____
_____ check if unknown.

Section 3: Consent or Declination

I have read or had explained to me the Pneumococcal Conjugate (PCV13 11/05/2015) and the Pneumococcal Polysaccharide (PPSV23 04/24/2015) Vaccine Information Sheet and understand the risk and benefits.

I GIVE CONSENT to this community and its staff to administer the Pneumococcal vaccine.

OR

I DO NOT GIVE CONSENT to this community and its staff to administer the Pneumococcal Vaccine.

Important facts to consider if you decline the Pneumococcal vaccine:

- Pneumococcal disease can lead to serious infections of the Lungs (pneumonia), Blood (bacteremia) and Brain (meningitis).
- Pneumococcal pneumonia kills about 1 out of 20 people who get it. Bacteremia kills about 1 in 5, and meningitis about 3 people in 10.
- Pneumococcal polysaccharide vaccine protects against 23 types of pneumococcal bacteria, including those most likely to cause serious disease.

I understand that I can change my mind at any time and give consent for the Pneumococcal Vaccine. I have read and fully understand the information regarding declination of the Pneumococcal vaccine.

_____ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian

Printed Name

Signature: _____ Date: _____



Policy Title: Resident Pneumococcal Vaccination Consent Record

Telephone Consent/Declination (Circle One)

Person consenting or declining: _____ Date: _____

Employee Witness: _____ Date: _____

For Health Professional use below

Medical provider decision regarding any yes or unknown answers in section 2.

Date of notification: _____

Administer the following vaccine: PCV13 or PPSV23

Signature of medical provider or nurse receiving verbal order



Resident Influenza Vaccination Consent Record

Section 1: Information regarding Resident MR#: MR#
Resident's Full Name: (patient) DOB: DOB

Section 2a: Screening for vaccine eligibility. Check the correct answers.

1. **Do you have an allergy to eggs?** Yes _____ No _____

Persons with a history of egg allergy who have experienced hives after exposure to eggs should receive the influenza vaccine. Persons who report having had reactions to eggs involving symptoms other than hives such as angioedema, respiratory distress, light headedness, or recurrent emesis; or who required epinephrine or other emergency medical intervention may similarly receive any licensed and recommended influenza vaccine (i.e. any IIV or RIV) that is otherwise appropriate for the recipient's age and health status.

Section 2b: If yes is answered to **any** of the below three questions, then the resident may not be eligible to receive the influenza vaccine. **We will need to discuss your options with your MD.**

1. **Do you have any serious allergies?** Yes _____ No _____ Please List if any: _____
2. **Have you ever had a serious reaction to a previous dose of flu vaccine?** Yes _____ No _____
3. **Have you ever had Guillain-Barre' Syndrome (a type of temporary severe muscle weakness) within 6 weeks after receiving a flu vaccine?** Yes _____ No _____

Section 3: Consent or Declination

Consent Signature:

I have received or had explained to me the 08/15/2019 Influenza (Flu) Vaccine (Inactivated or Recombinant): Vaccine Information Sheet and understand the **risk and benefits**.

_____ I **GIVE CONSENT** to this community and its staff to administer the Flu vaccine.

-OR-

Important facts to consider if you decline the flu vaccine:

- Influenza is a serious respiratory disease that kills on average 36,000 persons and hospitalizes more than 200,000 persons in the US each year.
- If you contract influenza, you will shed the virus for 24-48 hours before symptoms appear which puts others at risk.
- The strains of virus that cause influenza infection change almost every year, which is why a different influenza vaccine is required each year.
- You cannot get influenza from the vaccine.
- The consequences of refusing the influenza vaccine could have life threatening consequences to your health and the health of others of whom you have contact, including: other resident's, family and your community.



Resident Influenza Vaccination Consent Record

Declination Signature

_____ I **DO NOT GIVE CONSENT** to this community and its staff to administer the Flu vaccine.

I understand that I can change my mind at any time and give consent for the influenza vaccine, if the vaccine is available. I have read and fully understand the information regarding declination of the influenza vaccine.

Printed Name: _____

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian

Signature: _____ Date: _____

Telephone Consent/Declination (Circle One)

Person consenting or declining: _____ **Date:** ___/___/___

Employee Witness: _____ **Date:** ___/___/___

For Health Professional use below.

Medical provider decision regarding any yes answers in section 2b.

Date of notification: ___/___/___

Administer flu vaccine: (Circle one) Yes No

Signature of medical provider or nurse receiving verbal order



BAPTIST RETIREMENT HOMES



BAPTIST RETIREMENT HOMES

COVID-19 Vaccine Consent Form

Section 1: Information about Person to Receive Vaccine (please print)

RESIDENT'S NAME (Last)		(First)	(M.I.)	RESIDENT'S DATE OF BIRTH	
				month	day
				year	
AUTHORIZED POWER OF ATTORNEY (POA) /LEGAL GUARDIAN NAME (Last)		(First)	(M.I.)	RESIDENT'S AGE	RESIDENT'S GENDER
					<input type="checkbox"/> M / <input type="checkbox"/> F
CITY		STATE	ZIP	AUTHORIZED POA PHONE NUMBER:	
RESIDENT'S PRIMARY CARE PROVIDER'S NAME (Last)			(First)	(Middle Initial)	
FACILITY NAME		ROOM NUMBER			
MEDICARE NUMBER			MEDICAID NUMBER		
EMPLOYEE INSURANCE CO. NAME	EMPLOYEE INS ID	EMPLOYEE INS BIN	EMPLOYEE INS PCN		

Section 2: Screening for Vaccine Eligibility

1. Has this person been vaccinated with the COVID-19 vaccine? YES NO

<p>If yes to above, there are multiple kinds of COVID-19 vaccine. Your answers to the following questions will help us understand which vaccine (or step) to provide.</p> <p>Vaccine Brand (Pfizer, Moderna, Astra Zeneca, Johnson and Johnson): _____</p> <p>Date dose #1 given: Month _____ Day _____ Year _____</p> <p>Date dose #2 (if nece) given: Month _____ Day _____ Year _____</p>
--

Section 3: Consent

I understand I will be provided an Emergency Use Authorization Fact Sheet or a Vaccine Information Statement prior to the date of the vaccination and have the ability to revoke consent at any time

I GIVE CONSENT to the _____ *NAME OF ORGANIZATION CONDUCTING CLINIC* and its staff for my person named at the top of this form to be vaccinated with this vaccine. (If this consent form is not signed, then this person will not be vaccinated)

I DO NOT GIVE CONSENT to the _____ *NAME OF ORGANIZATION CONDUCTING CLINIC* and its staff for this person named at the top of this form to be vaccinated with this vaccine.

Resident signature OR Signature/Printed Name of Health POA OR Name of Health POA/verbally acknowledged by licensed staff (sign & print name & credentials)

Date: Month _____ Day _____ Year _____



Services Offered

Field Trips and Appointments for Residents

___ I do ___ do not consent to being taken from the community by the Activities Coordinator and/or transportation staff for the purpose of physician visits, test procedures or activities sponsored in the community such as shopping, fishing, rides, etc.

Patient's Personal Laundry

___ I do ___ do not wish to request the Community to do my personal laundry.

I will assure that all patient clothing is identifiable and made of wash and wear material. I will mark all clothing with the resident's name. The community staff will make every effort possible to insure clothing will not be lost or misplaced; however, we cannot be responsible for financially replacing lost or misplaced articles.

If I do not choose personal laundry services, I will assure that sufficient amount of clean clothes will always be available and a laundry hamper will be provided for soiled clothing. Soiled laundry will need to be picked up on a regular basis (preferably every two (2) days, no less than weekly).

Telephone / Cable Services

___ I understand I must call the local telephone company or local cable company and request these services be activated and I am responsible to pay them directly to the providing company.

___ If community provides these services directly, I elect to have:

_____ Telephone service at a cost of _____ per _____

_____ TV/Cable service at a cost of _____ per _____ (Remote Charge Separate)

(Please refer to Rates and Charges sheet)

Personal Needs and Other

___ I do ___ do not request the community to provide all personal care items for me.

___ I elect a Private Room. I understand this is not covered by third party and will be billed privately per Rate & Charges Sheet.



Release of Photographs and General Information

___ I do ___ do not agree that photographs and general information may be released at the discretion of the community to public newspapers, newsletters, and in-house activities.

I hereby authorize and grant Baptist Retirement Homes of NC and any of its subsidiaries, affiliates, managing agents and representatives (hereinafter collectively referred to as "BRH") to use my name, voice and likeness, including, but not necessarily limited to, photographic, video or digital images for purposes of public relations, promotion and marketing of Baptist Retirement Homes.

I further grant to Baptist Retirement Homes the right to reproduce, use, exhibit, display, broadcast and distribute and create derivative works of these images and recordings in any media now known or later developed for promoting, publicizing or explaining BRH and its services. I acknowledge that BRH owns all rights to the images and recordings.

Waiver, Indemnity and Release

I hereby waive any right to inspect or approve the use of the images or recordings or of any written copy. I also waive any right to royalties or other compensation arising from or related to the use of the images, recordings, or materials.

I hereby release, defend, indemnify and hold harmless BRH, its employees, agents, representatives, officers and owners from and against any claims, damages or liability arising from or related to the use of the images, recordings or materials, including but not limited to claims of defamation, invasion of privacy, or rights of publicity or copyright infringement, or any misuse, distortion, blurring, alteration, optical illusion or use in composite form that may occur or be produced in taking, processing, reduction or production of the finished product, its publication or distribution.

I am 18 years of age or older and I am competent to contract in my own name. I have read this document before signing below, and I fully understand the contents, meaning and impact of this consent, waiver, indemnity and release. This consent, waiver, indemnity and release is binding on me, my heirs, executors, administrators and assigns.

I HEREBY SIGN THIS WAIVER AND RELEASE OF MY OWN FREE WILL AND NOT AS A RESULT OF ANY COERCION, UNDUE INFLUENCE, PRESSURE OR CONDITIONS SET.

Printed Name: _____

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian of Person

Signature: _____

Date: _____



Resident Directory Instructions

I do do not want my name included as part of the community's Resident Directory.

I understand that if I do not consent to this disclosure, visitors such as family and friends, outside phone callers, and delivery people, may not be able to contact me.

I do do not want my location included as part of the community's directory Resident Directory.

I do do not want my name posted outside my door at the Nursing Home/Assisted Living.

I do do not consent to the disclosure of my religious affiliation to members of the clergy.

I understand that if I do not consent to this disclosure, members of the clergy who do not know to ask for me by name may not be able to contact me. **Residents Rights**

I acknowledge that the Resident's rights have been explained to me and I have received a copy in writing.

If the resident is unable to sign or make their mark, the Social Worker/Admissions must have one other witness present to validate that the resident did receive a copy of such documents. If due to their physical or mental state, the resident cannot comprehend these documents, only then may the Legal Representative sign for such documents.

These have been explained to me and I have received a copy of the documents.

Smoking / Non-Smoking Policy

Policy: It is the policy of this community that smoking is not allowed in the community by residents or staff. Residents are allowed to smoke outside in designated areas if the criteria outlined in the "full policy" are followed.

Procedure:

All new admits are given a copy of this policy on admission.

If a resident is thought to smoke on the campus a care plan meeting will be held to discuss with the resident the concerns about smoking. If the resident continues not to follow the safety rules additional interventions may include a 30 day discharge notice depending on the care plan team findings.

I have read and understand the policy as described above.

I have been informed that this is a TOBACCO FREE CAMPUS

Printed Name

Resident Responsible Party POA Legal Representative Guardian of Person

Signature

Date



Personal Funds Account

I do _____ do not _____ request the Community to keep my spending money in a personal fund account for me. I understand I can add to or withdraw my funds any time during office hours and will receive a monthly statement of this account if I choose this service. I understand that my account, it will accumulate interest. Furthermore, I also understand that in the event of my discharge or death any remaining balance in my personal fund will be issued to the applicable County Clerk of Court, or the Executor of my estate upon presenting valid legal documentation of being named such Executor within 30 days.

There is no charge for this service. If I choose to have a personal fund account, I may give the community permission to pay certain, agreed upon reoccurring charges from my account (i.e. Beauty/Barber services, Cable, Phone, and Insurance Premiums, etc.) as listed below. The community will have available hair care services. The CNAs will provide basic hair care (shampoo and conditioning with the routine bathing schedule). If the resident elects other services from the beauty shop, these charges will be charged to the patient. (Medicaid residents' cost of hair trim from the beauty shop will be charged directly to the community by the beauty shop (typically no more than 1 per month). Services will be scheduled on an individual basis with the community (generally through the activity department). *(See List of Services offered by Beautician)*

Authorization for Reoccurring Charges To be deducted from Personal Fund Account

Company/Bill to be paid	Estimated amount of charges monthly/per incident
Beauty & Barber Services	_____ (how many) times per week month
Patient Monthly Liability	As Assigned by DSS
Insurance Premiums	
Telephone Cable	

I authorize the above bills to be paid from my patient personal fund account, as long as I have funds available. I understand, if funds are not available in my account, I will be notified and will be responsible to bring in funds to cover or pay the bills of my own accord. Any charges or withdrawals that are not listed above will have to have individual permission from myself, my POA or financial guardian for funds to be withdrawn from my patient personal fund account. All receipts and documentation of payments will be kept on file for review. By initialing above for Social Security Check, I certify that I receive the Social Security Check and am responsible for disbursement of funds.

Printed Name

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian of Person

Signature

Date

Witness

Date



BAPTIST RETIREMENT HOMES

Does Resident Representative receive Social Security Check? YES NO

If Yes: I, _____ receive monthly Social Security check for (patient/resident) and have the authority to utilize those funds on his/her behalf, thus relieving (name of community) of any responsibility for funds received from Social Security.

Signature _____

If No: Where does Social Security check go? Rep. Payee: _____

Address _____

Direct Deposit? Bank Name _____

Do you want the community to be Representative Payee for Social Security Check? Yes No

Would you like for an address change only be submitted for check to be mailed to community? Yes No

Designation of Authorized Representative for DSS (Medicaid Applicants/Recipients)

_____ County

I, (patient/resident) give permission for a financial agent of (community name) to act as an Authorized Representative in my behalf. This person knows my circumstances well enough to answer any questions for the Medicaid program purposes.

I understand I and my authorized representative are responsible for incorrect or incomplete information provided.

I understand that signing this form gives my representative authority to:

1. Make an application or complete a redetermination of eligibility for Medicaid for me;
2. Sign any forms necessary to determine my eligibility for Medicaid;
3. View and/or discuss any information contained in my file (other than information from another source specifically designated as "Confidential" or "Do Not Release") or concerning my case to determine eligibility for assistance.

I understand that I may revoke this designation of Authorized Representative at any time.

No, I am a Short Term Resident.

_____ Resident Responsible Party POA Legal Representative Guardian

Printed Name

Signature

Date



**RESIDENT AND COMMUNITY ARBITRATION AGREEMENT
PLEASE READ CAREFULLY**

Read the following arbitration provision carefully. It limits certain of your rights, including your right to obtain redress through court action.

It is understood and agreed by (community name) and (patient/resident) ("resident" or "Resident's Authorized Representative," hereinafter collectively the "Resident") that any controversy or claim arising out of the Resident Admission Agreement or any service or health care provided by the Community to the Resident, shall be resolved by **binding arbitration**, which shall be conducted in North Carolina by a panel of three arbitrators and in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Arbitration ("AHLA rules of Procedure"), and not by a lawsuit or resort to court process except to the extent that applicable state and federal law provides for judicial enforcement of arbitration awards.

Notwithstanding the provisions of the AHLA Rules of Procedure, BRH agrees to pay the American Health Lawyers Association Alternative Dispute Resolution Service Administration Fees. All other costs, expenses and fees will be borne by the parties in accordance with the AHLA Rules of Procedure.

Claims that are subject to this Arbitration Agreement include, but are not limited to, any claim for payment, nonpayment or refund for services rendered to the Resident by the Community, violations of any right granted to the Resident by law or by the Resident Admission Agreement, breach of contract, fraud or misrepresentation, negligence, gross negligence, malpractice, or any other claim based on any departure from accepted standards of medical health or health care or safety whether sounding in tort or in contract.

The parties agree that damages awarded, if any, in an arbitration conducted pursuant to this Arbitration Agreement shall be determined in accordance with the AHLA Rules of Procedure. The parties further agree that the statute of limitations as provided in the North Carolina General Statutes apply to any claim that is subject to arbitration under this Arbitration Agreement.

It is the intention of the parties to this Arbitration Agreement that it shall inure to the benefit of and bind the parties, their successors and assigns, including the agents, employees and servants of the Community and all persons whose claim is derived through or on behalf of the Resident, including any parent, spouse, child, relative, guardian, executor, administrator, legal representative, or heir to the Resident.

All claims based in whole or in part on the same incident, transaction or related course of care or services provided by the community to the Resident shall be arbitrated in one proceeding. A claim shall be waived and forever barred if it arose prior to the date upon which notice of the arbitration proceedings.

The parties understand and agree that by entering this Arbitration Agreement they are giving up and waiving their right to have any claim decided in a court of law before a judge and jury.

The resident understand that (1) he/she has the right to seek legal counsel concerning this Arbitration agreement, (2) he/she has the right to revoke this Arbitration Agreement by written notice delivered and received by the Community within fourteen (14) days of signing this Arbitration Agreement, (3) his or her admission to the Community is not conditioned on his or her signing of this Arbitration Agreement, and (4) this Arbitration Agreement shall remain in effect for all care and services subsequently rendered at the Community, even if such care and services are rendered following the Resident's discharge and readmission to the Community.

The Resident agrees that (1) he/she has read and understands this Arbitration Agreement, (2) the Arbitration Agreement has been explained to the Resident to his or her satisfaction, (3) he/she does not have any unanswered questions about the Arbitration Agreement, (4) he/she has executed the Arbitration Agreement of his or her own free will and not under any duress, and (5) he/she has received a copy of the Arbitration Agreement.

If any provision of this Arbitration Agreement is held invalid or unenforceable, the remaining provisions shall remain in full force and shall not be affected by the invalidity of the other provisions.

I do ____ or do not ____ wish to participate in Arbitration.

Printed Name Resident/Legal Representative

Printed Community Agent

Resident or Legal Representative Signature

Community Agent Signature

Date

Date



Community: **(community name)**

Resident Name: **(Patient/resident)**

MR: **MR#**

Medicare Secondary Payer Questionnaire

PART I

Was illness due to a work related accident/condition and covered by a worker's compensation plan or the Federal Black Lung Program?

- If No – Go to Part II If Yes: Patient's Policy or ID#: _____

Name and Address of Worker's compensation plan or Federal Black Lung Program

STOP – Worker's Compensation or Federal Black Lung Program is primary payer.

PART II

1. Was illness/injury due to a non-work related accident?

- If No – Go to Part III If Yes: What type of accident caused illness/injury? _____

Name and address of Automobile Insurer: _____

STOP – Automobile Insurance is primary payer. _____ Other.

2. Was another party responsible for this accident?

- If No – Go to Part III If Yes: Name and Address of any Liability Insurer: _____

PART III

Is the patient 70 years or older?

- If No – Go to Part IV If Yes: **STOP – Medicare is primary payer**

Part IV

1. Is the patient aged 65 through 69?

- If No – Go to Part V If Yes: Go to question 2

2. Is the patient undergoing kidney dialysis or ESRD?

- If No – Go to question 3 If Yes: **STOP – Medicare is primary payer**

3. Is the patient employed and covered by an Employer Group Health Plan?

- If No – Go to question 4 If Yes: Patient's ID#: _____

Name and Address of EGHP: _____ **STOP – EGHP is primary payer**

4. Is the patient's spouse employed and under age 70?

- If No – **STOP – Medicare is primary payer** If Yes: Go to question 5

5. Is the patient covered under the group health plan of the spouse's employer?

- If No – **STOP – Medicare is primary payer** If Yes: Patient's ID#: _____

Name and Address of EGHP: _____



PART V

1. Is the patient entitled to benefits solely on the basis of End Stage Renal Disease?

- If No – **STOP – Medicare is primary payer** If Yes: Go to question 2

2. Is the patient covered by an Employer Group Health Plan?

- If No – **STOP – Medicare is primary payer** If Yes: Patient's ID#: _____

Name and Address of EGHP: _____ **STOP – Medicare is primary payer**

3 Has the patient been undergoing kidney dialysis for more than 12 months or been entitled to Medicare for more than 12 months?

- If No – Go to question 4 If Yes: **STOP – Medicare is primary payer**

4. Is the patient within 1 12-month period as defined in 282.4?

- If No – **STOP – Medicare is primary payer** If Yes: **STOP – EGHP is primary payer Does the patient have any other health insurance that will pay for nursing home benefits?**

If Yes: Name and Address of Insurance Company: _____



Addendum (community name)

Bedrail Policy

It is the policy of this community not to use bedrails. This is due to the possible risk and negative outcomes that can be involved with utilization. Bedrails may involve risk such as getting caught in the rail, getting caught between the rail and mattress, strangulation, suffocation, hitting against the rail causing bruising and/or skin tears and crawling over the top of the rail risking a fall from a higher level with a risk for greater injury or death. Other negative outcomes may still occur regardless of bedrail use.

If you request a bedrail, an interdisciplinary team will evaluate your care and request and educate you on the risk vs benefits of bedrail utilization.

___ I understand the risk described above and do not request a bedrail.

___ I would like for an interdisciplinary team to evaluate and consider use of a bedrail despite the risk described above.

Lost/Damaged Dentures

The community will assume responsibility for replacing/repairing lost or damaged dentures if after a thorough investigation the faculty determines the community staff were responsible for not properly storing, caring for and/or handling the resident's dentures.

_____ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian
Printed Name

_____ Date
Signature



F32

Resident Information (Please Print):

Resident Name: _____ Facility Name: _____

Date of Birth: _____ Soc. Sec. #: _____ Medicare #: _____

Please attach copies of resident's active insurance cards.

Check ANY that apply:

- No Pharmacy Insurance
- Medicaid Pending
- I will provide my own OTCs
- I use another pharmacy (VA, mail order, etc.)

Billing Information (Please Print):

Name (if not resident): _____ Relationship: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone Number: _____ Email Address: _____

Additional parties with whom SPS may discuss billing matters: _____

Pharmacy Admission Agreement

All accounts are due and payable 25 days after the statement date. All payments are to be made directly. Should the account be referred to collection, the undersigned agrees to pay reasonable costs in such a collection effort. Southern Pharmacy Services reserves the right to discontinue providing services for those accounts that are in excess of 90 days delinquent. Should the patient need help enrolling in Medicare Part D, Southern Pharmacy can assist in that process.

I understand that the use of Southern Pharmacy Services as a provider of pharmaceuticals and other necessities is optional. I also understand that Patient Inserts are available upon request.

I agree to the following for all purchases:

1. I will pay the entire amount within 25 days of the statement date.
2. I will pay for any purchases not payable by Insurance, Medicaid or Medicare.
3. I agree that in order for the account to remain active, the account must remain current.
4. I authorize facility personnel to make purchases on this account on behalf of the named resident.
5. I understand that this document is to be submitted to the pharmacy within 72 hours of admission.

Signature below is indication that you wish to use pharmacy services provided by Southern Pharmacy Services. If you do NOT wish to use SPS for pharmacy services, please opt out below:

I DO NOT wish to use pharmacy services provided by SPS for primary prescription services.

Acknowledgement of Notice of Privacy Practices

The undersigned acknowledges that he/she has received a copy of Southern Pharmacy Services Notice of Privacy Practices. In addition to the attached document, the notice can be found at www.southernrx.com.

Signature of Responsible Party: _____ Date _____

Print Name _____



Why You Should Use Southern Pharmacy to Provide Resident's Medication

- ▶ **Advantages for a resident to use Southern Pharmacy**
 - ▶ Medical Records/eMAR continuity with orders versus packaged product
 - ▶ Consistent medication packaging
 - ▶ No family delivery or pickup
 - ▶ All RX labeling requirements met
 - ▶ Consulting RPh chart reviews
 - ▶ Improved efficiency of med order placement and timely pharmacy delivery
 - ▶ 24/7 availability
 - ▶ Knowledge of DHHS regulations
- ▶ **Experts in LTC processes – procedures**
 - ▶ Refill due reports
 - ▶ Therapeutic substitution
 - ▶ Insurance billing and authorization
 - ▶ Communication to staff
 - ▶ Survey assistance
 - ▶ Yearly assistance with Medicare Part D resident assignments

ATTACHMENT VI

Nursing Care Agreement



BAPTIST RETIREMENT HOMES

FINANCIAL AND ADMISSION AGREEMENT

The Baptist Retirement Home Community and (patient/resident name), on (date) do hereby agree to the following financial terms and arrangements providing for the medical, nursing and personal care of (patient/resident).

Med Rec#: MR#

ASSISTED LIVING AND NURSING COMMUNITY AGREEMENT

1. Community shall use reasonable efforts to assist the resident in obtaining financial aid such as Medicare and Medicaid.
2. Community shall furnish room, board, linens and bedding and nursing care as may be required for the health, safety and well being of the Resident, at the current cost as determined by the Resident's level of care and type of room.
3. The Community shall provide Resident personal laundry services, toilet articles, and non-prescription medications as may be required by the Resident.
4. The Community shall obtain the services of a licensed physician of the Residents' choosing whenever necessary, or the services of another licensed physician if Resident's personal physician is not available.
5. Community shall obtain such medications as the physician may order (to be billed by the providing pharmacy to applicable payor).
6. Community shall arrange for emergency transfer of the Resident to the hospital of the Resident's choosing when hospitalization is ordered by the Resident's attending physician. Community shall immediately notify the Resident's legal representative and/or responsible party in the event of Resident's transfer to hospital.
7. Community shall make refunds within sixty (60) days after all third-party balances have been resolved for all monies received in excess of total charges.
8. Community shall make available upon request a listing of all current charges not included in the daily rate.
9. Community shall pay all interest on Resident trust account each month.
10. Community shall photograph Resident for medical record identification.
11. Community shall provide a locked drawer or closet for personal use upon request, consistent with resident rights).

AGREEMENT OF RESIDENT, SPONSOR OR LEGAL REPRESENTATIVE

The Resident, their legal representative or any individual signing this Agreement as the "Responsible Party" shall be responsible for the following:

1. To provide such personal clothing as needed or desired by the Resident.
2. To provide personal funds as needed by the Resident for "personal spending money."
3. Payment of all hospital charges, if hospitalization of the Resident becomes necessary, and transportation to the hospital, if not covered by a third-party payor.
4. Payment of physician's fees, pharmacy charges, and supplies or aids required or desired by the Resident, if not covered by a third-party payor, as well as applicable Medicaid liabilities and Medicare co-pays.
5. Transportation to and from a consulting physician, any agency or outside referred services, as ordered or requested for the Residents' plan of care. Transportation may be provided by the Community if the Resident is able to be transported by car or van and if the Community vehicles are available.
6. Payment in advance the monthly rate as determined by the Residents' level of care and type of room, unless the cost of care is paid by a Community-approved third party. The current rates are listed on the attached "Rates and Charges Form."
7. Payment of any applicable returned check fees. After the second returned check, the Resident, the Resident's legal representative and/or the Resident's responsible party will be required to make payments by money order, cashier's check or other form of payment approved the Administrator of the Community, with the exception of personal checks.
8. Payment of any other costs as stated on the "Rates and Charges Form". In the event the undersigned fails to pay on demand or in monthly payments established and approved by Community, the Community reserves the right to refer the account to an attorney or professional collection agency and the undersigned shall pay all reasonable attorneys' fees and collection agency expenses.



STANDARD ADMISSION WAIVER

1. The Community shall not be responsible for lost missing or damages personal articles or belongings, such as, though not limited to, dentures, glasses, hearing aids, furniture, equipment or clothing.
2. The Community shall not be responsible for any valuables or money left in possession of the Resident of this Community.
3. The Community shall exercise such reasonable care towards the Resident as his/her known condition may require; however, Community does not represent, claim or promise that someone a Community employee or representative will be with the Resident at all times. Resident, the Resident's legal representative and/or the Resident's Responsible Party understand that the Community will not be able to prevent falls or other accidents brought about by the Resident's own activities.

DURATION OF AGREEMENT

The resident, sponsor, or legal representative may terminate this agreement with an appropriate notice. A five (5) day notice is requested in order to give the community, the resident and/or responsible family members time to make necessary arrangements. Otherwise, it will remain in effect until a different agreement is executed. However, this does not mean that the resident will be forced to remain in this Nursing Community against his or her will for any length of time. Community may discharge resident with appropriate notice if resident no longer requires services provided by Community or resident's needs can no longer be met by community or the safety of individuals in the community is endangered, or the health of the individuals in the community would otherwise be endangered, or failure to pay for services provided.

HOLDING ROOM PROVISION

If the Resident is transferred to the hospital for admission, the Resident or their legal representative shall notify the Community within twenty-four (24) hours following transfer if they desire to request that the Resident's bed be reserved. If the Community is not notified within the twenty-four (24) hour period, then the room will be automatically released by the Community for use. If the Resident or their legal representative desires to hold the bed for Resident, then an advance payment for a five (5) day period at the full regular room rate must be made (the "Room Hold Charge"). The Room Hold Charge begins the day the Resident goes to the hospital, however, there will not be any charge for the day the Resident returns to the Community. Except in special circumstances, residents are not normally re-admitted on weekend or holidays.

Out of Community Visits

Residents may leave the community, but please notify the nurse when you leave and when you plan on returning. Residents whose stay is being paid by Medicare cannot leave for extended periods of time and cannot stay out overnight. Residents who leave without telling staff or who stay out overnight may be considered discharged against medical advice.



The Baptist Retirement Home Community (community name) and (patient/resident) on (date) do hereby agree to the following financial terms and arrangements providing for the medical, nursing and personal care of (patient/resident)

PAYMENT GUARANTEE

The Community will not require that the legal representative of the resident or the person signing this Agreement as the "Responsible Party" of the Resident guarantee payment as a condition of admission, or to expedite the admission. However, an individual or legal representative who has access to the Resident's income and/or other assets will be required to sign this Admission Agreement guaranteeing payment from such funds or assets for the care and services provided to the Resident by Community.

The execution of this Agreement will constitute an acceptance on the part of the Community, the Resident, the legal representative of the Resident and the person signing this Agreement as the "Responsible Party" of the Resident to undertake faithfully all the obligations of this Agreement.

"I have been informed that this nursing home is licensed by the State of North Carolina and as such it is subject to inspections and investigations by the North Carolina Department of Human Resources to determine compliance with the North Carolina Licensure Act and licensure rules adopted pursuant to the Act." I have also been informed that I have the right to object in writing to the release of information or review of records pertaining to me or the care and services provided to me and that by an objection in writing I may prohibit the inspection or release of the records, except when I am transferred to another health care institution or when record release is required by law.

May we contact you by Email? Email Address: _____

Printed Name

___ Resident ___ Responsible Party ___ POA

___ Legal Representative ___ Guardian of Person

Signature

Date

Authorization to Release Records and Assignment of Benefits

I hereby authorize the release of medical records and other information to authorized payment sources; to include, but not limited to, Medicare, Medicaid, third party insurance companies.

I also authorize payment of medical benefits to the above supplier/provider for services rendered (to include those services which may be billed on an outpatient basis, i.e. PT, OT, SLP, Tube Feeding, and those services rendered at an outside provider) that are the responsibility of the above provider to bill during my stay at the above community.

Signature _____ (sealed) Date _____



ADMISSION PACKET

This packet includes a list of all policies and forms and is signed in conjunction with the new Resident Welcome Guide. The Welcome Guide outlines the rules and regulations within the community.

ACKNOWLEDGEMENTS

Please accept this as notice that I have received copies of the following and have had an opportunity to review and ask questions about the items listed below.

1. General Guidelines

- a. Grievance Resolution Program
- b. Declaration of NC Patient's Rights with the procedures as to how it will be accomplished (G.S. 131E-117)
- c. Federal Residents' Rights (HCFA 42CFR Part 483.10 through 483.15 "Medicare and Medicaid Requirements for Long Term Care Facilities")
- d. Privacy Act Notification Statement.
- e. Smoking Policy
- f. Community Privacy Notification and Southern LTC Pharmacy Privacy Notification

2. Patient Care Guidelines

- a. Advanced Directives Policy
- b. Written Explanation prepared by NC Division of Medical Assistance explaining a resident's rights under NC law to direct the course of their medical care and to execute Advanced Directives.
- c. Brochure "Advance Directives – What you should know"
- d. Patient Care Review Committee
- e. Restraint Policy
- f. Abuse Prohibition Protocol
- g. Resident to Resident Abuse Protocol

3. Patient Financing Guidelines

- a. Health Care Community Financial and Admission Agreement
- b. Room-Hold Policy
- c. Daily Room Rates (Rates and Charges Sheet)
- d. Charges Not covered
- e. Medicare & Medicaid Basic Information Received

_____ Resident Responsible Party POA

Printed Name

_____ Legal Representative Guardian of Person

_____ Signature

_____ Date

Signature of Witness (if applicable): _____ Date: _____



Consent for Treatment

Resident's Name: (patient/resident)

Med. Rec. #: (MR#)

I hereby authorize the above named community to provide or obtain any medical, surgical, or dental treatment necessary as ordered by the physician for me, the above named resident, during my stay at the community.

I also authorize the community to release any information as needed to any health institution, insurance company, or similar institution or organization concerning my welfare in connection with my stay at the community.

I understand that if a physician issues an order to transfer me to a hospital, the community will contact the appropriate ambulance service for transportation.

Release and/or Review of Medical Information

I have been informed that this community is licensed by the State of North Carolina and as such it is subject to inspection and investigation by the North Carolina Department of Human Resources to determine compliance with the North Carolina Nursing Home Licensure Act.

___ I do ___ do not authorize any identified representative of the above agency to review my Medical Record.

I hereby authorize the community to furnish such professional information as may be necessary for the completion of health claims for third party payee, i.e. Medicare, Medicaid, VA or private insurance. I release the community from legal liability that may arise from the release of this information. Medical Care and Services

___ I agree to receive general medical care and specialized rehabilitation services provided by the community, as directed by my physician.

___ I give permission to the community to arrange for the following services to be provided if required by my physician and/or plan of care and I understand the costs are not included in the daily rate.

Dental ___ Yes ___ No PPD (annually) ___ Yes ___ No Therapy ___ Yes ___ No Optometry ___ Yes ___ No

Mental Health ___ Yes ___ No Mental Health Provider: Life Source, LLC

Audiology ___ Yes ___ No Podiatry ___ Yes ___ No

Freedom of Choice of Physician and Pharmacy

I understand that all medications must be prescribed by a licensed physician and administered by licensed nurses or other persons who have been approved in accordance with state regulations unless I request to be evaluated for self-administration of medications. Medications must be ordered by the Community and delivered directly from the pharmacy to the nursing community. I also understand that medication should not be brought into the community unless ordered by the physician. This includes Over-The-Counter Medications as well as prescription medications.

___ I choose to use the Community's designated pharmacy, Southern Pharmacy

___ I prefer to use _____ Pharmacy that provides 24-hour delivery.

___ I understand that upon release or discharge, **medications that have been covered by my Part D plan**, including controlled drugs will be released to me or my legal representative only by order of my physician.

___ My chosen treating physician is: _____

Printed Name ___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian of Person

Signature

Date

Signature of Witness (if applicable): _____ Date: _____



BAPTIST RETIREMENT HOMES

Advance Directive and Self Administration of Medication

_____ I request to be evaluated for self-administration of Medication.

_____ I have read the CPR policy and elect the following Code Status:
(following the MD approval and signature on the necessary DNR community forms)

_____ No Code

_____ Full Code

_____ Resident ___ Responsible Party ___ POA
Printed Name

_____ Legal Representative ___ Guardian of Person

Signature

Date

Unable to sign:

_____ Medical Incapacity ___ Physical Incapacity

Telephone Consent (Complete the top portion of the form and then complete and sign this section):

Person contacted: _____ Date: _____

Person Receiving Consent Signature: _____



Policy Title: Resident Pneumococcal Vaccination Consent Record

Section 1: Information regarding Resident

MR#: MR#

Resident's Full Name: (patient) DOB: DOB

Section 2: Screening for vaccine eligibility. Circle the correct answers.

If yes is answered to any of the below three questions, then the resident may not be eligible to receive the influenza vaccine. We will need to discuss your options with your MD.

1. Do you have any serious allergies? Yes No Please List if any:
2. Have you ever had a serious reaction to a previous flu or Pneumonia vaccine? Yes No
3. Have you ever received the Pneumonia vaccine? Yes No If yes, please provide the dates.
Date received PCV13 _____ Date received PPSV23 _____
_____ check if unknown.

Section 3: Consent or Declination

I have read or had explained to me the Pneumococcal Conjugate (PCV13 11/05/2015) and the Pneumococcal Polysaccharide (PPSV23 04/24/2015) Vaccine Information Sheet and understand the risk and benefits.

I GIVE CONSENT to this community and its staff to administer the Pneumococcal vaccine.

OR

I DO NOT GIVE CONSENT to this community and its staff to administer the Pneumococcal Vaccine.

Important facts to consider if you decline the Pneumococcal vaccine:

- Pneumococcal disease can lead to serious infections of the Lungs (pneumonia), Blood (bacteremia) and Brain (meningitis).
- Pneumococcal pneumonia kills about 1 out of 20 people who get it. Bacteremia kills about 1 in 5, and meningitis about 3 people in 10.
- Pneumococcal polysaccharide vaccine protects against 23 types of pneumococcal bacteria, including those most likely to cause serious disease.

I understand that I can change my mind at any time and give consent for the Pneumococcal Vaccine. I have read and fully understand the information regarding declination of the Pneumococcal vaccine.

_____ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian

Printed Name

Signature: _____ Date: _____



Policy Title: Resident Pneumococcal Vaccination Consent Record

Telephone Consent/Declination (Circle One)

Person consenting or declining: _____ Date: _____

Employee Witness: _____ Date: _____

For Health Professional use below

Medical provider decision regarding any yes or unknown answers in section 2.

Date of notification: _____

Administer the following vaccine: PCV13 or PPSV23

Signature of medical provider or nurse receiving verbal order



Resident Influenza Vaccination Consent Record

Section 1: Information regarding Resident MR#: MR#
Resident's Full Name: (patient) DOB: DOB

Section 2a: Screening for vaccine eligibility. Check the correct answers.

1. **Do you have an allergy to eggs?** Yes _____ No _____

Persons with a history of egg allergy who have experienced hives after exposure to eggs should receive the influenza vaccine. Persons who report having had reactions to eggs involving symptoms other than hives such as angioedema, respiratory distress, light headedness, or recurrent emesis; or who required epinephrine or other emergency medical intervention may similarly receive any licensed and recommended influenza vaccine (i.e. any IIV or RIV) that is otherwise appropriate for the recipient's age and health status.

Section 2b: If yes is answered to **any** of the below three questions, then the resident may not be eligible to receive the influenza vaccine. **We will need to discuss your options with your MD.**

1. **Do you have any serious allergies?** Yes _____ No _____ Please List if any: _____
2. **Have you ever had a serious reaction to a previous dose of flu vaccine?** Yes _____ No _____
3. **Have you ever had Guillain-Barre' Syndrome (a type of temporary severe muscle weakness) within 6 weeks after receiving a flu vaccine?** Yes _____ No _____

Section 3: Consent or Declination

Consent Signature:

I have received or had explained to me the 08/15/2019 Influenza (Flu) Vaccine (Inactivated or Recombinant): Vaccine Information Sheet and understand the **risk and benefits**.

_____ I **GIVE CONSENT** to this community and its staff to administer the Flu vaccine.

-OR-

Important facts to consider if you decline the flu vaccine:

- Influenza is a serious respiratory disease that kills on average 36,000 persons and hospitalizes more than 200,000 persons in the US each year.
- If you contract influenza, you will shed the virus for 24-48 hours before symptoms appear which puts others at risk.
- The strains of virus that cause influenza infection change almost every year, which is why a different influenza vaccine is required each year.
- You cannot get influenza from the vaccine.
- The consequences of refusing the influenza vaccine could have life threatening consequences to your health and the health of others of whom you have contact, including: other resident's, family and your community.



Resident Influenza Vaccination Consent Record

Declination Signature

_____ I **DO NOT GIVE CONSENT** to this community and its staff to administer the Flu vaccine.

I understand that I can change my mind at any time and give consent for the influenza vaccine, if the vaccine is available. I have read and fully understand the information regarding declination of the influenza vaccine.

Printed Name: _____

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian

Signature: _____ Date: _____

Telephone Consent/Declination (Circle One)

Person consenting or declining: _____ Date: ___/___/___

Employee Witness: _____ Date: ___/___/___

For Health Professional use below.

Medical provider decision regarding any yes answers in section 2b.

Date of notification: ___/___/___

Administer flu vaccine: (Circle one) Yes No

Signature of medical provider or nurse receiving verbal order



BAPTIST RETIREMENT HOMES

COVID-19 Vaccine Consent Form

Section 1: Information about Person to Receive Vaccine (please print)

RESIDENT'S NAME (Last)		(First)	(M.I.)	RESIDENT'S DATE OF BIRTH	
				month	day
				year	
AUTHORIZED POWER OF ATTORNEY (POA) /LEGAL GUARDIAN NAME (Last)		(First)	(M.I.)	RESIDENT'S AGE	RESIDENT'S GENDER
					<input type="checkbox"/> M / <input type="checkbox"/> F
CITY		STATE	ZIP	AUTHORIZED POA PHONE NUMBER:	
RESIDENT'S PRIMARY CARE PROVIDER'S NAME (Last)			(First)	(Middle Initial)	
FACILITY NAME		ROOM NUMBER			
MEDICARE NUMBER			MEDICAID NUMBER		
EMPLOYEE INSURANCE CO. NAME	EMPLOYEE INS ID	EMPLOYEE INS BIN	EMPLOYEE INS PCN		

Section 2: Screening for Vaccine Eligibility

1. Has this person been vaccinated with the COVID-19 vaccine? YES NO

If yes to above, there are multiple kinds of COVID-19 vaccine. Your answers to the following questions will help us understand which vaccine (or step) to provide.

Vaccine Brand (Pfizer, Moderna, Astra Zeneca, Johnson and Johnson): _____

Date dose #1 given: Month _____ Day _____ Year _____

Date dose #2 (if nece) given: Month _____ Day _____ Year _____

Section 3: Consent

I understand I will be provided an Emergency Use Authorization Fact Sheet or a Vaccine Information Statement prior to the date of the vaccination and have the ability to revoke consent at any time

I GIVE CONSENT to the _____ *NAME OF ORGANIZATION CONDUCTING CLINIC* and its staff for my person named at the top of this form to be vaccinated with this vaccine. (If this consent form is not signed, then this person will not be vaccinated)

I DO NOT GIVE CONSENT to the _____ *NAME OF ORGANIZATION CONDUCTING CLINIC* and its staff for this person named at the top of this form to be vaccinated with this vaccine.

Resident signature OR Signature/Printed Name of Health POA OR Name of Health POA/verbally acknowledged by licensed staff (sign & print name & credentials)

Date: Month _____ Day _____ Year _____



Services Offered

Field Trips and Appointments for Residents

___ I do ___ do not consent to being taken from the community by the Activities Coordinator and/or transportation staff for the purpose of physician visits, test procedures or activities sponsored in the community such as shopping, fishing, rides, etc.

Patient's Personal Laundry

___ I do ___ do not wish to request the Community to do my personal laundry.

I will assure that all patient clothing is identifiable and made of wash and wear material. I will mark all clothing with the resident's name. The community staff will make every effort possible to insure clothing will not be lost or misplaced; however, we cannot be responsible for financially replacing lost or misplaced articles.

If I do not choose personal laundry services, I will assure that sufficient amount of clean clothes will always be available and a laundry hamper will be provided for soiled clothing. Soiled laundry will need to be picked up on a regular basis (preferably every two (2) days, no less than weekly).

Telephone / Cable Services

___ I understand I must call the local telephone company or local cable company and request these services be activated and I am responsible to pay them directly to the providing company.

___ If community provides these services directly, I elect to have:

_____ Telephone service at a cost of _____ per _____

_____ TV/Cable service at a cost of _____ per _____ (Remote Charge Separate)

(Please refer to Rates and Charges sheet)

Personal Needs and Other

___ I do ___ do not request the community to provide all personal care items for me.

___ I elect a Private Room. I understand this is not covered by third party and will be billed privately per Rate & Charges Sheet.



Release of Photographs and General Information

___ I do ___ do not agree that photographs and general information may be released at the discretion of the community to public newspapers, newsletters, and in-house activities.

I hereby authorize and grant Baptist Retirement Homes of NC and any of its subsidiaries, affiliates, managing agents and representatives (hereinafter collectively referred to as "BRH") to use my name, voice and likeness, including, but not necessarily limited to, photographic, video or digital images for purposes of public relations, promotion and marketing of Baptist Retirement Homes.

I further grant to Baptist Retirement Homes the right to reproduce, use, exhibit, display, broadcast and distribute and create derivative works of these images and recordings in any media now known or later developed for promoting, publicizing or explaining BRH and its services. I acknowledge that BRH owns all rights to the images and recordings.

Waiver, Indemnity and Release

I hereby waive any right to inspect or approve the use of the images or recordings or of any written copy. I also waive any right to royalties or other compensation arising from or related to the use of the images, recordings, or materials.

I hereby release, defend, indemnify and hold harmless BRH, its employees, agents, representatives, officers and owners from and against any claims, damages or liability arising from or related to the use of the images, recordings or materials, including but not limited to claims of defamation, invasion of privacy, or rights of publicity or copyright infringement, or any misuse, distortion, blurring, alteration, optical illusion or use in composite form that may occur or be produced in taking, processing, reduction or production of the finished product, its publication or distribution.

I am 18 years of age or older and I am competent to contract in my own name. I have read this document before signing below, and I fully understand the contents, meaning and impact of this consent, waiver, indemnity and release. This consent, waiver, indemnity and release is binding on me, my heirs, executors, administrators and assigns.

I HEREBY SIGN THIS WAIVER AND RELEASE OF MY OWN FREE WILL AND NOT AS A RESULT OF ANY COERCION, UNDUE INFLUENCE, PRESSURE OR CONDITIONS SET.

Printed Name: _____

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian of Person

Signature: _____ Date: _____



Resident Directory Instructions

I do do not want my name included as part of the community's Resident Directory.

I understand that if I do not consent to this disclosure, visitors such as family and friends, outside phone callers, and delivery people, may not be able to contact me.

I do do not want my location included as part of the community's directory Resident Directory.

I do do not want my name posted outside my door at the Nursing Home/Assisted Living.

I do do not consent to the disclosure of my religious affiliation to members of the clergy.

I understand that if I do not consent to this disclosure, members of the clergy who do not know to ask for me by name may not be able to contact me. **Residents Rights**

I acknowledge that the Resident's rights have been explained to me and I have received a copy in writing.

If the resident is unable to sign or make their mark, the Social Worker/Admissions must have one other witness present to validate that the resident did receive a copy of such documents. If due to their physical or mental state, the resident cannot comprehend these documents, only then may the Legal Representative sign for such documents.

These have been explained to me and I have received a copy of the documents.

Smoking / Non-Smoking Policy

Policy: It is the policy of this community that smoking is not allowed in the community by residents or staff. Residents are allowed to smoke outside in designated areas if the criteria outlined in the "full policy" are followed.

Procedure:

All new admits are given a copy of this policy on admission.

If a resident is thought to smoke on the campus a care plan meeting will be held to discuss with the resident the concerns about smoking. If the resident continues not to follow the safety rules additional interventions may include a 30 day discharge notice depending on the care plan team findings.

I have read and understand the policy as described above.

I have been informed that this is a TOBACCO FREE CAMPUS

Printed Name

Resident Responsible Party POA Legal Representative Guardian of Person

Signature

Date



BAPTIST RETIREMENT HOMES

Personal Funds Account

I do _____ do not _____ request the Community to keep my spending money in a personal fund account for me. I understand I can add to or withdraw my funds any time during office hours and will receive a monthly statement of this account if I choose this service. I understand that my account, it will accumulate interest. Furthermore, I also understand that in the event of my discharge or death any remaining balance in my personal fund will be issued to the applicable County Clerk of Court, or the Executor of my estate upon presenting valid legal documentation of being named such Executor within 30 days.

There is no charge for this service. If I choose to have a personal fund account, I may give the community permission to pay certain, agreed upon reoccurring charges from my account (i.e. Beauty/Barber services, Cable, Phone, and Insurance Premiums, etc.) as listed below. The community will have available hair care services. The CNAs will provide basic hair care (shampoo and conditioning with the routine bathing schedule). If the resident elects other services from the beauty shop, these charges will be charged to the patient. (Medicaid residents' cost of hair trim from the beauty shop will be charged directly to the community by the beauty shop (typically no more than 1 per month). Services will be scheduled on an individual basis with the community (generally through the activity department). (See List of Services offered by Beautician)

Authorization for Reoccurring Charges To be deducted from Personal Fund Account

Company/Bill to be paid	Estimated amount of charges monthly/per incident
Beauty & Barber Services	_____ (how many) times per week month
Patient Monthly Liability	As Assigned by DSS
Insurance Premiums	
Telephone Cable	

I authorize the above bills to be paid from my patient personal fund account, as long as I have funds available. I understand, if funds are not available in my account, I will be notified and will be responsible to bring in funds to cover or pay the bills of my own accord. Any charges or withdrawals that are not listed above will have to have individual permission from myself, my POA or financial guardian for funds to be withdrawn from my patient personal fund account. All receipts and documentation of payments will be kept on file for review. By initialing above for Social Security Check, I certify that I receive the Social Security Check and am responsible for disbursement of funds.

Printed Name

___ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian of Person

Signature

Date

Witness

Date



BAPTIST RETIREMENT HOMES

Does Resident Representative receive Social Security Check? YES NO

If Yes: I, _____ receive monthly Social Security check for (patient/resident) and have the authority to utilize those funds on his/her behalf, thus relieving (name of community) of any responsibility for funds received from Social Security.

Signature _____

If No: Where does Social Security check go? Rep. Payee: _____

Address _____

Direct Deposit? Bank Name _____

Do you want the community to be Representative Payee for Social Security Check? Yes No

Would you like for an address change only be submitted for check to be mailed to community? Yes No

Designation of Authorized Representative for DSS (Medicaid Applicants/Recipients)

_____ County

I, (patient/resident) give permission for a financial agent of (community name) to act as an Authorized Representative in my behalf. This person knows my circumstances well enough to answer any questions for the Medicaid program purposes.

I understand I and my authorized representative are responsible for incorrect or incomplete information provided.

I understand that signing this form gives my representative authority to:

1. Make an application or complete a redetermination of eligibility for Medicaid for me;
2. Sign any forms necessary to determine my eligibility for Medicaid;
3. View and/or discuss any information contained in my file (other than information from another source specifically designated as "Confidential" or "Do Not Release") or concerning my case to determine eligibility for assistance.

I understand that I may revoke this designation of Authorized Representative at any time.

No, I am a Short Term Resident.

_____ Resident Responsible Party POA Legal Representative Guardian

Printed Name

Signature

Date



**RESIDENT AND COMMUNITY ARBITRATION AGREEMENT
PLEASE READ CAREFULLY**

Read the following arbitration provision carefully. It limits certain of your rights, including your right to obtain redress through court action.

It is understood and agreed by (community name) and (patient/resident) ("resident" or "Resident's Authorized Representative," hereinafter collectively the "Resident") that any controversy or claim arising out of the Resident Admission Agreement or any service or health care provided by the Community to the Resident, shall be resolved by **binding arbitration**, which shall be conducted in North Carolina by a panel of three arbitrators and in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Arbitration ("AHLA rules of Procedure"), and not by a lawsuit or resort to court process except to the extent that applicable state and federal law provides for judicial enforcement of arbitration awards.

Notwithstanding the provisions of the AHLA Rules of Procedure, BRH agrees to pay the American Health Lawyers Association Alternative Dispute Resolution Service Administration Fees. All other costs, expenses and fees will be borne by the parties in accordance with the AHLA Rules of Procedure.

Claims that are subject to this Arbitration Agreement include, but are not limited to, any claim for payment, nonpayment or refund for services rendered to the Resident by the Community, violations of any right granted to the Resident by law or by the Resident Admission Agreement, breach of contract, fraud or misrepresentation, negligence, gross negligence, malpractice, or any other claim based on any departure from accepted standards of medical health or health care or safety whether sounding in tort or in contract.

The parties agree that damages awarded, if any, in an arbitration conducted pursuant to this Arbitration Agreement shall be determined in accordance with the AHLA Rules of Procedure. The parties further agree that the statute of limitations as provided in the North Carolina General Statutes apply to any claim that is subject to arbitration under this Arbitration Agreement.

It is the intention of the parties to this Arbitration Agreement that it shall inure to the benefit of and bind the parties, their successors and assigns, including the agents, employees and servants of the Community and all persons whose claim is derived through or on behalf of the Resident, including any parent, spouse, child, relative, guardian, executor, administrator, legal representative, or heir to the Resident.

All claims based in whole or in part on the same incident, transaction or related course of care or services provided by the community to the Resident shall be arbitrated in one proceeding. A claim shall be waived and forever barred if it arose prior to the date upon which notice of the arbitration proceedings.

The parties understand and agree that by entering this Arbitration Agreement they are giving up and waiving their right to have any claim decided in a court of law before a judge and jury.

The resident understand that (1) he/she has the right to seek legal counsel concerning this Arbitration agreement, (2) he/she has the right to revoke this Arbitration Agreement by written notice delivered and received by the Community within fourteen (14) days of signing this Arbitration Agreement, (3) his or her admission to the Community is not conditioned on his or her signing of this Arbitration Agreement, and (4) this Arbitration Agreement shall remain in effect for all care and services subsequently rendered at the Community, even if such care and services are rendered following the Resident's discharge and readmission to the Community.

The Resident agrees that (1) he/she has read and understands this Arbitration Agreement, (2) the Arbitration Agreement has been explained to the Resident to his or her satisfaction, (3) he/she does not have any unanswered questions about the Arbitration Agreement, (4) he/she has executed the Arbitration Agreement of his or her own free will and not under any duress, and (5) he/she has received a copy of the Arbitration Agreement.

If any provision of this Arbitration Agreement is held invalid or unenforceable, the remaining provisions shall remain in full force and shall not be affected by the invalidity of the other provisions.

I do ____ or do not ____ wish to participate in Arbitration.

Printed Name Resident/Legal Representative

Printed Community Agent

Resident or Legal Representative Signature

Community Agent Signature

Date

Date



Community: **(community name)**

Resident Name: **(Patient/resident)**

MR: **MR#**

Medicare Secondary Payer Questionnaire

PART I

Was illness due to a work related accident/condition and covered by a worker's compensation plan or the Federal Black Lung Program?

- If No – Go to Part II If Yes: Patient's Policy or ID#: _____

Name and Address of Worker's compensation plan or Federal Black Lung Program

STOP – Worker's Compensation or Federal Black Lung Program is primary payer.

PART II

1. Was illness/injury due to a non-work related accident?

- If No – Go to Part III If Yes: What type of accident caused illness/injury? _____

Name and address of Automobile Insurer: _____

STOP – Automobile Insurance is primary payer. _____ Other.

2. Was another party responsible for this accident?

- If No – Go to Part III If Yes: Name and Address of any Liability Insurer: _____

PART III

Is the patient 70 years or older?

- If No – Go to Part IV If Yes: **STOP – Medicare is primary payer**

Part IV

1. Is the patient aged 65 through 69?

- If No – Go to Part V If Yes: Go to question 2

2. Is the patient undergoing kidney dialysis or ESRD?

- If No – Go to question 3 If Yes: **STOP – Medicare is primary payer**

3. Is the patient employed and covered by an Employer Group Health Plan?

- If No – Go to question 4 If Yes: Patient's ID#: _____

Name and Address of EGHP: _____ **STOP – EGHP is primary payer**

4. Is the patient's spouse employed and under age 70?

- If No – **STOP – Medicare is primary payer** If Yes: Go to question 5

5. Is the patient covered under the group health plan of the spouse's employer?

- If No – **STOP – Medicare is primary payer** If Yes: Patient's ID#: _____

Name and Address of EGHP: _____



PART V

1. Is the patient entitled to benefits solely on the basis of End Stage Renal Disease?

- If No – **STOP – Medicare is primary payer** If Yes: Go to question 2

2. Is the patient covered by an Employer Group Health Plan?

- If No – **STOP – Medicare is primary payer** If Yes: Patient's ID#: _____

Name and Address of EGHP: _____ **STOP – Medicare is primary payer**

3 Has the patient been undergoing kidney dialysis for more than 12 months or been entitled to Medicare for more than 12 months?

- If No – Go to question 4 If Yes: **STOP – Medicare is primary payer**

4. Is the patient within 1 12-month period as defined in 282.4?

- If No – **STOP – Medicare is primary payer** If Yes: **STOP – EGHP is primary payer Does the patient have any other health insurance that will pay for nursing home benefits?**

If Yes: Name and Address of Insurance Company: _____



Addendum (community name)

Bedrail Policy

It is the policy of this community not to use bedrails. This is due to the possible risk and negative outcomes that can be involved with utilization. Bedrails may involve risk such as getting caught in the rail, getting caught between the rail and mattress, strangulation, suffocation, hitting against the rail causing bruising and/or skin tears and crawling over the top of the rail risking a fall from a higher level with a risk for greater injury or death. Other negative outcomes may still occur regardless of bedrail use.

If you request a bedrail, an interdisciplinary team will evaluate your care and request and educate you on the risk vs benefits of bedrail utilization.

___ I understand the risk described above and do not request a bedrail.

___ I would like for an interdisciplinary team to evaluate and consider use of a bedrail despite the risk described above.

Lost/Damaged Dentures

The community will assume responsibility for replacing/repairing lost or damaged dentures if after a thorough investigation the faculty determines the community staff were responsible for not properly storing, caring for and/or handling the resident's dentures.

_____ Resident ___ Responsible Party ___ POA ___ Legal Representative ___ Guardian
Printed Name

_____ Date
Signature



F32

Pharmacy Admission Form

Resident Information (Please Print):

Resident Name: _____ Facility Name: _____

Date of Birth: _____ Soc. Sec. #: _____ Medicare #: _____

Please attach copies of resident's active insurance cards.

Check ANY that apply:

No Pharmacy Insurance Medicaid Pending

Billing Information (Please Print):

Name (if not resident): _____ Relationship: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone Number: _____ Email Address: _____

Additional parties with whom SPS may discuss billing matters: _____

Pharmacy Admission Agreement

All accounts are due and payable 25 days after the statement date. All payments are to be made directly. Should the account be referred to collection, the undersigned agrees to pay reasonable costs in such a collection effort. Southern Pharmacy Services reserves the right to discontinue providing services for those accounts that are in excess of 90 days delinquent. Should the patient need help enrolling in Medicare Part D, Southern Pharmacy can assist in that process.

I understand that the use of Southern Pharmacy Services as a provider of pharmaceuticals and other necessities is optional. I also understand that Patient Inserts are available upon request.

I agree to the following for all purchases:

1. I will pay the entire amount within 25 days of the statement date.
2. I will pay for any purchases not payable by Insurance, Medicaid or Medicare.
3. I agree that in order for the account to remain active, the account must remain current.
4. I authorize facility personnel to make purchases on this account on behalf of the named resident.
5. I understand that this document is to be submitted to the pharmacy within 72 hours of admission.

Acknowledgement of Notice of Privacy Practices

The undersigned acknowledges that he/she has received a copy of Southern Pharmacy Services Notice of Privacy Practices. In addition to the attached document, the notice can be found at www.southernrx.com.

Signature of Responsible Party: _____ Date _____

Print Name _____



Why You Should Use Southern Pharmacy to Provide Resident's Medication

- ▶ **Advantages for a resident to use Southern Pharmacy**
 - ▶ Medical Records/eMAR continuity with orders versus packaged product
 - ▶ Consistent medication packaging
 - ▶ No family delivery or pickup
 - ▶ All RX labeling requirements met
 - ▶ Consulting RPh chart reviews
 - ▶ Improved efficiency of med order placement and timely pharmacy delivery
 - ▶ 24/7 availability
 - ▶ Knowledge of DHHS regulations
- ▶ **Experts in LTC processes – procedures**
 - ▶ Refill due reports
 - ▶ Therapeutic substitution
 - ▶ Insurance billing and authorization
 - ▶ Communication to staff
 - ▶ Survey assistance
 - ▶ Yearly assistance with Medicare Part D resident assignments

ATTACHMENT VII

Life Expectancy Table

LIFE EXPECTANCY IN YEARS

<u>AGE</u>	<u>MALE</u>	<u>FEMALE</u>
60	24.60	27.40
61	23.70	26.50
62	22.90	25.60
63	22.10	24.80
64	21.30	23.90
65	20.40	23.00
66	19.60	22.20
67	18.90	21.30
68	18.10	20.50
69	17.30	19.60
70	16.60	18.80
71	15.90	18.00
72	15.20	17.20
73	14.50	16.40
74	13.80	15.60
75	13.20	14.90
76	12.50	14.10
77	11.90	13.40
78	11.30	12.70
79	10.80	12.00
80	10.20	11.30
81	9.70	10.70
82	9.20	10.10
83	8.70	9.50
84	8.20	8.90
85	7.80	8.40
86	7.30	7.90
87	6.90	7.40
88	6.50	6.90
89	6.20	6.50
90	5.80	6.10
91	5.50	5.70
92	5.20	5.40
93	4.90	5.10
94	4.60	4.80
95	4.30	4.50
96	4.10	4.20
97	3.80	4.00
98	3.60	3.80
99	3.40	3.50
100	3.10	3.30

ATTACHMENT VIII
October 2021 –
January 2022
Interim Financial
Statements
(Unaudited)

Baptist Retirement Homes
Consolidated Income Statement-Summary YTD Budget to Actual
For the Year ending January 31, 2022

Description	YTD Actual 1/31/2022	YTD Budget 1/31/2022	\$ Variance	% Variance
Resident Services Revenue				
Medicare Standard Rate	479,191	322,116	157,075	49%
Medicaid	1,539,908	1,409,689	130,218	9%
Special Assistance	252,747	199,810	52,937	26%
Commerical Insurance	218,177	317,477	(99,300)	-31%
Ancillary-HMO/Managed Care A	270,659	196,375	74,284	38%
Ancillary-HMO/Managed Care B	232,335	151,894	80,440	53%
Private Pay	6,735,479	5,683,706	1,051,773	19%
Other Ancillary	110,116	108,338	1,778	2%
Medicare A-Ancillary	782,721	254,050	528,671	208%
Medicare B-Ancillary	440,197	373,613	66,584	18%
Medicaid-Ancillary	21,121	25,210	(4,089)	-16%
Medicaid-Hospice Ancillary	2,919	572	2,347	
Total Resident Services Revenue	11,085,569	9,042,851	2,042,718	23%
Less: Contractual Adjustments				
Medicare Room & Board - Rug	590,316	355,847	234,469	66%
Medicare A-Ancillary	(782,621)	(246,393)	(536,228)	218%
Medicare B-Ancillary	(39,703)	(57,678)	17,975	-31%
Medicaid Room & Board - Rug	(60,945)	(393,006)	332,062	-84%
Medicaid-Ancillary	(21,727)	(37,532)	15,806	-42%
Medicaid Monthly Assessment	(73,858)	(73,488)	(371)	1%
Medicaid-Hospice Ancillary	(2,036)	(572)	(1,464)	
Benevolent Care-Special Assistance	(184,159)	(128,752)	(55,406)	43%
HMO/Managed Care Room & Board	92,040	(54,428)	146,468	-269%
HMO/Managed Care A-Ancillary	(316,588)	(216,611)	(99,977)	46%
Contractual HMO/Managed(A Contract Rate)				
Private Pay Contractual Adjustment	(6,900)	20	(6,920)	
Benevolent Care	(262,575)	(150,103)	(112,472)	75%
Total Less: Contractual Adjust	(1,068,753)	(1,002,695)	(66,058)	7%
Total Net Resident SVS Rev	10,016,816	8,040,156	1,976,660	25%
Operating Expenses				
Salary, Wages & Benefits-Resident Care	3,129,064	3,010,103	118,960	4%
Salary, Wages & Benefits-Dietary	703,674	720,358	(16,685)	-2%
Salary, Wages & Benefits-Facility Serv	811,793	948,342	(136,549)	-14%
Salary, Wages & Benefits-Administration	1,103,573	1,075,236	28,337	3%
Contract Services	1,551,864	756,596	795,268	105%
Food	346,129	350,773	(4,644)	-1%
Medical Supplies & Other Ancillary Serv	316,583	242,627	73,956	30%
Insurance	165,191	148,857	16,335	11%
Leases & Minor Equipment	68,178	55,814	12,364	22%
Auto & Travel	41,123	24,678	16,444	67%
Repairs & Maintenance	352,011	294,348	57,663	20%
Telephone	34,522	48,950	(14,428)	-29%
Utilities	369,063	383,793	(14,729)	-4%
Professional Fees	168,058	164,670	3,388	2%
Office & Other Supplies	40,782	43,582	(2,800)	-6%
Paper Products	42,069	39,601	2,468	6%
Chemicals	17,942	26,098	(8,156)	-31%
Advertising	220,530	217,435	3,095	1%
Other Expenses	200,536	184,812	15,724	9%
Provision for Bad Debt	24,000	23,641	359	2%
Total Operating Expenses	9,706,683	8,760,313	946,370	11%

	YTD Actual 1/31/2022	YTD Budget 1/31/2022	\$ Variance	% Variance
Home Office Allocation				
Facility A&G Allocation	(834,620)	(849,184)	14,564	-2%
Home Office Allocation	834,620	849,184	(14,564)	-2%
Total Home Office Allocation	-	-		
Total Allocations & Op. Exps.	9,706,683	8,760,313	946,370	11%
Net Operating Revenue (Loss)	310,133	(720,157)	1,030,290	-143%
Non Operating Revenue				
Deferred Revenue Earned-Entrance Fees	741,991	785,686	(43,695)	-6%
Special Offering & Memorials	69,914	31,658	38,256	121%
Grants, Trusts & Estates	113,067	202,457	(89,389)	-44%
Direct from Churches	37,921	49,907	(11,986)	-24%
Church Gifts-Baptist State Convention	16,638	20,765	(4,127)	-20%
Church Gifts-Cooperative Baptist Fellows	22,500	16,362	6,138	38%
Interest Income	454	650	(196)	-30%
Investment Income	1,423,230	473,507	949,722	201%
Realized Gains/Losses on Investment	2,647,905	-	2,647,905	
Unrealized Gains/Losses on Investment	(4,034,505)	-	(4,034,505)	
Other Income	42,781	36,852	5,929	16%
Total Non Operating Revenue	1,081,896	1,617,844	(535,948)	-33%
Non Operating Expenses				
Interest Expense	322,806	318,708	4,098	1%
Loan Fee Expense	8,564	8,500	64	1%
Depreciation & Amortization	1,178,941	1,226,016	(47,074)	-4%
Total Non Operating Expenses	1,510,312	1,553,224	(42,912)	-3%
Net Non Operating Rev (Loss)	428,415	(64,620)	493,035	-763%
Net Income (Loss)	(118,282)	(655,537)	537,255	-82%

Baptist Retirement Homes
Balance Sheet

	1/31/2022 (Unaudited)	9/30/2021 (Audited)
Assets		
Current Assets		
Cash & Cash Equivalents	5,971,029	6,005,297
Resident Accounts Receivable, net of all	3,249,231	2,231,841
Contributions Receivable	0	132,500
Prepaid Expenses & Other Current Asset	511,852	493,238
Investments	55,900,999	57,358,235
	-----	-----
Total Current Assets	65,633,111	66,221,111
Assets Whose Use is Limited		
Internally Designated for Capital Develo	1,594,402	1,996,546
Internally Designated for State Operatin	9,836,000	9,836,000
	-----	-----
Total Assets Whose Use is Limi	11,430,401	11,832,545
Investments, Deferred Costs and Other As		
Charitable Remainder Trusts	1,893,575	1,699,722
Beneficial Interest in Perpetual Trusts	8,493,725	8,162,766
Other Assets	20,000	15,000
	-----	-----
Total Investments, Deferred Co	10,407,299	9,877,488
Property and Equipment, Net		
Property & Equipment	47,219,734	46,217,182
	-----	-----
Total Property and Equipment,	47,219,734	46,217,182
	-----	-----
Total Assets	134,690,546	134,148,326

Liabilities and Equity

Current Liabilities

Accounts Payable	1,377,602	1,954,435
Accrued Expenses	318,456	280,504
Accrued Employee Compensation	925,393	989,858
Other Current Liabilities	73,939	89,324
Current Maturities of Long Term Debt	1,765,441	1,746,599
Refundable Fees	127,566	258,853
CARES Act - Provider Relief Fund	168,613	141,349
	-----	-----
Total Current Liabilities	4,757,010	5,460,922

Long-Term Debt, Less Current Maturities

Long Term Debt, Less Current Maturities	9,585,091	9,791,139
Long Term Debt Payable	17,412,436	17,787,529
	-----	-----
Total Long-Term Debt, Less Cur	26,997,527	27,578,668

Deferred Revenue and Other Liabilities

Deferred Revenue & Other Liabilities	14,321,388	13,053,051
Deposits on Occupied Units	2,523,114	2,039,239
	-----	-----
Total Deferred Revenue and Oth	16,844,502	15,092,290

	-----	-----
Total Liabilities	48,599,039	48,131,880

Net Assets

Unrestricted	57,820,404	47,104,040
Temporarily Restricted	13,538,262	13,146,190
Permanently Restricted	14,851,123	14,851,123
Net Income (Loss)	-118,282	10,915,093
Total Net Assets	86,091,506	86,016,446

Total Liabilities and Equity	134,690,546	134,148,326
	-----	-----
	-----	-----

Baptist Retirement Homes of North Carolina, Inc.
Statement of Cash Flows
For the Four Months Ending January 31

	1/31/2022	1/31/2021
Cash Flows from Operating Activities		
Net Income	(118,282)	5,739,366
Depreciation	1,178,941	1,216,632
Decrease in Net Unrealized (Gains)/Losses	4,034,505	(4,082,423)
Decrease in Net Realized (Gains)/Losses	(2,647,905)	(1,720,248)
Increase in Change in Unrealized (Gains)/Losses on B	(330,959)	(723,383)
Decrease in Amortization of Deferred Revenue from Ad	(741,991)	(842,680)
Increase in Advanced Fees Received (Net of Refunds)	2,351,571	599,088
Increase in Deferred Revenue HHS	27,264	141,349
Increase in Accounts Receivable	(953,602)	(182,099)
Decrease in Contributions Receivable	132,500	(132,500)
Increase in Prepaid Expenses and Other Current Asset	(91,811)	(2,337)
Increase in Charitable Remainder Trust	(507)	(4,695)
Decrease in Accounts Payable, Accrued exp, accrued c	(607,382)	460,295
	-----	-----
Net cash used by Operating Activities	2,232,340	466,364
Cash Flows from Investing Activities		
Increase in Purchases of Property and Equipment	(2,177,092)	(951,954)
Decrease in Investments	472,782	(3,883,001)
Decrease in Cash Rstricted under Debt Agreements		3,628,897
	-----	-----
Net cash provided by Investing Activities	(1,704,310)	(1,206,057)
Cash Flows from Financing Activities		
Decrease in Payments of long-term debt	(562,298)	(545,743)
	-----	-----
Net cash used by Financing Activities	(562,298)	(545,743)
Net decrease in cash	(34,268)	(1,285,436)
Cash at the beginning of the Year	6,005,297	9,743,005
Cash at December 31	5,971,029	8,457,569
	-----	-----
	-----	-----