

DISCLOSURE STATEMENT
OAK CREEK

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DISCLOSURE STATEMENT

Dated: March 3, 2022

Name of Facility: Oak Creek Apartments

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

Telephone No.: 336-226-5739

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

- * **This Disclosure Statement may be delivered until revised, but not after
July 24, 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 ensure accuracy or completeness of
the information set out**

DISCLOSURE STATEMENT

OAK CREEK APARTMENTS

I. ORGANIZATION INTRODUCTION AND INFORMATION

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

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

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

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

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

II. FACILITY INTRODUCTION AND INFORMATION

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

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

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

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

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

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

As of September 30, 2021 there were 60 residents at Oak Creek occupying 51 of 54 available apartments.

Our nursing facility is recognized by the following affiliated groups:

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

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

APARTMENT COORDINATOR'S BIOGRAPHY

Kelly Rivers

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

EDUCATION:

1985 High School Graduate

WORK EXPERIENCE:

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

Mariner (for Profit) 2000-2002

White Oak Manor 2002 – present

CURRENT CONTACT INFORMATION:

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

Phone: 336-226-5739

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

- a) Oliver K. Cecil, Jr., NHA
Chief Executive Officer
Secretary
(44+ years' experience)
- b) Douglas M. Cecil, NHA
President
(37+ years' experience)
- c) John P. Barber, CPA
Executive Vice President – CFO
Treasurer
(43+ years' experience)
- d) Gregory Forsey
Director of Operations
(32+ years' experience)
- e) Joey Haney, CPA
Vice President Finance
(42+ years' experience)
- f) Susan Flanagan, MS, RD, LDN
Dietary Consultant
(38+ years' experience)
- g) Mildred Chapman, RN
Nurse Consultant
(43+ years' experience)
- h) Sharon Barnhardt, RN
Director of Risk Management & Compliance
(43+ years' experience)
- i) Pam Davis
Clinical Applications Coordinator
(41+ years' experience)
- j) Jacqueline Kirkwood, MSW, LMSW
Social Service Consultant
(35+ years' experience)
- k) Maintenance staff with preventive maintenance duties to insure efficiency and safety for staff and residents.

l) Staff of 36 Home Office Support Personnel

Note: The above Corporate Staff can be contacted at:

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

CORPORATE STRUCTURE AND MANAGEMENT COMPANY

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

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

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

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

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

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

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

RELATED PARTY TRANSACTION STATEMENT

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

The one exception is White Oak Pharmacy, Inc., who supplies prescription drugs, medical and nursing supplies to White Oak Manor – Burlington nursing facility. The value of the goods purchased by Why Oak Manor – Burlington varies from year to year. For the year ending 9/30/21, the total value was approximately \$127,992.00.

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

Shareholders:

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

Board of Directors

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

AFFILIATION STATEMENT

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

CRIMINAL VIOLATION STATEMENT

There are no directors, officers, agents, or managing employees of White Oak Manor, Inc., White Oak Manor – Burlington, Inc. and White Oak Management, Inc. that have ever been convicted of a felony or pleaded nolo contendere to a felony charge, or been held liable or enjoined in a civil action by final judgment that involved fraud, embezzlement, fraudulent conversion, or misappropriation of property; or (ii) is subject to a currently effective injunctive or restrictive court order, or within the past five years, had any State or Federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department for any reason.



White Oak Manor, Inc.
John P. Barber
Executive Vice President & CFO

3-3-22

Date

III. POLICIES

ADMISSION

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

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

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

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

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

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

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

- (i) In the event the Resident is to be transferred, based upon written medical certification, to a hospital or to White Oak Manor- Burlington Nursing Center, at least ten (10) days prior written notice or
 - (ii) In the event the Resident is to be transferred based upon written medical certification, anywhere else, at least thirty (30) days prior written notice; or
 - (iii) In the event the Resident is to be transferred anywhere else, without written medical certification, at least (60) sixty days prior written notice; or
- (e) At such time as, if ever, the apartment is destroyed by fire or other calamity, or if the apartment, or a substantial portion of the complex, is acquired through condemnation proceedings, making it such, under the circumstances, that the apartment is no longer reasonably fit for its intended use.

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

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

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

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

Apartment Rental Agreement (With Retention Schedule Included)

Retention Schedule is as follows:

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

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

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

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

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

Transfers

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

Marriages

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

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

Rent/ Default

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

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

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

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

IV. SERVICES

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

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

- (n) Basic Cable TV. Basic Cable TV service is provided by the Owner. Additional (expanded) services can be purchased by the Resident.
- (o) Personal Services. The following services are available at the Resident's expense:

Beauty/ Barber Shop

Accommodations for overnight guests

Dry cleaning pick-up and delivery

Daily delivery of local and national newspapers

V. **FEES/ RENT**

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

RETENTION & MONTHLY RENTAL FEES

Apartment Type	Retention Deposit	Monthly Rental Fee	
		1 st Person	2 nd Person
One Bedroom	\$25,000	\$1,180	\$1,465
Two Bedrooms	\$30,000	\$1,360	\$1,660

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

STRAIGHT RENTAL PLAN

Apartment Type	Retention Deposit	Monthly Rental Fee	
		1 st Person	2 nd Person
One Bedroom	N/A	\$1,700	\$1,990
Two Bedrooms	N/A	\$1,885	\$2,180

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

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

OAK CREEK APARTMENTS

SCHEDULE OF FEE CHANGES FOR THE LAST FIVE YEARS

RETENTION DEPOSIT PLAN

	2021		2020		2019		2018		2017	
	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>
<u>2 Bedrooms</u>										
1 Person	\$30,000	\$1,360	\$30,000	\$1,295	\$30,000	\$1,295	\$30,000	\$1,236	\$30,000	\$1,236
2 People	\$30,000	\$1,660	\$30,000	\$1,580	\$30,000	\$1,580	\$30,000	\$1,504	\$30,000	\$1,504
<u>1 Bedroom</u>										
1 Person	\$25,000	\$1,180	\$25,000	\$1,125	\$25,000	\$1,125	\$25,000	\$1,071	\$25,000	\$1,071
2 People	\$25,000	\$1,465	\$25,000	\$1,395	\$25,000	\$1,395	\$25,000	\$1,329	\$25,000	\$1,329

STRAIGHT RENTAL PLAN

	2021		2020		2019		2018		2017	
	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>
<u>2 Bedrooms</u>										
1 Person	N/A	\$1,885	N/A	\$1,795	N/A	\$1,795	N/A	\$1,710	N/A	\$1,710
2 People	N/A	\$2,180	N/A	\$2,075	N/A	\$2,075	N/A	\$1,978	N/A	\$1,978
<u>1 Bedroom</u>										
1 Person	N/A	\$1,700	N/A	\$1,620	N/A	\$1,620	N/A	\$1,545	N/A	\$1,545
2 People	N/A	\$1,990	N/A	\$1,895	N/A	\$1,895	N/A	\$1,803	N/A	\$1,803

OAK CREEK

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

	2021	2020	2019	2018	2017
<u>2 Bedrooms</u>					
1 Person	+65	N/C	+59	N/C	+36
2 People	+80	N/C	+76	N/C	+44
<u>1 Bedroom</u>					
1 Person	+55	N/C	+54	N/C	+31
2 People	+70	N/C	+66	N/C	+39

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

	2021	2020	2019	2018	2017
<u>2 Bedrooms</u>					
1 Person	+90	N/C	+85	N/C	+50
2 People	+105	N/C	+97	N/C	+58
<u>1 Bedroom</u>					
1 Person	+80	N/C	+75	N/C	+45
2 People	+95	N/C	+92	N/C	+53

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

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

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

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

VI. FINANCIAL INFORMATION

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

VII. PROJECTED VS. ACTUAL FORECAST COMPARISON

The following pages include:

1. White Oak Manor – Burlington and Oak Creek, Inc.
 - a. Comparison – Year Ended September 30, 2021
Forecasted Balance Sheet
 - b. Comparison – Year Ended September 30, 2021
Forecasted Income Statement
 - c. Comparison – Year Ended September 30, 2021
Forecasted Statements of Cash Flows
 - d. Schedules Exhibit A – Assets Limited to Use – Operating Reserve /
Consolidating Balance Sheet
 - e. Burlington Employee Benefits Variance (D)

White Oak Manor-Burlington and Oak Creek, Inc.
Comparison - Year Ended September 30, 2021
Forecasted Balance Sheets

ASSETS	2021 Actual	2021 Forecast	Variance	% Variance	
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 401,860	\$ 400,000	\$ 1,860	0%	
Accounts Receivable, Net	1,347,661	1,161,978	185,683	16%	A
Estimated Third-Party Payor Settlements			-	0%	
Other Current Assets	71,836	60,346	11,490	19%	
Total Current Assets	1,821,357	1,622,324			
ASSETS LIMITED AS TO USE - OPERATING RESERVE					
	258,514	154,416	104,098	67%	B
MOVEABLE EQUIPMENT					
Less: Accumulated Depreciation	1,871,175	1,869,014	2,161	0%	
Construction in Progress	1,507,264	1,534,356	(27,092)	-2%	
Moveable Equipment, Net	-	-	-	0%	
	363,911	334,658			
Total Assets	\$ 2,443,782	\$ 2,111,398			
LIABILITIES AND SHAREHOLDER'S EQUITY (DEFICIT)					
CURRENT LIABILITIES					
Accounts Payable	\$ 219,371	\$ 255,925	\$ (36,554)	-14%	
Accrued Wages and Other Liabilities	760,805	415,877	344,728	83%	C
Intercompany Accounts	(2,245)	(18,879)	16,634	-88%	
Medicare Advance Payments	-	205,275	(205,275)	-100%	D
Asset Retirement Obligation	79,034	79,034	-	0%	
Total Current Liabilities	1,056,765	937,232			
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	161,333	86,018	75,315	88%	
Unearned Deposit Revenue - Refundable	-	-	-	0%	
Deposits on Apartments	10,000	8,000	2,000	25%	
Total Deferred Credits	171,333	94,018			
LONG-TERM DEBT					
Total Liabilities	1,228,098	1,031,250			
SHAREHOLDER'S EQUITY (DEFICIT)					
Common Stock, par value \$1 per share; 350,000 shares authorized, 309,490 shares issued and outstanding	309,490	309,490	-	0%	
Retained Earnings (Deficit)	906,194	770,658			
Other Comprehensive Loss	-	-	-	0%	
Total Shareholder's Equity (Deficit)	1,215,684	1,080,148			
Total Liabilities and Shareholder's Equity (Deficit)	\$ 2,443,782	\$ 2,111,398			
Out of balance check		-	-	-	

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

A) Medicaid revenue was greater than expected causing receivable to increase over \$200k in final month. The balance declined back to normal over next two months.

B) Assets limited to use increased over forecasted due to market returns. Forecast also assumes company would manage investment balances to closely align to projected requirements.

C) Accrued wages were higher than forecasted due to timing of pay dates. October 2021 was a three payroll month.

D) PRF funds were recognized at the corporate level and not recognized at each facility.

White Oak Manor-Burlington and Oak Creek, Inc.
Comparison - Year Ended September 30, 2021
Forecasted Income Statement

	<u>2021 Actual</u>	<u>2021 Forecast</u>	<u>Variance</u>	<u>% Variance</u>	
REVENUES					
Net Patient Service Revenue	\$ 9,739,236	\$ 9,946,520	\$ (207,284)	-2%	
Apartment Rents	901,541	941,334	(39,793)	-4%	
Deposit Amortization	85,167	51,660	33,507	65%	
Investment Income	11,874	11,778	96	1%	
Other Revenue - Provider Relief Funds		572,689	(572,689)	-100%	E
Other Revenue	6,407	320,625	(314,218)	-98%	F
Total Revenues	<u>10,744,225</u>	<u>11,844,606</u>			
EXPENSES					
Nursing Services	3,824,916	4,401,135	(576,219)	-13%	G
Ancillaries	1,183,120	1,270,141	(87,021)	-7%	
Dietary Expenses	929,768	966,676	(36,908)	-4%	
Social Services	59,297	87,541	(28,244)	-32%	
Activities	76,856	85,659	(8,803)	-10%	
Medical Records	46,394	49,520	(3,126)	-6%	
Laundry and Linen	150,299	147,041	3,258	2%	
Housekeeping	348,931	350,431	(1,500)	0%	
Facility Operations and Maintenance	566,920	534,201	32,719	6%	
Depreciation	84,249	102,175	(17,926)	-18%	
Interest Expense	489		489	0%	
Taxes and Insurance	218,621	153,865	64,756	42%	
Employee Benefits	775,252	842,085	(66,833)	-8%	
COVID-19 Expenses	1,409,457	975,386	434,071	45%	H
General and Administrative	1,849,153	1,812,876	36,277	2%	
Total Expenses	<u>11,523,722</u>	<u>11,778,732</u>			
OPERATING LOSS	<u>(779,497)</u>	<u>65,874</u>			
NONOPERATING GAIN (LOSS)					
Change in Unrealized Losses on Investments	25,028	-			
Other Nonoperating Gain	955,877	-			
Total Nonoperating Loss	<u>980,905</u>	<u>-</u>			
Net Loss	<u>201,408</u>	<u>65,874</u>			

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

E) PRF funds were recognized at the corporate level and not recognized at each facility.

F) NCDOL request that intercompany accounts be closed out which results in a large adjustment to other revenue. The audited financial statements move this adjustment to the nonoperating section causing a variance for this line item. We will continue to work to have the forecast to mirror the audited financial statements.

G) Due to labor shortage White Oak increased nursing agency usage shifting nursing salary cost to COVID-19 Nursing Contract Labor.

H) Due to labor shortage White Oak increased nursing agency usage shifting nursing salary cost to COVID-19 Nursing Contract Labor.

White Oak Manor-Burlington and Oak Creek, Inc.
Comparison - Year Ended September 30, 2021
Forecasted Statements of Cash Flows

	2021 Actual	2021 Forecast	Variance	% Variance	
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Loss	\$ 201,408	\$ 65,874			
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation	84,249	102,175	(17,926)	-18%	
Deposit Amortization	(85,167)	(51,660)	(33,507)	65%	
Deposit Receipts	176,000	65,178	110,822	170%	H
Increase in Current Assets:					
Accounts Receivable	(244,016)	(58,333)	(185,683)	318%	I
PY Audit Adjustments			-	0%	
Other Current Assets	(13,719)	(2,321)	(11,398)	491%	
Increase in Current Liabilities:					
Accounts Payable	(38,050)	(1,496)	(36,554)	2443%	
Intercompany Accounts	(2,244)	(18,879)	16,635	-88%	
Accrued Wages and Other Liabilities	52,228	(9,583)	61,791	-646%	
Medicare Advance Payments	-	(77,571)	77,571	-100%	
Net Cash Provided by Operating Activities	130,689	13,404			
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(93,727)	(82,400)	(11,327)	14%	
Net Change in Assets Limited as to Use - Operating Reserve	(36,902)	67,196	(104,098)	-155%	J
Net Cash Used in Investing Activities	(130,629)	(15,204)			
CASH FLOWS FROM FINANCING ACTIVITIES					
Distributions to Shareholder	-	-	-	0%	
Net Cash Used in Financing Activities	-	-			
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	60	(1,800)			
Cash and Cash Equivalents - Beginning of Year	401,800	401,800			
CASH AND CASH EQUIVALENTS - END OF YEAR					
	\$ 401,860	\$ 400,000			

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

H) More deposits for new apartment residents were received than expected.

I) Medicaid revenue was greater than expected causing receivable to increase over \$200k in final month. The balance declined back to normal over next two months.

J) Assets limited to use increased over forecasted due to market returns. Forecast also assumes company would manage investment balances to closely align to projected requirements.

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

		Reserve Calculation for 2022				
		Formula	Tryon	Burlington	Charlotte	
Total Projected Operating Expenses:						
Projected SNF Expense	A		7,804,874	10,390,785	12,307,361	
Projected Apartment Expense	B		1,807,040	952,867	579,928	
	C	A + B	9,611,914	11,343,652	12,887,289	
Total Projected Depreciation Expense:						
Projected SNF Depreciation	D		82,812	67,161	67,275	
Projected Apartment Depreciation	E		73,732	20,861	18,864	
	F	D + E	156,544	88,022	86,139	
% of SNF Patient Days Attributable to Apartment Residents		G	2.40%	0.34%	0.52%	
% of SNF Days Attributable to SNF only Residents		H	97.60%	99.66%	99.48%	
Calculation of Excluded Expenses		I	H * A	7,617,557	10,355,456	12,243,363
Calculation of Included Expenses		J	G * A	187,317	35,329	63,998
Calculation of included Depreciation		K	D * G	1,987	228	350
Expenses Subject to DOI Approved Operating Reserve		L	B+J-E-K	1,918,638	967,107	624,712
Operating Reserve Percentage		M	25.00%	25.00%	25.00%	
Projected Reserve Req		N	L * M	479,660	241,777	156,178
Investment Balances			691,610	258,514	207,061	

VIII. RESERVES, ESCROW AND TRUSTS

Sufficient reserves are maintained at all times to pay the residents the total outstanding initial deposit liability. The amount available at September 30, 2020 was \$258,514.

The amount anticipated to meet the operating reserve requirement effective at September 30, 2021 is \$241,777.

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

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

IX. FACILITY DEVELOPMENT/ EXPANSION

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

X. OTHER MATERIAL INFORMATION, AS APPLICABLE

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

XI. RESIDENT’S AGREEMENT/ CONTRACT

Please refer to Attachment

Attachment I

WHITE OAK MANOR, INC. AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of White Oak Manor, Inc. and Subsidiaries (the Company), which comprises the consolidated balance sheets as of September 30, 2021 and 2020, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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



Board of Directors
White Oak Manor, Inc. and Subsidiaries

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of White Oak Manor, Inc. and Subsidiaries as of September 30, 2021 and 2020, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter Regarding Changes in Accounting Principles

As described in Note 1, White Oak Manor, Inc. and Subsidiaries adopted a provision of Financial Accounting Standards Board Accounting Standards Updates 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. Our opinion is not modified with respect to that matter.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
January 24, 2022

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2021 AND 2020

ASSETS	2021	2020
CURRENT		
Cash and Cash Equivalents	\$ 12,362,348	\$ 23,718,970
Patient Accounts Receivable, Net of Allowance for Uncollectible Accounts of Approximately \$569,000 and \$279,000 in 2021 and 2020, Respectively	15,233,507	15,987,011
Investments	7,509,008	6,118,276
Other Current Assets	3,019,415	1,497,377
Total Current Assets	38,124,278	47,321,634
 ASSETS LIMITED AS TO USE	 1,839,343	 1,709,007
 PROPERTY AND EQUIPMENT	 153,246,965	 147,952,434
Less: Accumulated Depreciation	(93,692,089)	(87,578,909)
Property and Equipment, Net	59,554,876	60,373,525
 OTHER ASSETS		
Deferred Other Costs, Net	59,749	126,829
Goodwill, Net	271,837	339,797
Total Other Assets	331,586	466,626
 Total Assets	\$ 99,850,083	\$ 109,870,792

See accompanying Notes to Consolidated Financial Statements.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
SEPTEMBER 30, 2021 AND 2020

LIABILITIES AND SHAREHOLDERS' EQUITY	2021	2020
CURRENT LIABILITIES		
Cash Overdraft	\$ 319,799	\$ 288,090
Current Portion of Long-Term Debt	2,692,671	2,739,455
Accounts Payable	5,009,626	6,082,295
Accrued Wages and Other Liabilities	17,209,706	20,912,348
Deferred Revenue - Provider Relief Funding	1,874,139	7,961,778
Tenant Deposits	259,607	155,496
Total Current Liabilities	27,365,548	38,139,461
LONG-TERM DEBT, NET OF CURRENT PORTION	45,169,755	47,818,175
FAIR VALUE OF INTEREST RATE SWAP AGREEMENTS	1,493,038	2,530,756
OTHER LIABILITIES		
Deferred Income	847,464	655,123
Asset Retirement Obligation	876,656	876,656
Total Other Liabilities	48,386,913	51,880,710
Total Liabilities	75,752,461	90,020,171
SHAREHOLDERS' EQUITY		
Common Stock: Series A Voting, No Par Value, Authorized 1,000,000 Shares; Issued and Outstanding 47,050 Shares	110	110
Common Stock: Series B Nonvoting, No Par Value, Authorized 20,000,000 Shares; Issued and Outstanding 19,916,135 Shares	46,752	46,752
Retained Earnings	24,050,760	19,803,759
Total Shareholders' Equity	24,097,622	19,850,621
Total Liabilities and Shareholders' Equity	\$ 99,850,083	\$ 109,870,792

See accompanying Notes to Consolidated Financial Statements.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
REVENUE		
Net Patient Service Revenue	\$ 150,758,762	\$ 163,281,795
Management Fee Revenue	488,184	497,289
Change In Fair Value of Interest Rate Swap Agreements	1,037,718	(897,114)
Other Revenue - COVID Relief Funding	14,430,450	4,179,718
Other Revenue	5,894,795	5,997,129
Total Revenue	172,609,909	173,058,817
EXPENSES		
Nursing Service	59,394,651	62,541,375
Ancillaries	16,552,317	19,463,965
Dietary	13,033,503	13,728,948
Social Services	2,288,334	2,336,247
Activities	1,629,591	1,698,208
Medical Records	701,335	711,064
Laundry and Linen	1,778,286	1,900,422
Housekeeping	4,548,588	4,824,673
Facility Operations and Maintenance	7,802,447	7,763,772
Depreciation	6,174,952	6,196,247
Interest Expense	1,530,177	1,960,633
Amortization Expense	135,039	148,131
Property Taxes and Insurance	5,503,049	4,825,498
Employee Benefits	12,635,998	13,723,499
COVID-19 Expenses	13,589,074	9,489,505
General and Administrative	20,428,346	19,677,802
Total Expenses	167,725,687	170,989,989
OPERATING INCOME (LOSS)	4,884,222	2,068,828
NONOPERATING GAIN (LOSS)		
Change in Unrealized Gains on Investments	1,400,646	332,713
Gain (Loss) on Sale of Property	(28,888)	2,711,130
Other Nonoperating Gain (Loss)	15,887	(95,763)
Total Nonoperating Gain (Loss)	1,387,645	2,948,080
NET INCOME	\$ 6,271,867	\$ 5,016,908

See accompanying Notes to Consolidated Financial Statements.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	Series A Voting Common Stock		Series B Nonvoting Common Stock		Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
	Shares	Amount	Shares	Amount			
BALANCE - SEPTEMBER 30, 2019	47,050	\$ 110	19,916,135	\$ 46,752	\$ 13,331,756	\$ 1,578,250	\$ 14,956,868
Reclassification Due to the Adoption of ASU No. 2016-01	-	-	-	-	1,578,250	(1,578,250)	-
Net Income	-	-	-	-	5,016,908	-	5,016,908
Distributions to Shareholders	-	-	-	-	(123,155)	-	(123,155)
BALANCE - SEPTEMBER 30, 2020	47,050	110	19,916,135	46,752	19,803,759	-	\$ 19,850,621
Net Income	-	-	-	-	6,271,867	-	6,271,867
Distributions to Shareholders	-	-	-	-	(2,024,866)	-	(2,024,866)
BALANCE - SEPTEMBER 30, 2021	<u>47,050</u>	<u>\$ 110</u>	<u>19,916,135</u>	<u>\$ 46,752</u>	<u>\$ 24,050,760</u>	<u>\$ -</u>	<u>\$ 24,097,622</u>

See accompanying Notes to Consolidated Financial Statements.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 6,271,867	\$ 5,016,908
Adjustments to Reconcile Net income to Net Cash Provided by Operating Activities:		
Depreciation	6,174,952	6,196,247
Amortization	135,039	148,131
Amortization of Debt Issuance Costs	12,420	21,866
Bad Debt Expense	1,098,332	1,259,812
Change in Unrealized (Gains) Losses on Investments	(1,400,646)	(332,713)
Change in Fair Value of Swap Agreement	(1,037,718)	897,114
Change in Third-Party Payor Settlements	5,000	(45,000)
Unearned Deposit Income and Other Liabilities	192,341	(59,821)
Gain on Disposal of Property	28,888	(2,711,130)
Decrease (Increase) in:		
Patient Accounts Receivable	(344,828)	2,297,693
Other Assets	(1,522,037)	(276,993)
Increase (Decrease) in:		
Cash Overdraft	31,709	(2,612,992)
Accounts Payable	(1,072,669)	169,326
Accrued Wages and Other Liabilities	(3,707,642)	10,592,183
Deferred Revenue - Provider Relief Funding	(6,087,839)	7,961,778
Asset Retirement Obligation	-	(32,444)
Tenant Deposits	104,112	(2,948)
Net Cash Provided (Used) by Operating Activities	(1,118,519)	28,487,017
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in Assets Limited as to Use	(120,422)	(211,343)
Purchases of Property and Equipment	(5,395,291)	(2,442,608)
Proceeds from Sale of Property	10,100	3,207,193
Net Cash Provided (Used) by Investing Activities	(5,505,613)	553,242
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Long-Term Debt	(2,708,484)	(5,511,842)
Proceeds from Line of Credit, Net	-	-
Distributions to Shareholders	(2,024,866)	(123,155)
Increase of Deferred Loan and Other Costs	(1,140)	-
Net Cash Used by Financing Activities	(4,732,490)	(5,634,997)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(11,356,622)	23,405,262
Cash and Cash Equivalents - Beginning of Year	23,718,970	313,708
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 12,362,348	\$ 23,718,970
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 1,561,753	\$ 2,503,655

See accompanying Notes to Consolidated Financial Statements.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

Principles of Consolidation

The accompanying 2021 and 2020 consolidated financial statements include the accounts of White Oak Manor, Inc. and its wholly-owned subsidiaries, which are as follows:

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

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

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

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates could also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

Cash equivalents consist of temporary bank deposits, money market instruments, and certificates of deposit with an original maturity of three months or less at the date of purchase. As of September 30, 2021 and 2020, the Company had overdrawn its cash balances by \$319,799 and \$288,090, respectively.

Allowance for Uncollectible Accounts

The Company provides an allowance for uncollectible accounts using management's judgment. Residents are not required to provide collateral for services rendered. Payment for services is required upon receipt of invoice or claim submitted. Accounts past due more than 45 days are individually analyzed for collectability. At September 30, 2021 and 2020, the allowance for uncollectible accounts was approximately \$569,000 and \$279,000, respectively.

Investments

On October 1, 2019, the Company adopted the provisions of Financial Accounting Standards Board Accounting Standards Update 2016-01, *Financial Instruments* using a modified retrospective transition method. The new accounting standard requires unrealized gains and losses on instruments other than debt securities to be included within net income (loss) on the consolidated statements of comprehensive income. Prior to this adoption, investments with readily determinable fair values were classified as available-for-sale with changes in fair value reported through other comprehensive income. The adoption of this accounting standard resulted in a reclassification of \$1,578,250 of accumulated other comprehensive income into retained earnings by recognizing an adjustment to beginning retained earnings for the net unrealized gains and losses on equity investments with readily determinable fair values. The effect of the change on income for the year ended September 30, 2020 was an increase of approximately \$332,713.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Limited as to Use

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

Property and Equipment

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

Goodwill

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

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

Amortization expense for the years ended September 30, 2021 and 2020 was approximately \$68,000.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue – Provider Relief Funding

Due to the COVID-19 pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF). Total grant funds approved and received by Company during 2021 and 2020 was \$1,777,436 and \$12,141,496, respectively. The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. At September 30, 2021 and 2020, the Company recognized \$7,865,073 and \$4,179,718 of Provider Relief Funding, respectively, as other operating revenue in the consolidated statements of income and \$1,874,139 and \$7,961,778, respectively, as a deferred revenue in the consolidated balance sheets. Management believes the amounts have been recognized appropriately as of September 30, 2021 and 2020.

Deferred Income

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

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

Net Patient Service Revenue

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

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

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company, with the consent of its shareholders, has elected S-corporation status. In lieu of corporate income taxes, earnings and losses are included in the income tax returns of the shareholders; accordingly, the accompanying consolidated financial statements do not reflect a provision or liability for federal and state income taxes. The Company has determined that it does not have any material unrecognized tax benefits or obligations as of September 30, 2021.

Fair Value of Financial Instruments

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

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

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

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

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

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

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

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

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

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

Variable Interest Entity

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

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

Risks and Uncertainties

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

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risks and Uncertainties (Continued)

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Company, COVID-19 may impact various parts of its 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. Management believes the Company is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of September 30, 2021.

Change In Accounting Principle

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The guidance requires the Company to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract.

ASU 2014-09 requires companies to exercise more judgment and recognize revenue using a five-step process. The Company adopted ASU 2014-09 using the modified retrospective method for all contracts effective October 1, 2020 and is using a portfolio approach to group contracts with similar characteristics and analyze historical cash collections trends. Modified retrospective adoption requires entities to apply the standard retrospectively to the most current period presented in the financial statements, requiring the cumulative effect of the retrospective application as an adjustment to the opening balance of net assets without donor restrictions at the date of initial application. Prior periods have not been adjusted. No cumulative-effect adjustment in shareholders' equity was recorded as the adoption of ASU 2014-09 did not significantly impact the Company's reported historical revenue.

The adoption of ASU 2014-09 has no impact on the Company's accounts receivable as it was historically recorded net of allowance for doubtful accounts and contractual adjustments. The adoption of ASU 2014-09 did not have a significant impact on the Company's consolidated statements of income.

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

Revenue is primarily derived from services rendered to patients for inpatient nursing care, assisted living and independent living services. The services provided by the Company have no fixed duration and can be terminated by the patient or the facility at any time, and therefore, each is its own stand-alone contract.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through January 24, 2022, the date the consolidated financial statements were available to be issued.

NOTE 2 INVESTMENTS

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

	2021		2020	
	Cost	Market Value	Cost	Market Value
Cash and Cash Equivalents	\$ 136,537	\$ 136,537	\$ 384,458	\$ 384,458
Equity Securities	3,876,142	6,796,921	3,311,419	5,120,833
Debt Securities	222,618	236,314	239,790	255,067
Alternative Investments	125,433	339,236	202,664	357,918
Total	<u>\$ 4,360,730</u>	<u>\$ 7,509,008</u>	<u>\$ 4,138,231</u>	<u>\$ 6,118,276</u>

Investment income and gains for assets limited as to use, cash equivalents, and other investments are recorded in nonoperating gain (loss) on the consolidated statements of income. They are comprised of the following for the years ended September 30, 2021 and 2020:

	2021	2020
Income:		
Interest and Dividend Income, Net of Fees	\$ 60,291	\$ 62,975
Realized Gains on Sales of Securities	63,870	141,277
Total	<u>\$ 124,161</u>	<u>\$ 204,252</u>
Nonoperating Gain (Loss):		
Unrealized Gains on Investments	<u>\$ 1,400,646</u>	<u>\$ 332,713</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 3 ASSETS LIMITED AS TO USE

Assets limited as to use are as follows at September 30, 2021 and 2019:

	2021	2020
Designated to Comply with Requirements Established by the Department of Insurance of North Carolina:		
Cash and Cash Equivalents	\$ 15,782	\$ 58,674
Equity Investments	824,830	836,135
Debt Securities	27,314	38,927
Total Designated to Comply	867,926	933,736
Apartment Reservation Deposits:		
Cash and Cash Equivalents	15,130	40,547
Equity Investments	790,817	577,823
Debt Securities	26,188	26,901
Total Apartment Reservation Deposits	832,135	645,271
Apartment Retention Deposits, Refundable and Nonrefundable:		
Cash and Cash Equivalents	2,533	8,169
Equity Investments	132,366	116,411
Debt Securities	4,383	5,420
Total Apartment Retention Deposits	139,282	130,000
Total	\$ 1,839,343	\$ 1,709,007

Operating Reserve Requirement

The Company has three subsidiaries that operate continuing care facilities in North Carolina: White Oak Manor – Charlotte, Inc.; White Oak Manor – Tryon, Inc.; and White Oak Manor – Burlington, Inc. Under the laws and regulations of the Department of Insurance of North Carolina, which regulates continuing care facilities operating in that state, the Company is required to maintain operating reserves from 25% to 50%, depending on the occupancy percentage, of the total occupancy costs of the independent living units (i.e., total expenses less depreciation, amortization, and interest expense) plus an allocated portion of the skilled nursing facilities expenses based on a ratio of skilled nursing patient days provided to independent living patients, projected for the 12-month period following the period covered by the most recent annual statement filed with the Department of Insurance. This updated calculation was developed by the Department of Insurance in 2019 for the Company. The total required reserve at both September 30, 2021 and 2020 is \$867,926 and \$933,736, respectively. These assets are restricted and cannot be used without approval by the Department of Insurance.

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

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 3 ASSETS LIMITED AS TO USE (CONTINUED)

Deposits

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

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

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	2021	2020
Land and Improvements	\$ 16,727,799	\$ 15,469,131
Buildings	97,661,493	96,282,394
Fixed Equipment	19,745,153	18,880,076
Moveable Equipment	18,122,128	16,990,976
Construction in Progress	990,392	329,857
	<u>153,246,965</u>	<u>147,952,434</u>
Less - Accumulated Depreciation	<u>(93,692,089)</u>	<u>(87,578,909)</u>
Total	<u>\$ 59,554,876</u>	<u>\$ 60,373,525</u>

At September 30, 2021 and 2020, construction in progress related to general renovations. Depreciation expense for the years ended September 30, 2021 and 2020 amounted to approximately \$6,175,000 and \$6,196,000, respectively.

NOTE 5 GOODWILL

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

	2021	2020
Goodwill	\$ 679,593	\$ 679,593
Accumulated Amortization	<u>(407,756)</u>	<u>(339,796)</u>
Total	<u>\$ 271,837</u>	<u>\$ 339,797</u>

Amortization expense for 2021 and 2020 was approximately \$68,000.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 6 ACCRUED WAGES AND OTHER LIABILITIES

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

	<u>2021</u>	<u>2020</u>
Accrued Salaries, Wages, Taxes, and Benefits	\$ 6,813,986	\$ 9,082,043
Medicare Advance Payments - CARES Act	4,448,383	7,034,934
Self-Insurance Liabilities	3,786,589	2,340,339
Property Taxes	1,729,820	1,695,690
Other Accrued Liabilities	430,928	759,342
Total	<u>\$ 17,209,706</u>	<u>\$ 20,912,348</u>

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

NOTE 7 LONG-TERM DEBT

The following comprise long-term debt at September 30:

<u>Description</u>	<u>2021</u>	<u>2020</u>
Mortgage note payable, maturing March 20, 2024, including interest at 30-day LIBOR plus 1.6% (1.69% at September 30, 2021).	\$ 17,730,641	\$ 19,035,900
Note payable, maturing April 20, 2025, including interest at 30-day LIBOR plus 1.6% (1.69% at September 30, 2021).	9,100,000	9,750,000
Note payable, maturing July 15, 2025, including interest at 30-day LIBOR plus 1.6% (1.69% at September 30, 2021).	19,968,316	20,449,967
Equipment note payable, maturing July 15, 2025, including interest at 30-day LIBOR plus 1.6% (1.69% at September 30, 2021).	<u>1,091,037</u>	<u>1,360,611</u>
Total	47,889,994	50,596,478
Less: Unamortized Debt Issuance Costs	27,568	38,848
Less: Current Portion	<u>2,692,671</u>	<u>2,739,455</u>
Total Long-Term Debt	<u>\$ 45,169,755</u>	<u>\$ 47,818,175</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 7 LONG-TERM DEBT (CONTINUED)

The Company maintains a \$6,950,000 line of credit with Truist Bank. Advances under the line of credit bear interest at a rate of 1.69% at September 30, 2021 with a maturity date of July 20, 2023. No amounts were outstanding as of September 30, 2021 or 2020.

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

Estimated maturities on long-term debt follow:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 2,692,671
2023	2,692,671
2024	16,584,482
2025	<u>25,920,170</u>
Total	<u>\$ 47,889,994</u>

The terms of certain loan agreements contain covenants that require the maintenance of specific financial ratios and other covenants. As of September 30, 2021, the Company believes they are in compliance with these covenants.

NOTE 8 ASSET RETIREMENT OBLIGATION

The Company records an asset retirement obligation for which the fair value of the environmental remediation liability can be reasonably estimated. The Company has identified and recorded an asbestos asset retirement obligation related to certain aspects of its communities. The Company had a liability of approximately \$877,000 at September 30, 2021 and 2020 related to this obligation. No accretion expense was recorded in 2021 or 2020 related to this obligation.

NOTE 9 COMMON STOCK

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

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

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 10 NET PATIENT SERVICE REVENUE

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

	2021	2020
Routine Services	\$ 143,239,890	\$ 155,672,146
Special Services	29,082,588	32,396,242
	<u>172,322,478</u>	<u>188,068,388</u>
Less: Contractual Adjustments	(21,563,716)	(24,786,593)
Total	<u>\$ 150,758,762</u>	<u>\$ 163,281,795</u>

Patient service revenue is reported at the amount that reflects the consideration to which the Company expects to be entitled in exchange for providing resident and patient care. These amounts are due from residents, patients, 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. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Company. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Company 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 and patients receiving skilled nursing, and assisted living services. The Company considers daily services provided to residents of the skilled nursing facility and monthly rental for housing services, as separate performance obligations and measures these on a monthly basis, or upon move-out within the month, whichever is shorter.

For nursing home and assisted living residents, the Company measures the performance obligation from admission into the facility, to the point when it is no longer required to provide services to that resident, which is generally at the time of discharge.

The Company 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 Company's policy and/or implicit price concessions provided to residents. The Company determines its estimates of contractual adjustments based on contractual agreements, its policies, and historical experience. The Company determines its estimate of implicit price concessions based on the evaluation of individual patients.

Agreements with third-party payors typically provide for payments at amounts less than established charges.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 10 NET PATIENT SERVICE REVENUE (CONTINUED)

A summary of the payment arrangements with major third-party payors follows:

Medicaid – Standard Payments to Nursing Facilities

The Company has agreements with the states of South Carolina and North Carolina under the Medicaid program, and participates in the Medicare program. The Company has had a long-standing agreement with the state of South Carolina such that the Company provides care to Medicaid patients based upon fixed, prospectively determined rates.

Medicare – Prospective Payment System Payments to Skilled Nursing Facilities

Through September 30, 2019, the Company received reimbursement for the care of certain patients under the federally sponsored Medicare prospective payment system (PPS) through an insurance intermediary. The federal rates utilize facility case-mix resident assessment data, completed by the skilled nursing facility (SNF), to assign patients into Resource Utilization Groups (RUG). SNFs must complete the resident assessments according to a specific time schedule designed for Medicare payment. SNFs that do not comply with this requirement will be paid at a default payment (the lowest of the federal rates) for the days of a patient's care for which the SNF is not in compliance.

The PPS program mandates the implementation of fee schedules for SNF therapy services to residents not in a covered Part A stay and to nonresidents who receive outpatient rehabilitation services from the SNF. The Centers for Medicare and Medicaid Services imposed a limit for both physical therapy (including speech therapy) and occupational therapy services, except for certain medical conditions. Program is administered by the Centers for Medicare and Medicaid Services (CMS).

Effective October 1, 2019, the Medicare Reimbursement System underwent a significant change in methodology and implemented a patient driven payment model (PDPM). The PDPM payment system operates similar to PPS in that patients are assigned standard rates of payment for their specific needs. Under PDPM, therapy minutes are removed as the primary basis for payment and instead, uses the underlying complexity and clinical needs of a patient as a basis for reimbursement. In addition, PDPM introduces variable adjustment factors that change reimbursement rates during the resident's length of stay. Therapy services to residents not in a covered Part A stay remain the same.

Other

Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined daily rates.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 10 NET PATIENT SERVICE REVENUE (CONTINUED)

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Company's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Company. In addition, the contracts the Company has with commercial payors also provide for retroactive audit and review of claims.

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 Company'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 and 2020.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Company 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 changes to the estimate of the transaction price are generally recorded as adjustments to resident service 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.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 10 NET PATIENT SERVICE REVENUE (CONTINUED)

The Company has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, Medicare, Medicaid, managed care or other insurance, patient) have different reimbursement/payment methodologies
- Length of the patient's service/episode of care
- Method of reimbursement (fee for service or capitation)
- The Company's line of business that provided the service (for example, skilled nursing, assisted living, independent living, etc.)

For the years ended September 30, 2021 and 2020, the Company recognized revenue of \$150,758,762 and \$163,281,795 respectively, from goods and services that transfer to the customer over a period of time.

The Company has provided for final settlements with the Medicare program and with Medicaid in the period the related services are rendered, and adjusts such estimates as final settlements are determined. Revenue from the Medicaid and Medicare programs together accounted for approximately 69% and 76%, respectively, of the Company's net patient service revenue in the years ended September 30, 2021 and 2020.

NOTE 11 CONCENTRATION OF CREDIT RISK

FDIC Insurance

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

Receivables

The Company grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at September 30, 2021 and 2020 was as follows:

	2021	2020
Medicare	12 %	16 %
Medicaid	43	39
Other Third-Party Payors	45	45
Total	<u>100 %</u>	<u>100 %</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 12 OPERATING LEASES

The Company leases its office building and certain transportation equipment under lease agreements, which are classified as operating leases. Rent expense under such leases totaled approximately \$1,857,000 and \$1,614,000 in 2021 and 2020, respectively. Future annual minimum lease commitments under such leases are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 1,159,968
2023	928,766
2024	192,526
Total	\$ 2,281,260

NOTE 13 DERIVATIVE FINANCIAL INSTRUMENTS

The Company periodically entered into interest rate swap agreements (interest swaps) to moderate its exposure to interest rate changes. As of September 30, 2021 and 2020, the Company had interest swaps with notional amounts of approximately \$27,286,000 and \$28,395,000, respectively. These swaps change their variable rate interest on the associated debt to fixed rates of 2.59%, 4.28%, and 5.06%.

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

	<u>Liability Derivative</u>			
	<u>September 30, 2021</u>		<u>September 30, 2020</u>	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
	Fair Value of Interest Rate Swap Agreements		Fair Value of Interest Rate Swap Agreements	
Interest Rate Swap	\$	1,493,038	\$	2,530,756

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 13 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

	Location of Unrealized Gain (Loss) Recognized in Income on the Derivative	Amount of Unrealized Gain (Loss) Recognized in Income on the Derivative	
		September 30, 2021	September 30, 2020
	Change in Fair Value of Interest Rate Swap Agreements		
Interest Rate Swap		\$ 1,037,718	\$ (897,114)

The Company is exposed to a credit loss for the periodic settlement of amounts due under its interest rate swap agreements; however, such amounts were not material at September 30, 2021.

NOTE 14 RETIREMENT PLAN

The Company sponsors a retirement plan (the Plan) that covers substantially all employees. The Company's profit sharing contributions to the Plan are discretionary and are deposited with a qualified trustee with the employees' elective deferrals and the Company's matching contributions. The Company's profit sharing contributions are allocated based on the annual compensation of the participants. The Company made profit sharing and matching contributions of approximately \$203,000 and \$455,000 during the years ended September 30, 2021 and 2020, respectively.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 15 RELATED PARTY TRANSACTIONS

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

	2021	2020
Accounts Payable to White Oak Pharmacy	\$ 479,637	\$ 376,895
Nursing Expenses Provided to White Oak Pharmacy	50,831	70,062
Ancillary Expenses Provided to White Oak Pharmacy	4,848,486	5,271,198
Medical Supplies Provided to White Oak Pharmacy	101,081	120,960
Consulting Expenses Provided to White Oak Pharmacy	587,124	546,931
Other Expenses Provided to White Oak Pharmacy	48,289	79,771

The Company leases its corporate office building from a related party trust (the Trust). The original lease expired in June 2013 and is renewed annually. Payments under the lease are approximately \$33,540 per month and are to be adjusted annually based on changes in the Consumer Price Index. Lease expense provided to the Trust was approximately \$403,000 in 2021 and 2020.

The Company is the guarantor on the mortgage payable on the building. The loan matures December 11, 2027, and requires monthly principal and interest payments of \$3,828. The loan bears interest at One Month LIBOR plus 1.75%. As of September 30, 2021, the outstanding balance of the loan was approximately \$638,000.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

	2021			Total
	Level 1	Level 2	Level 3	
Assets:				
Investments:				
Equity Securities	\$ 6,863,667	\$ -	\$ -	\$ 6,863,667
Debt Securities	236,314	-	-	236,314
Assets Limited as to Use:				
Equity Investments	1,748,013	-	-	1,748,013
Debt Securities	57,885	-	-	57,885
Total Assets Measured at Fair Value	\$ 8,905,879	\$ -	\$ -	\$ 8,905,879
Liabilities:				
Interest Rate Swap Agreement	\$ -	\$ 1,493,038	\$ -	\$ 1,493,038
Total Liabilities Measured at Fair Value	\$ -	\$ 1,493,038	\$ -	\$ 1,493,038
	2020			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Equity Securities	\$ 5,120,833	\$ -	\$ -	\$ 5,120,833
Debt Securities	255,067	-	-	255,067
Assets Limited as to Use:				
Equity Securities	1,530,369	-	-	1,530,369
Debt Securities	71,248	-	-	71,248
Total Assets Measured at Fair Value	\$ 6,977,517	\$ -	\$ -	\$ 6,977,517
Liabilities:				
Interest Rate Swap Agreement	\$ -	\$ 2,530,756	\$ -	\$ 2,530,756
Total Liabilities Measured at Fair Value	\$ -	\$ 2,530,756	\$ -	\$ 2,530,756

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 16 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following tables set forth additional disclosures for the fair value measurement of certain investments that calculate net asset value per share (or its equivalent) for the years ended September 30, 2021 and 2020:

		2021			
		Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
				Initial 2 Year Period; Quarterly Thereafter	45 Days
Alternative Investments		\$ 339,236	\$ -		
		2020			
		Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
				Initial 2 Year Period; Quarterly Thereafter	45 Days
Alternative Investments		\$ 357,918	\$ -		

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

NOTE 17 COMMITMENTS AND CONTINGENCIES

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Self-Insurance

Health Insurance

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

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE 17 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Self-Insurance (Continued)

Workers' Compensation

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

Professional Liability

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

Management Agreement

In fiscal year 2017, the Company entered into a management agreement with Kershaw Health to manage the skilled nursing facility known as Karesh Long Term Care Center. The management agreement began on February 1, 2018 for a period of three years and will automatically review for five additional years. Under the management agreement, the Company will receive a management fee equal to 8% of net patient revenues each year. The Company is responsible for paying employees including salaries, wages, and benefits, that will be reimbursed by Karesh Long Term Care Center monthly.



CliftonLarsonAllen LLP
CLAcconnect.com

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the consolidated financial statements of White Oak Manor, Inc. and Subsidiaries as of and for the year ended September 30, 2021, and have issued our report thereon dated January 24, 2022, which expressed an unmodified opinion on those financial statements, and appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in the supplemental schedules is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual entities, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
January 24, 2022



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WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS	<u>Consolidated</u>	<u>Eliminations</u>	<u>White Oak Manor, Inc.</u>	<u>All Subsidiaries</u>
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 12,362,348	\$ -	\$ -	\$ 12,362,348
Patient Accounts Receivable, Net	15,233,507	(947,231)	-	16,180,738
Investments	7,509,008	-	7,509,008	-
Other Current Assets	3,019,415	-	718,924	2,300,491
Total Current Assets	<u>38,124,278</u>	<u>(947,231)</u>	<u>8,227,932</u>	<u>30,843,577</u>
 ASSETS LIMITED AS TO USE	 1,839,343	 -	 682,158	 1,157,185
 PROPERTY AND EQUIPMENT	 153,246,965	 -	 132,434,821	 20,812,144
Less: Accumulated Depreciation	(93,692,089)	-	(77,980,668)	(15,711,421)
Property and Equipment, Net	<u>59,554,876</u>	<u>-</u>	<u>54,454,153</u>	<u>5,100,723</u>
 OTHER ASSETS				
Deferred Other Costs, Net	59,749	-	-	59,749
Goodwill, Net	271,837	-	271,837	-
Intercompany Accounts	-	(65,969,293)	17,749,451	48,219,842
Investment in Subsidiaries	-	(3,177,082)	3,177,082	-
Total Other Assets	<u>331,586</u>	<u>(69,146,375)</u>	<u>21,198,370</u>	<u>48,279,591</u>
 Total Assets	 <u>\$ 99,850,083</u>	 <u>\$ (70,093,606)</u>	 <u>\$ 84,562,613</u>	 <u>\$ 85,381,076</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

LIABILITIES AND SHAREHOLDERS' EQUITY	Consolidated	Eliminations	White Oak Manor, Inc.	All Subsidiaries
CURRENT LIABILITIES				
Cash Overdraft	\$ 319,799	\$ -	\$ 319,799	\$ -
Current Portion of Long-Term Debt	2,692,671	-	2,692,671	-
Accounts Payable	5,009,626	(947,231)	37,960	5,918,897
Accrued Wages and Other Liabilities	17,209,708	-	27,364	17,182,362
Deferred Revenue - Provider Relief Funding	1,874,139	-	1,874,139	-
Tenant Deposits	259,607	-	-	259,607
Total Current Liabilities	<u>27,386,548</u>	<u>(947,231)</u>	<u>4,951,923</u>	<u>23,360,856</u>
LONG-TERM DEBT, Net of Current Portion	45,169,755	-	45,169,755	-
FAIR VALUE OF INTEREST RATE SWAP AGREEMENTS	1,493,038	-	1,493,038	-
OTHER LIABILITIES				
Deferred Income	847,464	-	-	847,464
Asset Retirement Obligation	876,856	-	-	876,856
Intercompany Accounts	-	(65,969,293)	-	65,969,293
Total Other Liabilities	<u>48,386,913</u>	<u>(65,969,293)</u>	<u>46,662,793</u>	<u>67,693,413</u>
Total Liabilities	75,752,461	(66,918,524)	51,614,716	91,054,269
SHAREHOLDERS' EQUITY				
Common Stock, Series A, Voting	110	(3,177,082)	110	3,177,082
Common Stock, Series B, Nonvoting	46,752	-	46,752	-
Retained Earnings (Accumulated Deficit)	24,060,760	-	32,901,035	(8,850,275)
Total Shareholders' Equity	<u>24,097,622</u>	<u>(3,177,082)</u>	<u>32,947,897</u>	<u>(5,673,193)</u>
Total Liabilities and Shareholders' Equity	<u>\$ 99,850,083</u>	<u>\$ (70,093,606)</u>	<u>\$ 84,562,613</u>	<u>\$ 85,381,076</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Consolidated	Eliminations	White Oak Manor, Inc.	All Subsidiaries
REVENUE				
Net Patient Service Revenue	\$ 150,758,762	\$ -	\$ -	\$ 150,758,762
Management Fee Revenue	488,184	(9,363,432)	-	9,851,616
Lease Fees	-	(6,820,240)	5,820,240	-
Apartment Fees	5,243,539	-	-	5,243,539
Deposit Revenue	449,136	-	-	449,136
Change in Value of Interest Rate Swap Agreements	1,037,718	-	1,037,718	-
Other Revenue - COVID Relief Funding	14,430,460	-	7,865,073	6,565,377
Interest and Other Revenue	202,120	-	82,277	119,843
Total Revenue	<u>172,609,909</u>	<u>(16,183,672)</u>	<u>14,805,308</u>	<u>172,988,273</u>
EXPENSES				
Nursing Service	59,394,651	-	-	59,394,651
Ancillaries	16,562,317	-	-	16,562,317
Dietary	13,033,503	-	-	13,033,503
Social Services	2,288,334	-	-	2,288,334
Activities	1,629,591	-	-	1,629,591
Medical Records	701,335	-	-	701,335
Laundry and Linen	1,778,286	-	-	1,778,286
Housekeeping	4,548,588	-	-	4,548,588
Facility Operations and Maintenance	7,802,447	-	-	7,802,447
Depreciation	6,174,952	-	6,040,422	1,134,530
Interest Expense	1,530,177	-	1,488,754	41,423
Amortization Expense	135,039	-	67,959	67,080
Property Taxes and Insurance	5,503,049	-	36,027	5,467,022
Employee Benefits	12,835,998	-	-	12,835,998
COVID-19 Expenses	13,589,074	-	-	13,589,074
General and Administrative	20,428,346	(15,183,672)	4,803	35,807,215
Total Expenses	<u>167,725,687</u>	<u>(16,183,672)</u>	<u>6,637,965</u>	<u>176,271,394</u>
OPERATING INCOME (LOSS)	4,884,222	-	8,167,343	(3,283,121)
NONOPERATING GAIN				
Change in Unrealized Gains on Investments	1,400,646	-	1,299,438	101,208
Gain on Sale of Property	(28,388)	-	(28,888)	-
Other Nonoperating Gain (Loss)	15,887	-	(52,963)	68,850
Total Nonoperating Gain	<u>1,387,645</u>	<u>-</u>	<u>1,217,587</u>	<u>170,058</u>
NET INCOME	\$ 6,271,867	\$ -	\$ 9,384,930	\$ (3,113,063)

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANAGEMENT, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 9,524,963
Patient Accounts Receivable, Net	1,321,594
Other Current Assets	1,625,045
Total Current Assets	12,471,602

PROPERTY AND EQUIPMENT, NET

96,972

Total Assets

\$ 12,568,574

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

Accounts Payable	\$ 2,373,407
Accrued Wages and Other Liabilities	4,558,407
Tenant Deposits	88,325
Total Current Liabilities	7,020,139

FAIR VALUE OF INTEREST RATE SWAP AGREEMENTS

-

OTHER LIABILITIES

Intercompany Accounts	50,589,747

Total Liabilities

57,609,886

SHAREHOLDER'S DEFICIT

Common Stock, Par Value \$1 per Share; 150,000 Shares Authorized; 123,381 Shares Issued and Outstanding	123,381
Accumulated Deficit	(45,164,693)
Total Shareholder's Deficit	(45,041,312)

Total Liabilities and Shareholder's Deficit

\$ 12,568,574

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANAGEMENT, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE	
Management Fees	\$ 9,851,616
Other Revenue	<u>11,676</u>
Total Revenue	9,863,292
EXPENSES	
Nursing Services	-
Medical Records	-
Housekeeping	24,683
Facility Operations and Maintenance	91,391
Depreciation	20,912
Interest Expense	14,580
Taxes and Insurance	1,437,315
Employee Benefits	1,661,107
COVID-19 Expenses	389,058
General and Administrative	<u>9,392,029</u>
Total Expenses	13,031,055
OPERATING LOSS	(3,167,763)
NONOPERATING GAIN	
Other Nonoperating Gain	<u>85</u>
Net Loss	<u><u>\$ (3,167,678)</u></u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – SPARTANBURG, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	101,600
Patient Accounts Receivable, Net		690,002
Other Current Assets		24,835
Total Current Assets		816,437

PROPERTY AND EQUIPMENT, NET

58,154

Total Assets

\$ 874,591

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

Accounts Payable	\$	78,178
Accrued Wages and Other Liabilities		356,339
Total Current Liabilities		434,517

OTHER LIABILITIES

Intercompany Accounts		2,206,114
Asset Retirement Obligation		98,633
Total Other Liabilities		2,304,747

Total Liabilities

2,739,264

SHAREHOLDER'S DEFICIT

Common Stock, Par Value \$1 per Share; 290,000 Shares Authorized; 154,935 Shares Issued and Outstanding		154,935
Accumulated Deficit		(2,019,608)
Total Shareholder's Deficit		(1,864,673)

Total Liabilities and Shareholder's Deficit

\$ 874,591

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – SPARTANBURG, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 4,251,594
Other Revenue - COVID Relief Funding	440,081
Other Revenue (Expense)	<u>(1,951)</u>
Total Revenue	4,689,724

EXPENSES

Nursing Services	2,252,642
Ancillaries	460,786
Dietary	480,123
Social Services	58,951
Activities	48,983
Medical Records	47,478
Laundry and Linen	71,774
Housekeeping	230,581
Facility Operations and Maintenance	290,122
Depreciation	9,850
Interest Expense	148
Taxes and Insurance	114,682
Employee Benefits	405,885
COVID-19 Expenses	692,389
General and Administrative	<u>1,002,563</u>
Total Expenses	<u>6,166,957</u>
Net Loss	<u>\$ (1,477,233)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – COLUMBIA, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 101,500
Patient Accounts Receivable, Net	1,496,425
Other Current Assets	42,150
Total Current Assets	<u>1,640,075</u>

PROPERTY AND EQUIPMENT, NET

185,613

OTHER ASSETS

Intercompany Accounts	<u>3,821,858</u>
-----------------------	------------------

Total Assets

\$ 5,647,546

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 175,601
Accrued Wages and Other Liabilities	715,393
Total Current Liabilities	<u>890,994</u>

OTHER LIABILITIES

Asset Retirement Obligation	81,458
Total Other Liabilities	<u>81,458</u>

Total Liabilities

972,452

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 150,000 Shares Authorized; 109,226 Shares Issued and Outstanding	109,226
Retained Earnings	4,565,868
Total Shareholder's Equity	<u>4,675,094</u>

Total Liabilities and Shareholder's Equity

\$ 5,647,546

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – COLUMBIA, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE	
Net Patient Service Revenue	\$ 8,905,417
Other Revenue - COVID Relief Funding	744,194
Other Revenue (Expense)	<u>(155)</u>
Total Revenue	9,649,456
 EXPENSES	
Nursing Services	3,833,469
Ancillaries	1,093,769
Dietary	733,133
Social Services	174,054
Activities	140,847
Medical Records	55,927
Laundry and Linen	118,812
Housekeeping	340,327
Facility Operations and Maintenance	489,989
Depreciation	31,566
Interest Expense	23
Taxes and Insurance	119,134
Employee Benefits	545,285
COVID-19 Expenses	807,798
General and Administrative	<u>1,482,565</u>
Total Expenses	9,966,698
 Net Loss	 <u>\$ (317,242)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – NEWBERRY, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
 (SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 101,000
Patient Accounts Receivable, Net	1,031,732
Other Current Assets	36,097
Total Current Assets	<u>1,168,829</u>

PROPERTY AND EQUIPMENT, NET

41,010

OTHER ASSETS

Intercompany Accounts	<u>3,947,527</u>
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Total Assets

\$ 5,157,366

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 155,623
Accrued Wages and Other Liabilities	680,330
Total Current Liabilities	<u>835,953</u>

OTHER LIABILITIES

Asset Retirement Obligation	41,498
Total Other Liabilities	<u>41,498</u>

Total Liabilities

877,451

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 150,000 Shares Authorized; 126,414 Shares Issued and Outstanding	126,414
Retained Earnings	4,153,501
Total Shareholder's Equity	<u>4,279,915</u>

Total Liabilities and Shareholder's Equity

\$ 5,157,366

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – NEWBERRY, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 8,411,273
Other Revenue - COVID Relief Funding	1,017,834
Other Revenue	1,964
Total Revenue	<u>9,431,071</u>

EXPENSES

Nursing Services	4,162,512
Ancillaries	897,304
Dietary	827,113
Social Services	239,728
Activities	104,558
Medical Records	41,618
Laundry and Linen	176,655
Housekeeping	293,950
Facility Operations and Maintenance	475,799
Depreciation	12,361
Interest Expense	147
Taxes and Insurance	110,665
Employee Benefits	781,609
COVID-19 Expenses	832,750
General and Administrative	1,348,444
Total Expenses	<u>10,305,213</u>
Net Loss	<u>\$ (874,142)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – ROCK HILL, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 101,500
Patient Accounts Receivable, Net	1,101,288
Other Current Assets	47,435
Total Current Assets	<u>1,250,203</u>

PROPERTY AND EQUIPMENT, NET

120,802

OTHER ASSETS

Intercompany Accounts	<u>10,069,034</u>
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Total Assets

\$ 11,440,039

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 209,190
Accrued Wages and Other Liabilities	1,184,283
Total Current Liabilities	<u>1,393,473</u>

OTHER LIABILITIES

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

Total Liabilities

1,457,162

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 200,000 Shares Authorized; 187,493 Shares Issued and Outstanding	187,493
Retained Earnings	9,795,384
Total Shareholder's Equity	<u>9,982,877</u>

Total Liabilities and Shareholder's Equity

\$ 11,440,039

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR -- ROCK HILL, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
 (SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 12,945,858
Other Revenue - COVID Relief Funding	751,752
Other Revenue (Expense)	<u>(2,396)</u>
Total Revenue	<u>13,695,214</u>

EXPENSES

Nursing Services	5,255,974
Ancillaries	1,517,385
Dietary	867,054
Social Services	203,194
Activities	127,892
Medical Records	59,792
Laundry and Linen	103,316
Housekeeping	359,625
Facility Operations and Maintenance	498,273
Depreciation	47,164
Interest Expense	250
Taxes and Insurance	184,098
Employee Benefits	1,076,101
COVID-19 Expenses	820,133
General and Administrative	<u>1,955,538</u>
Total Expenses	<u>13,075,789</u>
Net Income	<u><u>\$ 619,425</u></u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – SHELBY, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 101,100
Patient Accounts Receivable, Net	936,241
Other Current Assets	78,359
Total Current Assets	<u>1,115,700</u>

PROPERTY AND EQUIPMENT, NET

542,468

Total Assets

\$ 1,658,168

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

Accounts Payable	\$ 156,286
Accrued Wages and Other Liabilities	786,475
Total Current Liabilities	<u>942,761</u>

OTHER LIABILITIES

Deferred Income	1,350
Asset Retirement Obligation	124,760
Intercompany Accounts	4,017,700
Total Other Liabilities	<u>4,143,810</u>

Total Liabilities

5,086,571

SHAREHOLDER'S DEFICIT

Common Stock, Par Value \$1 per Share; 250,000 Shares Authorized; 206,031 Shares Issued and Outstanding	206,031
Accumulated Deficit	<u>(3,634,434)</u>
Total Shareholder's Deficit	<u>(3,428,403)</u>

Total Liabilities and Shareholder's Deficit

\$ 1,658,168

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – SHELBY, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 10,774,482
Other Revenue	<u>2,077</u>
Total Revenue	<u>10,776,559</u>

EXPENSES

Nursing Services	3,713,867
Ancillaries	888,110
Dietary	873,693
Social Services	137,524
Activities	101,607
Medical Records	39,194
Laundry and Linen	127,998
Housekeeping	295,739
Facility Operations and Maintenance	426,752
Depreciation	113,322
Interest Expense	70
Taxes and Insurance	301,171
Employee Benefits	584,395
COVID-19 Expenses	973,420
General and Administrative	<u>1,779,675</u>
Total Expenses	<u>10,366,537</u>

Net Income	<u>\$ 420,022</u>
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WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR -- KINGS MOUNTAIN, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 101,000
Patient Accounts Receivable, Net	1,088,166
Other Current Assets	52,002
Total Current Assets	<u>1,241,168</u>

PROPERTY AND EQUIPMENT, NET

249,734

OTHER ASSETS

Intercompany Accounts	<u>5,336,114</u>
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Total Assets

\$ 6,827,016

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 193,871
Accrued Wages and Other Liabilities	671,051
Total Current Liabilities	<u>864,922</u>

OTHER LIABILITIES

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

Total Liabilities

957,649

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 250,000 Shares Authorized; 206,060 Shares Issued and Outstanding	206,060
Retained Earnings	5,663,307
Total Shareholder's Equity	<u>5,869,367</u>

Total Liabilities and Shareholder's Equity

\$ 6,827,016

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – KINGS MOUNTAIN, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 12,641,396
Other Revenue (Expense)	<u>(2,210)</u>
Total Revenue	<u>12,639,186</u>

EXPENSES

Nursing Services	3,943,048
Ancillaries	1,014,416
Dietary	885,154
Social Services	137,072
Activities	116,830
Medical Records	36,778
Laundry and Linen	101,486
Housekeeping	269,204
Facility Operations and Maintenance	383,477
Depreciation	58,398
Interest Expense	144
Taxes and Insurance	552,986
Employee Benefits	666,124
COVID-19 Expenses	1,504,733
General and Administrative	<u>1,393,707</u>
Total Expenses	<u>11,063,557</u>

Net Income	<u>\$ 1,575,629</u>
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WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – TRYON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	547,775
Patient Accounts Receivable, Net		315,314
Other Current Assets		37,766
Total Current Assets		900,855

ASSETS LIMITED AS TO USE

691,610

PROPERTY AND EQUIPMENT, NET

723,655

Total Assets

\$ 2,316,120

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	117,819
Accrued Wages and Other Liabilities		737,088
Tenant Deposits		94,782
Total Current Liabilities		949,689

OTHER LIABILITIES

Deferred Income		344,864
Asset Retirement Obligation		38,460
Total Other Liabilities		383,314

Total Liabilities

1,333,003

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 350,000 Shares Authorized; 296,213 Shares Issued and Outstanding		296,213
Retained Earnings		686,904
Total Shareholder's Equity		983,117

Total Liabilities and Shareholder's Equity

\$ 2,316,120

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – TRYON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
 (SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE	
Net Patient Service Revenue	\$ 7,095,223
Apartment Fees	1,686,350
Deposit Revenue	181,536
Other Revenue	46,686
Total Revenue	<u>9,009,795</u>
EXPENSES	
Nursing Services	2,979,670
Ancillaries	659,818
Dietary	984,899
Social Services	89,470
Activities	108,623
Medical Records	26,792
Laundry and Linen	122,638
Housekeeping	304,883
Facility Operations and Maintenance	673,401
Depreciation	146,461
Interest Expense	691
Taxes and Insurance	214,853
Employee Benefits	706,950
COVID-19 Expenses	609,037
General and Administrative	1,536,638
Total Expenses	<u>9,163,822</u>
OPERATING LOSS	(154,027)
NONOPERATING GAIN (LOSS)	
Change in Unrealized Gains on Investments	60,255
Other Nonoperating Gains	470,883
Total Nonoperating Gain	<u>531,138</u>
Net Loss	<u>\$ 377,111</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – RUTHERFORDTON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

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

INTERCOMPANY ACCOUNTS

239,184

Total Assets

\$ 239,184

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

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

OTHER LIABILITIES

Asset Retirement Obligation		-
Intercompany Accounts		-
Total Other Liabilities		-

Total Liabilities

-

SHAREHOLDER'S EQUITY

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

Total Liabilities and Shareholder's Equity

\$ 239,184

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – RUTHERFORDTON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE	
Net Patient Service Revenue	\$ -
Other Revenue	-
Total Revenue	-
 EXPENSES	
Nursing Services	-
Ancillaries	-
Dietary	-
Social Services	-
Activities	-
Medical Records	-
Laundry and Linen	-
Housekeeping	-
Facility Operations and Maintenance	-
Depreciation	-
Interest Expense	-
Taxes and Insurance	-
Employee Benefits	-
Bad Debt Expense	-
General and Administrative	-
Total Expenses	-
 NONOPERATING GAIN	
Total	-
Net Income	\$ -

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – BURLINGTON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
 (SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 401,860
Patient Accounts Receivable, Net	1,347,661
Other Current Assets	71,836
Total Current Assets	1,821,357

ASSETS LIMITED AS TO USE

258,514

OTHER ASSETS

Intercompany Accounts	2,245
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PROPERTY AND EQUIPMENT, NET

363,911

Total Assets

\$ 2,446,027

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 219,371
Accrued Wages and Other Liabilities	760,605
Tenant Deposits	10,000
Total Current Liabilities	989,976

OTHER LIABILITIES

Deferred Income	161,333
Asset Retirement Obligation	79,034
Total Other Liabilities	240,367

Total Liabilities

1,230,343

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 350,000 Shares Authorized; 309,490 Shares Issued and Outstanding	309,490
Retained Earnings	906,194
Total Shareholder's Equity	1,215,684

Total Liabilities and Shareholder's Equity

\$ 2,446,027

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – BURLINGTON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 9,739,236
Apartment Fees	901,541
Deposit Revenue	85,167
Other Revenue	18,281
Total Revenue	<u>10,744,225</u>

EXPENSES

Nursing Services	3,824,916
Ancillaries	1,183,120
Dietary	929,768
Social Services	59,297
Activities	76,856
Medical Records	46,394
Laundry and Linen	150,299
Housekeeping	348,931
Facility Operations and Maintenance	566,920
Depreciation	84,249
Interest Expense	489
Taxes and Insurance	218,621
Employee Benefits	775,252
COVID-19 Expenses	1,409,457
General and Administrative	1,849,153
Total Expenses	<u>11,623,722</u>

OPERATING LOSS

(779,497)

NONOPERATING GAIN (LOSS)

Change in Unrealized Losses on Investments	26,028
Other Nonoperating Gain	955,877
Total Nonoperating Gain	<u>980,905</u>

Net Income

\$ 201,408

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – CHARLESTON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	102,000
Patent Accounts Receivable, Net		1,492,301
Other Current Assets		34,777
Total Current Assets		1,629,078

PROPERTY AND EQUIPMENT, NET

105,089

OTHER ASSETS

Intercompany Accounts		7,314,883
		7,314,883

Total Assets

\$ 9,049,050

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	266,297
Accrued Wages and Other Liabilities		1,237,678
Total Current Liabilities		1,503,975

OTHER LIABILITIES

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

Total Liabilities

1,603,333

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 250,000 Shares Authorized; 204,607 Shares Issued and Outstanding		204,607
Retained Earnings		7,241,110
Total Shareholder's Equity		7,445,717

Total Liabilities and Shareholder's Equity

\$ 9,049,050

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – CHARLESTON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 14,343,262
Other Revenue - COVID Relief Funding	723,378
Other Revenue	(3,364)
Total Revenue	<u>15,063,276</u>

EXPENSES

Nursing Services	5,548,074
Ancillaries	1,938,989
Dietary	1,034,434
Social Services	295,093
Activities	164,039
Medical Records	87,715
Laundry and Linen	131,907
Housekeeping	274,141
Facility Operations and Maintenance	738,729
Depreciation	19,544
Interest Expense	27
Taxes and Insurance	223,732
Employee Benefits	787,630
COVID-19 Expenses	779,575
General and Administrative	2,396,146
Total Expenses	<u>14,419,775</u>
Net Income	<u>\$ 643,501</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – CHARLOTTE, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS	
Cash	\$ 421,950
Patient Accounts Receivable, Net	804,202
Other Current Assets	75,071
Total Current Assets	1,301,223
ASSETS LIMITED AS TO USE	207,061
PROPERTY AND EQUIPMENT, NET	417,954
Total Assets	\$ 1,926,238

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES	
Accounts Payable	\$ 218,912
Accrued Wages and Other Liabilities	716,408
Tenant Deposits	7,000
Total Current Liabilities	942,320
OTHER LIABILITIES	
Deferred Income	27,134
Total Other Liabilities	27,134
Total Liabilities	969,454
SHAREHOLDER'S EQUITY	
Common Stock, Par Value \$1 per Share; 300,000 Shares Authorized; 281,450 Shares Issued and Outstanding	281,450
Retained Earnings	675,334
Total Shareholder's Equity	956,784
Total Liabilities and Shareholder's Equity	\$ 1,926,238

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – CHARLOTTE, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 13,810,995
Apartment Fees	516,447
Deposit Revenue	15,600
Other Revenue	28,867
Total Revenue	<u>14,371,909</u>

EXPENSES

Nursing Services	4,643,266
Ancillaries	1,178,121
Dietary	1,116,827
Social Services	141,968
Activities	140,690
Medical Records	41,716
Laundry and Linen	136,551
Housekeeping	362,789
Facility Operations and Maintenance	635,487
Depreciation	78,555
Interest Expense	1,529
Taxes and Insurance	195,384
Employee Benefits	927,059
COVID-19 Expenses	1,082,063
General and Administrative	2,190,579
Total Expenses	<u>12,872,584</u>

OPERATING INCOME

1,499,325

NONOPERATING LOSS

Change in Unrealized Losses on Investments	15,925
Other Nonoperating Loss	<u>(1,357,107)</u>
Total Nonoperating Loss	<u>(1,341,182)</u>

Net Income

\$ 158,143

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK ESTATES, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	100,900
Patient Accounts Receivable, Net		781,254
Other Current Assets		42,531
Total Current Assets		924,685

PROPERTY AND EQUIPMENT, NET

83,388

OTHER ASSETS

Intercompany Accounts		2,129,948
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Total Assets

\$ 3,138,021

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	196,502
Accrued Wages and Other Liabilities		612,254
Total Current Liabilities		808,756

Total Liabilities

808,756

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 100,000 Shares Authorized; 73,267 Shares Issued and Outstanding		73,267
Retained Earnings		2,255,998
Total Shareholder's Equity		2,329,265

Total Liabilities and Shareholder's Equity

\$ 3,138,021

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK ESTATES, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE	
Net Patient Service Revenue	\$ 8,038,383
Other Revenue - COVID Relief Funding	457,194
Other Revenue	<u>(11,271)</u>
Total Revenue	8,484,306
EXPENSES	
Nursing Services	3,094,034
Ancillaries	1,280,827
Dietary	604,128
Social Services	130,058
Activities	103,878
Medical Records	42,257
Laundry and Linen	80,912
Housekeeping	190,553
Facility Operations and Maintenance	322,784
Depreciation	21,158
Interest Expense	619
Taxes and Insurance	114,777
Employee Benefits	559,415
COVID-19 Expenses	814,177
General and Administrative	<u>1,649,394</u>
Total Expenses	<u>9,008,971</u>
OPERATING LOSS	(524,665)

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK ESTATES APARTMENTS, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

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

PROPERTY AND EQUIPMENT, NET

201,615

OTHER ASSETS

Intercompany Accounts	<u>4,266,564</u>
-----------------------	------------------

Total Assets

\$ 4,568,529

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 22,311
Accrued Wages and Other Liabilities	161,868
Tenant Deposits	<u>59,500</u>
Total Current Liabilities	243,679

OTHER LIABILITIES

Deferred Income	<u>298,835</u>
Total Other Liabilities	<u>298,835</u>

Total Liabilities

642,514

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 350,000 Shares Authorized; 325,391 Shares Issued and Outstanding	325,391
Retained Earnings	<u>3,700,624</u>
Total Shareholder's Equity	<u>4,026,015</u>

Total Liabilities and Shareholder's Equity

\$ 4,568,529

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK ESTATES APARTMENTS, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Apartment Fees	\$ 2,139,201
Deposit Revenue	166,833
Other Revenue	20,538
Total Revenue	<u>2,326,572</u>

EXPENSES

Nursing Services	-
Dietary	435,412
Activities	17,368
Laundry and Linen	(1,538)
Housekeeping	66,598
Facility Operations and Maintenance	431,465
Depreciation	44,494
Interest Expense	90
Taxes and Insurance	192,046
Employee Benefits	67,204
COVID-19 Expenses	3,586
General and Administrative	628,839
Total Expenses	<u>1,885,564</u>
Net Income	<u>\$ 441,008</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK ESTATES ASSISTED LIVING, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	100,350
Patient Accounts Receivable, Net		(3,456)
Other Current Assets		-
Total Current Assets		96,894

PROPERTY AND EQUIPMENT, NET

27,109

OTHER ASSETS

Intercompany Accounts		1,479,550
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Total Assets

\$ 1,603,553

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	4,513
Accrued Wages and Other Liabilities		93,968
Total Current Liabilities		98,481

Total Liabilities

98,481

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 150,000 Shares Authorized; 147,787 Shares Issued and Outstanding		147,787
Retained Earnings		1,357,285
Total Shareholder's Equity		1,505,072

Total Liabilities and Shareholder's Equity

\$ 1,603,553

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK ESTATES ASSISTED LIVING, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE	
Net Patient Service Revenue	\$ 1,161,639
Other Revenue	15,138
Total Revenue	<u>1,176,777</u>
EXPENSES	
Nursing Services	459,336
Ancillaries	3,202
Dietary	86,381
Activities	7,062
Laundry and Linen	342
Housekeeping	8,345
Facility Operations and Maintenance	114,162
Depreciation	5,627
Interest Expense	151
Taxes and Insurance	70,840
Employee Benefits	73,535
COVID-19 Expenses	27,981
General and Administrative	256,126
Total Expenses	<u>1,113,090</u>
Net Income	<u>\$ 63,687</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – LANCASTER, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 101,250
Patient Accounts Receivable, Net	778,073
Other Current Assets	<u>26,208</u>
Total Current Assets	905,531

PROPERTY AND EQUIPMENT, NET

159,783

OTHER ASSETS

Intercompany Accounts	<u>6,351,349</u>
-----------------------	------------------

Total Assets

\$ 7,416,663

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 180,435
Accrued Wages and Other Liabilities	889,091
Total Current Liabilities	<u>1,069,526</u>

Total Liabilities

1,069,526

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 150,000 Shares Authorized; 143,913 Shares Issued and Outstanding	143,913
Retained Earnings	6,203,224
Total Shareholder's Equity	<u>6,347,137</u>

Total Liabilities and Shareholder's Equity

\$ 7,416,663

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – LANCASTER, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
 (SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE	
Net Patient Service Revenue	\$ 8,581,115
Other Revenue - COVID Relief Funding	846,481
Other Revenue	(531)
Total Revenue	<u>9,426,065</u>
EXPENSES	
Nursing Services	4,127,240
Ancillaries	761,364
Dietary	889,763
Social Services	145,234
Activities	81,069
Medical Records	42,523
Laundry and Linen	170,948
Housekeeping	332,536
Facility Operations and Maintenance	398,368
Depreciation	20,744
Interest Expense	102
Taxes and Insurance	121,100
Employee Benefits	877,079
COVID-19 Expenses	693,766
General and Administrative	1,391,522
Total Expenses	<u>10,053,358</u>
Net Loss	<u><u>\$ (627,293)</u></u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – YORK, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	101,000
Patient Accounts Receivable, Net		816,414
Other Current Assets		34,223
Total Current Assets		951,637

PROPERTY AND EQUIPMENT, NET

143,912

OTHER ASSETS

Intercompany Accounts		3,261,588
		3,261,588

Total Assets

\$ 4,357,135

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	106,986
Accrued Wages and Other Liabilities		602,938
Total Current Liabilities		709,924

OTHER LIABILITIES

Asset Retirement Obligation		157,039
		157,039

Total Liabilities

866,963

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 200,000 Shares Authorized; 158,902 Shares Issued and Outstanding		158,902
Retained Earnings		3,331,270
Total Shareholder's Equity		3,490,172

Total Liabilities and Shareholder's Equity

\$ 4,357,135

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – YORK, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE	
Net Patient Service Revenue	\$ 6,796,171
Other Revenue - COVID Relief Funding	786,449
Other Revenue (Loss)	<u>(698)</u>
Total Revenue	<u>7,581,922</u>
EXPENSES	
Nursing Services	3,242,714
Ancillaries	552,016
Dietary	702,623
Social Services	112,945
Activities	129,329
Medical Records	26,872
Laundry and Linen	83,007
Housekeeping	292,840
Facility Operations and Maintenance	366,163
Depreciation	27,716
Interest Expense	559
Taxes and Insurance	128,987
Employee Benefits	538,771
COVID-19 Expenses	443,403
General and Administrative	<u>1,262,111</u>
Total Expenses	<u>7,930,056</u>
Net Loss	<u>\$ (348,134)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – WAXHAW, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	101,100
Patient Accounts Receivable, Net		303,714
Other Current Assets		27,776
Total Current Assets		<u>432,590</u>

PROPERTY AND EQUIPMENT, NET

572,997

Total Assets

\$ 1,005,587

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

Accounts Payable	\$	220,455
Accrued Wages and Other Liabilities		704,319
Total Current Liabilities		<u>924,774</u>

OTHER LIABILITIES

Deferred Income		13,958
Intercompany Accounts		4,655,444
Total Other Liabilities		<u>4,669,402</u>

Total Liabilities

5,594,176

SHAREHOLDER'S DEFICIT

Accumulated Deficit		(4,588,589)
Total Shareholder's Deficit		<u>(4,588,589)</u>

Total Liabilities and Shareholder's Deficit

\$ 1,005,587

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – WAXHAW, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 10,945,010
Other Revenue (Expense)	<u>(3,309)</u>
Total Revenue	<u>10,941,701</u>

EXPENSES

Nursing Services	3,419,305
Ancillaries	1,276,347
Dietary	751,152
Social Services	201,702
Activities	99,031
Medical Records	33,780
Laundry and Linen	98,003
Housekeeping	183,190
Facility Operations and Maintenance	378,916
Depreciation	135,314
Interest Expense	199
Taxes and Insurance	423,833
Employee Benefits	645,329
COVID-19 Expenses	916,529
General and Administrative	<u>1,792,865</u>
Total Expenses	<u>10,355,495</u>
 Net Income	 <u>\$ 586,206</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK ESTATES WELLNESS CENTER
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	50,150
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PROPERTY AND EQUIPMENT, NET

		<u>62,048</u>
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Total Assets

	\$	<u>112,198</u>
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LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

Accrued Wages and Other Liabilities	\$	90,488
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OTHER LIABILITIES

Intercompany Accounts		<u>3,316,963</u>
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Total Liabilities

		3,407,451
--	--	-----------

SHAREHOLDER'S DEFICIT

Accumulated Deficit		<u>(3,295,253)</u>
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Total Shareholder's Deficit		<u>(3,295,253)</u>
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Total Liabilities and Shareholder's Deficit

	\$	<u>112,198</u>
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WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK ESTATES WELLNESS CENTER
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE	
Membership Fees	\$ 17,444
Total Revenue	<u>17,444</u>
EXPENSES	
Dietary	1,408
Activities	3,603
Laundry and Linen	148
Housekeeping	31,631
Facility Operations and Maintenance	91,501
Depreciation	14,406
Interest Expense	-
Taxes and Insurance	99,080
Employee Benefits	24,534
COVID-19 Expenses	5,880
General and Administrative	176,457
Total Expenses	<u>448,648</u>
Net Loss	<u>\$ (431,204)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK AT NORTH GROVE, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 101,000
Patient Accounts Receivable, Net	1,073,877
Other Current Assets	<u>44,380</u>
Total Current Assets	1,219,257

PROPERTY AND EQUIPMENT, NET

944,509

OTHER ASSETS

Deferred Other Costs, Net	<u>59,749</u>
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Total Assets

\$ 2,223,515

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

Accounts Payable	\$ 217,184
Accrued Wages and Other Liabilities	<u>1,623,369</u>
Total Current Liabilities	1,840,553

OTHER LIABILITIES

Intercompany Accounts	<u>1,183,325</u>
Total Other Liabilities	<u>1,183,325</u>

Total Liabilities

3,023,878

SHAREHOLDER'S DEFICIT

Accumulated Deficit	<u>(800,363)</u>
Total Shareholder's Deficit	<u>(800,363)</u>

Total Liabilities and Shareholder's Deficit

\$ 2,223,515

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK AT NORTH GROVE, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 12,300,264
Other Revenue - COVID Relief Funding	799,014
Other Revenue	501
Total Revenue	<u>13,099,779</u>

EXPENSES

Nursing Services	4,894,584
Ancillaries	1,846,743
Dietary	830,438
Social Services	162,044
Activities	57,326
Medical Records	72,499
Laundry and Linen	105,028
Housekeeping	338,062
Facility Operations and Maintenance	408,748
Depreciation	242,689
Interest Expense	21,605
Amortization Expense	67,080
Taxes and Insurance	643,718
Employee Benefits	932,734
COVID-19 Expenses	783,339
General and Administrative	2,123,866
Total Expenses	<u>13,530,503</u>

Net Loss	<u>\$ (430,724)</u>
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Attachment II

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

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

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



**WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING**

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

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

Management is responsible for the accompanying projected combined financial statements of White Oak Manor – Tryon, Inc., White Oak Manor – Burlington, Inc., and White Oak Manor – Charlotte, Inc., wholly-owned subsidiaries of White Oak Manor, Inc. (the "Combined Subsidiaries"), which comprise the projected combined balance sheets as of September 30, 2022, 2023, 2024, 2025, and 2026, and the related projected combined statements of operations, shareholder's equity, and cash flows for the years then ending, and the related summary of significant projection assumptions and accounting policies in accordance with the guidelines for presentation of a financial projection established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the projected combined financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these projected combined financial statements or the assumptions. Furthermore, even if the hypothetical assumptions as noted in Management's Summary of Significant Projection Assumptions and Accounting Policies on page 7 (the "Hypothetical Assumptions") occurs as projected, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Accounting principles generally accepted in the United States of America would require the Combined Subsidiaries to adopt Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, during the Projection Period. The Combined Subsidiaries have leases with White Oak Manor, Inc., a related party, for the land and buildings of the Combined Subsidiaries. In accordance with accounting principles generally accepted in the United States of America, under (ASU) 2016-02, these leases are to be presented on the projected combined balance sheet as a right-of-use asset and liability. Management has continued to present the operating leases on the projected combined statement of operations only during the Projection Period. Management has not determined the effect of these departures on the combined financial statements.

Board of Directors
White Oak Manor, Inc.

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

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Charlotte, North Carolina
February 15, 2022

**WHITE OAK MANOR – TRYON, INC.,
WHITE OAK MANOR – BURLINGTON, INC., AND
WHITE OAK MANOR – CHARLOTTE, INC.
(SUBSIDIARIES OF WHITE OAK MANOR, INC.)
PROJECTED COMBINED BALANCE SHEETS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
SEPTEMBER 30, 2022 THROUGH 2026**

ASSETS	2022	2023	2024	2025	2026
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000
Accounts Receivable, Net	2,442,921	2,735,114	2,993,786	3,266,456	3,379,288
Intercompany Accounts Receivable	467,806	1,041,576	1,737,405	2,555,942	3,938,921
Other Current Assets	192,060	199,742	207,732	216,041	224,682
Total Current Assets	4,477,787	5,351,432	6,313,923	7,413,439	8,915,891
ASSETS LIMITED AS TO USE - OPERATING RESERVE	877,615	948,993	1,014,517	1,076,302	1,106,561
MOVEABLE EQUIPMENT	6,769,222	7,009,836	7,257,667	7,512,932	7,775,852
Less: Accumulated Depreciation	5,360,798	5,702,825	6,056,513	6,422,211	6,800,280
Moveable Equipment, Net	1,408,424	1,307,011	1,201,154	1,090,721	975,572
Total Assets	\$ 6,763,826	\$ 7,607,436	\$ 8,529,594	\$ 9,580,462	\$ 10,998,024
LIABILITIES AND SHAREHOLDER'S EQUITY					
	2022	2023	2024	2025	2026
CURRENT LIABILITIES					
Accounts Payable	\$ 555,817	\$ 603,421	\$ 647,078	\$ 690,675	\$ 710,462
Accrued Wages and Other Liabilities	1,476,597	1,598,479	1,710,447	1,819,774	1,871,639
Intercompany Accounts Payable	766,823	927,506	760,030	294,056	-
Asset Retirement Obligation	117,494	117,494	117,494	117,494	117,494
Total Current Liabilities	2,916,531	3,246,900	3,235,049	2,921,999	2,699,595
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	578,721	668,334	898,952	671,611	618,618
Unearned Deposit Revenue - Refundable	-	-	-	-	-
Deposits on Apartments	109,748	109,963	110,182	110,406	110,634
Total Deferred Credits	688,469	778,297	809,134	782,017	729,252
LONG-TERM DEBT	-	-	-	-	-
Total Liabilities	3,605,000	4,025,197	4,044,183	3,704,016	3,428,847
SHAREHOLDER'S EQUITY					
Common Stock	887,153	887,153	887,153	887,153	887,153
Retained Earnings	2,271,673	2,695,086	3,598,258	4,989,293	6,682,024
Other Comprehensive Loss	-	-	-	-	-
Total Shareholder's Equity	3,158,826	3,582,239	4,485,411	5,876,446	7,569,177
Total Liabilities and Shareholder's Equity	\$ 6,763,826	\$ 7,607,436	\$ 8,529,594	\$ 9,580,462	\$ 10,998,024

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

**WHITE OAK MANOR – TRYON, INC.,
WHITE OAK MANOR – BURLINGTON, INC., AND
WHITE OAK MANOR – CHARLOTTE, INC.
(SUBSIDIARIES OF WHITE OAK MANOR, INC.)
PROJECTED COMBINED STATEMENTS OF OPERATIONS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2022 THROUGH 2026**

	2022	2023	2024	2025	2026
REVENUES					
Patient Service Revenue	\$ 29,942,910	\$ 33,404,480	\$ 36,279,932	\$ 39,112,650	\$ 40,491,555
Apartment Rents	3,212,040	3,292,341	3,374,650	3,459,015	3,545,491
Deposit Amortization	270,000	225,787	284,782	342,741	368,393
Investment Income	74,681	67,578	69,720	71,685	73,539
Income From Provider Relief Funds	309,865	-	-	-	-
Other Revenue	36,600	37,515	38,453	39,415	40,400
Total Revenues	<u>33,846,096</u>	<u>37,027,701</u>	<u>40,047,537</u>	<u>43,025,506</u>	<u>44,519,378</u>
EXPENSES					
Nursing Services	13,581,920	14,845,822	15,888,229	16,915,154	17,399,431
Ancillaries	3,351,090	3,674,413	3,940,242	4,203,627	4,325,195
Dietary Expenses	3,189,420	3,484,602	3,693,322	3,914,362	4,024,332
Social Services	461,130	503,718	538,875	573,403	589,793
Activities	360,750	387,936	410,760	432,863	444,517
Medical Records	122,070	133,601	143,103	152,455	156,843
Laundry and Linen	440,400	482,555	517,291	551,280	567,240
Housekeeping	1,169,820	1,275,715	1,363,257	1,449,187	1,490,351
Facility Operations and Maintenance	1,865,420	2,141,491	2,287,501	2,428,230	2,497,326
Depreciation	330,705	342,027	353,688	365,698	378,069
Taxes and Insurance	693,000	760,416	815,960	869,928	895,300
Employee Benefits	2,366,730	2,592,776	2,779,139	2,960,880	3,046,623
COVID-19 Expenses	311,610	-	-	-	-
General and Administrative	5,498,790	5,999,216	6,412,998	6,817,404	7,011,627
Total Expenses	<u>33,842,655</u>	<u>36,604,288</u>	<u>39,144,365</u>	<u>41,634,471</u>	<u>42,826,647</u>
Net Income	<u>\$ 3,241</u>	<u>\$ 423,413</u>	<u>\$ 903,172</u>	<u>\$ 1,391,035</u>	<u>\$ 1,692,731</u>

See Independent Accountants' Compilation Report and
Summary of Significant Projection Assumptions and Accounting Policies
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**WHITE OAK MANOR – TRYON, INC.,
 WHITE OAK MANOR – BURLINGTON, INC., AND
 WHITE OAK MANOR – CHARLOTTE, INC.
 (SUBSIDIARIES OF WHITE OAK MANOR, INC.)
 PROJECTED COMBINED STATEMENTS OF SHAREHOLDER'S EQUITY
 ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
 FOR THE YEARS ENDING SEPTEMBER 30, 2022 THROUGH 2026**

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholder's Equity
BALANCE, SEPTEMBER 30, 2021				
Net Income	\$ 887,153	\$ 2,268,432	\$ -	\$ 3,155,585
Distributions to Shareholder	-	3,241	-	3,241
	-	-	-	-
BALANCE, SEPTEMBER 30, 2022	887,153	2,271,673	-	3,158,826
Net Income	-	423,413	-	423,413
Distributions to Shareholder	-	-	-	-
	-	-	-	-
BALANCE, SEPTEMBER 30, 2023	887,153	2,695,086	-	3,582,239
Net Income	-	903,172	-	903,172
Distributions to Shareholder	-	-	-	-
	-	-	-	-
BALANCE, SEPTEMBER 30, 2024	887,153	3,598,258	-	4,485,411
Net Income	-	1,391,035	-	1,391,035
Distributions to Shareholder	-	-	-	-
	-	-	-	-
BALANCE, SEPTEMBER 30, 2025	887,153	4,989,293	-	5,876,446
Net Income	-	1,692,731	-	1,692,731
Distributions to Shareholder	-	-	-	-
	-	-	-	-
BALANCE, SEPTEMBER 30, 2026	<u>\$ 887,153</u>	<u>\$ 6,682,024</u>	<u>\$ -</u>	<u>\$ 7,569,177</u>

**WHITE OAK MANOR – TRYON, INC.,
WHITE OAK MANOR – BURLINGTON, INC., AND
WHITE OAK MANOR – CHARLOTTE, INC.
(SUBSIDIARIES OF WHITE OAK MANOR, INC.)
PROJECTED COMBINED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2022 THROUGH 2026**

	2022	2023	2024	2025	2026
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income	\$ 3,241	\$ 423,413	\$ 903,172	\$ 1,391,035	\$ 1,692,731
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:					
Depreciation	330,705	342,027	353,688	365,698	378,069
Deposit Amortization	(270,000)	(225,787)	(284,782)	(342,741)	(368,393)
Deposit Receipts	315,400	315,400	315,400	315,400	315,400
Change in Current Assets:					
Accounts Receivable	24,256	(292,193)	(258,672)	(272,670)	(112,832)
Intercompany Accounts Receivable	(467,806)	(573,770)	(695,829)	(818,537)	(931,086)
Other Current Assets	(7,387)	(7,682)	(7,990)	(8,309)	(8,641)
Change in Current Liabilities:					
Accounts Payable	(285)	47,604	43,657	43,597	19,787
Intercompany Accounts Payable	766,623	180,883	(187,476)	(465,974)	(743,949)
Medicare Advance Payments	(688,718)	-	-	-	-
Accrued Wages and Other Liabilities	(48,786)	121,882	111,968	109,327	51,865
Net Cash Provided by Operating Activities	<u>(42,757)</u>	<u>311,777</u>	<u>313,136</u>	<u>316,826</u>	<u>292,951</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(233,398)	(240,399)	(247,612)	(255,041)	(262,692)
Net Change in Assets Limited as to Use - Operating Reserve	279,570	(71,378)	(65,524)	(61,785)	(30,259)
Net Cash Used in Investing Activities	<u>46,172</u>	<u>(311,777)</u>	<u>(313,136)</u>	<u>(316,826)</u>	<u>(292,951)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Distributions to Shareholder	-	-	-	-	-
Net Cash Used in Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,415	-	-	-	-
Cash and Cash Equivalents - Beginning of Year	<u>1,371,585</u>	<u>1,375,000</u>	<u>1,375,000</u>	<u>1,375,000</u>	<u>1,375,000</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,375,000</u>	<u>\$ 1,375,000</u>	<u>\$ 1,375,000</u>	<u>\$ 1,375,000</u>	<u>\$ 1,375,000</u>

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

BASIS OF PRESENTATION

The financial projection (the "Projection") presents to the best of the knowledge and belief of Management's ("Management") of White Oak Manor – Tryon, Inc. ("Tryon"), White Oak Manor Burlington, Inc. ("Burlington"), and White Oak Manor – Charlotte, Inc. ("Charlotte") (subsidiaries of White Oak Manor, Inc.) (the "Combined Subsidiaries"), Combined Subsidiaries the expected financial position, results of operations and cash flows as of September 30, 2022, 2023, 2024, 2025, and 2026 and for each of the years then ending (the "Projection Period"). All significant intra-entity activity has been eliminated upon combination.

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

Management's hypothetical assumptions are as follows:

- The World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Combined Subsidiaries, COVID-19 may impact various parts of its 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 Combined Subsidiaries' occupancies in fiscal year 2021, Management has projected occupancy recoveries, as presented during the Projection Period.
- Management is able to achieve the projected operating revenue inflationary rate increases, operating expense inflationary increases, and occupancy increases as described hereinafter.

FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, in February 2016 pertaining to accounting for leases. While the standard will not be effective for the Combined Subsidiaries until the year ending September 30, 2022, the standard can be early adopted. Early adoption has not been exercised by Management during the Projection Period. Implementation of the new standard can result in changes to the reporting and disclosures of leases. Management is in the process of evaluating the impact of this standard on the Combined Subsidiaries.

Accounting principles generally accepted in the United States of America would require the Combined Subsidiaries to adopt Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, during the Projection Period. The Combined Subsidiaries have leases with White Oak Manor, Inc., a related party, for the land and buildings of the Combined Subsidiaries. In accordance with accounting principles generally accepted in the United States of America, under (ASU) 2016-02, these leases are to be presented on the projected combined balance sheets as a right-of-use asset and liability. Management has continued to present the operating leases on the projected combined statement of operations only during the Projection Period. Management has not determined the effect of these departures on the projected combined financial statements.

Summary of Significant Projection Assumptions and Accounting Policies

BASIS OF PRESENTATION

Management's purpose for preparing this financial projection is for the use of Management, the Board of Directors, and for inclusion in Management's Disclosure Statements in accordance with Chapter 58, Article 64 of the North Carolina General Statutes and is not intended to be and should not be used, by another other than these specified parties. The projection reflects management's judgment as of February 15, 2022, the date of this projection, of the expected conditions and its expected course of actions. The assumptions disclosed herein are those that Management of White Oak Manor, Inc. believes are significant to the projected combined financial statements. Furthermore, even if the Hypothetical Assumptions were to occur, there will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. Management does not intend to revise this projection to reflect changes in present circumstances or the occurrence of unanticipated events.

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

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

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

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

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

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

Summary of Significant Accounting Policies

Cash Equivalents

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

Allowance for Uncollectible Accounts

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

Assets Limited as to Use – Operating Reserve

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

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Moveable Equipment

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

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

	For the Years Ending September 30,				
	2022	2023	2024	2025	2026
White Oak Manor - Tryon	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,964	\$ 59,703
White Oak Manor - Burlington	84,872	87,418	90,041	92,742	95,524
White Oak Manor - Charlotte	95,481	98,345	101,296	104,335	107,465
Total Property and Equipment Purchases	\$ 233,398	\$ 240,399	\$ 247,612	\$ 255,041	\$ 262,692

All land and buildings are owned by White Oak Manor, Inc., a related party, and leased by the Combined Subsidiaries. Each of the Combined Subsidiaries has entered into individual lease agreements with White Oak Manor, Inc. The lease agreements contain an automatic renewal on an annual basis and require monthly rent payments at the beginning of each month. Lease expense is projected to be approximately \$1,111,000 for the Combined Subsidiaries at September 30, 2022 and has been inflated three percent each year thereafter through the Projection Period. Lease expense is included within General and Administrative expenses.

Revenue Recognition

Patient service revenue is reported at the amount that reflects the consideration to which the Combined Subsidiaries expect to be entitled in exchange for providing resident and patient care. These amounts are due from residents, patients, 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. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Combined Subsidiaries. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Combined Subsidiaries believe 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 and patients receiving skilled nursing, and assisted living services. The Combined Subsidiaries consider daily services provided to residents of the skilled nursing facility and monthly rental for housing services, as separate performance obligations and measures these on a monthly basis, or upon move-out within the month, whichever is shorter.

For nursing home and assisted living residents, the Combined Subsidiaries measure the performance obligation from admission into the facility, to the point when it is no longer required to provide services to that resident, which is generally at the time of discharge

The Combined Subsidiaries determine 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 Combined Subsidiaries' policy and/or implicit price concessions provided to residents. The Combined Subsidiaries determine its estimates of contractual adjustments based on contractual agreements, its policies, and historical experience. The

See Independent Accountants' Compilation Report

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Combined Subsidiaries determine its estimate of implicit price concessions based on the evaluation of individual patients.

Agreements with third-party payors typically provide for payments at amounts less than established charges.

A summary of the payment arrangements with major third-party payors follows:

Medicaid – Standard Payments to Nursing Facilities

The Combined Subsidiaries have agreements with the states of South Carolina and North Carolina under the Medicaid program, and participates in the Medicare program. The Combined Subsidiaries have had a long-standing agreement with the state of South Carolina such that the Combined Subsidiaries provide care to Medicaid patients based upon fixed, prospectively determined rates.

Medicare – Prospective Payment System Payments to Skilled Nursing Facilities

The Combined Subsidiaries' 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 are paid the Patient Driven Payment Model (PDPM). The PDPM payment system operates similar to Medicare's previous prospective payment system (PPS) in that patients are assigned standard rates of payment for their specific needs. Under PDPM, therapy minutes are removed as the primary basis for payment and instead, uses the underlying complexity and clinical needs of a patient as a basis for reimbursement. In addition, PDPM introduces variable adjustment factors that change reimbursement rates during the resident's length of stay. Therapy services to residents not in a covered Part A stay remain the same. 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.

Other

Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined daily rates.

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Combined Subsidiaries' compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Combined Subsidiaries. In addition, the contracts the Combined Subsidiaries have with commercial payors also provide for retroactive audit and review of claims.

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 Combined Subsidiaries' 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 Combined Subsidiaries estimate 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 changes to the estimate of the transaction price are generally recorded as adjustments to resident service revenue in the period of the change. 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 Combined Subsidiaries have determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, Medicare, Medicaid, managed care or other insurance, patient) have different reimbursement/payment methodologies
- Length of the patient's service/episode of care
- Method of reimbursement (fee for service or capitation)
- The Combined Subsidiaries' line of business that provided the service (for example, skilled nursing, assisted living, independent living, etc.)

The Combined Subsidiaries have provided for final settlements with the Medicare program and with Medicaid in the period the related services are rendered, and adjusts such estimates as final settlements are determined.

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value of Financial Instruments

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

Income Taxes

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

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES

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

Facility Utilization

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

<u>WHITE OAK MANOR - TRYON</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Average Occupied Units:					
Independent Living	96	97	97	97	97
Assisted Living	13	13	13	13	13
Skilled Nursing	54	58	61	62	63
Available Units:					
Independent Living	99	99	99	99	99
Assisted Living	18	18	18	18	18
Skilled Nursing	70	70	70	70	70
Average Independent Living Occupancy Percentage	97.0%	98.0%	98.0%	98.0%	98.0%
Average Assisted Living Occupancy Percentage	72.2%	72.2%	72.2%	72.2%	72.2%
Average Skilled Nursing Occupancy Percentage	77.1%	82.9%	87.1%	88.6%	90.0%
<u>WHITE OAK MANOR - BURLINGTON</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Average Occupied Units:					
Independent Living	50	51	51	51	51
Skilled Nursing	95	110	120	133	134
Available Units:					
Independent Living	53	53	53	53	53
Skilled Nursing	160	160	160	160	160
Average Independent Living Occupancy Percentage	94.3%	96.2%	96.2%	96.2%	96.2%
Average Skilled Nursing Occupancy Percentage	59.4%	68.8%	75.0%	83.1%	83.8%
<u>WHITE OAK MANOR - CHARLOTTE</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Average Occupied Units:					
Independent Living	31	31	31	31	31
Skilled Nursing	119	125	128	131	132
Available Units:					
Independent Living	33	33	33	33	33
Skilled Nursing	180	180	180	180	180
Average Independent Living Occupancy Percentage	93.9%	93.9%	93.9%	93.9%	93.9%
Average Skilled Nursing Occupancy Percentage	66.1%	69.4%	71.1%	72.8%	73.3%

Revenue

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

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

Deposit amortization revenue is based on the expected turnover in units at the Combined Subsidiaries' apartment complexes for the elderly. The expected turnover in the Projection Period is consistent with the Combined Subsidiaries historical experience. Deposits for apartments range from \$15,000 to

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES

\$30,000 depending on the size and location of the apartment. Deposits are assumed to be collected equally throughout the year.

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

Other revenue is expected to grow by 2.5 percent per year during the Projection Period with historical experience of the Combined Subsidiaries serving as the base amount.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF EXPENSES

Cost and Expenses

Management fees are charged to the Combined Subsidiaries to cover related party management costs and interest expense as related to long-term debt held by White Oak Manor, Inc. The interest portion of management fees is allocated based on the percentage of the Combined Subsidiaries' beds and units to the total beds and units for all subsidiaries of White Oak Manor, Inc. Total management fees are projected to be approximately \$2,021,000 for the Combined Subsidiaries at September 30, 2022 and have been inflated 2.0 percent each year thereafter through the Projection Period. Management fees are included within General and Administrative expenses.

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

Distribution to Shareholder

Distributions to shareholder for the payment of income taxes using tax rates in effect at February ___, 2022 are projected based on projected taxable income. Taxable income to be recognized by the Combined Subsidiaries' shareholders on their individual tax returns is based on reported income from operations and expected differences in revenue and expenses for financial reporting purposes and tax purposes. No distribution to shareholders has been estimated during the Projected Period.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS

Operating Reserve

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

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

<u>WHITE OAK MANOR - TRYON</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Total Projected Operating Expenses:					
Projected SNF Expense	\$ 7,804,874	\$ 8,298,582	\$ 8,758,351	\$ 9,123,112	\$ 9,372,374
Projected Apartment Expense	1,807,040	1,921,346	2,027,796	2,112,248	2,169,959
	<u>9,611,914</u>	<u>10,219,928</u>	<u>10,786,147</u>	<u>11,235,360</u>	<u>11,542,333</u>
Total Projected Depreciation Expense:					
Projected SNF Depreciation	82,812	84,379	85,993	87,655	89,367
Projected Apartment Depreciation	73,732	75,127	76,564	78,044	79,568
	<u>156,544</u>	<u>159,506</u>	<u>162,557</u>	<u>165,699</u>	<u>168,935</u>
Total Patient Days - SNF	19,676	21,053	22,106	22,769	22,997
Total Patient Days Attributable to Apartment Residents	472	505	530	547	552
% of SNF Patient Days Attributable to Apartment Residents	2.40%	2.40%	2.40%	2.40%	2.40%
% of SNF Days Attributable to SNF Only Residents	97.60%	97.60%	97.60%	97.60%	97.60%
Calculation of Excluded SNF Expenses	7,617,557	8,099,416	8,548,151	8,904,157	9,147,437
Calculation of Included SNF Expenses	187,317	199,166	210,200	218,955	224,937
Calculation of Included SNF Depreciation	1,987	2,025	2,064	2,104	2,145
Expenses Subject to DOI Approved Operating Reserve	1,918,638	2,043,360	2,159,368	2,251,055	2,313,183
Operating Reserve Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Projected Reserve Requirement	<u>\$ 479,660</u>	<u>\$ 510,840</u>	<u>\$ 539,842</u>	<u>\$ 562,764</u>	<u>\$ 578,296</u>
Projected Occupancy as of Year End	<u>93.2%</u>	<u>94.0%</u>	<u>94.0%</u>	<u>94.0%</u>	<u>94.0%</u>

See Independent Accountants' Compilation Report

Summary of Significant Projection Assumptions and Accounting Policies

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

Operating Reserve (continued)

WHITE OAK MANOR - BURLINGTON	2022	2023	2024	2025	2026
Total Projected Operating Expenses:					
Projected SNF Expense	\$ 10,390,785	\$ 11,750,063	\$ 12,969,427	\$ 14,338,504	\$ 14,752,320
Projected Apartment Expense	952,867	1,077,517	1,189,336	1,314,885	1,352,833
	<u>11,343,652</u>	<u>12,827,580</u>	<u>14,158,763</u>	<u>15,653,389</u>	<u>16,105,153</u>
Total Projected Depreciation Expense:					
Projected SNF Depreciation	67,161	70,162	73,254	76,438	79,718
Projected Apartment Depreciation	20,861	21,794	22,754	23,743	24,762
	<u>88,022</u>	<u>91,956</u>	<u>96,008</u>	<u>100,181</u>	<u>104,480</u>
Total Patient Days - SNF	34,769	39,984	43,982	48,380	48,864
Total Patient Days Attributable to Apartment Residents	117	135	148	165	168
% of SNF Patient Days Attributable to Apartment Residents	0.34%	0.34%	0.34%	0.34%	0.34%
% of SNF Days Attributable to SNF Only Residents	99.66%	99.66%	99.66%	99.66%	99.66%
Calculation of Excluded SNF Expenses	10,355,456	11,710,113	12,925,331	14,289,753	14,702,162
Calculation of Included SNF Expenses	35,329	39,950	44,096	48,751	50,158
Calculation of Included SNF Depreciation	228	239	249	260	271
Expenses Subject to DOI Approved Operating Reserve	967,107	1,095,434	1,210,429	1,339,633	1,377,958
Operating Reserve Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Projected Reserve Requirement	<u>\$ 241,777</u>	<u>\$ 273,859</u>	<u>\$ 302,607</u>	<u>\$ 334,908</u>	<u>\$ 344,490</u>
Projected Occupancy as of Year End	<u>94.3%</u>	<u>96.2%</u>	<u>96.2%</u>	<u>96.2%</u>	<u>96.2%</u>
WHITE OAK MANOR - CHARLOTTE	2022	2023	2024	2025	2026
Total Projected Operating Expenses:					
Projected SNF Expense	\$ 12,307,361	\$ 12,946,725	\$ 13,560,480	\$ 14,082,165	\$ 14,496,099
Projected Apartment Expense	579,928	610,055	638,975	663,557	683,062
	<u>12,887,289</u>	<u>13,556,780</u>	<u>14,199,455</u>	<u>14,745,722</u>	<u>15,179,161</u>
Total Projected Depreciation Expense:					
Projected SNF Depreciation	67,275	70,731	74,291	77,958	81,735
Projected Apartment Depreciation	18,864	19,834	20,832	21,860	22,919
	<u>86,139</u>	<u>90,565</u>	<u>95,123</u>	<u>99,818</u>	<u>104,654</u>
Total Patient Days - SNF	43,335	45,502	46,867	47,804	48,282
Total Patient Days Attributable to Apartment Residents	224	235	242	250	252
% of SNF Patient Days Attributable to Apartment Residents	0.52%	0.52%	0.52%	0.52%	0.52%
% of SNF Days Attributable to SNF Only Residents	99.48%	99.48%	99.48%	99.48%	99.48%
Calculation of Excluded SNF Expenses	12,243,363	12,879,402	13,489,968	14,008,938	14,420,719
Calculation of Included SNF Expenses	63,998	67,323	70,514	73,227	76,380
Calculation of Included SNF Depreciation	350	368	386	405	425
Expenses Subject to DOI Approved Operating Reserve	624,712	657,176	688,271	714,519	735,098
Operating Reserve Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Projected Reserve Requirement	<u>\$ 156,178</u>	<u>\$ 164,294</u>	<u>\$ 172,068</u>	<u>\$ 178,630</u>	<u>\$ 183,775</u>
Projected Occupancy as of Year End	<u>93.9%</u>	<u>93.9%</u>	<u>93.9%</u>	<u>93.9%</u>	<u>93.9%</u>

Summary of Significant Projection Assumptions and Accounting Policies

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

The total operating reserve is funded with cash, money market funds, debt securities and equity investments held by the Combined Subsidiaries and White Oak Manor, Inc. and its wholly-owned subsidiaries. The total required reserve at September 30, 2021 was \$867,926. These assets are restricted and cannot be used without approval by the North Carolina Department of Insurance.

Intercompany Accounts

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

Commitments and Contingencies

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

Current Assets and Current Liabilities

Cash and Cash Equivalents

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

Accounts Receivable, Net

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

Other Current Assets

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

Accounts Payable

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

Accrued Wages and Other Liabilities

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

Asset Retirement Obligation

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

Summary of Significant Projection Assumptions and Accounting Policies

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

Other Items

Medicare Accelerated and Advance Payment Program

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

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

The Combined Subsidiaries received accelerated payments in April 2020 in the amount of \$886,000 with approximately \$689,000 remaining to be repaid at September 31, 2021. The recoupment of the balances began in April 2021 and Management has projected that the recoupment will be paid in full, under the terms as described above, by the end of the fiscal year ending September 30, 2022.

Provider Relief Funds

Due to the COVID-19 pandemic, the U. S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF). Total grant funds approved and received by all members of White Oak Manor, Inc. during 2021 was \$1,777,436. The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. All PRF funds and deferred revenue were recorded on the balance sheet of White Oak Management, Inc. as of September 30, 2021. Management has projected it will utilize approximately \$310,000 at White Oak Manor - Charlotte as allowed under the CARES Act and has projected recognizing this into income during the year ending September 30, 2022. These amounts are included in the Income From Provider Relief Funds on the projected combined statements of operations. No additional PRF income is included in the Projection.



CliftonLarsonAllen LLP
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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT ON SUPPLEMENTAL INFORMATION

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

Our report on our compilation of the basic projected combined financial statements of White Oak Manor – Tryon, Inc., White Oak Manor – Burlington, Inc., and White Oak Manor – Charlotte, Inc., as of and for the years ending September 30, 2022 through 2026 appears on Page 1. The accompanying supplemental information on Pages 21-33 is presented for purposes of additional analysis and is not a required part of the basic projected combined financial statements. Such information is the responsibility of management. Such information has been subjected to the compilation procedures applied in the compilation of the projected combined financial statements. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
February 15, 2022



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WHITE OAK MANOR – TRYON, INC.
PROJECTED BALANCE SHEETS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
SEPTEMBER 30, 2022 THROUGH 2026

ASSETS	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000
Patient Accounts Receivable, Net	323,381	350,132	373,516	392,297	405,433
Intercompany Accounts Receivable	-	-	-	-	49,584
Other Current Assets	39,277	40,848	42,482	44,181	45,948
Total Current Assets	<u>912,658</u>	<u>940,980</u>	<u>965,998</u>	<u>986,478</u>	<u>1,050,965</u>
ASSETS LIMITED AS TO USE - OPERATING RESERVE	479,660	510,840	539,842	562,764	578,296
MOVEABLE EQUIPMENT	2,898,966	2,953,817	3,010,311	3,068,499	3,128,430
Less: Accumulated Depreciation	2,278,599	2,438,105	2,600,662	2,766,361	2,935,296
Mcveable Equipment, Net	<u>620,367</u>	<u>515,712</u>	<u>409,649</u>	<u>302,138</u>	<u>193,134</u>
Total Assets	<u>\$ 2,012,685</u>	<u>\$ 1,967,532</u>	<u>\$ 1,915,489</u>	<u>\$ 1,851,380</u>	<u>\$ 1,822,395</u>
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
LIABILITIES AND SHAREHOLDER'S EQUITY					
CURRENT LIABILITIES					
Accounts Payable	\$ 129,526	\$ 137,814	\$ 145,529	\$ 151,639	\$ 155,800
Accrued Wages and Other Liabilities	492,197	523,693	553,009	576,229	592,040
Intercompany Accounts Payable	216,322	279,990	248,229	133,141	-
Asset Retirement Obligation	38,460	38,460	38,460	38,460	38,460
Total Current Liabilities	<u>876,505</u>	<u>979,957</u>	<u>985,227</u>	<u>899,469</u>	<u>786,300</u>
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	384,054	423,966	425,851	390,696	340,192
Unearned Deposit Revenue - Refundable	-	-	-	-	-
Deposits on Apartments	94,993	95,208	95,427	95,651	95,879
Total Deferred Credits	<u>479,047</u>	<u>519,174</u>	<u>521,278</u>	<u>486,347</u>	<u>436,071</u>
LONG-TERM DEBT	-	-	-	-	-
Total Liabilities	<u>1,355,552</u>	<u>1,499,131</u>	<u>1,506,505</u>	<u>1,385,816</u>	<u>1,222,371</u>
SHAREHOLDER'S EQUITY					
Common Stock, par value \$1 per share; 350,000 shares authorized, 296,213 shares issued and outstanding	296,213	296,213	296,213	296,213	296,213
Retained Earnings	360,920	172,188	112,771	169,351	303,811
Other Comprehensive Income	-	-	-	-	-
Total Shareholder's Equity	<u>657,133</u>	<u>468,401</u>	<u>408,984</u>	<u>465,564</u>	<u>600,024</u>
Total Liabilities and Shareholder's Equity	<u>\$ 2,012,685</u>	<u>\$ 1,967,532</u>	<u>\$ 1,915,489</u>	<u>\$ 1,851,380</u>	<u>\$ 1,822,395</u>

WHITE OAK MANOR – TRYON, INC.
PROJECTED STATEMENTS OF OPERATIONS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2022 THROUGH 2026

	2022	2023	2024	2025	2026
REVENUES					
Net Patient Service Revenue	\$ 7,306,290	\$ 8,013,047	\$ 8,624,180	\$ 9,104,005	\$ 9,425,981
Apartment Rents	1,752,000	1,795,800	1,840,695	1,886,712	1,933,880
Deposit Amortization	170,400	189,688	207,715	244,755	260,104
Investment Income	36,000	30,890	31,825	32,695	33,363
Other Revenue	21,240	21,771	22,315	22,873	23,445
Total Revenues	<u>9,285,930</u>	<u>10,031,196</u>	<u>10,726,730</u>	<u>11,291,940</u>	<u>11,676,793</u>
EXPENSES					
Nursing Services	3,516,240	3,759,109	3,969,537	4,136,211	4,249,702
Ancillaries	795,330	850,246	897,827	935,517	961,183
Dietary Expenses	1,064,160	1,137,659	1,201,341	1,251,782	1,286,129
Social Services	125,520	134,209	141,736	147,697	151,753
Activities	102,060	109,101	115,202	120,035	123,328
Medical Records	32,250	34,499	36,446	37,986	39,032
Laundry and Linen	133,470	142,695	150,688	157,019	161,328
Housekeeping	316,320	338,165	357,092	372,084	382,293
Facility Operations and Maintenance	707,340	756,203	796,539	832,072	854,903
Depreciation	156,544	159,506	162,557	165,699	168,935
Taxes and Insurance	240,600	257,204	271,591	282,988	290,751
Employee Benefits	759,810	812,270	857,723	893,727	918,247
COVID-19 Expenses	44,940	-	-	-	-
General and Administrative	1,617,330	1,729,062	1,825,868	1,902,543	1,954,749
Total Expenses	<u>9,611,914</u>	<u>10,219,928</u>	<u>10,766,147</u>	<u>11,235,360</u>	<u>11,542,333</u>
Net Income (Loss)	<u>\$ (325,984)</u>	<u>\$ (188,732)</u>	<u>\$ (59,417)</u>	<u>\$ 56,580</u>	<u>\$ 134,460</u>

See Independent Accountants' Compilation Report on Supplemental Information
(23)

WHITE OAK MANOR – TRYON, INC.
PROJECTED STATEMENTS OF SHAREHOLDER'S EQUITY
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2022 THROUGH 2026

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholder's Equity
BALANCE, SEPTEMBER 30, 2021	\$ 296,213	\$ 686,904	\$ -	\$ 983,117
Net Loss	-	(325,984)	-	(325,984)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2022	296,213	360,920	-	657,133
Net Loss	-	(188,732)	-	(188,732)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2023	296,213	172,188	-	468,401
Net Loss	-	(59,417)	-	(59,417)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2024	296,213	112,771	-	408,984
Net Income	-	56,580	-	56,580
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2025	296,213	169,351	-	465,564
Net Income	-	134,480	-	134,480
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2026	<u>\$ 296,213</u>	<u>\$ 303,811</u>	<u>\$ -</u>	<u>\$ 600,024</u>

WHITE OAK MANOR – TRYON, INC.
PROJECTED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2022 THROUGH 2026

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income (Loss)	\$ (325,984)	\$ (188,732)	\$ (59,417)	\$ 56,580	\$ 134,460
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	156,544	159,506	162,557	165,699	168,935
Deposit Amortization	(170,400)	(169,688)	(207,715)	(244,755)	(260,104)
Deposit Receipts	209,600	209,600	209,600	209,600	209,600
Change In Current Assets:					
Accounts Receivable	(8,067)	(26,751)	(23,384)	(18,781)	(13,136)
Other Current Assets	(1,511)	(1,571)	(1,634)	(1,699)	(1,767)
Intercompany Accounts Receivable	-	-	-	-	-
Change In Current Liabilities:					
Accounts Payable	11,707	8,288	7,715	6,110	4,161
Intercompany Accounts Payable	216,322	63,668	(31,761)	(115,088)	(182,725)
Medicare Advance Payments	(272,886)	-	-	-	-
Accrued Wages and Other Liabilities	27,995	31,496	29,316	23,220	15,811
Net Cash Provided by Operating Activities	<u>(156,680)</u>	<u>85,816</u>	<u>85,277</u>	<u>80,886</u>	<u>75,235</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(53,045)	(54,636)	(56,275)	(57,964)	(59,703)
Net Change in Assets Limited as to Use - Operating Reserve	211,950	(31,180)	(29,002)	(22,922)	(15,532)
Net Cash Used in Investing Activities	<u>158,905</u>	<u>(85,816)</u>	<u>(85,277)</u>	<u>(80,886)</u>	<u>(75,235)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Distributions to Shareholder	-	-	-	-	-
Net Cash Used in Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,225	-	-	-	-
Cash and Cash Equivalents - Beginning of Year	<u>547,775</u>	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 550,000</u>	<u>\$ 550,000</u>	<u>\$ 550,000</u>	<u>\$ 550,000</u>	<u>\$ 550,000</u>

WHITE OAK MANOR – BURLINGTON, INC.
PROJECTED BALANCE SHEETS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
SEPTEMBER 30, 2022 THROUGH 2026

ASSETS	2022	2023	2024	2025	2026
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Patient Accounts Receivable, Net	1,382,397	1,611,426	1,804,526	2,021,945	2,091,930
Intercompany Accounts Receivable	-	-	-	-	400,309
Other Current Assets	74,709	77,697	80,805	84,037	87,398
Total Current Assets	<u>1,857,106</u>	<u>2,089,123</u>	<u>2,285,331</u>	<u>2,506,982</u>	<u>2,979,637</u>
ASSETS LIMITED AS TO USE - OPERATING RESERVE	241,777	273,859	302,607	334,908	344,490
MOVEABLE EQUIPMENT	1,956,047	2,043,465	2,133,506	2,226,248	2,321,772
Less: Accumulated Depreciation	1,695,286	1,687,242	1,783,250	1,883,431	1,987,911
Moveable Equipment, Net	<u>260,761</u>	<u>356,223</u>	<u>350,256</u>	<u>342,817</u>	<u>333,861</u>
Total Assets	<u>\$ 2,459,644</u>	<u>\$ 2,719,205</u>	<u>\$ 2,938,194</u>	<u>\$ 3,183,707</u>	<u>\$ 3,657,988</u>
	2022	2023	2024	2025	2026
LIABILITIES AND SHAREHOLDER'S EQUITY					
CURRENT LIABILITIES					
Accounts Payable	\$ 215,861	\$ 244,245	\$ 289,697	\$ 298,281	\$ 306,862
Accrued Wages and Other Liabilities	493,397	558,274	616,450	681,784	701,399
Intercompany Accounts Payable	550,301	647,516	511,801	160,915	-
Asset Retirement Obligation	79,034	79,034	79,034	79,034	79,034
Total Current Liabilities	<u>1,338,593</u>	<u>1,529,069</u>	<u>1,476,982</u>	<u>1,220,014</u>	<u>1,087,295</u>
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	168,433	212,101	237,662	245,145	243,681
Unearned Deposit Revenue - Refundable	-	-	-	-	-
Deposits on Apartments	7,755	7,755	7,755	7,755	7,755
Total Deferred Credits	<u>176,188</u>	<u>219,856</u>	<u>245,417</u>	<u>252,900</u>	<u>251,436</u>
LONG-TERM DEBT	-	-	-	-	-
Total Liabilities	1,514,781	1,748,925	1,722,399	1,472,914	1,338,731
SHAREHOLDER'S EQUITY					
Common Stock, par value \$1 per share; 350,000 shares authorized, 309,490 shares issued and outstanding	309,490	309,490	309,490	309,490	309,490
Retained Earnings	635,373	660,790	906,305	1,401,303	2,009,767
Total Shareholder's Equity	<u>944,863</u>	<u>970,280</u>	<u>1,215,795</u>	<u>1,710,793</u>	<u>2,319,257</u>
Total Liabilities and Shareholder's Equity	<u>\$ 2,459,644</u>	<u>\$ 2,719,205</u>	<u>\$ 2,938,194</u>	<u>\$ 3,183,707</u>	<u>\$ 3,657,988</u>

WHITE OAK MANOR – BURLINGTON, INC.
PROJECTED STATEMENTS OF OPERATIONS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2022 THROUGH 2026

	2022	2023	2024	2025	2026
REVENUES					
Patient Service Revenue	\$ 10,036,740	\$ 11,830,725	\$ 13,339,046	\$ 15,039,728	\$ 15,669,943
Apartment Rents	931,080	954,357	978,218	1,002,671	1,027,738
Deposit Amortization	84,000	47,432	65,539	83,617	92,564
Investment Income	19,811	19,253	20,216	21,078	22,047
Other Revenue	1,200	1,230	1,281	1,293	1,325
Total Revenues	<u>11,072,831</u>	<u>12,852,997</u>	<u>14,404,278</u>	<u>16,148,367</u>	<u>16,713,617</u>
EXPENSES					
Nursing Services	4,720,070	5,392,334	5,954,270	6,585,360	6,774,822
Ancillaries	1,251,090	1,429,292	1,578,248	1,745,535	1,795,756
Dietary Expenses	916,380	1,046,920	1,156,035	1,276,579	1,315,366
Social Services	156,630	178,928	197,667	218,489	224,784
Activities	86,220	98,499	108,763	120,290	123,751
Medical Records	43,470	49,616	54,755	60,526	62,264
Laundry and Linen	154,770	176,752	196,129	215,767	221,970
Housekeeping	385,980	440,918	486,840	538,413	553,900
Facility Operations and Maintenance	587,820	671,514	741,473	820,041	843,632
Depreciation	88,022	91,956	96,008	100,181	104,480
Taxes and Insurance	240,240	274,487	303,113	335,261	344,909
Employee Benefits	613,930	929,922	1,026,875	1,135,762	1,168,443
COVID-19 Expenses	107,700	-	-	-	-
General and Administrative	1,791,330	2,046,442	2,259,687	2,499,175	2,571,076
Total Expenses	<u>11,343,652</u>	<u>12,827,580</u>	<u>14,156,763</u>	<u>15,653,389</u>	<u>16,105,153</u>
Net Income (Loss)	<u>\$ (270,821)</u>	<u>\$ 25,417</u>	<u>\$ 245,515</u>	<u>\$ 494,998</u>	<u>\$ 608,464</u>

See Independent Accountants' Compilation Report on Supplemental Information
(27)

**WHITE OAK MANOR – BURLINGTON, INC.
 PROJECTED STATEMENTS OF SHAREHOLDER'S EQUITY
 ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
 FOR THE YEARS ENDING SEPTEMBER 30, 2022 THROUGH 2026**

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholder's Equity
BALANCE, SEPTEMBER 30, 2021				
Net Loss	\$ 309,490	\$ 906,194	\$ -	\$ 1,215,684
Distributions to Shareholder	-	(270,821)	-	(270,821)
	<u>309,490</u>	<u>635,373</u>	<u>-</u>	<u>944,863</u>
BALANCE, SEPTEMBER 30, 2022				
Net Income	309,490	635,373	-	944,863
Distributions to Shareholder	-	25,417	-	25,417
	<u>309,490</u>	<u>660,790</u>	<u>-</u>	<u>970,280</u>
BALANCE, SEPTEMBER 30, 2023				
Net Income	309,490	660,790	-	970,280
Distributions to Shareholder	-	245,515	-	245,515
	<u>309,490</u>	<u>906,305</u>	<u>-</u>	<u>1,215,795</u>
BALANCE, SEPTEMBER 30, 2024				
Net Income	-	494,998	-	494,998
Distributions to Shareholder	-	-	-	-
	<u>309,490</u>	<u>1,401,303</u>	<u>-</u>	<u>1,710,793</u>
BALANCE, SEPTEMBER 30, 2025				
Net Income	-	608,464	-	608,464
Distributions to Shareholder	-	-	-	-
	<u>309,490</u>	<u>2,009,767</u>	<u>-</u>	<u>2,319,257</u>
BALANCE, SEPTEMBER 30, 2026	<u>\$ 309,490</u>	<u>\$ 2,009,767</u>	<u>\$ -</u>	<u>\$ 2,319,257</u>

WHITE OAK MANOR – BURLINGTON, INC.
PROJECTED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2022 THROUGH 2026

	2022	2023	2024	2025	2026
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income (Loss)	\$ (270,821)	\$ 25,417	\$ 245,515	\$ 494,998	\$ 608,464
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:					
Depreciation	88,022	91,956	96,008	100,181	104,480
Deposit Amortization	(84,000)	(47,432)	(65,539)	(83,617)	(92,564)
Deposit Receipts	91,100	91,100	91,100	91,100	91,100
Change in Current Assets:					
Accounts Receivable	(34,736)	(229,029)	(193,100)	(217,419)	(69,985)
Other Current Assets	(2,873)	(2,988)	(3,108)	(3,232)	(3,361)
Change in Current Liabilities:					
Accounts Payable	(3,510)	28,384	25,452	28,584	8,581
Intercompany Accounts Payable	550,301	97,215	(135,715)	(350,886)	(561,224)
Medicare Advance Payments	(255,427)	-	-	-	-
Accrued Wages and Other Liabilities	(11,781)	64,877	58,176	65,334	19,615
Net Cash Provided by Operating Activities	<u>66,275</u>	<u>119,500</u>	<u>118,789</u>	<u>125,043</u>	<u>105,106</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(84,872)	(87,418)	(90,041)	(92,742)	(95,524)
Net Change in Assets Limited as to Use - Operating Reserve	16,737	(32,082)	(28,746)	(32,301)	(9,582)
Net Cash Used in Investing Activities	<u>(68,135)</u>	<u>(119,500)</u>	<u>(118,789)</u>	<u>(125,043)</u>	<u>(105,106)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Distributions to Shareholder	-	-	-	-	-
Net Cash Used in Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,860)	-	-	-	-
Cash and Cash Equivalents - Beginning of Year	<u>401,860</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>

WHITE OAK MANOR – CHARLOTTE, INC.
PROJECTED BALANCE SHEETS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
SEPTEMBER 30, 2022 THROUGH 2026

ASSETS	2022	2023	2024	2025	2026
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000
Accounts Receivable, Net	737,143	773,556	815,744	852,214	881,925
Intercompany Accounts Receivable	467,806	1,041,576	1,737,405	2,555,942	3,487,028
Other Current Assets	78,074	81,197	84,445	87,823	91,336
Total Current Assets	<u>1,708,023</u>	<u>2,321,329</u>	<u>3,062,594</u>	<u>3,920,979</u>	<u>4,885,289</u>
ASSETS LIMITED AS TO USE - OPERATING RESERVE	156,178	164,294	172,068	178,630	183,776
MOVEABLE EQUIPMENT	1,914,209	2,012,554	2,113,850	2,218,185	2,325,650
Less: Accumulated Depreciation	1,486,913	1,577,478	1,672,601	1,772,419	1,877,073
Moveable Equipment, Net	<u>427,296</u>	<u>435,076</u>	<u>441,249</u>	<u>445,766</u>	<u>448,577</u>
Total Assets	<u>\$ 2,291,497</u>	<u>\$ 2,920,699</u>	<u>\$ 3,675,911</u>	<u>\$ 4,545,375</u>	<u>\$ 5,517,641</u>
LIABILITIES AND SHAREHOLDER'S EQUITY					
CURRENT LIABILITIES					
Accounts Payable	\$ 210,430	\$ 221,362	\$ 231,852	\$ 240,755	\$ 247,800
Accrued Wages and Other Liabilities	491,003	516,512	540,988	561,761	578,200
Total Current Liabilities	<u>701,433</u>	<u>737,874</u>	<u>772,840</u>	<u>802,516</u>	<u>826,000</u>
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	26,234	32,267	35,439	35,770	34,745
Unearned Deposit Revenue - Refundable	-	-	-	-	-
Deposits on Apartments	7,000	7,000	7,000	7,000	7,000
Total Deferred Credits	<u>33,234</u>	<u>39,267</u>	<u>42,439</u>	<u>42,770</u>	<u>41,745</u>
LONG-TERM DEBT					
Total Liabilities	<u>734,667</u>	<u>777,141</u>	<u>815,279</u>	<u>845,286</u>	<u>867,745</u>
SHAREHOLDER'S EQUITY					
Common Stock, par value \$1 per share; 300,000 shares authorized, 281,450 shares issued and outstanding	281,450	281,450	281,450	281,450	281,450
Retained Earnings	1,275,380	1,862,108	2,579,162	3,418,639	4,368,446
Other Comprehensive Loss	-	-	-	-	-
Total Shareholder's Equity	<u>1,556,830</u>	<u>2,143,558</u>	<u>2,860,632</u>	<u>3,700,089</u>	<u>4,649,896</u>
Total Liabilities and Shareholder's Equity	<u>\$ 2,291,497</u>	<u>\$ 2,920,699</u>	<u>\$ 3,675,911</u>	<u>\$ 4,545,375</u>	<u>\$ 5,517,641</u>

**WHITE OAK MANOR – CHARLOTTE, INC.
 PROJECTED STATEMENTS OF SHAREHOLDER'S EQUITY
 ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
 FOR THE YEARS ENDING SEPTEMBER 30, 2022 THROUGH 2026**

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholder's Equity
BALANCE, SEPTEMBER 30, 2021	\$ 281,450	\$ 675,334	\$ -	\$ 956,784
Net Income	-	600,046	-	600,046
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2022	281,450	1,275,380	-	1,556,830
Net Income	-	586,728	-	586,728
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2023	281,450	1,862,108	-	2,143,558
Net Income	-	717,074	-	717,074
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2024	281,450	2,579,182	-	2,860,632
Net Income	-	839,457	-	839,457
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2025	281,450	3,418,639	-	3,700,089
Net Income	-	949,807	-	949,807
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2026	<u>\$ 281,450</u>	<u>\$ 4,368,446</u>	<u>\$ -</u>	<u>\$ 4,649,896</u>

WHITE OAK MANOR – CHARLOTTE, INC.
PROJECTED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2022 THROUGH 2026

	2022	2023	2024	2025	2026
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income	\$ 600,046	\$ 586,728	\$ 717,074	\$ 839,467	\$ 949,807
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:					
Depreciation	86,139	90,565	95,123	99,818	104,654
Deposit Amortization	(15,600)	(8,667)	(11,528)	(14,369)	(15,725)
Deposit Receipts	14,700	14,700	14,700	14,700	14,700
Change In Current Assets:					
Accounts Receivable	67,059	(36,413)	(42,188)	(36,470)	(29,711)
Intercompany Accounts Receivable	(467,806)	(573,770)	(695,829)	(818,537)	(931,086)
Other Current Assets	(3,003)	(3,123)	(3,248)	(3,378)	(3,513)
Change In Current Liabilities:					
Accounts Payable	(8,482)	10,932	10,490	8,903	7,045
Medicare Advance Payments	(160,405)	-	-	-	-
Accrued Wages and Other Liabilities	(65,000)	25,509	24,476	20,773	16,439
Net Cash Provided by Operating Activities	<u>47,648</u>	<u>106,461</u>	<u>109,070</u>	<u>110,897</u>	<u>112,610</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(95,481)	(98,345)	(101,296)	(104,335)	(107,465)
Net Change in Assets Limited as to Use - Operating Reserve	50,883	(8,116)	(7,774)	(6,562)	(5,145)
Net Cash Used in Investing Activities	<u>(44,598)</u>	<u>(106,461)</u>	<u>(109,070)</u>	<u>(110,897)</u>	<u>(112,610)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Distributions to Shareholder	-	-	-	-	-
Net Cash Used in Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,050	-	-	-	-
Cash and Cash Equivalents - Beginning of Year	<u>421,950</u>	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ 425,000</u>

Attachment III

Consolidated Statement of Operations

Burlington Consolidated (BUCO)

12/1/21 to 12/31/21

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
4,702	3,751	951			5010 Resident Revenue	Days 13,440	11,072	2,368		
105,593	68,240	37,353	53.85	56.44	5100 Private Pay	234,755	204,720	30,035	42.59	57.06
71,352	13,660	57,692	495.50	440.65	5200 Medicare Part A	176,808	40,980	135,828	516.98	532.21
463,015	539,800	76,785 *	324.24	322.46	5300 Medicaid	1,375,440	1,619,400	243,960 *	321.44	328.95
49,675		49,675	342.59		5400 Medicaid Pending	111,588		111,588	344.41	
53,590	22,670	30,920	369.59	365.65	5500 Insurance	170,281	68,010	102,271	384.38	369.62
64,559	32,250	32,309	261.37	346.77	5600 Managed Care	176,447	96,750	79,697	253.88	350.54
27,451	44,580	17,129 *	5.84	11.88	5700 Medicare Part B	84,184	133,740	49,556 *	6.26	12.08
32,100	30,280	1,820	324.24	325.59	5800 Hospice	77,169	90,840	13,671 *	324.24	329.13
151,788	186,480	34,692 *	284.78	316.60	5850 Veterans Admin	451,320	559,440	108,120 *	280.85	320.05
89,216	87,790	1,426	45.61	72.61	5900 Apartment Revenues	266,520	263,370	3,150	48.40	73.40
1,108,339	1,025,750	82,589	235.72	273.46	Total Resident Revenue	3,124,513	3,077,250	47,263	232.48	277.93
(476)	(100)	376 *	(0.10)	(0.03)	6000 Other Revenues	(716)	(300)	416 *	(0.05)	(0.03)
1,107,863	1,025,650	82,213	235.62	273.43	Total Revenue	3,123,797	3,076,950	46,847	232.43	277.90
					7000 Operating Costs					
15,221	15,040	181 *	3.24	4.01	7101 Nursing Administration	48,508	45,120	3,388 *	3.61	4.08
428,445	407,480	20,965 *	91.12	108.63	7200 Nursing Service	1,265,125	1,222,440	42,685 *	94.13	110.41
1,890	8,960	7,070	0.40	2.39	7250 COVID-19	5,080	26,880	21,800	0.38	2.43
109,871	99,270	10,601 *	23.37	26.46	7300 Ancillaries	302,632	297,810	4,822 *	22.52	26.90
83,491	75,300	8,191 *	17.76	20.07	7400 Dietary	245,998	225,900	20,098 *	18.30	20.40
19,260	13,530	5,730 *	4.10	3.61	7500 Social Services	44,530	40,590	3,940 *	3.31	3.67
7,246	7,810	564	1.54	2.08	7600 Activities	21,361	23,430	2,069	1.59	2.12
4,374	4,000	374 *	0.93	1.07	7700 Medical Records	11,901	12,000	99	0.89	1.08
15,427	12,920	2,507 *	3.28	3.44	7800 Laundry	35,342	38,760	3,418	2.63	3.50
31,031	31,640	609	6.60	8.44	7900 Housekeeping	91,028	94,920	3,892	6.77	8.57
53,631	50,100	3,531 *	11.41	13.36	8000 Plant Operations and Maint.	144,449	150,300	5,851	10.75	13.57
5,373	6,580	1,207	1.14	1.75	8100 Transportation	20,694	19,740	954 *	1.54	1.78
7,750	7,750		1.65	2.07	8200 Depreciation	23,250	23,250		1.73	2.10
33,236	33,100	136 *	7.07	8.82	8300 Interest, Amortization & Lease	99,479	99,300	179 *	7.40	8.97
20,191	20,020	171 *	4.29	5.34	8400 Taxes and Insurance	60,191	60,060	131 *	4.48	5.42
75,503	68,300	7,203 *	16.06	18.21	8500 Employee Benefits	206,854	204,900	1,954 *	15.39	18.51
130,097	121,750	8,347 *	27.67	32.46	8600 General and Administration	377,376	365,250	12,126 *	28.08	32.99
5,238	4,430	808 *	1.11	1.18	8800 Other Costs	13,480	13,290	190 *	1.00	1.20
1,047,277	987,980	59,297 *	222.73	263.39	Total Operating Costs	3,017,277	2,963,940	53,337 *	224.50	267.70
60,587	37,670	22,917	12.89	10.04	Total Income/Loss from Operations	106,520	113,010	6,490 *	7.93	10.21
60,587	37,670	22,917	12.89	10.04	Total Net Income Before Taxes	106,520	113,010	6,490 *	7.93	10.21

* Unfavorable Differences

Consolidated Statement of Operations

Burlington Consolidated (BUCO)

12/1/21 to 12/31/21

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
60,587	37,670	22,917	12.89	10.04	Total Net Income/Loss	106,520	113,010	6,490 *	7.93	10.21

* Unfavorable Differences

Consolidated Statement of Operations

Burlington Consolidated (BUCO)

12/1/21 to 12/31/21

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
4,702	3,751	951			5010 Resident Revenue	13,440	11,072	2,368		
1,961	1,209	752			5100 Private Pay	5,512	3,588	1,924		
103,539	67,000	36,539	52.80	55.42	5101 Routine Services - PVT	225,321	201,000	24,321	40.88	56.02
1,283	660	623	0.65	0.55	5102 Medical Supplies- PVT	2,941	1,980	961	0.53	0.55
621	80	541	0.32	0.07	5104 Oxygen - PVT	2,036	240	1,796	0.37	0.07
					5106 Physical Therapy - PVT	909		909	0.16	
					5107 Speech Therapy - PVT	757		757	0.14	
					5108 Occupational Therapy - PVT	1,013		1,013	0.18	
					5110 Fluidized Bed - PVT	960		960	0.17	
150	500	350 *	0.08	0.41	5113 Transportation - PVT	750	1,500	750 *	0.14	0.42
					5115 Misc - PVT	120		120	0.02	
					5120 Contractual Adjustment - PVT	(52)		52 *	(0.01)	
105,593	68,240	37,353	53.85	56.44	Total Private Pay	234,755	204,720	30,035	42.59	57.06
144	31	113			5200 Medicare Part A	342	77	265		
70,418	13,670	56,748	489.01	440.97	5201 Routine Services-MCR A	173,872	41,010	132,862	508.40	532.60
1,198	180	1,018	8.32	5.81	5202 Medical Supplies-MCR A	2,393	540	1,853	7.00	7.01
6,644	1,300	5,344	46.14	41.94	5203 Drugs-MCR A	14,456	3,900	10,556	42.27	50.65
121	130	9 *	0.84	4.19	5204 Oxygen-MCR A	1,156	390	766	3.38	5.06
385	80	305	2.67	2.58	5205 Laboratory-MCR A	559	240	319	1.64	3.12
5,665	1,360	4,305	39.34	43.87	5206 Physical Therapy-MCR A	16,778	4,080	12,698	49.06	52.99
2,254	470	1,784	15.65	15.16	5207 Speech Therapy-MCR A	6,778	1,410	5,368	19.82	18.31
8,437	1,520	6,917	58.59	49.03	5208 Occupational Therapy-MCR A	19,877	4,560	15,317	58.12	59.22
	40	40 *		1.29	5209 PEN Therapy-MCR A		120	120 *		1.56
	30	30 ~		0.97	5210 Fluid Bed-MCR A		90	90 *		1.17
1,500	380	1,120	10.42	12.26	5213 Transportation-MCR A	2,850	1,140	1,710	8.33	14.81
	20	20 *		0.65	5214 X-Rays-MCR A	65	60	5	0.19	0.78
	30	30 *		0.97	5215 Misc-MCR A		90	90 *		1.17
935		935	6.49		5220 Contract Adj-Room MCR A	2,937		2,937	8.59	
(26,205)	(5,550)	20,655 *	(181.98)	(179.03)	5221 Contract Adj-Ancillaries MCR A	(64,912)	(16,650)	48,262 *	(189.80)	(216.23)
71,352	13,660	57,692	495.50	440.65	Total Medicare Part A	176,808	40,980	135,828	516.98	532.21
1,428	1,674	246 ~			5300 Medicaid	4,279	4,923	644 *		
463,015	539,800	76,785 *	324.24	322.46	5301 Routine Services-MCD	1,376,910	1,619,400	242,490 *	321.78	328.95
4,299	3,280	1,019	3.01	1.96	5302 Medical Supplies-MCD	8,961	9,840	879 *	2.09	2.00
4,244	6,680	2,437 *	2.97	3.99	5303 Oxygen- MCD	12,765	20,040	7,275 *	2.98	4.07
25	390	365 *	0.02	0.23	5304 Laboratory-MCD	25	1,170	1,145 *	0.01	0.24
	100	100 *		0.06	5305 Physical Therapy-MCD Non-Covered	(107)	300	407 *	(0.03)	0.06
	30	30 *		0.02	5307 Speech Therapy-MCD Non-Covered		90	90 *		0.02

* Unfavorable Differences

Consolidated Statement of Operations

Burlington Consolidated (BUCO)

12/1/21 to 12/31/21

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
	100	100 *		0.06	5309 Occup. Therapy - MCD Non-Covered		300	300 *		0.06
739		739	0.52		5311 PEN Therapy-MCD Non-Covered	2,204		2,204	0.52	
2,480	2,530	50 *	1.74	1.51	5313 Fluidized Bed -MCD	7,360	7,590	230 *	1.72	1.54
980	310	670	0.69	0.19	5315 Wound Care- MCD	2,802	930	1,872	0.65	0.19
600	2,230	1,630 *	0.42	1.33	5316 Transportation -MCD	2,400	6,690	4,290 *	0.56	1.36
	120	120 *		0.07	5317 X-Rays -MCD		360	360 *		0.07
					5321 Flu/Pnemounia Vacc - MCD	120		120	0.03	
(13,367)	(15,770)	2,403	(9.36)	(9.42)	5324 Contract Adj-Ancillaries MCD	(38,000)	(47,310)	9,310	(8.88)	(9.61)
463,015	539,800	76,785 *	324.24	322.46	Total Medicaid	1,375,440	1,619,400	243,960 *	321.44	328.95
					5400 Medicaid Pending	324		324		
145		145			5401 Routine Services - MCD Pend	111,588		111,588	344.41	
49,675		49,675	342.59		5402 Medical Supplies - MCD Pend	1,069		1,069	3.30	
(73)		73 *	(0.51)		5404 Oxygen - MCD Pend	414		414	1.28	
(518)		518 *	(3.57)		5405 Laboratory - MCD Pend	50		50	0.15	
50		50	0.34		5421 Contract Adj-Ancillaries MCD Pend	(1,533)		1,533 *	(4.73)	
541		541	3.73							
49,675	0	49,675	342.59	0.00	Total Medicaid Pending	111,588	0	111,588	344.41	0.00
					5500 Insurance	443	184	259		
145	62	83			5501 Routine Services - INS	170,281	68,010	102,271	384.38	369.62
53,590	22,670	30,920	369.59	365.65	5502 Medical Supplies - INS	6,740	1,170	5,570	15.21	6.36
2,311	390	1,921	15.94	6.29	5503 Drugs - INS	31,850	11,610	20,240	71.90	63.10
8,888	3,870	5,018	61.30	62.42	5504 Oxygen - INS	1,173	450	723	2.65	2.45
483	150	333	3.33	2.42	5505 Laboratory - INS	443	150	293	1.00	0.82
	50	50 *		0.81	5506 Physical Therapy - INS	25,241	9,750	15,491	56.98	52.99
7,525	3,250	4,275	51.90	52.42	5507 Speech Therapy - INS	8,748	5,520	3,228	19.75	30.00
1,672	1,840	168 *	11.53	29.68	5508 Occupational Therapy - INS	22,526	9,570	12,956	50.85	52.01
6,886	3,190	3,696	47.49	51.45	5509 PEN Therapy - INS	486	480	6	1.10	2.61
	160	160 *		2.58	5510 Fluidized Bed - INS	420		420	0.95	
	100	100 *		1.61	5513 Wound Care - INS		300	300 *		1.63
450	610	160 *	3.10	9.84	5514 Transportation - INS	2,400	1,830	570	5.42	9.95
	100	100 *		1.61	5515 X-Rays - INS	65	300	235 *	0.15	1.63
(28,216)	(13,710)	14,506 *	(194.59)	(221.13)	5522 Contract Adj-Ancillaries - INS	(100,090)	(41,130)	58,960 *	(225.94)	(223.53)
53,590	22,670	30,920	369.59	365.65	Total Insurance	170,281	68,010	102,271	384.38	369.62
					5600 Managed Care	695	276	419		
247	93	154			5601 Routine Services - MGC	190,114	96,690	93,424	273.55	350.33
71,185	32,230	38,955	288.20	346.56	5602 Medical Supplies - MGC	2,445		2,445	3.52	
1,918		1,918	7.76		5603 Drugs - MGC	6,187	7,740	1,553 *	8.90	28.04
3,060	2,580	480	12.39	27.74	5604 Oxygen - MGC	380	570	191 *	0.55	2.07
	190	190 *		2.04						

* Unfavorable Differences

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<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
33	60	27 *	0.13	0.65	5605 Laboratory - MGC	109	180	71 *	0.16	0.65
4,476	1,200	3,276	18.12	12.90	5606 Physical Therapy - MGC	10,233	3,600	6,633	14.72	13.04
(677)	290	967 *	(2.74)	3.12	5607 Speech Therapy - MGC	383	870	487 *	0.55	3.15
1,947	2,650	704 *	7.88	28.49	5608 Occupational Therapy - MGC	8,946	7,950	996	12.87	28.80
	10	10 *		0.11	5609 PEN Therapy - MGC		30	30 *		0.11
600	120	480	2.43	1.29	5610 Fluidized Bed - MGC	1,200	360	840	1.73	1.30
205	230	25 *	0.83	2.47	5611 Flu/Pneumonia - MGC	2,365	690	1,675	3.40	2.50
150	200	50 *	0.61	2.15	5614 Transportation - MGC	750	600	150	1.08	2.17
65	130	65 *	0.26	1.40	5615 X-Rays- MGC	130	390	260 *	0.19	1.41
(2,589)		2,589 *	(10.48)		5621 Contract Adj-Room MGC	(3,159)		3,159 *	(4.55)	
(15,814)	(7,640)	8,174 *	(64.03)	(82.15)	5622 Contract Adj-Ancillaries MGC	(43,636)	(22,920)	20,716 *	(62.79)	(83.04)
64,559	32,250	32,309	261.37	346.77	Total Managed Care	176,447	96,750	79,697	253.88	350.54
4,702	3,751	951			5700 Medicare Part B Days	13,440	11,072	2,368		
13,256	22,740	9,484 *	2.82	6.06	5703 Physical Therapy - MCR B	35,956	68,220	32,264 *	2.68	6.16
2,278	9,590	7,312 *	0.48	2.56	5704 Speech Therapy - MCR B	9,948	28,770	18,822 *	0.74	2.60
15,491	21,920	6,429 *	3.29	5.84	5705 Occupational Therapy - MCR B	47,520	65,760	18,240 *	3.54	5.94
120	110	10	0.03	0.03	5707 Flu/Pneumonia - MCR B	840	330	510	0.06	0.03
(3,694)	(9,780)	6,086	(0.79)	(2.61)	5720 Contractual Adjustment - MRB	(10,080)	(29,340)	19,260	(0.75)	(2.65)
27,451	44,580	17,129 *	5.84	11.88	Total Medicare Part B	84,184	133,740	49,556 *	6.26	12.08
99	93	6			5800 Hospice Days	238	276	38 *		
32,100	30,270	1,830	324.24	325.48	5801 Routine Services - HSP	77,169	90,810	13,641 *	324.24	329.02
183	380	197 *	1.84	4.09	5802 Medical Supplies- HSP	317	1,140	823 *	1.33	4.13
535	330	205	5.40	3.55	5804 Oxygen - HSP	1,673	990	683	7.03	3.59
300	120	180	3.03	1.29	5814 Transportation - HSP	300	360	60 *	1.26	1.30
	70	70 *		0.75	5815 X-Rays - HSP		210	210 *		0.76
(1,017)	(890)	127 *	(10.28)	(9.57)	5822 Contract Adj-Ancillaries HSP	(2,290)	(2,670)	380	(9.62)	(9.67)
32,100	30,280	1,820	324.24	325.59	Total Hospice	77,169	90,840	13,671 *	324.24	329.13
533	589	56 *			5850 Veterans Admin Days	1,607	1,748	141 *		
148,240	186,470	38,230 *	278.12	316.59	5851 Routine Services - VA	444,675	559,410	114,735 *	276.71	320.03
5,625	3,990	1,635	10.55	6.77	5852 Medical Supplies - VA	14,584	11,970	2,614	9.08	6.85
17,897	21,560	3,663 *	33.58	36.60	5853 Drugs - VA	50,295	64,680	14,385 *	31.30	37.00
2,553		2,553	4.79		5854 Oxygen - VA	7,590		7,590	4.72	
575	890	315 *	1.08	1.51	5855 Laboratory - VA	1,836	2,670	834 *	1.14	1.53
165	4,080	3,915 *	0.31	6.93	5856 Physical Therapy - VA	1,185	12,240	11,055 *	0.74	7.00
411	870	459 *	0.77	1.48	5857 Speech Therapy - VA	1,329	2,610	1,281 *	0.83	1.49
1,814	5,830	4,016 *	3.40	9.90	5858 Occupational Therapy - VA	7,579	17,490	9,911 *	4.72	10.01
1,539	600	939	2.89	1.02	5859 PEN Therapy - VA	3,229	1,800	1,429	2.01	1.03

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440	800	360 *	0.83	1.36	5860 Fluidized Bed - VA	560	2,400	1,840 *	0.35	1.37
150	220	70 *	0.28	0.37	5863 Transportation - VA	300	660	360 *	0.19	0.38
130		130	0.24		5864 X-rays - VA	650		650	0.40	
	110	110 *		0.19	5865 Flu/Pneumonia - VA	1,560	330	1,230	0.97	0.19
3,548		3,548	6.66		5867 Contract Adj Room - VA	6,645		6,645	4.14	
(31,300)	(38,940)	7,640	(58.72)	(66.11)	5868 Contract Adj Ancil - VA	(90,696)	(116,820)	26,124	(56.44)	(66.83)
151,788	186,480	34,692 *	284.78	316.60	Total Veterans Admin	451,320	559,440	108,120 *	280.85	320.05
1,956	1,209	747			5900 Apartment Revenues Days	5,507	3,588	1,919		
81,250	77,590	3,660	41.54	64.18	5901 Apartment Rental Income	243,277	232,770	10,507	44.18	64.87
4,417	7,000	2,583 *			5902 Apartment Deposit Income	13,444	21,000	7,556 *		
3,000	3,000		0.64	0.80	5903 Interest Income-Investments	9,000	9,000		0.67	0.81
550	200	350	0.12	0.05	5904 Apartment Income-Misc	800	600	200	0.06	0.05
89,216	87,790	1,426	45.61	72.61	Total Apartment Revenues	266,520	263,370	3,150	48.40	73.40
1,108,339	1,025,750	82,589	235.72	273.46	Total Resident Revenue	3,124,513	3,077,250	47,263	232.48	277.93
4,702	3,751	951			6000 Other Revenues Days	13,440	11,072	2,368		
(476)	(100)	376 *	(0.10)	(0.03)	6003 Barber and Beauty	(726)	(300)	426 *	(0.05)	(0.03)
					6006 Interest Income-Misc	10		10	0.00	
(476)	(100)	376 *	(0.10)	(0.03)	Total Other Revenues	(716)	(300)	416 *	(0.05)	(0.03)
1,107,863	1,025,650	82,213	235.62	273.43	Total Revenue	3,123,797	3,076,950	46,847	232.43	277.90
					7000 Operating Costs					
					7101 Nursing Administration					
7,566	7,310	256 *	1.61	1.95	7102 Nurs Admin DON Salaries	20,325	21,930	1,605	1.51	1.98
669	990	321	0.14	0.26	7104 Nurs Admin PTO	3,847	2,970	877 *	0.29	0.27
573	660	87	0.12	0.18	7106 Nurs Admin PR Taxes	1,700	1,980	280	0.13	0.18
3,414	3,000	414 *	0.73	0.80	7108 Nurs Admin Consultants	13,520	9,000	4,520 *	1.01	0.81
3,000	3,000		0.64	0.80	7109 Nurs Admin Medical Director Expense	9,000	9,000		0.67	0.81
	80	80		0.02	7111 Nurs Admin Supplies	117	240	123	0.01	0.02
15,221	15,040	181 *	3.24	4.01	Total Nursing Administration	48,508	45,120	3,388 *	3.61	4.08
					7200 Nursing Service					
55,823	42,000	13,823 *	11.87	11.20	7201 Nursing RN Salaries	131,062	126,000	5,062 *	9.75	11.38
114,550	110,000	4,550 *	24.36	29.33	7202 Nursing LPN Salaries	333,944	330,000	3,944 *	24.85	29.80
131,961	130,980	981 *	28.06	34.92	7203 Nursing CNA Salaries	355,636	392,940	37,304	26.46	35.49
10,498	11,710	1,212	2.23	3.12	7206 Nursing PTO	28,945	35,130	6,185	2.15	3.17
31,216	25,000	6,216 *	6.64	6.66	7207 Nursing Overtime	86,550	75,000	11,550 *	6.44	6.77

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25,872	25,570	302 *	5.50	6.82	7208 Nursing PR Taxes	70,775	76,710	5,935	5.27	6.93
420	450	30	0.09	0.12	7209 Nursing Clinical Software	2,443	1,350	1,093 *	0.18	0.12
11,380	16,370	4,990	2.42	4.36	7210 Nursing Supplies	46,078	49,110	3,032	3.43	4.44
590	400	190 *	0.13	0.11	7211 Nursing Travel and Meetings	590	1,200	610	0.04	0.11
793		793 *	0.17		7212 Nursing Minor Equipment	2,141		2,141 *	0.16	
45,341	45,000	341 *	9.64	12.00	7213 Nursing Contract Services	206,963	135,000	71,963 *	15.40	12.19
428,445	407,480	20,965 *	91.12	108.63	Total Nursing Service	1,265,125	1,222,440	42,685 *	94.13	110.41
					7250 COVID-19					
	500	500		0.13	7251 COVID-19 Nursing Salaries		1,500	1,500		0.14
	250	250		0.07	7252 COVID-19 Nursing Hero Bonuses		750	750		0.07
	1,000	1,000		0.27	7253 COVID-19 Nursing Isolating Pay	(182)	3,000	3,182	(0.01)	0.27
	500	500		0.13	7255 COVID-19 Other Hero Bonuses		1,500	1,500		0.14
	100	100		0.03	7256 COVID-19 Other Isolating Pay		300	300		0.03
	820	820		0.22	7263 COVID-19 Housekeeping Supplies		2,460	2,460		0.22
					7264 COVID-19 Maint Non-Capital Facility M	380		380 *	0.03	
	500	500		0.13	7265 COVID-19 Dietary Supplies		1,500	1,500		0.14
1,890		1,890 *	0.40		7266 COVID-19 Med Supp-Test Kits-Residen	4,410		4,410 *	0.33	
	5,000	5,000		1.33	7267 COVID-19 Med Supp-Test Kits Vis/Emp		15,000	15,000		1.35
	210	210		0.06	7271 COVID-19 Payroll Taxes		630	630		0.06
	80	80		0.02	7272 COVID-19 PPE Disposal		240	240		0.02
					7274 COVID-19 Other	472		472 *	0.04	
1,890	8,960	7,070	0.40	2.39	Total COVID-19	5,080	26,880	21,800	0.38	2.43
					7300 Ancillaries					
21,864	21,940	76	4.65	5.85	7301 Physical Therapy - Contract	56,252	65,820	9,568	4.19	5.94
26	800	774	0.01	0.21	7302 Physical Therapy - Supplies	1,960	2,400	440	0.15	0.22
4,230	8,370	4,140	0.90	2.23	7303 Speech Therapy - Contract	15,206	25,110	9,904	1.13	2.27
23,305	23,910	605	4.96	6.37	7304 Occupational Therapy - Contract	64,536	71,730	7,194	4.80	6.48
413	330	83 *	0.09	0.09	7305 PEN Therapy Nutrient	1,115	990	125 *	0.08	0.09
1,038	330	708 *	0.22	0.09	7306 PEN Therapy Supplies	1,852	990	862 *	0.14	0.09
961	100	861 *	0.20	0.03	7307 Wound Care Expense - Non Part B	1,903	300	1,603 *	0.14	0.03
888	1,100	212	0.19	0.29	7308 Laboratory Expense	2,498	3,300	802	0.19	0.30
1,966	1,070	896 *	0.42	0.29	7309 Oxygen Expense	3,486	3,210	276 *	0.26	0.29
	400	400		0.11	7310 Fluidized Bed Expense		1,200	1,200		0.11
156	200	44	0.03	0.05	7312 X-Ray Expense	783	600	183 *	0.06	0.05
141	300	160	0.03	0.08	7313 Flu/Pneumonia Expense	3,998	900	3,098 *	0.30	0.08
40,658	30,500	10,158 *	8.65	8.13	7314 Prescription Drug Expense	111,128	91,500	19,628 *	8.27	8.26
2,773	2,520	253 *	0.59	0.67	7315 OTC/Stock Drug Expense	7,843	7,560	283 *	0.58	0.68
4,264	3,970	294 *	0.91	1.06	7316 Pharmacy Consultant Expense	13,060	11,910	1,150 *	0.97	1.08

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7,188	3,400	3,788 *	1.53	0.91	7317 Medical Supplies	16,924	10,200	6,724 *	1.26	0.92
	30	30		0.01	7319 Misc Ancillary Expense - MCR A		90	90		0.01
					7327 Misc Ancillary Expense-VA	88		88 *	0.01	
109,871	99,270	10,601 *	23.37	26.46	Total Ancillaries	302,632	297,810	4,822 *	22.52	26.90
					7400 Dietary					
8,335	9,910	1,575	1.77	2.64	7401 Dietary Director Salaries	25,915	29,730	3,815	1.93	2.69
24,259	25,290	1,031	5.16	6.74	7402 Dietary Other Salaries	72,715	75,870	3,155	5.41	6.85
3,379	1,780	1,599 *	0.72	0.47	7404 Dietary PTO	10,501	5,340	5,161 *	0.78	0.48
2,242	500	1,742 *	0.48	0.13	7405 Dietary Overtime	3,831	1,500	2,331 *	0.29	0.14
3,067	3,000	67 *	0.65	0.80	7406 Dietary PR Taxes	8,904	9,000	96	0.66	0.81
815	630	185 *	0.17	0.17	7407 Dietary Consultants	2,470	1,890	580 *	0.18	0.17
57,603	48,020	9,583 *	12.25	12.80	7408 Dietary Raw Food	181,807	144,060	37,747 *	13.53	13.01
3,137	4,120	983	0.67	1.10	7409 Dietary Supplies	9,184	12,360	3,176	0.68	1.12
	50	50		0.01	7411 Dietary Travel and Meetings	773	150	623 *	0.06	0.01
(19,347)	(18,000)	1,347	(4.11)	(4.80)	7412 Dietary Emp/Guest Meal Income	(70,103)	(54,000)	16,103	(5.22)	(4.88)
83,491	75,300	8,191 *	17.76	20.07	Total Dietary	245,998	225,900	20,098 *	18.30	20.40
					7500 Social Services					
4,429	4,080	349 *	0.94	1.09	7501 Social Services Director Salaries	12,019	12,240	221	0.89	1.11
7,131	7,400	269	1.52	1.97	7502 Social Services Other Salaries	20,285	22,200	1,915	1.51	2.01
5,679	800	4,879 *	1.21	0.21	7504 Social Services PTO	5,885	2,400	3,485 *	0.44	0.22
86		86 *	0.02		7505 Social Services Overtime	396		396 *	0.03	
1,378	950	428 *	0.29	0.25	7506 Social Services PR Taxes	3,194	2,850	344 *	0.24	0.26
557	300	257 *	0.12	0.08	7507 Social Services Consultants	2,681	900	1,781 *	0.20	0.08
					7508 Social Services Supplies	72		72 *	0.01	
19,260	13,530	5,730 *	4.10	3.61	Total Social Services	44,530	40,590	3,940 *	3.31	3.67
					7600 Activities					
3,007	2,790	217 *	0.64	0.74	7601 Activities Director Salaries	8,778	8,370	408 *	0.65	0.76
2,550	2,500	50 *	0.54	0.67	7602 Activities Other Salaries	7,677	7,500	177 *	0.57	0.68
142	510	368	0.03	0.14	7604 Activities PTO	687	1,530	843	0.05	0.14
(7)		7	0.00		7605 Activities Overtime	367		367 *	0.03	
407	460	53	0.09	0.12	7606 Activities PR Taxes	1,256	1,380	124	0.09	0.12
985	1,300	315	0.21	0.35	7608 Activities Supplies	2,229	3,900	1,671	0.17	0.35
161	250	89	0.03	0.07	7609 Activities Purchased Services	367	750	383	0.03	0.07
7,246	7,810	564	1.54	2.08	Total Activities	21,361	23,430	2,069	1.59	2.12
					7700 Medical Records					
2,960	3,000	40	0.63	0.80	7701 Medical Records Salaries	8,779	9,000	221	0.65	0.81

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289	140	149 *	0.06	0.04	7703 Medical Records PTO	638	420	218 *	0.05	0.04
(2)	60	62	0.00	0.02	7704 Medical Records Overtime	177	180	3	0.01	0.02
237	260	23	0.05	0.07	7705 Medical Records PR Taxes	699	780	81	0.05	0.07
482	160	322 *	0.10	0.04	7707 Medical Records Supplies	648	480	168 *	0.05	0.04
408	350	58 *	0.09	0.09	7708 Medical Records Purchased Services	961	1,050	89	0.07	0.09
	30	30		0.01	7709 Medical Records Travel and Meetings		90	90		0.01
4,374	4,000	374 *	0.93	1.07	Total Medical Records	11,901	12,000	99	0.89	1.08
					7800 Laundry					
7,450	7,940	490	1.58	2.12	7802 Laundry Other Salaries	23,644	23,820	176	1.76	2.15
628	420	208 *	0.13	0.11	7804 Laundry PTO	957	1,260	304	0.07	0.11
734	250	484 *	0.16	0.07	7805 Laundry Overtime	759	750	9 *	0.06	0.07
642	690	48	0.14	0.18	7806 Laundry PR Taxes	1,855	2,070	215	0.14	0.19
1,027	1,290	263	0.22	0.34	7807 Laundry Supplies	3,181	3,870	689	0.24	0.35
4,946	1,920	3,026 *	1.05	0.51	7808 Laundry Linen and Bedding	4,946	5,760	814	0.37	0.52
	410	410		0.11	7809 Laundry Underpads		1,230	1,230		0.11
15,427	12,920	2,507 *	3.28	3.44	Total Laundry	35,342	38,760	3,418	2.63	3.50
					7900 Housekeeping					
3,051	3,370	319	0.65	0.90	7901 Housekeeping Director Salaries	9,189	10,110	921	0.68	0.91
20,411	20,350	61 *	4.34	5.43	7902 Housekeeping Other Salaries	58,167	61,050	2,883	4.33	5.51
1,851	1,890	39	0.39	0.50	7904 Housekeeping PTO	6,099	5,670	429 *	0.45	0.51
22	300	278	0.00	0.08	7905 Housekeeping Overtime	656	900	244	0.05	0.08
1,841	2,070	229	0.39	0.55	7906 Housekeeping PR Taxes	5,382	6,210	828	0.40	0.56
3,856	3,210	646 *	0.82	0.86	7908 Housekeeping Supplies	11,059	9,630	1,429 *	0.82	0.87
	450	450		0.12	7909 Housekeeping Purch Services	475	1,350	875	0.04	0.12
31,031	31,640	609	6.60	8.44	Total Housekeeping	91,028	94,920	3,892	6.77	8.57
					8000 Plant Operations and Maint.					
8,965	9,200	235	1.91	2.45	8002 POM Other Salaries	27,903	27,600	303 *	2.08	2.49
2,204	1,540	664 *	0.47	0.41	8004 POM PTO	5,130	4,620	510 *	0.38	0.42
(98)	50	148	(0.02)	0.01	8005 POM Overtime	177	150	27 *	0.01	0.01
932	920	12 *	0.20	0.25	8006 POM PR Taxes	2,655	2,760	105	0.20	0.25
2,301	600	1,701 *	0.49	0.16	8007 POM Consultants	5,121	1,800	3,321 *	0.38	0.16
5,970	4,500	1,470 *	1.27	1.20	8008 POM Supplies	13,420	13,500	80	1.00	1.22
8,630	7,900	730 *	1.84	2.11	8009 POM Purchased Services	24,337	23,700	637 *	1.81	2.14
21,215	21,990	775	4.51	5.86	8010 POM Utilities	55,249	65,970	10,721	4.11	5.96
3,363	3,400	37	0.72	0.91	8011 POM Cable/TV Expense	10,101	10,200	99	0.75	0.92
149		149 *	0.03		8015 POM Vehicle Expense	356		356 *	0.03	

* Unfavorable Differences

Consolidated Statement of Operations

Burlington Consolidated (BUCO)

12/1/21 to 12/31/21

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
53,631	50,100	3,531*	11.41	13.36	Total Plant Operations and Maint.	144,449	150,300	5,851	10.75	13.57
					8100 Transportation					
5,228	5,000	228 *	1.11	1.33	8101 Transportation Salaries	14,624	15,000	376	1.09	1.35
(1,098)	110	1,208	(0.23)	0.03	8103 Transportation PTO	2,179	330	1,849 *	0.16	0.03
428	200	228 *	0.09	0.05	8104 Transportation Overtime	1,108	600	508 *	0.08	0.05
318	420	102	0.07	0.11	8105 Transportation PR Taxes	1,298	1,260	38 *	0.10	0.11
496	800	304	0.11	0.21	8106 Transportation Vehicle Expense	1,486	2,400	914	0.11	0.22
	50	50		0.01	8107 Transportation NEMT Contr Veh-Mcaid		150	150		0.01
5,373	6,580	1,207	1.14	1.75	Total Transportation	20,694	19,740	954 *	1.54	1.78
					8200 Depreciation					
7,750	7,750		1.65	2.07	8205 Depr Expense - Moveable Equipment	23,250	23,250		1.73	2.10
7,750	7,750	0	1.65	2.07	Total Depreciation	23,250	23,250	0	1.73	2.10
					8300 Interest, Amortization & Lease					
136		136 *	0.03		8302 Interest Expense - Other	179		179 *	0.01	
33,100	33,100		7.04	8.82	8303 Building Lease Expense	99,300	99,300		7.39	8.97
33,236	33,100	136 *	7.07	8.82	Total Interest, Amortization & Lease	99,479	99,300	179 *	7.40	8.97
					8400 Taxes and Insurance					
9,000	9,000		1.91	2.40	8401 Property Tax Expense	27,000	27,000		2.01	2.44
191	20	171 *	0.04	0.01	8402 Misc Tax Expense	191	60	131 *	0.01	0.01
3,800	3,800		0.81	1.01	8403 Insurance Expense- Property	11,400	11,400		0.85	1.03
7,200	7,200		1.53	1.92	8404 Insurance Expense- Liability	21,600	21,600		1.61	1.95
20,191	20,020	171 *	4.29	5.34	Total Taxes and Insurance	60,191	60,060	131 *	4.48	5.42
					8500 Employee Benefits					
61,223	60,000	1,223 *	13.02	16.00	8501 Employee Group Insurance	177,288	180,000	2,712	13.19	16.26
6,050	6,050		1.29	1.61	8502 Workers Compensation Expense	18,150	18,150		1.35	1.64
181		181 *	0.04		8503 Uniform Expense - NC Locations	284		284 *	0.02	
	350	350		0.09	8504 Retirement Plan Expense		1,050	1,050		0.09
8,049	1,900	6,149 *	1.71	0.51	8505 Employee Benefits Misc Expense	11,132	5,700	5,432 *	0.83	0.51
75,503	68,300	7,203 *	16.06	18.21	Total Employee Benefits	206,854	204,900	1,954 *	15.39	18.51
					8600 General and Administration					
11,923	11,760	163 *	2.54	3.14	8601 Administrative Administrator Salaries	35,385	35,280	105 *	2.63	3.19
31,259	28,000	3,259 *	6.65	7.46	8603 Administrative Other Salaries	89,295	84,000	5,295 *	6.64	7.59
2,434	3,010	576	0.52	0.80	8605 Administrative PTO	5,199	9,030	3,831	0.39	0.82
766	380	386 *	0.16	0.10	8606 Administrative Overtime	2,148	1,140	1,008 *	0.16	0.10

* Unfavorable Differences

Consolidated Statement of Operations
 Burlington Consolidated (BUCO)
 12/1/21 to 12/31/21

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
4,152	3,450	702 *	0.88	0.92	8607 Administrative PR Taxes	10,356	10,350	6 *	0.77	0.93
56,410	56,410		12.00	15.04	8608 Management Fee Expense	169,230	169,230		12.59	15.28
1,325	1,250	75 *	0.28	0.33	8609 Telephone Expense	3,637	3,750	113	0.27	0.34
2,362	1,930	432 *	0.50	0.51	8610 Auto Expense	5,170	5,790	620	0.38	0.52
1,198	2,450	1,252	0.25	0.65	8612 Dues and Subscriptions	6,721	7,350	629	0.50	0.66
2,374	800	1,574 *	0.50	0.21	8613 Office Supplies	3,999	2,400	1,599 *	0.30	0.22
661	1,450	789	0.14	0.39	8614 Copier Expense	2,852	4,350	1,498	0.21	0.39
251	290	39	0.05	0.08	8615 Postage Expense	426	870	444	0.03	0.08
6,517	2,000	4,517 *	1.39	0.53	8616 Professional Fees - Legal	12,466	6,000	6,466 *	0.93	0.54
300	200	100 *	0.06	0.05	8617 Professional Fees - Other	1,500	600	900 *	0.11	0.05
754	530	224 *	0.16	0.14	8619 Admin - Travel and Meetings	2,934	1,590	1,344 *	0.22	0.14
856	400	456 *	0.18	0.11	8620 Help Wanted Advertising Expense	2,629	1,200	1,429 *	0.20	0.11
934	2,030	1,096	0.20	0.54	8621 General Advertising Expense	6,835	6,090	745 *	0.51	0.55
1,357	1,710	353	0.29	0.46	8622 Bank Charge Expense	5,392	5,130	262 *	0.40	0.46
966	820	146 *	0.21	0.22	8623 Printing Expense	2,847	2,460	387 *	0.21	0.22
3,262	2,700	562 *	0.69	0.72	8624 Data Processing Expense	8,156	8,100	56 *	0.61	0.73
	50	50		0.01	8625 Administrative Misc Expense		150	150		0.01
36	130	94	0.01	0.03	8626 Meals & Entertainment	200	390	190	0.01	0.04
130,097	121,750	8,347 *	27.67	32.46	Total General and Administration	377,376	365,250	12,126 *	28.08	32.99
					8800 Other Costs					
19	130	111	0.00	0.03	8801 Non-Allowable Expense	260	390	130	0.02	0.04
1,219	300	919 *	0.26	0.08	8803 Promotional Expense	1,219	900	319 *	0.09	0.08
4,000	4,000		0.85	1.07	8804 Bad Debt Expense	12,000	12,000		0.89	1.08
5,238	4,430	808 *	1.11	1.18	Total Other Costs	13,480	13,290	190 *	1.00	1.20
1,047,277	987,980	59,297 *	222.73	263.39	Total Operating Costs	3,017,277	2,963,940	53,337 *	224.50	267.70
60,587	37,670	22,917	12.89	10.04	Total Income/Loss from Operations	106,520	113,010	6,490 *	7.93	10.21
60,587	37,670	22,917	12.89	10.04	Total Net Income Before Taxes	106,520	113,010	6,490 *	7.93	10.21
60,587	37,670	22,917	12.89	10.04	Total Net Income/Loss	106,520	113,010	6,490 *	7.93	10.21

* Unfavorable Differences

Consolidated Balance Sheet
as of 12/31/21
 Burlington Consolidated (BUCO)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	924,275.23
1100	Accounts Receivable	1,647,246.30
1200	Inventory	43,928.34
1300	Prepaid Expenses	7,560.05
1400	Other Current Assets	267,513.58
	Total Current Assets	2,890,523.50
1500	Non-Current Assets	
1501	Other Assets	(1,024,559.56)
1800	Property, Plant and Equipment	393,842.62
	Total Non-Current Assets	(630,716.94)
	Total Assets	<u><u>\$2,259,806.56</u></u>
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	
3004	Notes and Accounts Payable	397,275.38
3200	Accrued Liabilities	394,518.26
3300	Other Current Liabilities	84,922.95
		<u>876,716.59</u>
3003	Long Term Liabilities	
3500	Deferred Revenue	138,973.76
		<u>138,973.76</u>
	Total Total Liabilities	1,015,690.35
4000	Equity	
	Total Equity	1,244,116.21
	Total Liabilities & Equity	<u><u>\$2,259,806.56</u></u>

Consolidated Balance Sheet
as of 12/31/21
 Burlington Consolidated (BUCO)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	
1003	Operating Bank Account	922,475.23
1005	Petty Cash	1,300.00
1008	Resident Trust Funds Petty Cash	500.00
		924,275.23
1100	Accounts Receivable	
1101	Accts Receivable-Private	207,887.54
1102	Accts Receivable-Medicaid SNF	251,249.73
1104	Accts Receivable-Hospice	40,717.16
1105	Accts Receivable-Medicare Pt A	44,095.78
1108	Accts Receivable-Medicare Pt B	5,641.68
1109	Accts Receivable-Mcare Crossover Pt B	1,142.87
1110	Accts Receivable-Medicaid Pending	169,094.97
1111	Accts Receivable-Insurance	81,736.10
1112	Accts Receivable-Managed Care	208,186.54
1113	Accts Receivable-VA	442,069.50
1115	Accts Receivable Other	39,321.81
1120	Allowance For Doubtful Accounts	(66,976.83)
1122	Accts Rec - 3rd Party Clearing Account	(192.87)
1123	Resident Refund Clearing Acct	5,909.18
1124	Resident Judgments	220,400.39
1125	Activities Fund	(3,037.25)
		1,647,246.30
1200	Inventory	
1201	Inventory-Food	4,922.08
1202	Inventory-Medical Supplies	2,457.48
1203	Inventory-Nursing Supplies	5,238.90
1204	Inventory-PEN	278.34
1205	Inventory-Laundry	853.96
1206	Inventory-Housekeeping	1,682.49
1207	Inventory-Other	28,495.09
		43,928.34
1300	Prepaid Expenses	
1301	Prepaid Insurance	7,560.05

Consolidated Balance Sheet
as of 12/31/21
 Burlington Consolidated (BUCO)

<i>Account</i>	<i>Description</i>	<i>Amount</i>	
		<u>7,560.05</u>	
1400	Other Current Assets		
1403	Accrued Interest	9,000.00	
1504	Assets Limited to Use	258,513.58	
		<u>267,513.58</u>	
	Total Current Assets		2,890,523.50
1500	Non-Current Assets		
1501	Other Assets		
1609	Intercompany Account-Burlington	(938,477.54)	
1613	Intercompany Account-Oak Creek	(44,202.81)	
1622	Intercompany Account-OC with BU		
1686	Intercompany Account-Payroll-Ultimate	(44,124.21)	
1687	Interdivision-Purchase Acct	2,245.00	
		<u>(1,024,559.56)</u>	
1800	Property, Plant and Equipment		
1810	Moveable Equipment	1,924,356.70	
1811	Accm Depn-Moveable Equipment	(1,530,514.08)	
		<u>393,842.62</u>	
	Total Non-Current Assets		(630,716.94)
	Total Assets		<u><u>\$2,259,806.56</u></u>
3000	Liabilities & Equity		
3001	Total Liabilities		
3002	Current Liabilities		
3004	Notes and Accounts Payable		
3100	Accounts Payable	174,264.85	
3104	Medicare Covid Advance	219,751.62	
3109	Employee Deductions-Cancer	3,258.91	
		<u>397,275.38</u>	
3200	Accrued Liabilities		
3201	Accrued Salaries and Wages	263,753.91	
3202	Accrued Vacation/PTO Payable	130,764.35	
		<u>394,518.26</u>	

Consolidated Balance Sheet
as of 12/31/21
 Burlington Consolidated (BUCO)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>	
3300	Other Current Liabilities		
3301	Property Taxes Payable	4,886.32	
3303	Asset Retirement Obligation	79,034.00	
3350	Unearned Revenue	1,002.63	
		<u>84,922.95</u>	
		876,716.59	
3003	Long Term Liabilities		
3500	Deferred Revenue		
3501	Deposits for Apartments Waiting List	3,890.32	
3502	Deposits on Apartments	129,583.44	
3503	Misc Deposits Account	5,500.00	
		<u>138,973.76</u>	
		138,973.76	
	Total Total Liabilities		<u>1,015,690.35</u>
4000	Equity		
4001	Common Stock	309,490.00	
4003	Retained Earnings	2,117,373.63	
4004	Current Earnings	106,519.70	
4006	Interdivision Equity	(1,313,207.87)	
4007	Unrealized (Gain)Loss on Investments	23,940.75	
	Total Equity		<u>1,244,116.21</u>
	Total Liabilities & Equity		<u><u>\$2,259,806.56</u></u>

Statement of Operations

Oak Creek Inc (OC)

12/1/21 to 12/31/21

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
1,583	961	622			5010 Resident Revenue	Days 4,700	2,852	1,848		
89,216	87,790	1,426	56.36	91.35	5900 Apartment Revenues	266,520	263,370	3,150	56.71	92.35
89,216	87,790	1,426	56.36	91.35	Total Resident Revenue	266,520	263,370	3,150	56.71	92.35
73		73	0.05		6000 Other Revenues	189		189	0.04	
89,289	87,790	1,499	56.41	91.35	Total Revenue	266,709	263,370	3,339	56.75	92.35
					7000 Operating Costs					
28,317	18,990	9,327 *	17.89	19.76	7400 Dietary	98,542	56,970	41,572 *	20.97	19.98
405	600	195	0.26	0.62	7600 Activities	447	1,800	1,353	0.10	0.63
2,004	2,490	486	1.27	2.59	7900 Housekeeping	4,960	7,470	2,510	1.06	2.62
20,894	18,020	2,874 *	13.20	18.75	8000 Plant Operations and Maint:	53,645	54,060	415	11.41	18.96
1,750	1,750		1.11	1.82	8200 Depreciation	5,250	5,250		1.12	1.84
6,600	6,600		4.17	6.87	8300 Interest, Amortization & Lease	19,800	19,800		4.21	6.94
6,500	6,500		4.11	6.76	8400 Taxes and Insurance	19,500	19,500		4.15	6.84
1,688	1,830	142	1.07	1.90	8500 Employee Benefits	4,651	5,490	839	0.99	1.92
24,447	21,500	2,947 *	15.44	22.37	8600 General and Administration	66,315	64,500	1,815 *	14.11	22.62
	50	50		0.05	8800 Other Costs		150	150		0.05
92,605	78,330	14,275 *	58.50	81.51	Total Operating Costs	273,111	234,990	38,121 *	58.11	82.39
(3,316)	9,460	12,776 *	(2.09)	9.84	Total Income/Loss from Operations	(6,402)	28,380	34,782 *	(1.36)	9.95
(3,316)	9,460	12,776 *	(2.09)	9.84	Total Net Income Before Taxes	(6,402)	28,380	34,782 *	(1.36)	9.95
(3,316)	9,460	12,776 *	(2.09)	9.84	Total Net Income/Loss	(6,402)	28,380	34,782 *	(1.36)	9.95

* Unfavorable Differences

Statement of Operations

Oak Creek Inc (OC)

12/1/21 to 12/31/21

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
1,583	961	622			5010 Resident Revenue	4,700	2,852	1,848		
1,583	961	622			5900 Apartment Revenues	4,700	2,852	1,848		
81,250	77,590	3,660	51.33	80.74	5901 Apartment Rental Income	243,277	232,770	10,507	51.76	81.62
4,417	7,000	2,583 *			5902 Apartment Deposit Income	13,444	21,000	7,556 *		
3,000	3,000		1.90	3.12	5903 Interest Income-Investments	9,000	9,000		1.91	3.16
550	200	350	0.35	0.21	5904 Apartment Income-Misc	800	600	200	0.17	0.21
89,216	87,790	1,426	56.36	91.35	Total Apartment Revenues	266,520	263,370	3,150	56.71	92.35
89,216	87,790	1,426	56.36	91.35	Total Resident Revenue	266,520	263,370	3,150	56.71	92.35
1,583	961	622			6000 Other Revenues	4,700	2,852	1,848		
73		73	0.05		6003 Barber and Beauty	189		189	0.04	
73	0	73	0.05	0.00	Total Other Revenues	189	0	189	0.04	0.00
89,289	87,790	1,499	56.41	91.35	Total Revenue	266,709	263,370	3,339	56.75	92.35
					7000 Operating Costs					
					7400 Dietary					
13		13 *	0.01		7402 Dietary Other Salaries	13		13 *	0.00	
120		120 *	0.08		7404 Dietary PTO	120		120 *	0.03	
180		180 *	0.11		7405 Dietary Overtime	180		180 *	0.04	
167		167 *	0.11		7406 Dietary PR Taxes	287		287 *	0.06	
27,554	18,710	8,844 *	17.41	19.47	7408 Dietary Raw Food	97,512	56,130	41,382 *	20.75	19.68
283	280	3 *	0.18	0.29	7409 Dietary Supplies	471	840	369	0.10	0.29
					7412 Dietary Emp/Guest Meal Income	(40)		40	(0.01)	
28,317	18,990	9,327 *	17.89	19.76	Total Dietary	98,542	56,970	41,572 *	20.97	19.98
					7600 Activities					
405	600	195	0.26	0.62	7608 Activities Supplies	402	1,800	1,398	0.09	0.63
					7609 Activities Purchased Services	45		45 *	0.01	
405	600	195	0.26	0.62	Total Activities	447	1,800	1,353	0.10	0.63
					7900 Housekeeping					
1,000	1,500	500	0.63	1.56	7902 Housekeeping Other Salaries	2,776	4,500	1,724	0.59	1.58
72		72 *	0.05		7904 Housekeeping PTO	72		72 *	0.02	
82	120	38	0.05	0.12	7906 Housekeeping PR Taxes	219	360	141	0.05	0.13
849	420	429 *	0.54	0.44	7908 Housekeeping Supplies	1,418	1,260	158 *	0.30	0.44
	450	450		0.47	7909 Housekeeping Purch Services	475	1,350	875	0.10	0.47

* Unfavorable Differences

Statement of Operations

Oak Creek Inc (OC)

12/1/21 to 12/31/21

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
2,004	2,490	486	1.27	2.59	Total Housekeeping	4,960	7,470	2,510	1.06	2.62
					8000 Plant Operations and Maint.					
2,851	3,100	249	1.80	3.23	8002 POM Other Salaries	9,727	9,300	427 *	2.07	3.26
810	190	620 *	0.51	0.20	8004 POM PTO	1,130	570	560 *	0.24	0.20
(77)	50	127	(0.05)	0.05	8005 POM Overtime	150	150	0	0.03	0.05
298	270	28 *	0.19	0.28	8006 POM PR Taxes	911	810	101 *	0.19	0.28
313		313 *	0.20		8007 POM Consultants	979		979 *	0.21	
1,913	1,800	113 *	1.21	1.87	8008 POM Supplies	5,419	5,400	19 *	1.15	1.89
5,638	3,800	1,838 *	3.56	3.95	8009 POM Purchased Services	12,788	11,400	1,388 *	2.72	4.00
8,085	7,710	375 *	5.11	8.02	8010 POM Utilities	19,344	23,130	3,786	4.12	8.11
1,063	1,100	37	0.67	1.14	8011 POM Cable/TV Expense	3,197	3,300	103	0.68	1.16
20,894	18,020	2,874 *	13.20	18.75	Total Plant Operations and Maint.	53,645	54,060	415	11.41	18.96
					8200 Depreciation					
1,750	1,750		1.11	1.82	8205 Depr Expense - Moveable Equipment	5,250	5,250		1.12	1.84
1,750	1,750	0	1.11	1.82	Total Depreciation	5,250	5,250	0	1.12	1.84
					8300 Interest, Amortization & Lease					
6,600	6,600		4.17	6.87	8303 Building Lease Expense	19,800	19,800		4.21	6.94
6,600	6,600	0	4.17	6.87	Total Interest, Amortization & Lease	19,800	19,800	0	4.21	6.94
					8400 Taxes and Insurance					
4,800	4,800		3.03	4.99	8401 Property Tax Expense	14,400	14,400		3.06	5.05
1,500	1,500		0.95	1.56	8403 Insurance Expense- Property	4,500	4,500		0.96	1.58
200	200		0.13	0.21	8404 Insurance Expense- Liability	600	600		0.13	0.21
6,500	6,500	0	4.11	6.76	Total Taxes and Insurance	19,500	19,500	0	4.15	6.84
					8500 Employee Benefits					
1,533	1,580	47	0.97	1.64	8501 Employee Group Insurance	4,396	4,740	344	0.94	1.66
50	50		0.03	0.05	8502 Workers Compensation Expense	150	150		0.03	0.05
	50	50		0.05	8504 Retirement Plan Expense		150	150		0.05
105	150	45	0.07	0.16	8505 Employee Benefits Misc Expense	105	450	345	0.02	0.16
1,688	1,830	142	1.07	1.90	Total Employee Benefits	4,651	5,490	839	0.99	1.92
					8600 General and Administration					
13,505	10,500	3,005 *	8.53	10.93	8603 Administrative Other Salaries	34,224	31,500	2,724 *	7.28	11.04
733	750	17	0.46	0.78	8605 Administrative PTO	1,797	2,250	453	0.38	0.79
1,543	900	643 *	0.98	0.94	8607 Administrative PR Taxes	3,041	2,700	341 *	0.65	0.95
4,830	4,830		3.05	5.03	8608 Management Fee Expense	14,490	14,490		3.08	5.08

* Unfavorable Differences

Statement of Operations

Oak Creek Inc (OC)

12/1/21 to 12/31/21

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
713	600	113 *	0.45	0.62	8609 Telephone Expense	1,802	1,800	2 *	0.38	0.63
806	830	24	0.51	0.86	8610 Auto Expense	2,182	2,490	308	0.46	0.87
55	150	95	0.03	0.16	8612 Dues and Subscriptions	175	450	275	0.04	0.16
1,665	300	1,365 *	1.05	0.31	8613 Office Supplies	1,857	900	957 *	0.40	0.32
	250	250		0.26	8614 Copier Expense		750	750		0.26
	30	30		0.03	8615 Postage Expense	30	90	60	0.01	0.03
	30	30		0.03	8619 Admin - Travel and Meetings		90	90		0.03
510	2,000	1,490	0.32	2.08	8621 General Advertising Expense	6,411	6,000	411 *	1.36	2.10
	10	10		0.01	8622 Bank Charge Expense		30	30		0.01
	20	20		0.02	8623 Printing Expense		60	60		0.02
87	200	113	0.06	0.21	8624 Data Processing Expense	307	600	293	0.07	0.21
	50	50		0.05	8625 Administrative Misc Expense		150	150		0.05
	50	50		0.05	8626 Meals & Entertainment		150	150		0.05
24,447	21,500	2,947 *	15.44	22.37	Total General and Administration	66,315	64,500	1,815 *	14.11	22.62
					8800 Other Costs					
	50	50		0.05	8801 Non-Allowable Expense		150	150		0.05
0	50	50	0.00	0.05	Total Other Costs	0	150	150	0.00	0.05
92,605	78,330	14,275 *	58.50	81.51	Total Operating Costs	273,111	234,990	38,121 *	58.11	82.39
(3,316)	9,460	12,776 *	(2.09)	9.84	Total Income/Loss from Operations	(6,402)	28,380	34,782 *	(1.36)	9.95
(3,316)	9,460	12,776 *	(2.09)	9.84	Total Net Income Before Taxes	(6,402)	28,380	34,782 *	(1.36)	9.95
(3,316)	9,460	12,776 *	(2.09)	9.84	Total Net Income/Loss	(6,402)	28,380	34,782 *	(1.36)	9.95

* Unfavorable Differences

Statement of Operations
 White Oak Manor - Burlington Inc (BU)
 12/1/21 to 12/31/21

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
3,119	2,790	329			5010 Resident Revenue	Days	8,740	8,220	520	
105,593	68,240	37,353	279.35	275.16	5100 Private Pay		234,755	204,720	30,035	289.11
71,352	13,660	57,692	495.50	440.65	5200 Medicare Part A		176,808	40,980	135,828	516.98
463,015	539,800	76,785 *	324.24	322.46	5300 Medicaid		1,375,440	1,619,400	243,960 *	321.44
49,675		49,675	342.59		5400 Medicaid Pending		111,588		111,588	344.41
53,590	22,670	30,920	369.59	365.65	5500 Insurance		170,281	68,010	102,271	384.38
64,559	32,250	32,309	261.37	346.77	5600 Managed Care		176,447	96,750	79,697	253.88
27,451	44,580	17,129 *	8.80	15.98	5700 Medicare Part B		84,184	133,740	49,556 *	9.63
32,100	30,280	1,820	324.24	325.59	5800 Hospice		77,169	90,840	13,671 *	324.24
151,788	186,480	34,692 *	284.78	316.60	5850 Veterans Admin		451,320	559,440	108,120 *	280.85
1,019,123	937,960	81,163	326.75	336.19	Total Resident Revenue		2,857,992	2,813,880	44,112	327.00
(549)	(100)	449 *	(0.18)	(0.04)	6000 Other Revenues		(905)	(300)	605 *	(0.10)
1,018,574	937,860	80,714	326.57	336.15	Total Revenue		2,857,087	2,813,580	43,507	342.28
					7000 Operating Costs					
15,221	15,040	181 *	4.88	5.39	7101 Nursing Administration		48,508	45,120	3,388 *	5.55
428,445	407,480	20,965 *	137.37	146.05	7200 Nursing Service		1,265,125	1,222,440	42,685 *	144.75
1,890	8,960	7,070	0.61	3.21	7250 COVID-19		5,080	26,880	21,800	0.58
109,871	99,270	10,601 *	35.23	35.58	7300 Ancillaries		302,632	297,810	4,822 *	34.63
55,174	56,310	1,136	17.69	20.18	7400 Dietary		147,455	168,930	21,475	16.87
19,260	13,530	5,730 *	6.18	4.85	7500 Social Services		44,530	40,590	3,940 *	5.10
6,842	7,210	368	2.19	2.58	7600 Activities		20,914	21,630	716	2.39
4,374	4,000	374 *	1.40	1.43	7700 Medical Records		11,901	12,000	99	1.36
15,427	12,920	2,507 *	4.95	4.63	7800 Laundry		35,342	38,760	3,418	4.04
29,028	29,150	122	9.31	10.45	7900 Housekeeping		86,068	87,450	1,382	9.85
32,737	32,080	657 *	10.50	11.50	8000 Plant Operations and Maint.		90,805	96,240	5,435	10.39
5,373	6,580	1,207	1.72	2.36	8100 Transportation		20,694	19,740	954 *	2.37
6,000	6,000		1.92	2.15	8200 Depreciation		18,000	18,000		2.06
26,636	26,500	136 *	8.54	9.50	8300 Interest, Amortization & Lease		79,679	79,500	179 *	9.12
13,691	13,520	171 *	4.39	4.85	8400 Taxes and Insurance		40,691	40,560	131 *	4.66
73,815	66,470	7,345 *	23.67	23.82	8500 Employee Benefits		202,203	199,410	2,793 *	23.14
105,649	100,250	5,399 *	33.87	35.93	8600 General and Administration		311,060	300,750	10,310 *	35.59
5,238	4,380	858 *	1.68	1.57	8800 Other Costs		13,480	13,140	340 *	1.54
954,672	909,650	45,022 *	306.08	326.04	Total Operating Costs		2,744,166	2,728,950	15,216 *	313.98
63,902	28,210	35,692	20.49	10.11	Total Income/Loss from Operations		112,922	84,630	28,292	12.92
63,902	28,210	35,692	20.49	10.11	Total Net Income Before Taxes		112,922	84,630	28,292	12.92

* Unfavorable Differences

Statement of Operations
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 12/1/21 to 12/31/21

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
63,902	28,210	35,692	20.49	10.11	Total Net Income/Loss	112,922	84,630	28,292	12.92	10.30

* Unfavorable Differences

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 12/1/21 to 12/31/21

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
3,119	2,790	329			5010 Resident Revenue	8,740	8,220	520		
378	248	130			5100 Private Pay	812	736	76		
103,539	67,000	36,539	273.91	270.16	5101 Routine Services - PVT	225,321	201,000	24,321	277.49	273.10
1,283	660	623	3.39	2.66	5102 Medical Supplies- PVT	2,941	1,980	961	3.62	2.69
621	80	541	1.64	0.32	5104 Oxygen - PVT	2,036	240	1,796	2.51	0.33
					5106 Physical Therapy - PVT	909		909	1.12	
					5107 Speech Therapy - PVT	757		757	0.93	
					5108 Occupational Therapy - PVT	1,013		1,013	1.25	
					5110 Fluidized Bed - PVT	960		960	1.18	
150	500	350 *	0.40	2.02	5113 Transportation - PVT	750	1,500	750 *	0.92	2.04
					5115 Misc - PVT	120		120	0.15	
					5120 Contractual Adjustment - PVT	(52)		52 *	(0.06)	
105,593	68,240	37,353	279.35	275.16	Total Private Pay	234,755	204,720	30,035	289.11	278.15
144	31	113			5200 Medicare Part A	342	77	265		
70,418	13,670	56,748	489.01	440.97	5201 Routine Services-MCR A	173,872	41,010	132,862	508.40	532.60
1,198	180	1,018	8.32	5.81	5202 Medical Supplies-MCR A	2,393	540	1,853	7.00	7.01
6,644	1,300	5,344	46.14	41.94	5203 Drugs-MCR A	14,456	3,900	10,556	42.27	50.65
121	130	9 *	0.84	4.19	5204 Oxygen-MCR A	1,156	390	766	3.38	5.06
385	80	305	2.67	2.58	5205 Laboratory-MCR A	559	240	319	1.64	3.12
5,665	1,360	4,305	39.34	43.87	5206 Physical Therapy-MCR A	16,778	4,080	12,698	49.06	52.99
2,254	470	1,784	15.65	15.16	5207 Speech Therapy-MCR A	6,778	1,410	5,368	19.82	18.31
8,437	1,520	6,917	58.59	49.03	5208 Occupational Therapy-MCR A	19,877	4,560	15,317	58.12	59.22
	40	40 *		1.29	5209 PEN Therapy-MCR A		120	120 *		1.56
	30	30 *		0.97	5210 Fluid Bed-MCR A		90	90 *		1.17
1,500	380	1,120	10.42	12.26	5213 Transportation-MCR A	2,850	1,140	1,710	8.33	14.81
	20	20 *		0.65	5214 X-Rays-MCR A	65	60	5	0.19	0.78
	30	30 *		0.97	5215 Misc-MCR A		90	90 *		1.17
935		935	6.49		5220 Contract Adj-Room MCR A	2,937		2,937	8.59	
(26,205)	(5,550)	20,655 *	(181.98)	(179.03)	5221 Contract Adj-Ancillaries MCR A	(64,912)	(16,650)	48,262 *	(189.80)	(216.23)
71,352	13,660	57,692	495.50	440.65	Total Medicare Part A	176,808	40,980	135,828	516.98	532.21
1,428	1,674	246 *			5300 Medicaid	4,279	4,923	644 *		
463,015	539,800	76,785 *	324.24	322.46	5301 Routine Services-MCD	1,376,910	1,619,400	242,490 *	321.78	328.95
4,299	3,280	1,019	3.01	1.96	5302 Medical Supplies-MCD	8,961	9,840	879 *	2.09	2.00
4,244	6,680	2,437 *	2.97	3.99	5303 Oxygen- MCD	12,765	20,040	7,275 *	2.98	4.07
25	390	365 *	0.02	0.23	5304 Laboratory-MCD	25	1,170	1,145 *	0.01	0.24
	100	100 *		0.06	5305 Physical Therapy-MCD Non-Covered	(107)	300	407 *	(0.03)	0.06
	30	30 *		0.02	5307 Speech Therapy-MCD Non-Covered		90	90 *		0.02

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Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
	100	100 *		0.06	5309 Occup. Therapy - MCD Non-Covered		300	300 *		0.06
739		739	0.52		5311 PEN Therapy-MCD Non-Covered	2,204		2,204	0.52	
2,480	2,530	50 *	1.74	1.51	5313 Fluidized Bed -MCD	7,360	7,590	230 *	1.72	1.54
980	310	670	0.69	0.19	5315 Wound Care- MCD	2,802	930	1,872	0.65	0.19
600	2,230	1,630 *	0.42	1.33	5316 Transportation -MCD	2,400	6,690	4,290 *	0.56	1.36
	120	120 *		0.07	5317 X-Rays -MCD		360	360 *		0.07
					5321 Flu/Pnemounia Vacc - MCD	120		120	0.03	
(13,367)	(15,770)	2,403	(9.36)	(9.42)	5324 Contract Adj-Ancillaries MCD	(38,000)	(47,310)	9,310	(8.88)	(9.61)
463,015	539,800	76,785 *	324.24	322.46	Total Medicaid	1,375,440	1,619,400	243,960 *	321.44	328.95
					5400 Medicaid Pending Days	324		324		
145		145			5401 Routine Services - MCD Pend	111,588		111,588	344.41	
49,675		49,675	342.59		5402 Medical Supplies - MCD Pend	1,069		1,069	3.30	
(73)		73 *	(0.51)		5404 Oxygen - MCD Pend	414		414	1.28	
(518)		518 *	(3.57)		5405 Laboratory - MCD Pend	50		50	0.15	
50		50	0.34		5421 Contract Adj-Ancillaries MCD Pend	(1,533)		1,533 *	(4.73)	
541		541	3.73							
49,675	0	49,675	342.59	0.00	Total Medicaid Pending	111,588	0	111,588	344.41	0.00
					5500 Insurance Days	443	184	259		
145	62	83			5501 Routine Services - INS	170,281	68,010	102,271	384.38	369.62
53,590	22,670	30,920	369.59	365.65	5502 Medical Supplies - INS	6,740	1,170	5,570	15.21	6.36
2,311	390	1,921	15.94	6.29	5503 Drugs - INS	31,850	11,610	20,240	71.90	63.10
8,888	3,870	5,018	61.30	62.42	5504 Oxygen - INS	1,173	450	723	2.65	2.45
483	150	333	3.33	2.42	5505 Laboratory - INS	443	150	293	1.00	0.82
	50	50 *		0.81	5506 Physical Therapy - INS	25,241	9,750	15,491	56.98	52.99
7,525	3,250	4,275	51.90	52.42	5507 Speech Therapy - INS	8,748	5,520	3,228	19.75	30.00
1,672	1,840	168 *	11.53	29.68	5508 Occupational Therapy - INS	22,526	9,570	12,956	50.85	52.01
6,886	3,190	3,696	47.49	51.45	5509 PEN Therapy - INS	486	480	6	1.10	2.61
	160	160 *		2.58	5510 Fluidized Bed - INS	420		420	0.95	
	100	100 *		1.61	5513 Wound Care - INS		300	300 *		1.63
450	610	160 *	3.10	9.84	5514 Transportation - INS	2,400	1,830	570	5.42	9.95
	100	100 *		1.61	5515 X-Rays - INS	65	300	235 *	0.15	1.63
(28,216)	(13,710)	14,506 *	(194.59)	(221.13)	5522 Contract Adj-Ancillaries - INS	(100,090)	(41,130)	58,960 *	(225.94)	(223.53)
53,590	22,670	30,920	369.59	365.65	Total Insurance	170,281	68,010	102,271	384.38	369.62
					5600 Managed Care Days	695	276	419		
247	93	154			5601 Routine Services - MGC	190,114	96,690	93,424	273.55	350.33
71,185	32,230	38,955	288.20	346.56	5602 Medical Supplies - MGC	2,445		2,445	3.52	
1,918		1,918	7.76		5603 Drugs - MGC	6,187	7,740	1,553 *	8.90	28.04
3,060	2,580	480	12.39	27.74	5604 Oxygen - MGC	380	570	191 *	0.55	2.07
	190	190 *		2.04						

* Unfavorable Differences

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<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
33	60	27 *	0.13	0.65	5605 Laboratory - MGC	109	180	71 *	0.16	0.65
4,476	1,200	3,276	18.12	12.90	5606 Physical Therapy - MGC	10,233	3,600	6,633	14.72	13.04
(677)	290	967 *	(2.74)	3.12	5607 Speech Therapy - MGC	383	870	487 *	0.55	3.15
1,947	2,650	704 *	7.88	28.49	5608 Occupational Therapy - MGC	8,946	7,950	996	12.87	28.80
	10	10 *		0.11	5609 PEN Therapy - MGC		30	30 *		0.11
600	120	480	2.43	1.29	5610 Fluidized Bed - MGC	1,200	360	840	1.73	1.30
205	230	25 *	0.83	2.47	5611 Flu/Pneumonia - MGC	2,365	690	1,675	3.40	2.50
150	200	50 *	0.61	2.15	5614 Transportation - MGC	750	600	150	1.08	2.17
65	130	65 *	0.26	1.40	5615 X-Rays- MGC	130	390	260 *	0.19	1.41
(2,589)		2,589 *	(10.48)		5621 Contract Adj-Room MGC	(3,159)		3,159 *	(4.55)	
(15,814)	(7,640)	8,174 *	(64.03)	(82.15)	5622 Contract Adj-Ancillaries MGC	(43,636)	(22,920)	20,716 *	(62.79)	(83.04)
64,559	32,250	32,309	261.37	346.77	Total Managed Care	176,447	96,750	79,697	253.88	350.54
3,119	2,790	329			5700 Medicare Part B Days	8,740	8,220	520		
13,256	22,740	9,484 *	4.25	8.15	5703 Physical Therapy - MCR B	35,956	68,220	32,264 *	4.11	8.30
2,278	9,590	7,312 *	0.73	3.44	5704 Speech Therapy - MCR B	9,948	28,770	18,822 *	1.14	3.50
15,491	21,920	6,429 *	4.97	7.86	5705 Occupational Therapy - MCR B	47,520	65,760	18,240 *	5.44	8.00
120	110	10	0.04	0.04	5707 Flu/Pneumonia - MCR B	840	330	510	0.10	0.04
(3,694)	(9,780)	6,086	(1.18)	(3.51)	5720 Contractual Adjustment - MRB	(10,080)	(29,340)	19,260	(1.15)	(3.57)
27,451	44,580	17,129 *	8.80	15.98	Total Medicare Part B	84,184	133,740	49,556 *	9.63	16.27
99	93	6			5800 Hospice Days	238	276	38 *		
32,100	30,270	1,830	324.24	325.48	5801 Routine Services - HSP	77,169	90,810	13,641 *	324.24	329.02
183	380	197 *	1.84	4.09	5802 Medical Supplies- HSP	317	1,140	823 *	1.33	4.13
535	330	205	5.40	3.55	5804 Oxygen - HSP	1,673	990	683	7.03	3.59
300	120	180	3.03	1.29	5814 Transportation - HSP	300	360	60 *	1.26	1.30
	70	70 *		0.75	5815 X-Rays - HSP		210	210 *		0.76
(1,017)	(890)	127 *	(10.28)	(9.57)	5822 Contract Adj-Ancillaries HSP	(2,290)	(2,670)	380	(9.62)	(9.67)
32,100	30,280	1,820	324.24	325.59	Total Hospice	77,169	90,840	13,671 *	324.24	329.13
533	589	56 *			5850 Veterans Admin Days	1,607	1,748	141 *		
148,240	186,470	38,230 *	278.12	316.59	5851 Routine Services - VA	444,675	559,410	114,735 *	276.71	320.03
5,625	3,990	1,635	10.55	6.77	5852 Medical Supplies - VA	14,584	11,970	2,614	9.08	6.85
17,897	21,560	3,663 *	33.58	36.60	5853 Drugs - VA	50,295	64,680	14,385 *	31.30	37.00
2,553		2,553	4.79		5854 Oxygen - VA	7,590		7,590	4.72	
575	890	315 *	1.08	1.51	5855 Laboratory - VA	1,836	2,670	834 *	1.14	1.53
165	4,080	3,915 *	0.31	6.93	5856 Physical Therapy - VA	1,185	12,240	11,055 *	0.74	7.00
411	870	459 *	0.77	1.48	5857 Speech Therapy - VA	1,329	2,610	1,281 *	0.83	1.49
1,814	5,830	4,016 *	3.40	9.90	5858 Occupational Therapy - VA	7,579	17,490	9,911 *	4.72	10.01
1,539	600	939	2.89	1.02	5859 PEN Therapy - VA	3,229	1,800	1,429	2.01	1.03

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440	800	360 *	0.83	1.36	5860 Fluidized Bed - VA	560	2,400	1,840 *	0.35	1.37
150	220	70 *	0.28	0.37	5863 Transportation - VA	300	660	360 *	0.19	0.38
130		130	0.24		5864 X-rays - VA	650		650	0.40	
	110	110 *		0.19	5865 Flu/Pneumonia - VA	1,560	330	1,230	0.97	0.19
3,548		3,548	6.66		5867 Contract Adj Room - VA	6,645		6,645	4.14	
(31,300)	(38,940)	7,640	(58.72)	(66.11)	5868 Contract Adj Ancil - VA	(90,696)	(116,820)	26,124	(56.44)	(66.83)
151,788	186,480	34,692 *	284.78	316.60	Total Veterans Admin	451,320	559,440	108,120 *	280.85	320.05
1,019,123	937,960	81,163	326.75	336.19	Total Resident Revenue	2,857,992	2,813,880	44,112	327.00	342.32
3,119	2,790	329			6000 Other Revenues	8,740	8,220	520		
(549)	(100)	449 *	(0.18)	(0.04)	6003 Barber and Beauty	(915)	(300)	615 *	(0.10)	(0.04)
					6006 Interest Income-Misc	10		10	0.00	
(549)	(100)	449 *	(0.18)	(0.04)	Total Other Revenues	(905)	(300)	605 *	(0.10)	(0.04)
1,018,574	937,860	80,714	326.57	336.15	Total Revenue	2,857,087	2,813,580	43,507	326.90	342.28
7000 Operating Costs										
7101 Nursing Administration										
7,566	7,310	256 *	2.43	2.62	7102 Nurs Admin DON Salaries	20,325	21,930	1,605	2.33	2.67
669	990	321	0.21	0.35	7104 Nurs Admin PTO	3,847	2,970	877 *	0.44	0.36
573	660	87	0.18	0.24	7106 Nurs Admin PR Taxes	1,700	1,980	280	0.19	0.24
3,414	3,000	414 *	1.09	1.08	7108 Nurs Admin Consultants	13,520	9,000	4,520 *	1.55	1.09
3,000	3,000		0.96	1.08	7109 Nurs Admin Medical Director Expense	9,000	9,000		1.03	1.09
	80	80		0.03	7111 Nurs Admin Supplies	117	240	123	0.01	0.03
15,221	15,040	181 *	4.88	5.39	Total Nursing Administration	48,508	45,120	3,388 *	5.55	5.49
7200 Nursing Service										
55,823	42,000	13,823 *	17.90	15.05	7201 Nursing RN Salaries	131,062	126,000	5,062 *	15.00	15.33
114,550	110,000	4,550 *	36.73	39.43	7202 Nursing LPN Salaries	333,944	330,000	3,944 *	38.21	40.15
131,961	130,980	981 *	42.31	46.95	7203 Nursing CNA Salaries	355,636	392,940	37,304	40.69	47.80
10,498	11,710	1,212	3.37	4.20	7206 Nursing PTO	28,945	35,130	6,185	3.31	4.27
31,216	25,000	6,216 *	10.01	8.96	7207 Nursing Overtime	86,550	75,000	11,550 *	9.90	9.12
25,872	25,570	302 *	8.29	9.16	7208 Nursing PR Taxes	70,775	76,710	5,935	8.10	9.33
420	450	30	0.13	0.16	7209 Nursing Clinical Software	2,443	1,350	1,093 *	0.28	0.16
11,380	16,370	4,990	3.65	5.87	7210 Nursing Supplies	46,078	49,110	3,032	5.27	5.97
590	400	190 *	0.19	0.14	7211 Nursing Travel and Meetings	590	1,200	610	0.07	0.15
793		793 *	0.25		7212 Nursing Minor Equipment	2,141		2,141 *	0.24	
45,341	45,000	341 *	14.54	16.13	7213 Nursing Contract Services	206,963	135,000	71,963 *	23.68	16.42

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428,445	407,480	20,965 *	137.37	146.05	Total Nursing Service	1,265,125	1,222,440	42,685 *	144.75	148.72
					7250 COVID-19					
	500	500		0.18	7251 COVID-19 Nursing Salaries		1,500	1,500		0.18
	250	250		0.09	7252 COVID-19 Nursing Hero Bonuses		750	750		0.09
	1,000	1,000		0.36	7253 COVID-19 Nursing Isolating Pay	(182)	3,000	3,182	(0.02)	0.36
	500	500		0.18	7255 COVID-19 Other Hero Bonuses		1,500	1,500		0.18
	100	100		0.04	7256 COVID-19 Other Isolating Pay		300	300		0.04
	820	820		0.29	7263 COVID-19 Housekeeping Supplies		2,460	2,460		0.30
					7264 COVID-19 Maint Non-Capital Facility M	380		380 *	0.04	
	500	500		0.18	7265 COVID-19 Dietary Supplies		1,500	1,500		0.18
1,890		1,890 *	0.61		7266 COVID-19 Med Supp-Test Kits-Residen	4,410		4,410 *	0.50	
	5,000	5,000		1.79	7267 COVID-19 Med Supp-Test Kits Vis/Emp		15,000	15,000		1.82
	210	210		0.08	7271 COVID-19 Payroll Taxes		630	630		0.08
	80	80		0.03	7272 COVID-19 PPE Disposal		240	240		0.03
					7274 COVID-19 Other	472		472 *	0.05	
1,890	8,960	7,070	0.61	3.21	Total COVID-19	5,080	26,880	21,800	0.58	3.27
					7300 Ancillaries					
21,864	21,940	76	7.01	7.86	7301 Physical Therapy - Contract	56,252	65,820	9,568	6.44	8.01
26	800	774	0.01	0.29	7302 Physical Therapy - Supplies	1,960	2,400	440	0.22	0.29
4,230	8,370	4,140	1.36	3.00	7303 Speech Therapy - Contract	15,206	25,110	9,904	1.74	3.05
23,305	23,910	605	7.47	8.57	7304 Occupational Therapy - Contract	64,536	71,730	7,194	7.38	8.73
413	330	83 *	0.13	0.12	7305 PEN Therapy Nutrient	1,115	990	125 *	0.13	0.12
1,038	330	708 *	0.33	0.12	7306 PEN Therapy Supplies	1,852	990	862 *	0.21	0.12
961	100	861 *	0.31	0.04	7307 Wound Care Expense - Non Part B	1,903	300	1,603 *	0.22	0.04
888	1,100	212	0.28	0.39	7308 Laboratory Expense	2,498	3,300	802	0.29	0.40
1,966	1,070	896 *	0.63	0.38	7309 Oxygen Expense	3,486	3,210	276 *	0.40	0.39
	400	400		0.14	7310 Fluidized Bed Expense		1,200	1,200		0.15
156	200	44	0.05	0.07	7312 X-Ray Expense	783	600	183 *	0.09	0.07
141	300	160	0.05	0.11	7313 Flu/Pneumonia Expense	3,998	900	3,098 *	0.46	0.11
40,658	30,500	10,158 *	13.04	10.93	7314 Prescription Drug Expense	111,128	91,500	19,628 *	12.71	11.13
2,773	2,520	253 *	0.89	0.90	7315 OTC/Stock Drug Expense	7,843	7,560	283 *	0.90	0.92
4,264	3,970	294 *	1.37	1.42	7316 Pharmacy Consultant Expense	13,060	11,910	1,150 *	1.49	1.45
7,188	3,400	3,788 *	2.30	1.22	7317 Medical Supplies	16,924	10,200	6,724 *	1.94	1.24
	30	30		0.01	7319 Misc Ancillary Expense - MCR A		90	90		0.01
					7327 Misc Ancillary Expense-VA	88		88 *	0.01	
109,871	99,270	10,601 *	35.23	35.58	Total Ancillaries	302,632	297,810	4,822 *	34.63	36.23
					7400 Dietary					

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8,335	9,910	1,575	2.67	3.55	7401 Dietary Director Salaries	25,915	29,730	3,815	2.97	3.62
24,246	25,290	1,044	7.77	9.06	7402 Dietary Other Salaries	72,702	75,870	3,168	8.32	9.23
3,259	1,780	1,479 *	1.04	0.64	7404 Dietary PTO	10,381	5,340	5,041 *	1.19	0.65
2,062	500	1,562 *	0.66	0.18	7405 Dietary Overtime	3,650	1,500	2,150 *	0.42	0.18
2,900	3,000	100	0.93	1.08	7406 Dietary PR Taxes	8,617	9,000	383	0.99	1.09
815	630	185 *	0.26	0.23	7407 Dietary Consultants	2,470	1,890	580 *	0.28	0.23
30,049	29,310	739 *	9.63	10.51	7408 Dietary Raw Food	84,296	87,930	3,634	9.64	10.70
2,854	3,840	986	0.92	1.38	7409 Dietary Supplies	8,714	11,520	2,806	1.00	1.40
	50	50		0.02	7411 Dietary Travel and Meetings	773	150	623 *	0.09	0.02
(19,347)	(18,000)	1,347	(6.20)	(6.45)	7412 Dietary Emp/Guest Meal Income	(70,063)	(54,000)	16,063	(8.02)	(6.57)
55,174	56,310	1,136	17.69	20.18	Total Dietary	147,455	168,930	21,475	16.87	20.55
					7500 Social Services					
4,429	4,080	349 *	1.42	1.46	7501 Social Services Director Salaries	12,019	12,240	221	1.38	1.49
7,131	7,400	269	2.29	2.65	7502 Social Services Other Salaries	20,285	22,200	1,915	2.32	2.70
5,679	800	4,879 *	1.82	0.29	7504 Social Services PTO	5,885	2,400	3,485 *	0.67	0.29
86		86 *	0.03		7505 Social Services Overtime	396		396 *	0.05	
1,378	950	428 *	0.44	0.34	7506 Social Services PR Taxes	3,194	2,850	344 *	0.37	0.35
557	300	257 *	0.18	0.11	7507 Social Services Consultants	2,681	900	1,781 *	0.31	0.11
					7508 Social Services Supplies	72		72 *	0.01	
19,260	13,530	5,730 *	6.18	4.85	Total Social Services	44,530	40,590	3,940 *	5.10	4.94
					7600 Activities					
3,007	2,790	217 *	0.96	1.00	7601 Activities Director Salaries	8,778	8,370	408 *	1.00	1.02
2,550	2,500	50 *	0.82	0.90	7602 Activities Other Salaries	7,677	7,500	177 *	0.88	0.91
142	510	368	0.05	0.18	7604 Activities PTO	687	1,530	843	0.08	0.19
(7)		7	0.00		7605 Activities Overtime	367		367 *	0.04	
407	460	53	0.13	0.16	7606 Activities PR Taxes	1,256	1,380	124	0.14	0.17
580	700	120	0.19	0.25	7608 Activities Supplies	1,826	2,100	274	0.21	0.26
161	250	89	0.05	0.09	7609 Activities Purchased Services	322	750	428	0.04	0.09
6,842	7,210	368	2.19	2.58	Total Activities	20,914	21,630	716	2.39	2.63
					7700 Medical Records					
2,960	3,000	40	0.95	1.08	7701 Medical Records Salaries	8,779	9,000	221	1.00	1.09
289	140	149 *	0.09	0.05	7703 Medical Records PTO	638	420	218 *	0.07	0.05
(2)	60	62	0.00	0.02	7704 Medical Records Overtime	177	180	3	0.02	0.02
237	260	23	0.08	0.09	7705 Medical Records PR Taxes	699	780	81	0.08	0.09
482	160	322 *	0.15	0.06	7707 Medical Records Supplies	648	480	168 *	0.07	0.06
408	350	58 *	0.13	0.13	7708 Medical Records Purchased Services	961	1,050	89	0.11	0.13
	30	30		0.01	7709 Medical Records Travel and Meetings		90	90		0.01

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4,374	4,000	374 *	1.40	1.43	Total Medical Records	11,901	12,000	99	1.36	1.46
					7800 Laundry					
7,450	7,940	490	2.39	2.85	7802 Laundry Other Salaries	23,644	23,820	176	2.71	2.90
628	420	208 *	0.20	0.15	7804 Laundry PTO	957	1,260	304	0.11	0.15
734	250	484 *	0.24	0.09	7805 Laundry Overtime	759	750	9 *	0.09	0.09
642	690	48	0.21	0.25	7806 Laundry PR Taxes	1,855	2,070	215	0.21	0.25
1,027	1,290	263	0.33	0.46	7807 Laundry Supplies	3,181	3,870	689	0.36	0.47
4,946	1,920	3,026 *	1.59	0.69	7808 Laundry Linen and Bedding	4,946	5,760	814	0.57	0.70
	410	410		0.15	7809 Laundry Underpads		1,230	1,230		0.15
15,427	12,920	2,507 *	4.95	4.63	Total Laundry	35,342	38,760	3,418	4.04	4.72
					7900 Housekeeping					
3,051	3,370	319	0.98	1.21	7901 Housekeeping Director Salaries	9,189	10,110	921	1.05	1.23
19,411	18,850	561 *	6.22	6.76	7902 Housekeeping Other Salaries	55,391	56,550	1,159	6.34	6.88
1,779	1,890	111	0.57	0.68	7904 Housekeeping PTO	6,028	5,670	358 *	0.69	0.69
22	300	278	0.01	0.11	7905 Housekeeping Overtime	656	900	244	0.08	0.11
1,759	1,950	191	0.56	0.70	7906 Housekeeping PR Taxes	5,163	5,850	687	0.59	0.71
3,007	2,790	217 *	0.96	1.00	7908 Housekeeping Supplies	9,641	8,370	1,271 *	1.10	1.02
29,028	29,150	122	9.31	10.45	Total Housekeeping	86,068	87,450	1,382	9.85	10.64
					8000 Plant Operations and Maint.					
6,113	6,100	13 *	1.96	2.19	8002 POM Other Salaries	18,175	18,300	125	2.08	2.23
1,394	1,350	44 *	0.45	0.48	8004 POM PTO	4,000	4,050	50	0.46	0.49
(21)		21	(0.01)		8005 POM Overtime	27		27 *	0.00	
634	650	16	0.20	0.23	8006 POM PR Taxes	1,744	1,950	206	0.20	0.24
1,988	600	1,388 *	0.64	0.22	8007 POM Consultants	4,142	1,800	2,342 *	0.47	0.22
4,057	2,700	1,357 *	1.30	0.97	8008 POM Supplies	8,002	8,100	98	0.92	0.99
2,992	4,100	1,108	0.96	1.47	8009 POM Purchased Services	11,549	12,300	751	1.32	1.50
13,130	14,280	1,150	4.21	5.12	8010 POM Utilities	35,905	42,840	6,935	4.11	5.21
2,300	2,300	0 *	0.74	0.82	8011 POM Cable/TV Expense	6,904	6,900	4 *	0.79	0.84
149		149 *	0.05		8015 POM Vehicle Expense	356		356 *	0.04	
32,737	32,080	657 *	10.50	11.50	Total Plant Operations and Maint.	90,805	96,240	5,435	10.39	11.71
					8100 Transportation					
5,228	5,000	228 *	1.68	1.79	8101 Transportation Salaries	14,624	15,000	376	1.67	1.82
(1,098)	110	1,208	(0.35)	0.04	8103 Transportation PTO	2,179	330	1,849 *	0.25	0.04
428	200	228 *	0.14	0.07	8104 Transportation Overtime	1,108	600	508 *	0.13	0.07
318	420	102	0.10	0.15	8105 Transportation PR Taxes	1,298	1,260	38 *	0.15	0.15
496	800	304	0.16	0.29	8106 Transportation Vehicle Expense	1,486	2,400	914	0.17	0.29

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	50	50		0.02	8107 Transportation NEMT Contr Veh-Mcaid		150	150		0.02
5,373	6,580	1,207	1.72	2.36	Total Transportation	20,694	19,740	954 *	2.37	2.40
					8200 Depreciation					
6,000	6,000		1.92	2.15	8205 Depr Expense - Moveable Equipment	18,000	18,000		2.06	2.19
6,000	6,000	0	1.92	2.15	Total Depreciation	18,000	18,000	0	2.06	2.19
					8300 Interest, Amortization & Lease					
136		136 *	0.04		8302 Interest Expense - Other	179		179 *	0.02	
26,500	26,500		8.50	9.50	8303 Building Lease Expense	79,500	79,500		9.10	9.67
26,636	26,500	136 *	8.54	9.50	Total Interest, Amortization & Lease	79,679	79,500	179 *	9.12	9.67
					8400 Taxes and Insurance					
4,200	4,200		1.35	1.51	8401 Property Tax Expense	12,600	12,600		1.44	1.53
191	20	171 *	0.06	0.01	8402 Misc Tax Expense	191	60	131 *	0.02	0.01
2,300	2,300		0.74	0.82	8403 Insurance Expense- Property	6,900	6,900		0.79	0.84
7,000	7,000		2.24	2.51	8404 Insurance Expense- Liability	21,000	21,000		2.40	2.55
13,691	13,520	171 *	4.39	4.85	Total Taxes and Insurance	40,691	40,560	131 *	4.66	4.93
					8500 Employee Benefits					
59,690	58,420	1,270 *	19.14	20.94	8501 Employee Group Insurance	172,891	175,260	2,369	19.78	21.32
6,000	6,000		1.92	2.15	8502 Workers Compensation Expense	18,000	18,000		2.06	2.19
181		181 *	0.06		8503 Uniform Expense - NC Locations	284		284 *	0.03	
	300	300		0.11	8504 Retirement Plan Expense		900	900		0.11
7,944	1,750	6,194 *	2.55	0.63	8505 Employee Benefits Misc Expense	11,027	5,250	5,777 *	1.26	0.64
73,815	66,470	7,345 *	23.67	23.82	Total Employee Benefits	202,203	199,410	2,793 *	23.14	24.26
					8600 General and Administration					
11,923	11,760	163 *	3.82	4.22	8601 Administrative Administrator Salaries	35,385	35,280	105 *	4.05	4.29
17,754	17,500	254 *	5.69	6.27	8603 Administrative Other Salaries	55,071	52,500	2,571 *	6.30	6.39
1,701	2,260	559	0.55	0.81	8605 Administrative PTO	3,401	6,780	3,379	0.39	0.82
766	380	386 *	0.25	0.14	8606 Administrative Overtime	2,148	1,140	1,008 *	0.25	0.14
2,609	2,550	59 *	0.84	0.91	8607 Administrative PR Taxes	7,315	7,650	335	0.84	0.93
51,580	51,580		16.54	18.49	8608 Management Fee Expense	154,740	154,740		17.70	18.82
611	650	39	0.20	0.23	8609 Telephone Expense	1,835	1,950	115	0.21	0.24
1,556	1,100	456 *	0.50	0.39	8610 Auto Expense	2,988	3,300	312	0.34	0.40
1,143	2,300	1,157	0.37	0.82	8612 Dues and Subscriptions	6,546	6,900	354	0.75	0.84
710	500	210 *	0.23	0.18	8613 Office Supplies	2,143	1,500	643 *	0.25	0.18
661	1,200	539	0.21	0.43	8614 Copier Expense	2,852	3,600	748	0.33	0.44
251	260	9	0.08	0.09	8615 Postage Expense	396	780	384	0.05	0.09

* Unfavorable Differences

Statement of Operations
 White Oak Manor - Burlington Inc (BU)
 12/1/21 to 12/31/21

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
6,517	2,000	4,517 *	2.09	0.72	8616 Professional Fees - Legal	12,466	6,000	6,466 *	1.43	0.73
300	200	100 *	0.10	0.07	8617 Professional Fees - Other	1,500	600	900 *	0.17	0.07
754	500	254 *	0.24	0.18	8619 Admin - Travel and Meetings	2,934	1,500	1,434 *	0.34	0.18
856	400	456 *	0.27	0.14	8620 Help Wanted Advertising Expense	2,629	1,200	1,429 *	0.30	0.15
424	30	394 *	0.14	0.01	8621 General Advertising Expense	424	90	334 *	0.05	0.01
1,357	1,700	343	0.44	0.61	8622 Bank Charge Expense	5,392	5,100	292 *	0.62	0.62
966	800	166 *	0.31	0.29	8623 Printing Expense	2,847	2,400	447 *	0.33	0.29
3,175	2,500	675 *	1.02	0.90	8624 Data Processing Expense	7,849	7,500	349 *	0.90	0.91
36	80	44	0.01	0.03	8626 Meals & Entertainment	200	240	40	0.02	0.03
105,649	100,250	5,399 *	33.87	35.93	Total General and Administration	311,060	300,750	10,310 *	35.59	36.59
					8800 Other Costs					
19	80	61	0.01	0.03	8801 Non-Allowable Expense	260	240	20 *	0.03	0.03
1,219	300	919 *	0.39	0.11	8803 Promotional Expense	1,219	900	319 *	0.14	0.11
4,000	4,000		1.28	1.43	8804 Bad Debt Expense	12,000	12,000		1.37	1.46
5,238	4,380	858 *	1.68	1.57	Total Other Costs	13,480	13,140	340 *	1.54	1.60
954,672	909,650	45,022 *	306.08	326.04	Total Operating Costs	2,744,166	2,728,950	15,216 *	313.98	331.99
63,902	28,210	35,692	20.49	10.11	Total Income/Loss from Operations	112,922	84,630	28,292	12.92	10.30
63,902	28,210	35,692	20.49	10.11	Total Net Income Before Taxes	112,922	84,630	28,292	12.92	10.30
63,902	28,210	35,692	20.49	10.11	Total Net Income/Loss	112,922	84,630	28,292	12.92	10.30

* Unfavorable Differences

Balance Sheet
as of 12/31/21
Oak Creek Inc (OC)

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GLBalShtLandscape

<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	349,975.70
1100	Accounts Receivable	20,093.56
1400	Other Current Assets	267,513.58
	Total Current Assets	637,582.84
1500	Non-Current Assets	
1501	Other Assets	(177,457.84)
1800	Property, Plant and Equipment	151,874.13
	Total Non-Current Assets	(25,583.71)
	Total Assets	\$611,999.13
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	
3004	Notes and Accounts Payable	3,752.85
3200	Accrued Liabilities	24,496.25
3300	Other Current Liabilities	5,187.06
		<u>33,436.16</u>
3003	Long Term Liabilities	
3500	Deferred Revenue	138,973.76
		<u>138,973.76</u>
	Total Total Liabilities	172,409.92
4000	Equity	
	Total Equity	439,589.21
	Total Liabilities & Equity	\$611,999.13

Balance Sheet
as of 12/31/21
Oak Creek Inc (OC)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>	
1000	Assets		
1001	Current Assets		
1002	Cash		
1003	Operating Bank Account	349,275.70	
1005	Petty Cash	700.00	
		349,975.70	
1100	Accounts Receivable		
1113	Accts Receivable-VA	900.00	
1115	Accts Receivable Other	15,603.56	
1120	Allowance For Doubtful Accounts	3,590.00	
		20,093.56	
1400	Other Current Assets		
1403	Accrued Interest	9,000.00	
1504	Assets Limited to Use	258,513.58	
		267,513.58	
	Total Current Assets		637,582.84
1500	Non-Current Assets		
1501	Other Assets		
1613	Intercompany Account-Oak Creek	(44,202.81)	
1622	Intercompany Account-OC with BU	(77,225.60)	
1686	Intercompany Account-Payroll-Ultimate	(56,029.43)	
		(177,457.84)	
1800	Property, Plant and Equipment		
1810	Moveable Equipment	384,197.82	
1811	Accm Depn-Moveable Equipment	(232,323.69)	
		151,874.13	
	Total Non-Current Assets		(25,583.71)
	Total Assets		\$611,999.13
3000	Liabilities & Equity		
3001	Total Liabilities		
3002	Current Liabilities		

Balance Sheet
as of 12/31/21
Oak Creek Inc (OC)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>	
3004	Notes and Accounts Payable		
3100	Accounts Payable	3,752.85	
		<u>3,752.85</u>	
3200	Accrued Liabilities		
3201	Accrued Salaries and Wages	11,602.08	
3202	Accrued Vacation/PTO Payable	12,894.17	
		<u>24,496.25</u>	
3300	Other Current Liabilities		
3301	Property Taxes Payable	4,184.43	
3350	Unearned Revenue	1,002.63	
		<u>5,187.06</u>	
		<u>33,436.16</u>	
3003	Long Term Liabilities		
3500	Deferred Revenue		
3501	Deposits for Apartments Waiting List	3,890.32	
3502	Deposits on Apartments	129,583.44	
3503	Misc Deposits Account	5,500.00	
		<u>138,973.76</u>	
		<u>138,973.76</u>	
	Total Total Liabilities		172,409.92
4000	Equity		
4001	Common Stock	78,405.00	
4003	Retained Earnings	678,348.77	
4004	Current Earnings	(6,401.96)	
4006	Interdivision Equity	(334,703.35)	
4007	Unrealized (Gain)Loss on Investments	23,940.75	
	Total Equity		439,589.21
	Total Liabilities & Equity		\$611,999.13

Balance Sheet
as of 12/31/21

White Oak Manor - Burlington Inc (BU)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	574,299.53
1100	Accounts Receivable	1,627,152.74
1200	Inventory	43,928.34
1300	Prepaid Expenses	7,560.05
	Total Current Assets	2,252,940.66
1500	Non-Current Assets	
1501	Other Assets	(847,101.72)
1800	Property, Plant and Equipment	241,968.49
	Total Non-Current Assets	(605,133.23)
	Total Assets	<u>\$1,647,807.43</u>
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	
3004	Notes and Accounts Payable	393,522.53
3200	Accrued Liabilities	370,022.01
3300	Other Current Liabilities	79,735.89
		843,280.43
	Total Total Liabilities	843,280.43
4000	Equity	
	Total Equity	804,527.00
	Total Liabilities & Equity	<u>\$1,647,807.43</u>

Balance Sheet
as of 12/31/21

White Oak Manor - Burlington Inc (BU)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	
1003	Operating Bank Account	573,199.53
1005	Petty Cash	600.00
1008	Resident Trust Funds Petty Cash	500.00
		574,299.53
1100	Accounts Receivable	
1101	Accts Receivable-Private	207,887.54
1102	Accts Receivable-Medicaid SNF	251,249.73
1104	Accts Receivable-Hospice	40,717.16
1105	Accts Receivable-Medicare Pt A	44,095.78
1108	Accts Receivable-Medicare Pt B	5,641.68
1109	Accts Receivable-Micare Crossover Pt B	1,142.87
1110	Accts Receivable-Medicaid Pending	169,094.97
1111	Accts Receivable-Insurance	81,736.10
1112	Accts Receivable-Managed Care	208,186.54
1113	Accts Receivable-VA	441,169.50
1115	Accts Receivable Other	23,718.25
1120	Allowance For Doubtful Accounts	(70,566.83)
1122	Accts Rec - 3rd Party Clearing Account	(192.87)
1123	Resident Refund Clearing Acct	5,909.18
1124	Resident Judgments	220,400.39
1125	Activities Fund	(3,037.25)
		1,627,152.74
1200	Inventory	
1201	Inventory-Food	4,922.08
1202	Inventory-Medical Supplies	2,457.48
1203	Inventory-Nursing Supplies	5,238.90
1204	Inventory-PEN	278.34
1205	Inventory-Laundry	853.96
1206	Inventory-Housekeeping	1,682.49
1207	Inventory-Other	28,495.09
		43,928.34
1300	Prepaid Expenses	
1301	Prepaid Insurance	7,560.05

Balance Sheet
as of 12/31/21
White Oak Manor - Burlington Inc (BU)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>	
		7,560.05	
	Total Current Assets		2,252,940.66
1500	Non-Current Assets		
1501	Other Assets		
1609	Intercompany Account-Burlington	(938,477.54)	
1622	Intercompany Account-OC with BU	77,225.60	
1686	Intercompany Account-Payroll-Ultimate	11,905.22	
1687	Interdivision-Purchase Acct	2,245.00	
		<u>(847,101.72)</u>	
1800	Property, Plant and Equipment		
1810	Moveable Equipment	1,540,158.88	
1811	Accm Depn-Moveable Equipment	(1,298,190.39)	
		<u>241,968.49</u>	
	Total Non-Current Assets		(605,133.23)
	Total Assets		<u><u>\$1,647,807.43</u></u>
3000	Liabilities & Equity		
3001	Total Liabilities		
3002	Current Liabilities		
3004	Notes and Accounts Payable		
3100	Accounts Payable	170,512.00	
3104	Medicare Covid Advance	219,751.62	
3109	Employee Deductions-Cancer	3,258.91	
		<u>393,522.53</u>	
3200	Accrued Liabilities		
3201	Accrued Salaries and Wages	252,151.83	
3202	Accrued Vacation/PTO Payable	117,870.18	
		<u>370,022.01</u>	
3300	Other Current Liabilities		
3301	Property Taxes Payable	701.89	
3303	Asset Retirement Obligation	79,034.00	
		<u>79,735.89</u>	

Balance Sheet
as of 12/31/21

White Oak Manor - Burlington Inc (BU)

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GLBalShtLandscape

<i>Account</i>	<i>Description</i>	<i>Amount</i>	
		<u>843,280.43</u>	
	Total Total Liabilities		843,280.43
4000	Equity		
4001	Common Stock	231,085.00	
4003	Retained Earnings	1,439,024.86	
4004	Current Earnings	112,921.66	
4006	Interdivision Equity	(978,504.52)	
	Total Equity		804,527.00
	Total Liabilities & Equity		\$1,647,807.43

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/21 to 12/31/21

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
54,651	54,437	214			5010 Resident Revenue					
1,661,334	1,697,950	36,616 *	107.25	111.85	5100 Private Pay	162,048	160,448	1,600		
2,074,970	1,921,820	153,150	540.64	534.43	5200 Medicare Part A	4,896,009	5,093,850	197,841 *	106.99	113.19
60,989	98,700	37,711 *	525.76	525.00	5250 Dual Medicare	6,161,212	5,765,460	395,752	540.98	545.71
7,771,316	7,613,420	157,896	266.93	265.13	5300 Medicaid	171,377	296,100	124,723 *	505.54	532.55
164,172	156,270	7,902	230.26	231.51	5350 Dual Medicaid	21,774,583	22,840,260	1,065,677 *	267.24	270.99
(220,879)		220,879 *	239.57		5400 Medicaid Pending	551,488	468,810	82,678	231.72	234.05
444,742	468,000	23,258 *	383.40	363.35	5500 Insurance	473,519		473,519	282.53	
215,128	213,350	1,778	211.32	334.40	5600 Managed Care	1,458,217	1,404,000	54,217	375.06	367.44
548,887	595,190	46,303 *	10.04	10.93	5700 Medicare Part B	756,874	640,050	116,824	236.38	338.47
554,068	520,170	33,898	252.77	262.05	5800 Hospice	1,655,041	1,785,570	130,529 *	10.21	11.13
571,710	668,940	97,230 *	297.77	308.13	5850 Veterans Admin	1,571,212	1,560,510	10,702	254.65	264.94
501,632	510,820	9,188 *	32.40	33.65	5900 Apartment Revenues	1,728,510	2,006,820	278,310 *	299.57	311.76
4,436	3,500	936	0.08	0.06	5925 Wellness Center Income	1,532,392	1,532,460	68 *	33.52	34.05
14,352,505	14,468,130	115,625 *	262.62	265.78	Total Resident Revenue	11,585	10,500	1,085	0.07	0.07
2,720,257	2,697,980	22,277	49.78	49.56	6000 Other Revenues	42,742,019	43,404,390	662,371 *	263.76	270.52
17,072,762	17,166,110	93,348 *	312.40	315.34	Total Revenue	8,249,548	8,093,940	155,608	50.91	50.45
						50,991,567	51,498,330	506,763 *	314.67	320.97
					7000 Operating Costs					
340,391	333,270	7,121 *	6.23	6.12	7101 Nursing Administration	1,015,650	999,810	15,840 *	6.27	6.23
5,765,572	5,709,620	55,952 *	105.50	104.88	7200 Nursing Service	16,833,500	17,128,860	295,360	103.88	106.76
68,936	66,010	2,926 *	1.26	1.21	7240 Personal Care Service	206,788	198,030	8,758 *	1.28	1.23
44,968	114,960	69,992	0.82	2.11	7250 COVID-19	284,909	344,880	59,971	1.76	2.15
1,396,256	1,479,450	83,194	25.55	27.18	7300 Ancillaries	4,205,453	4,438,350	232,897	25.95	27.66
1,170,582	1,167,610	2,972 *	21.42	21.45	7400 Dietary	3,391,783	3,502,830	111,047	20.93	21.83
278,209	268,950	9,259 *	5.09	4.94	7500 Social Services	798,788	806,850	8,062	4.93	5.03
162,031	155,290	6,741 *	2.96	2.85	7600 Activities	425,401	465,870	40,469	2.63	2.90
67,299	69,020	1,721	1.23	1.27	7700 Medical Records	172,697	207,060	34,363	1.07	1.29
151,645	168,350	16,705	2.77	3.09	7800 Laundry	441,115	505,050	63,935	2.72	3.15
397,102	424,130	27,028	7.27	7.79	7900 Housekeeping	1,191,398	1,272,390	80,992	7.35	7.93
683,245	665,900	17,345 *	12.50	12.23	8000 Plant Operations and Maint.	1,891,956	1,997,700	105,744	11.68	12.45
790	910	120	0.01	0.02	8030 Wellness Pool	1,613	2,730	1,117	0.01	0.02
108,798	102,820	5,978 *	1.99	1.89	8100 Transportation	292,013	308,460	16,447	1.80	1.92
534,500	534,500		9.78	9.82	8200 Depreciation	1,603,500	1,603,500		9.90	9.99
720,665	713,378	7,287 *	13.19	13.10	8300 Interest, Amortization & Lease	2,141,706	2,140,134	1,572 *	13.22	13.34
436,086	442,080	5,994	7.98	8.12	8400 Taxes and Insurance	1,307,702	1,326,240	18,538	8.07	8.27
1,063,182	1,089,700	26,518	19.45	20.02	8500 Employee Benefits	2,886,463	3,269,100	382,637	17.81	20.37
2,326,537	2,227,930	98,607 *	42.57	40.93	8600 General and Administration	6,692,291	6,683,790	8,501 *	41.30	41.66
158,080	169,170	11,090	2.89	3.11	8800 Other Costs	463,041	507,510	44,469	2.86	3.16

* Unfavorable Differences

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/21 to 12/31/21

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
15,874,874	15,903,048	28,174	290.48	292.14	Total Operating Costs	46,247,768	47,709,144	1,461,376	285.40	297.35
1,197,889	1,263,062	65,173*	21.92	23.20	Total Income/Loss from Operations	4,743,798	3,789,186	954,612	29.27	23.62
1,197,889	1,263,062	65,173*	21.92	23.20	Total Net Income Before Taxes	4,743,798	3,789,186	954,612	29.27	23.62
1,197,889	1,263,062	65,173*	21.92	23.20	Total Net Income/Loss	4,743,798	3,789,186	954,612	29.27	23.62

* Unfavorable Differences

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/21 to 12/31/21

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
54,651	54,437	214			5010 Resident Revenue	162,048	160,448	1,600		
15,491	15,180	311			5100 Private Pay	45,761	45,001	760		
1,641,756	1,677,040	35,284 *	105.98	110.48	5101 Routine Services - PVT	4,829,125	5,031,120	201,995 *	105.53	111.80
6,600	7,430	831 *	0.43	0.49	5102 Medical Supplies- PVT	19,869	22,290	2,421 *	0.43	0.50
6,452	7,030	579 *	0.42	0.46	5104 Oxygen - PVT	23,615	21,090	2,525	0.52	0.47
(64)	60	124 *	0.00	0.00	5105 Laboratory - PVT	220	180	40	0.00	0.00
1,305	1,305	1,305	0.08		5106 Physical Therapy - PVT	4,206		4,206	0.09	
615	615	615	0.04		5107 Speech Therapy - PVT	1,371		1,371	0.03	
997	997	997	0.06		5108 Occupational Therapy - PVT	4,187		4,187	0.09	
2,000	3,730	1,730 *	0.13	0.25	5110 Fluidized Bed - PVT	6,940	11,190	4,250 *	0.15	0.25
513	200	313	0.03	0.01	5111 Ambulance - PVT	1,795	600	1,195	0.04	0.01
1,171	2,100	929 *	0.08	0.14	5113 Transportation - PVT	5,227	6,300	1,073 *	0.11	0.14
65	360	295 *	0.00	0.02	5114 X-Rays - PVT	65	1,080	1,015 *	0.00	0.02
					5115 Misc - PVT	120		120	0.00	
(74)		74 *	0.00		5120 Contractual Adjustment - PVT	(730)		730 *	(0.02)	
1,661,334	1,697,950	36,616 *	107.25	111.85	Total Private Pay	4,896,009	5,093,850	197,841 *	106.99	113.19
3,838	3,596	242			5200 Medicare Part A	11,389	10,565	824		
2,067,280	1,921,760	145,520	538.63	534.42	5201 Routine Services-MCR A	6,234,017	5,765,280	468,737	547.37	545.70
13,450	17,240	3,790 *	3.50	4.79	5202 Medical Supplies-MCR A	43,262	51,720	8,458 *	3.80	4.90
171,727	157,820	13,907	44.74	43.89	5203 Drugs-MCR A	500,627	473,460	27,167	43.96	44.81
8,815	27,520	18,705 *	2.30	7.65	5204 Oxygen-MCR A	30,619	82,560	51,941 *	2.69	7.81
13,182	12,180	1,002	3.43	3.39	5205 Laboratory-MCR A	40,172	36,540	3,632	3.53	3.46
243,393	213,320	30,073	63.42	59.32	5206 Physical Therapy-MCR A	724,235	639,960	84,275	63.59	60.57
78,475	89,200	10,725 *	20.45	24.81	5207 Speech Therapy-MCR A	264,342	267,600	3,258 *	23.21	25.33
264,421	230,180	34,241	68.90	64.01	5208 Occupational Therapy-MCR A	765,446	690,540	74,906	67.21	65.36
898	610	288	0.23	0.17	5209 PEN Therapy-MCR A	3,082	1,830	1,252	0.27	0.17
3,520	3,470	50	0.92	0.96	5210 Fluid Bed-MCR A	10,900	10,410	490	0.96	0.99
10,193	13,410	3,217 *	2.66	3.73	5211 Ambulance-MCR A	29,386	40,230	10,844 *	2.58	3.81
	370	370 *		0.10	5212 Wound Care-MCR A	2,127	1,110	1,017	0.19	0.11
8,573	4,660	3,913	2.23	1.30	5213 Transportation-MCR A	20,199	13,980	6,219	1.77	1.32
6,385	6,380	5	1.66	1.77	5214 X-Rays-MCR A	19,213	19,140	73	1.69	1.81
878	2,140	1,262 *	0.23	0.60	5215 Misc-MCR A	2,626	6,420	3,794 *	0.23	0.61
7,675	7,675	7,675	2.00		5220 Contract Adj-Room MCR A	(72,871)		72,871 *	(6.40)	
(823,893)	(778,440)	45,453 *	(214.67)	(216.47)	5221 Contract Adj-Ancillaries MCR A	(2,456,169)	(2,335,320)	120,849 *	(215.66)	(221.04)
2,074,970	1,921,820	153,150	540.64	534.43	Total Medicare Part A	6,161,212	5,765,460	395,752	540.98	545.71
116	188	72 *			5250 Dual Medicare	339	556	217 *		
64,297	98,680	34,383 *	554.29	524.89	5251 Routine Services-Dual Medicare	190,949	296,040	105,091 *	563.27	532.45

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286	890	604 *	2.47	4.73	5252 Medical Supplies-Dual Medicare	419	2,670	2,251 *	1.24	4.80
10,128	7,740	2,388	87.31	41.17	5253 Drugs-Dual Medicare	21,308	23,220	1,912 *	62.86	41.76
	510	510 *		2.71	5254 Oxygen-Dual Medicare	173	1,530	1,358 *	0.51	2.75
200	480	280 *	1.72	2.55	5255 Laboratory-Dual Medicare	1,001	1,440	439 *	2.95	2.59
9,135	16,760	7,625 *	78.75	89.15	5256 Physical Therapy-Dual Medicare	22,914	50,280	27,366 *	67.59	90.43
4,738	8,340	3,602 *	40.84	44.36	5257 Speech Therapy-Dual Medicare	10,767	25,020	14,253 *	31.76	45.00
9,227	17,900	8,673 *	79.54	95.21	5258 Occupational Therapy-Dual Medicare	23,979	53,700	29,721 *	70.74	96.58
218		218	1.88		5259 PEN Therapy-Dual Medicare	416		416	1.23	
	110	110 *		0.59	5260 Fluid Bed-Dual Medicare		330	330 *		0.59
356	1,050	694 *	3.07	5.59	5261 Ambulance-Dual Medicare	1,319	3,150	1,831 *	3.89	5.67
	20	20 *		0.11	5263 Transportation-Dual Medicare		60	60 *		0.11
65	290	225 *	0.56	1.54	5264 X-Rays-Dual Medicare	519	870	351 *	1.53	1.56
(37,661)	(54,070)	16,409	(324.67)	(287.61)	5271 Contract Adj-Dual Medicare	(102,388)	(162,210)	59,822	(302.03)	(291.74)
60,989	98,700	37,711 *	525.76	525.00	Total Dual Medicare	171,377	296,100	124,723 *	505.54	532.55
29,114	28,716	398			5300 Medicaid	81,478	84,284	2,806 *		
7,812,768	7,613,370	199,398	268.35	265.13	5301 Routine Services-MCD	21,887,402	22,840,110	952,708 *	268.63	270.99
48,665	38,590	10,075	1.67	1.34	5302 Medical Supplies-MCD	119,265	115,770	3,495	1.46	1.37
57,494	63,210	5,716 *	1.97	2.20	5303 Oxygen- MCD	163,064	189,630	26,566 *	2.00	2.25
303	1,520	1,218 *	0.01	0.05	5304 Laboratory-MCD	1,123	4,560	3,437 *	0.01	0.05
525	1,500	975 *	0.02	0.05	5305 Physical Therapy-MCD Non-Covered	2,409	4,500	2,091 *	0.03	0.05
1,085	450	635	0.04	0.02	5307 Speech Therapy-MCD Non-Covered	2,920	1,350	1,570	0.04	0.02
94	1,500	1,406 *	0.00	0.05	5309 Occup. Therapy - MCD Non-Covered	2,995	4,500	1,505 *	0.04	0.05
2,984		2,984	0.10		5311 PEN Therapy-MCD Non-Covered	9,524		9,524	0.12	
51,580	32,720	18,860	1.77	1.14	5313 Fluidized Bed -MCD	121,000	98,160	22,840	1.49	1.16
21,975	11,440	10,535	0.75	0.40	5314 Ambulance - MCD	58,030	34,320	23,710	0.71	0.41
980	1,670	690 *	0.03	0.06	5315 Wound Care- MCD	2,802	5,010	2,208 *	0.03	0.06
28,145	12,540	15,605	0.97	0.44	5316 Transportation -MCD	59,594	37,620	21,974	0.73	0.45
313	1,290	978 *	0.01	0.04	5317 X-Rays -MCD	813	3,870	3,058 *	0.01	0.05
205	180	25	0.01	0.01	5321 Flu/Pnemounia Vacc - MCD	1,295	540	755	0.02	0.01
65	(3,380)	3,445	0.00	(0.12)	5323 Contract Adj-Room MCD	196	(10,140)	10,336	0.00	(0.12)
(255,864)	(163,180)	92,684 *	(8.79)	(5.68)	5324 Contract Adj-Ancillaries MCD	(657,849)	(489,540)	168,309 *	(8.07)	(5.81)
7,771,316	7,613,420	157,896	266.93	265.13	Total Medicaid	21,774,583	22,840,260	1,065,677 *	267.24	270.99
713	675	38			5350 Dual Medicaid	2,380	2,003	377		
164,175	156,240	7,935	230.26	231.47	5351 Routine Services-Dual Medicaid	551,593	468,720	82,873	231.76	234.01
549	870	321 *	0.77	1.29	5352 Medical Supplies-Dual Medicaid	2,406	2,610	204 *	1.01	1.30
535	1,420	885 *	0.75	2.10	5354 Oxygen-Dual Medicaid	2,381	4,260	1,880 *	1.00	2.13
	30	30 *		0.04	5355 Laboratory-Dual Medicaid	50	90	40 *	0.02	0.04
	600	600 *		0.89	5360 Fluid Bed-Dual Medicaid	2,760	1,800	960	1.16	0.90

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1,320	480	840	1.85	0.71	5361 Ambulance-Dual Medicaid	1,320	1,440	120 *	0.55	0.72
308	200	108	0.43	0.30	5363 Transportation-Dual Medicaid	798	600	198	0.34	0.30
(2,715)	(3,570)	855	(3.81)	(5.29)	5371 Contract Adj-Dual Medicaid	(9,819)	(10,710)	891	(4.13)	(5.35)
164,172	156,270	7,902	230.26	231.51	Total Dual Medicaid	551,488	468,810	82,678	231.72	234.05
(922)		922 *			5400 Medicaid Pending					
(220,879)		220,879 *	239.57		Days	1,676		1,676		
(5,027)		5,027 *	5.45		5401 Routine Services - MCD Pend	473,518		473,518	282.53	
345		345	(0.37)		5402 Medical Supplies - MCD Pend	(776)		776 *	(0.46)	
75		75	(0.08)		5404 Oxygen - MCD Pend	5,434		5,434	3.24	
352		352	(0.38)		5405 Laboratory - MCD Pend	75		75	0.04	
334		334	(0.36)		5406 Physical Therapy - MCD Pend	352		352	0.21	
180		180	(0.19)		5407 Speech Therapy - MCD Pend	334		334	0.20	
(9,040)		9,040 *	9.80		5408 Occupational Therapy - MCD Pend	180		180	0.11	
482		482	(0.52)		5410 Fluidized Bed - MCD Pend	(7,160)		7,160 *	(4.27)	
250		250	(0.27)		5411 Ambulance -MCD Pend	9,811		9,811	5.85	
(9,260)		9,260 *	10.04		5412 Wound Care -MCD Pend	250		250	0.15	
(275)		275 *	0.30		5413 Transportation - MCD Pend	(5,381)		5,381 *	(3.21)	
21,585		21,585	(23.41)		5415 Misc - MCD Pend	120		120	0.07	
(220,879)	0	220,879 *	239.57	0.00	5421 Contract Adj-Ancillaries MCD Pend	(3,239)		3,239 *	(1.93)	
					Total Medicaid Pending	473,519	0	473,519	282.53	0.00
1,160	1,288	128 *			5500 Insurance					
446,168	467,950	21,782 *	384.63	363.32	Days	3,888	3,821	67		
8,093	7,320	773	6.98	5.68	5501 Routine Services - INS	1,457,702	1,403,850	53,852	374.92	367.40
73,606	69,780	3,826	63.45	54.18	5502 Medical Supplies - INS	24,586	21,960	2,626	6.32	5.75
6,245	3,740	2,505	5.38	2.90	5503 Drugs - INS	231,027	209,340	21,687	59.42	54.79
4,866	6,510	1,644 *	4.19	5.05	5504 Oxygen - INS	14,801	11,220	3,581	3.81	2.94
79,768	77,150	2,618	68.77	59.90	5505 Laboratory - INS	14,713	19,530	4,817 *	3.78	5.11
29,211	32,110	2,899 *	25.18	24.93	5506 Physical Therapy - INS	238,394	231,450	6,944	61.32	60.57
81,583	76,770	4,813	70.33	59.60	5507 Speech Therapy - INS	94,099	96,330	2,231 *	24.20	25.21
1,917	1,630	287	1.65	1.27	5508 Occupational Therapy - INS	243,175	230,310	12,865	62.54	60.27
160	550	390 *	0.14	0.43	5509 PEN Therapy - INS	7,086	4,890	2,196	1.82	1.28
(85)	200	285 *	(0.07)	0.16	5510 Fluidized Bed - INS	2,240	1,650	590	0.58	0.43
5,419	3,820	1,599	4.67	2.97	5511 Flu/Pneumonia - INS	275	600	325 *	0.07	0.16
	1,130	1,130 *		0.88	5512 Ambulance - INS	13,136	11,460	1,676	3.38	3.00
1,095	2,860	1,765 *	0.94	2.22	5513 Wound Care - INS	4,358	3,390	968	1.12	0.89
1,783	3,200	1,417 *	1.54	2.48	5514 Transportation - INS	8,116	8,580	464 *	2.09	2.25
					5515 X-Rays - INS	5,894	9,600	3,706 *	1.52	2.51
					5516 Misc - INS	207		207	0.05	
(295,086)	(286,720)	8,366 *	(254.38)	(222.61)	5521 Contract Adj-Room - INS	2,385		2,385	0.61	(225.11)
					5522 Contract Adj-Ancillaries - INS	(903,978)	(860,160)	43,818 *	(232.50)	

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444,742	468,000	23,258 *	383.40	363.35	Total Insurance	1,458,217	1,404,000	54,217	375.06	367.44
1,018	638	380			5600 Managed Care					
					Days	3,202	1,891	1,311		
266,248	213,320	52,928	261.54	334.36	5601 Routine Services - MGC	873,497	639,960	233,537	272.80	338.42
2,337	970	1,367	2.30	1.52	5602 Medical Supplies - MGC	4,414	2,910	1,504	1.38	1.54
8,336	16,210	7,874 *	8.19	25.41	5603 Drugs - MGC	37,866	48,630	10,764 *	11.83	25.72
104	520	417 *	0.10	0.82	5604 Oxygen - MGC	1,880	1,560	320	0.59	0.82
585	1,080	495 *	0.57	1.69	5605 Laboratory - MGC	3,281	3,240	41	1.02	1.71
14,190	20,710	6,520 *	13.94	32.46	5606 Physical Therapy - MGC	53,928	62,130	8,202 *	16.84	32.86
5,519	8,960	3,441 *	5.42	14.04	5607 Speech Therapy - MGC	24,328	26,880	2,552 *	7.60	14.21
14,303	22,540	8,237 *	14.05	35.33	5608 Occupational Therapy - MGC	57,638	67,620	9,982 *	18.00	35.76
	20	20 *		0.03	5609 PEN Therapy - MGC	124	60	64	0.04	0.03
2,440	850	1,590	2.40	1.33	5610 Fluidized Bed - MGC	7,840	2,550	5,290	2.45	1.35
4,357	4,460	103 *	4.28	6.99	5611 Flu/Pneumonia - MGC	48,809	13,380	35,429	15.24	7.08
1,102	3,260	2,158 *	1.08	5.11	5612 Ambulance - MGC	1,780	9,780	8,000 *	0.56	5.17
2,154	2,220	66 *	2.12	3.48	5614 Transportation - MGC	4,128	6,660	2,532 *	1.29	3.52
65	450	385 *	0.06	0.71	5615 X-Rays- MGC	1,099	1,350	251 *	0.34	0.71
240		240	0.24		5616 Therapy Screenings - MGC	420		420	0.13	
(6,691)	(1,230)	5,461 *	(6.57)	(1.93)	5621 Contract Adj-Room MGC	(24,251)	(3,690)	20,561 *	(7.57)	(1.95)
(100,161)	(80,990)	19,171 *	(98.39)	(126.94)	5622 Contract Adj-Ancillaries MGC	(339,907)	(242,970)	96,937 *	(106.15)	(128.49)
215,128	213,350	1,778	211.32	334.40	Total Managed Care	756,874	640,050	116,824	236.38	338.47
54,651	54,437	214			5700 Medicare Part B					
					Days	162,048	160,448	1,600		
263,373	311,540	48,167 *	4.82	5.72	5703 Physical Therapy - MCR B	749,036	934,620	185,584 *	4.62	5.83
96,219	100,610	4,391 *	1.76	1.85	5704 Speech Therapy - MCR B	317,209	301,830	15,379	1.96	1.88
279,693	301,560	21,867 *	5.12	5.54	5705 Occupational Therapy - MCR B	798,769	904,680	105,911 *	4.93	5.64
2,584		2,584	0.05		5706 PEN Therapy - MCR B	6,148		6,148	0.04	
5,311	12,120	6,809 *	0.10	0.22	5707 Flu/Pneumonia - MCR B	80,636	36,360	44,276	0.50	0.23
6,500		6,500	0.12		5708 Misc - MCR B	18,190		18,190	0.11	
(104,792)	(130,640)	25,848	(1.92)	(2.40)	5720 Contractual Adjustment - MRB	(314,947)	(391,920)	76,973	(1.94)	(2.44)
548,887	595,190	46,303 *	10.04	10.93	Total Medicare Part B	1,655,041	1,785,570	130,529 *	10.21	11.13
2,192	1,985	207			5800 Hospice					
					Days	6,170	5,890	280		
553,289	520,110	33,179	252.41	262.02	5801 Routine Services - HSP	1,570,162	1,560,330	9,832	254.48	264.91
1,822	4,380	2,558 *	0.83	2.21	5802 Medical Supplies- HSP	5,908	13,140	7,232 *	0.96	2.23
4,295	4,120	175	1.96	2.08	5804 Oxygen - HSP	10,609	12,360	1,751 *	1.72	2.10
	30	30 *		0.02	5805 Laboratory - HSP		90	90 *		0.02
104		104	0.05		5806 Physical Therapy - HSP	824		824	0.13	
417		417	0.19		5807 Speech Therapy- HSP	500		500	0.08	
58		58	0.03		5808 Occupational Therapy- HSP	58		58	0.01	

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1,230	580	650	0.56	0.29	5809 PEN Therapy - HSP					
1,100	630	470	0.50	0.32	5810 Fluidized Bed - HSP	3,840	1,740	2,100	0.62	0.30
	40	40 *		0.02	5811 Flu/Pneumonia - HSP	3,040	1,890	1,150	0.49	0.32
2,137	870	1,267	0.97	0.44	5812 Ambulance - HSP	120	120		0.02	0.02
					5813 Wound Care - HSP	6,758	2,610	4,148	1.10	0.44
390	380	10	0.18	0.19	5814 Transportation - HSP	1,205		1,205	0.20	
	260	260 *		0.13	5815 X-Rays - HSP	654	1,140	486 *	0.11	0.19
(10,774)	(11,230)	456	(4.92)	(5.66)	5822 Contract Adj-Ancillaries HSP	33	780	747 *	0.01	0.13
554,068	520,170	33,898	252.77	262.05	Total Hospice	(32,497)	(33,690)	1,193	(5.27)	(5.72)
						1,571,212	1,560,510	10,702	254.65	264.94
1,920	2,171	251 *			5850 Veterans Admin					
568,111	667,190	99,079 *	295.89	307.32	5851 Routine Services - VA	5,770	6,437	667 *		
8,894	8,350	544	4.63	3.85	5852 Medical Supplies - VA	1,703,995	2,001,570	297,575 *	295.32	310.95
67,005	74,080	7,075 *	34.90	34.12	5853 Drugs - VA	26,512	25,050	1,462	4.59	3.89
5,813	4,240	1,573	3.03	1.95	5854 Oxygen - VA	209,439	222,240	12,801 *	36.30	34.53
2,123	3,160	1,037 *	1.11	1.46	5855 Laboratory - VA	18,628	12,720	5,908	3.23	1.98
6,745	17,640	10,895 *	3.51	8.13	5856 Physical Therapy - VA	7,586	9,480	1,894 *	1.31	1.47
3,732	6,140	2,408 *	1.94	2.83	5857 Speech Therapy - VA	26,961	52,920	25,959 *	4.67	8.22
5,920	15,690	9,770 *	3.08	7.23	5858 Occupational Therapy - VA	9,806	18,420	8,614 *	1.70	2.86
2,084	1,550	534	1.09	0.71	5859 PEN Therapy - VA	15,202	47,070	31,868 *	2.63	7.31
1,040	1,230	190 *	0.54	0.57	5860 Fluidized Bed - VA	4,532	4,650	118 *	0.79	0.72
966	560	406	0.50	0.26	5861 Ambulance - VA	4,420	3,690	730	0.77	0.57
150	660	510 *	0.08	0.30	5863 Transportation - VA	2,308	1,680	628	0.40	0.26
1,292	1,380	88 *	0.67	0.64	5864 X-rays - VA	500	1,980	1,480 *	0.09	0.31
611	430	181	0.32	0.20	5865 Flu/Pneumonia - VA	6,402	4,140	2,262	1.11	0.64
	5,170	5,170 *		2.38	5866 Misc - VA	5,496	1,290	4,206	0.95	0.20
3,599	1,700	1,899	1.87	0.78	5867 Contract Adj Room - VA		15,510	15,510 *		2.41
(106,376)	(140,230)	33,854	(55.40)	(64.59)	5868 Contract Adj Ancil - VA	24,515	5,100	19,415	4.25	0.79
571,710	668,940	97,230 *	297.77	308.13	Total Veterans Admin	(337,790)	(420,690)	82,900	(58.54)	(65.35)
						1,728,510	2,006,820	278,310 *	299.57	311.76
15,482	15,180	302			5900 Apartment Revenues					
447,219	451,720	4,501 *	28.89	29.76	5901 Apartment Rental Income	45,720	45,001	719		
30,150	35,800	5,650 *	0.41	0.40	5902 Apartment Deposit Income	1,338,378	1,355,160	16,782 *	29.27	30.11
22,500	22,000	500	0.03	0.02	5903 Interest Income-Investments	120,710	107,400	13,310		
1,763	1,300	463	0.03	0.02	5904 Apartment Income-Misc	67,500	66,000	1,500	0.42	0.41
501,632	510,820	9,188 *	32.40	33.65	Total Apartment Revenues	5,804	3,900	1,904	0.04	0.02
4,436	3,500	936	0.08	0.06	5926 Wellness Center Memberships	1,532,392	1,532,460	68 *	33.52	34.05
4,436	3,500	936	0.08	0.06	Total Wellness Center Income	11,585	10,500	1,085	0.07	0.07

* Unfavorable Differences

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Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
14,352,505	14,468,130	115,625 *	262.62	265.78	Total Resident Revenue	42,742,019	43,404,390	662,371 *	263.76	270.52
54,651	54,437	214			6000 Other Revenues					
877,233	850,000	27,233	16.05	15.61	Days	162,048	160,448	1,600		
486,120	486,670	550 *	8.89	8.94	6001 Management Fee Income	2,706,930	2,550,000	156,930	16.70	15.89
(6,739)	(2,150)	4,589 *	(0.12)	(0.04)	6002 Property Lease Income	1,462,047	1,460,010	2,037	9.02	9.10
1,874	1,690	184	0.03	0.03	6003 Barber and Beauty	(12,278)	(6,450)	5,828 *	(0.08)	(0.04)
287	600	313 *	0.01	0.01	6004 Vending Income	5,563	5,070	493	0.03	0.03
(29)		29 *	0.00		6005 Cable TV	893	1,800	907 *	0.01	0.01
724	610	114	0.01	0.01	6006 Interest Income-Misc	71		71	0.00	
165		165	0.00		6007 Resident Laundry Income	2,374	1,830	544	0.01	0.01
624,775	624,710	65	11.43	11.48	6009 Small Claims Fees - Revenue	325		325	0.00	
735,847	735,850	3 *	13.46	13.52	6010 Misc Operating Income	1,876,080	1,874,130	1,950	11.58	11.68
					6013 SC Medicaid Emergency Funds	2,207,542	2,207,550	8 *	13.62	13.76
2,720,257	2,697,980	22,277	49.78	49.56	Total Other Revenues	8,249,548	8,093,940	155,608	50.91	50.45
17,072,762	17,166,110	93,348 *	312.40	315.34	Total Revenue	50,991,567	51,498,330	506,763 *	314.67	320.97
					7000 Operating Costs					
					7101 Nursing Administration					
111,538	118,900	7,362	2.04	2.18	7102 Nurs Admin DON Salaries	352,117	356,700	4,583	2.17	2.22
64,920	63,660	1,260 *	1.19	1.17	7103 Nurs Admin ADON Salaries	191,141	190,980	161 *	1.18	1.19
21,986	21,220	766 *	0.40	0.39	7104 Nurs Admin PTO	66,074	63,660	2,414 *	0.41	0.40
14,784	16,600	1,816	0.27	0.30	7106 Nurs Admin PR Taxes	44,527	49,800	5,273	0.27	0.31
81,317	66,450	14,867 *	1.49	1.22	7108 Nurs Admin Consultants	222,462	199,350	23,112 *	1.37	1.24
45,650	46,150	500	0.84	0.85	7109 Nurs Admin Medical Director Expense	138,200	138,450	250	0.85	0.86
195	290	95	0.00	0.01	7111 Nurs Admin Supplies	1,128	870	258 *	0.01	0.01
340,391	333,270	7,121 *	6.23	6.12	Total Nursing Administration	1,015,650	999,810	15,840 *	6.27	6.23
					7200 Nursing Service					
688,430	817,560	129,130	12.60	15.02	7201 Nursing RN Salaries	2,028,911	2,452,680	423,769	12.52	15.29
1,303,355	1,349,720	46,365	23.85	24.79	7202 Nursing LPN Salaries	3,772,554	4,049,160	276,606	23.28	25.24
1,810,040	1,937,080	127,040	33.12	35.58	7203 Nursing CNA Salaries	5,265,186	5,811,240	546,054	32.49	36.22
187,315	185,430	1,885 *	3.43	3.41	7206 Nursing PTO	499,425	556,290	56,865	3.08	3.47
288,366	263,000	25,366 *	5.28	4.83	7207 Nursing Overtime	971,360	789,000	182,360 *	5.99	4.92
327,236	370,290	43,054	5.99	6.80	7208 Nursing PR Taxes	962,714	1,110,870	148,156	5.94	6.92
6,581	23,660	17,079	0.12	0.43	7209 Nursing Clinical Software	36,460	70,980	34,520	0.22	0.44
240,247	252,960	12,713	4.40	4.65	7210 Nursing Supplies	713,912	758,880	44,968	4.41	4.73
1,054	1,570	516	0.02	0.03	7211 Nursing Travel and Meetings	4,641	4,710	69	0.03	0.03
34,078		34,078 *	0.62		7212 Nursing Minor Equipment	43,289		43,289 *	0.27	
878,500	507,000	371,500 *	16.07	9.31	7213 Nursing Contract Services	2,528,483	1,521,000	1,007,483 *	15.60	9.48

* Unfavorable Differences

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370	1,350	981	0.01	0.02	7215 Nursing CNA Training-Other	6,565	4,050	2,515 *	0.04	0.03
5,765,572	5,709,620	55,952 *	105.50	104.88	Total Nursing Service	16,833,500	17,128,860	295,360	103.88	106.76
7240 Personal Care Service										
55,938	56,850	912	1.02	1.04	7241 Personal Care Salaries	170,393	170,550	157	1.05	1.06
3,547	2,000	1,547 *	0.06	0.04	7243 Personal Care PTO	7,959	6,000	1,959 *	0.05	0.04
4,006	2,000	2,006 *	0.07	0.04	7244 Personal Care Overtime	12,978	6,000	6,978 *	0.08	0.04
4,639	4,710	71	0.08	0.09	7245 Personal Care PR Taxes	14,072	14,130	58	0.09	0.09
806	450	356 *	0.01	0.01	7246 Personal Care Supplies	1,366	1,350	36 *	0.01	0.01
68,936	66,010	2,926 *	1.26	1.21	Total Personal Care Service	206,788	198,030	8,758 *	1.28	1.23
7250 COVID-19										
7,276	14,540	7,264	0.13	0.27	7251 COVID-19 Nursing Salaries	46,467	43,620	2,847 *	0.29	0.27
6,714	18,080	11,366	0.12	0.33	7252 COVID-19 Nursing Hero Bonuses	24,035	54,240	30,205	0.15	0.34
7,464	10,750	3,286	0.14	0.20	7253 COVID-19 Nursing Isolating Pay	23,513	32,250	8,737	0.15	0.20
12,196	7,850	4,346 *	0.22	0.14	7254 COVID-19 Other Salaries	41,118	23,550	17,568 *	0.25	0.15
(39)	4,450	4,489	0.00	0.08	7255 COVID-19 Other Hero Bonuses	944	13,350	12,406	0.01	0.08
832	5,950	5,118	0.02	0.11	7256 COVID-19 Other Isolating Pay	8,702	17,850	9,148	0.05	0.11
	900	900		0.02	7258 COVID-19 Nursing Contract Labor	720	2,700	1,980	0.00	0.02
					7260 COVID-19 Telehealth Equipment	39		39 *	0.00	
380	250	130 *	0.01	0.00	7262 COVID-19 Nursing Supplies/PPE	3,322	750	2,572 *	0.02	0.00
17	11,520	11,503	0.00	0.21	7263 COVID-19 Housekeeping Supplies	225	34,560	34,335	0.00	0.22
	500	500		0.01	7264 COVID-19 Maint Non-Capital Facility M.	1,084		1,084 *	0.01	
3,290	12,050	8,760	0.06	0.22	7265 COVID-19 Dietary Supplies	45	1,500	1,455	0.00	0.01
5,335	21,000	15,665	0.10	0.39	7266 COVID-19 Med Supp-Test Kits-Residen	24,640	36,150	11,510	0.15	0.23
125		125 *	0.00		7267 COVID-19 Med Supp-Test Kits Vis/Emp	97,070	63,000	34,070 *	0.60	0.39
364		364 *	0.01		7269 COVID-19 Fringe Benefits	125		125 *	0.00	
1,014	5,550	4,536	0.02	0.10	7270 COVID-19 Overtime	585		585 *	0.00	
	1,570	1,570		0.03	7271 COVID-19 Payroll Taxes	3,394	16,650	13,256	0.02	0.10
					7272 COVID-19 PPE Disposal	3,105	4,710	1,605	0.02	0.03
					7273 COVID-19 Admin Communications	616		616 *	0.00	
					7274 COVID-19 Other	5,163		5,163 *	0.03	
44,968	114,960	69,992	0.82	2.11	Total COVID-19	284,909	344,880	59,971	1.76	2.15
7300 Ancillaries										
349,118	392,500	43,382	6.39	7.21	7301 Physical Therapy - Contract	1,040,460	1,177,500	137,040	6.42	7.34
9,866	9,410	456 *	0.18	0.17	7302 Physical Therapy - Supplies	40,386	28,230	12,156 *	0.25	0.18
90,432	142,890	52,458	1.65	2.62	7303 Speech Therapy - Contract	302,360	428,670	126,310	1.87	2.67
367,255	393,840	26,585	6.72	7.23	7304 Occupational Therapy - Contract	1,071,386	1,181,520	110,134	6.61	7.36
4,142	2,400	1,742 *	0.08	0.04	7305 PEN Therapy Nutrient	11,445	7,200	4,245 *	0.07	0.04

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3,447	2,090	1,357 *	0.06	0.04	7306 PEN Therapy Supplies	7,923	6,270	1,653 *	0.05	0.04
2,413	1,310	1,103 *	0.04	0.02	7307 Wound Care Expense - Non Part B	12,873	3,930	8,943 *	0.08	0.02
20,244	17,240	3,004 *	0.37	0.32	7308 Laboratory Expense	60,196	51,720	8,476 *	0.37	0.32
19,460	12,530	6,930 *	0.36	0.23	7309 Oxygen Expense	37,951	37,590	361 *	0.23	0.23
1,240	3,940	2,700	0.02	0.07	7310 Fluidized Bed Expense	2,418	11,820	9,402	0.01	0.07
					7311 Ambulance Expense	229		229 *	0.00	
9,683	5,940	3,743 *	0.18	0.11	7312 X-Ray Expense	27,450	17,820	9,630 *	0.17	0.11
5,132	11,870	6,738	0.09	0.22	7313 Flu/Pneumonia Expense	80,012	35,610	44,402 *	0.49	0.22
366,574	336,130	30,444 *	6.71	6.17	7314 Prescription Drug Expense	1,065,099	1,008,390	56,709 *	6.57	6.28
37,870	34,480	3,390 *	0.69	0.63	7315 OTC/Stock Drug Expense	108,657	103,440	5,217 *	0.67	0.64
49,893	53,300	3,408	0.91	0.98	7316 Pharmacy Consultant Expense	171,973	159,900	12,073 *	1.06	1.00
50,207	47,850	2,357 *	0.92	0.88	7317 Medical Supplies	136,184	143,550	7,366	0.84	0.89
1,759	2,730	971	0.03	0.05	7319 Misc Ancillary Expense - MCR A	7,056	8,190	1,134	0.04	0.05
	10	10		0.00	7321 Misc Ancillary Expense - MGC		30	30		0.00
7,521	8,990	1,469	0.14	0.17	7327 Misc Ancillary Expense-VA	21,395	26,970	5,575	0.13	0.17
1,396,256	1,479,450	83,194	25.55	27.18	Total Ancillaries	4,205,453	4,438,350	232,897	25.95	27.66
					7400 Dietary					
105,507	113,910	8,403	1.93	2.09	7401 Dietary Director Salaries	327,978	341,730	13,752	2.02	2.13
407,207	417,730	10,523	7.45	7.67	7402 Dietary Other Salaries	1,176,387	1,253,190	76,803	7.26	7.81
31,431	37,040	5,609	0.58	0.68	7404 Dietary PTO	90,364	111,120	20,756	0.56	0.69
19,212	12,950	6,262 *	0.35	0.24	7405 Dietary Overtime	48,219	38,850	9,369 *	0.30	0.24
43,775	47,190	3,415	0.80	0.87	7406 Dietary PR Taxes	126,662	141,570	14,908	0.78	0.88
18,110	14,130	3,980 *	0.33	0.26	7407 Dietary Consultants	51,844	42,390	9,454 *	0.32	0.26
566,405	559,600	6,805 *	10.36	10.28	7408 Dietary Raw Food	1,645,018	1,678,800	33,782	10.15	10.46
55,757	60,360	4,603	1.02	1.11	7409 Dietary Supplies	176,711	181,080	4,369	1.09	1.13
32	510	478	0.00	0.01	7411 Dietary Travel and Meetings	2,071	1,530	541 *	0.01	0.01
(77,922)	(95,810)	17,888 *	(1.43)	(1.76)	7412 Dietary Emp/Guest Meal Income	(254,540)	(287,430)	32,890 *	(1.57)	(1.79)
1,068		1,068 *	0.02		7414 Dietary Minor Equipment	1,068		1,068 *	0.01	
1,170,582	1,167,610	2,972 *	21.42	21.45	Total Dietary	3,391,783	3,502,830	111,047	20.93	21.83
					7500 Social Services					
64,766	68,390	3,624	1.19	1.26	7501 Social Services Director Salaries	194,554	205,170	10,616	1.20	1.28
150,118	151,190	1,072	2.75	2.78	7502 Social Services Other Salaries	440,485	453,570	13,085	2.72	2.83
25,732	13,500	12,232 *	0.47	0.25	7504 Social Services PTO	48,476	40,500	7,976 *	0.30	0.25
4,357	1,830	2,527 *	0.08	0.03	7505 Social Services Overtime	15,449	5,490	9,959 *	0.10	0.03
18,748	19,090	342	0.34	0.35	7506 Social Services PR Taxes	53,065	57,270	4,205	0.33	0.36
7,373	6,730	643 *	0.13	0.12	7507 Social Services Consultants	22,729	20,190	2,539 *	0.14	0.13
6,420	7,410	990	0.12	0.14	7508 Social Services Supplies	21,559	22,230	671	0.13	0.14
600	600		0.01	0.01	7509 Social Services Purchased Services	1,800	1,800		0.01	0.01

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64	210	146	0.00	0.00	7510 Social Services Travel and Meetings	559	630	71	0.00	0.00
31		31 *	0.00		7511 Social Services Misc Expense	111		111 *	0.00	0.00
278,209	268,950	9,259 *	5.09	4.94	Total Social Services	798,788	806,850	8,062	4.93	5.03
					7600 Activities					
46,534	51,100	4,566	0.85	0.94	7601 Activities Director Salaries	143,474	153,300	9,826	0.89	0.96
64,098	62,600	1,498 *	1.17	1.15	7602 Activities Other Salaries	167,414	187,800	20,386	1.03	1.17
12,406	10,010	2,396 *	0.23	0.18	7604 Activities PTO	28,705	30,030	1,325	0.18	0.19
2,972	1,830	1,142 *	0.05	0.03	7605 Activities Overtime	6,502	5,490	1,012 *	0.04	0.03
9,360	10,330	970	0.17	0.19	7606 Activities PR Taxes	25,459	30,990	5,531	0.16	0.19
	600	600			0.01 7607 Activities Consultants		1,800	1,800		0.01
23,035	17,780	5,255 *	0.42	0.33	7608 Activities Supplies	48,091	53,340	5,249	0.30	0.33
3,627	770	2,857 *	0.07	0.01	7609 Activities Purchased Services	5,396	2,310	3,086 *	0.03	0.01
	270	270			0.00 7610 Activities Travel and Meetings	180	810	630	0.00	0.01
					7611 Activities Specialty Vehicle SC Location	180		180 *	0.00	0.01
162,031	155,290	6,741 *	2.96	2.85	Total Activities	425,401	465,870	40,469	2.63	2.90
					7700 Medical Records					
50,842	52,500	1,658	0.93	0.96	7701 Medical Records Salaries	131,514	157,500	25,986	0.81	0.98
4,298	4,090	208 *	0.08	0.08	7703 Medical Records PTO	10,222	12,270	2,048	0.06	0.08
1,610	1,910	300	0.03	0.04	7704 Medical Records Overtime	6,381	5,730	651 *	0.04	0.04
4,118	4,900	782	0.08	0.09	7705 Medical Records PR Taxes	10,684	14,700	4,016	0.07	0.09
4,730	5,120	390	0.09	0.09	7707 Medical Records Supplies	11,042	15,360	4,318	0.07	0.10
523	470	53 *	0.01	0.01	0.01 7708 Medical Records Purchased Services	1,418	1,410	8 *	0.01	0.01
1,178	30	1,148 *	0.02	0.00	7709 Medical Records Travel and Meetings	1,741	90	1,651 *	0.01	0.00
					7710 Medical Records Misc Expense	(305)		305	0.00	0.00
67,299	69,020	1,721	1.23	1.27	Total Medical Records	172,697	207,060	34,363	1.07	1.29
					7800 Laundry					
102,328	111,310	8,982	1.87	2.04	7802 Laundry Other Salaries	309,824	333,930	24,106	1.91	2.08
9,118	7,550	1,568 *	0.17	0.14	7804 Laundry PTO	22,154	22,650	496	0.14	0.14
3,219	3,270	51	0.06	0.06	7805 Laundry Overtime	7,663	9,810	2,147	0.05	0.06
8,280	9,980	1,700	0.15	0.18	7806 Laundry PR Taxes	24,711	29,940	5,229	0.15	0.19
18,274	14,350	3,924 *	0.33	0.26	7807 Laundry Supplies	41,343	43,050	1,707	0.26	0.27
10,940	17,380	6,440	0.20	0.32	7808 Laundry Linen and Bedding	38,221	52,140	13,919	0.24	0.32
907	4,630	3,723	0.02	0.09	7809 Laundry Underpads	7,299	13,890	6,591	0.05	0.09
(1,421)	(120)	1,301	(0.03)	0.00	7812 Laundry Uniforms SC Locations	(11,276)	(360)	10,916	(0.07)	0.00
					7814 Laundry Minor Equipment	1,177		1,177 *	0.01	0.01
151,645	168,350	16,705	2.77	3.09	Total Laundry	441,115	505,050	63,935	2.72	3.15

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7900 Housekeeping										
42,738	48,360	5,622	0.78	0.89	7901 Housekeeping Director Salaries	131,122	145,080	13,958	0.81	0.90
258,952	264,700	5,748	4.74	4.86	7902 Housekeeping Other Salaries	748,333	794,100	45,767	4.62	4.95
	50	50		0.00	7903 Housekeeping Orientation		150	150		0.00
20,757	20,440	317 *	0.38	0.38	7904 Housekeeping PTO	62,169	61,320	849 *	0.38	0.38
5,216	5,450	234	0.10	0.10	7905 Housekeeping Overtime	18,115	16,350	1,765 *	0.11	0.10
24,352	27,810	3,458	0.45	0.51	7906 Housekeeping PR Taxes	70,708	83,430	12,722	0.44	0.52
37,238	49,060	11,822	0.68	0.90	7908 Housekeeping Supplies	136,758	147,180	10,422	0.84	0.92
7,849	8,260	411	0.14	0.15	7909 Housekeeping Purch Services	24,155	24,780	625	0.15	0.15
					7910 Housekeeping Travel and Meetings	38		38 *	0.00	
<u>397,102</u>	<u>424,130</u>	<u>27,028</u>	<u>7.27</u>	<u>7.79</u>	Total Housekeeping	<u>1,191,398</u>	<u>1,272,390</u>	<u>80,992</u>	<u>7.35</u>	<u>7.93</u>
8000 Plant Operations and Maint.										
111,955	117,920	5,965	2.05	2.17	8002 POM Other Salaries	333,575	353,760	20,185	2.06	2.20
9,580	8,300	1,280 *	0.18	0.15	8004 POM PTO	28,094	24,900	3,194 *	0.17	0.16
4,028	4,020	8 *	0.07	0.07	8005 POM Overtime	17,166	12,060	5,106 *	0.11	0.08
11,644	10,700	944 *	0.21	0.20	8006 POM PR Taxes	33,311	32,100	1,211 *	0.21	0.20
20,854	12,580	8,274 *	0.38	0.23	8007 POM Consultants	54,019	37,740	16,279 *	0.33	0.24
65,326	65,830	504	1.20	1.21	8008 POM Supplies	194,851	197,490	2,639	1.20	1.23
130,490	113,650	16,840 *	2.39	2.09	8009 POM Purchased Services	329,008	340,950	11,942	2.03	2.12
291,385	292,470	1,085	5.33	5.37	8010 POM Utilities	798,181	877,410	79,229	4.93	5.47
30,762	37,580	6,818	0.56	0.69	8011 POM Cable/TV Expense	90,467	112,740	22,273	0.56	0.70
120	200	80	0.00	0.00	8012 POM Travel and Meetings	540	600	60	0.00	0.00
5,662		5,662 *	0.10		8014 POM Minor Equipment	8,290		8,290 *	0.05	
1,440	2,650	1,210	0.03	0.05	8015 POM Vehicle Expense	4,454	7,950	3,496	0.03	0.05
<u>683,245</u>	<u>665,900</u>	<u>17,345 *</u>	<u>12.50</u>	<u>12.23</u>	Total Plant Operations and Maint.	<u>1,891,956</u>	<u>1,997,700</u>	<u>105,744</u>	<u>11.68</u>	<u>12.45</u>
8030 Wellness Pool										
	200	200		0.00	8035 Pool Supplies	4	600	596	0.00	0.00
790	700	90 *	0.01	0.01	8036 Pool Contract Services	1,608	2,100	492	0.01	0.01
	10	10		0.00	8039 Pool Misc Expenses		30	30		0.00
<u>790</u>	<u>910</u>	<u>120</u>	<u>0.01</u>	<u>0.02</u>	Total Wellness Pool	<u>1,613</u>	<u>2,730</u>	<u>1,117</u>	<u>0.01</u>	<u>0.02</u>
8100 Transportation										
29,874	34,990	5,116	0.55	0.64	8101 Transportation Salaries	90,173	104,970	14,797	0.56	0.65
(145)	1,850	1,995	0.00	0.03	8103 Transportation PTO	5,754	5,550	204 *	0.04	0.03
3,489	1,250	2,239 *	0.06	0.02	8104 Transportation Overtime	9,605	3,750	5,855 *	0.06	0.02
2,443	3,130	687	0.04	0.06	8105 Transportation PR Taxes	8,032	9,390	1,358	0.05	0.06
13,408	14,180	772	0.25	0.26	8106 Transportation Vehicle Expense	38,726	42,540	3,814	0.24	0.27

* Unfavorable Differences

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/21 to 12/31/21

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
50,184	36,100	14,084 *	0.92	0.66	8107 Transportation NEMT Contr Veh-Mcaid	106,718	108,300	1,582	0.66	0.67
9,546	11,320	1,774	0.17	0.21	8108 Transportation Contr Vehicles-non Mcai	33,004	33,960	956	0.20	0.21
<u>108,798</u>	<u>102,820</u>	<u>5,978 *</u>	<u>1.99</u>	<u>1.89</u>	Total Transportation	<u>292,013</u>	<u>308,460</u>	<u>16,447</u>	<u>1.80</u>	<u>1.92</u>
					8200 Depreciation					
48,000	48,000		0.88	0.88	8201 Depreciation Expense - Land Improverr	144,000	144,000		0.89	0.90
2,000	2,000		0.04	0.04	8202 Depreciation Expense - Leasehold Impr	6,000	6,000		0.04	0.04
265,000	265,000		4.85	4.87	8203 Depreciation Expense - Buildings	795,000	795,000		4.91	4.95
117,000	117,000		2.14	2.15	8204 Depreciation Expense - Fixed Equipmei	351,000	351,000		2.17	2.19
102,500	102,500		1.88	1.88	8205 Depr Expense - Moveable Equipment	307,500	307,500		1.90	1.92
<u>534,500</u>	<u>534,500</u>	<u>0</u>	<u>9.78</u>	<u>9.82</u>	Total Depreciation	<u>1,603,500</u>	<u>1,603,500</u>	<u>0</u>	<u>9.90</u>	<u>9.99</u>
					8300 Interest, Amortization & Lease					
120,393	126,000	5,607	2.20	2.31	8301 Interest Expense - Mortgage	366,347	378,000	11,653	2.26	2.36
14,494	1,600	12,894 *	0.27	0.03	8302 Interest Expense - Other	18,025	4,800	13,225 *	0.11	0.03
573,205	573,205		10.49	10.53	8303 Building Lease Expense	1,719,615	1,719,615		10.61	10.72
1,320	1,320		0.02	0.02	8304 Amort Expense - Loan Costs	3,960	3,960		0.02	0.02
5,590	5,590		0.10	0.10	8305 Amort Expense - Pre-Operating	16,770	16,770		0.10	0.10
5,663	5,663	0 *	0.10	0.10	8308 Amort Expense - Goodwill	16,990	16,989	1 *	0.10	0.11
<u>720,665</u>	<u>713,378</u>	<u>7,287 *</u>	<u>13.19</u>	<u>13.10</u>	Total Interest, Amortization & Lease	<u>2,141,706</u>	<u>2,140,134</u>	<u>1,572 *</u>	<u>13.22</u>	<u>13.34</u>
					8400 Taxes and Insurance					
200,682	200,290	392 *	3.67	3.68	8401 Property Tax Expense	602,045	600,870	1,175 *	3.72	3.74
120,454	126,640	6,186	2.20	2.33	8402 Misc Tax Expense	360,508	379,920	19,412	2.22	2.37
46,350	46,550	200	0.85	0.86	8403 Insurance Expense- Property	139,350	139,650	300	0.86	0.87
68,600	68,600		1.26	1.26	8404 Insurance Expense- Liability	205,800	205,800		1.27	1.28
<u>436,086</u>	<u>442,080</u>	<u>5,994</u>	<u>7.98</u>	<u>8.12</u>	Total Taxes and Insurance	<u>1,307,702</u>	<u>1,326,240</u>	<u>18,538</u>	<u>8.07</u>	<u>8.27</u>
					8500 Employee Benefits					
853,146	918,930	65,784	15.61	16.88	8501 Employee Group Insurance	2,406,385	2,756,790	350,405	14.85	17.18
106,300	106,300		1.95	1.95	8502 Workers Compensation Expense	319,000	318,900	100 *	1.97	1.99
(638)		638	(0.01)		8503 Uniform Expense - NC Locations	(32)	32		0.00	
	16,770	16,770		0.31	8504 Retirement Plan Expense	11,635	50,310	38,675	0.07	0.31
104,374	47,700	56,674 *	1.91	0.88	8505 Employee Benefits Misc Expense	149,476	143,100	6,376 *	0.92	0.89
<u>1,063,182</u>	<u>1,089,700</u>	<u>26,518</u>	<u>19.45</u>	<u>20.02</u>	Total Employee Benefits	<u>2,886,463</u>	<u>3,269,100</u>	<u>382,637</u>	<u>17.81</u>	<u>20.37</u>
					8600 General and Administration					
161,015	167,050	6,035	2.95	3.07	8601 Administrative Administrator Salaries	516,521	501,150	15,371 *	3.19	3.12
744,148	729,690	14,458 *	13.62	13.40	8603 Administrative Other Salaries	2,163,564	2,189,070	25,506	13.35	13.64
41,694	44,340	2,646	0.76	0.81	8605 Administrative PTO	83,955	133,020	49,065	0.52	0.83

* Unfavorable Differences

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/21 to 12/31/21

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
11,368	10,280	1,088 *	0.21	0.19	8606 Administrative Overtime	40,988	30,840	10,148 *	0.25	0.19
68,648	68,970	322	1.26	1.27	8607 Administrative PR Taxes	180,225	206,910	26,685	1.11	1.29
836,010	836,010		15.30	15.36	8608 Management Fee Expense	2,507,780	2,508,030	250	15.48	15.63
18,377	17,160	1,217 *	0.34	0.32	8609 Telephone Expense	51,470	51,480	10	0.32	0.32
44,350	45,460	1,110	0.81	0.84	8610 Auto Expense	116,577	136,380	19,803	0.72	0.85
20,000	20,000		0.37	0.37	8611 Directors Fee Expense	60,000	60,000		0.37	0.37
40,216	26,420	13,796 *	0.74	0.49	8612 Dues and Subscriptions	104,994	79,260	25,734 *	0.65	0.49
14,892	11,120	3,772 *	0.27	0.20	8613 Office Supplies	40,565	33,360	7,205 *	0.25	0.21
15,504	19,210	3,706	0.28	0.35	8614 Copier Expense	41,512	57,630	16,118	0.26	0.36
8,068	8,040	28 *	0.15	0.15	8615 Postage Expense	22,100	24,120	2,021	0.14	0.15
20,559	20,900	341	0.38	0.38	8616 Professional Fees - Legal	34,302	62,700	28,398	0.21	0.39
13,976	18,500	4,524	0.26	0.34	8617 Professional Fees - Other	37,399	55,500	18,101	0.23	0.35
23,711	19,630	4,081 *	0.43	0.36	8618 Equipment Rental Expense	1,014		1,014 *	0.01	
13,901	6,500	7,401 *	0.25	0.12	8619 Admin - Travel and Meetings	72,145	58,890	13,255 *	0.45	0.37
9,444	8,920	524 *	0.17	0.16	8620 Help Wanted Advertising Expense	29,216	19,500	9,716 *	0.18	0.12
22,115	16,940	5,175 *	0.40	0.31	8621 General Advertising Expense	32,050	26,760	5,290 *	0.20	0.17
10,802	8,220	2,582 *	0.20	0.15	8622 Bank Charge Expense	77,563	50,820	26,743 *	0.48	0.32
178,286	116,320	61,966 *	3.26	2.14	8623 Printing Expense	27,539	24,660	2,879 *	0.17	0.15
4,516	3,670	846 *	0.08	0.07	8624 Data Processing Expense	424,755	348,960	75,795 *	2.62	2.17
4,939	4,580	359 *	0.09	0.08	8625 Administrative Misc Expense	12,645	11,010	1,635 *	0.08	0.07
2,326,537	2,227,930	98,607 *	42.57	40.93	8626 Meals & Entertainment	13,413	13,740	327	0.08	0.09
					Total General and Administration	6,692,291	6,683,790	8,501 *	41.30	41.66
					8800 Other Costs					
79,231	83,230	3,999	1.45	1.53	8801 Non-Allowable Expense	211,562	249,690	38,128	1.31	1.56
2,000	2,000		0.04	0.04	8802 Office Rental Expense	6,000	6,000		0.04	0.04
2,795	400	2,395 *	0.05	0.01	8803 Promotional Expense	3,164	1,200	1,964 *	0.02	0.01
50,000	50,000		0.91	0.92	8804 Bad Debt Expense	149,500	150,000	500	0.92	0.93
2,061	5,140	3,079	0.04	0.09	8805 Contribution Expense	5,821	15,420	9,599	0.04	0.10
2,100	450	1,650 *	0.04	0.01	8806 Insurance - Officers Life	10,000		10,000 *	0.06	
19,894	27,950	8,056	0.36	0.51	8807 Wellness Instructor Fees	3,605	1,350	2,255 *	0.02	0.01
158,080	169,170	11,090	2.89	3.11	8808 Mcare Co-Ins Bad Debt	73,390	83,850	10,460	0.45	0.52
					Total Other Costs	463,041	507,510	44,469	2.86	3.16
15,874,874	15,903,048	28,174	290.48	292.14	Total Operating Costs	46,247,768	47,709,144	1,461,376	285.40	297.35
1,197,889	1,263,062	65,173 *	21.92	23.20	Total Income/Loss from Operations	4,743,798	3,789,186	954,612	29.27	23.62
1,197,889	1,263,062	65,173 *	21.92	23.20	Total Net Income Before Taxes	4,743,798	3,789,186	954,612	29.27	23.62

* Unfavorable Differences

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/21 to 12/31/21

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
1,197,889	1,263,062	65,173 *	21.92	23.20	Total Net Income/Loss	4,743,798	3,789,186	954,612	29.27	23.62

* Unfavorable Differences

Consolidated Balance Sheet
as of 12/31/21
 White Oak Management, Inc. (ALL)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	9,135,487.81
1100	Accounts Receivable	17,447,050.88
1200	Inventory	747,534.80
1300	Prepaid Expenses	1,829,800.53
1400	Other Current Assets	10,116,226.97
	Total Current Assets	39,276,100.99
1500	Non-Current Assets	
1501	Other Assets	3,506,876.76
1800	Property, Plant and Equipment	59,001,737.87
	Total Non-Current Assets	62,508,614.63
	Total Assets	\$101,784,715.62
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	
3004	Notes and Accounts Payable	8,198,609.33
3200	Accrued Liabilities	9,822,194.96
3300	Other Current Liabilities	4,218,752.75
		<u>22,239,557.04</u>
3003	Long Term Liabilities	
3400	Long Term Liabilities	47,379,835.02
3500	Deferred Revenue	1,097,335.08
		<u>48,477,170.10</u>
	Total Total Liabilities	70,716,727.14
4000	Equity	
	Total Equity	31,067,988.48
	Total Liabilities & Equity	\$101,784,715.62

Consolidated Balance Sheet
as of 12/31/21
 White Oak Management, Inc. (ALL)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	
1003	Operating Bank Account	9,113,946.99
1005	Petty Cash	13,375.00
1006	Deposit in Transit	65.82
1008	Resident Trust Funds Petty Cash	8,100.00
		9,135,487.81
1100	Accounts Receivable	
1101	Accts Receivable-Private	1,284,374.45
1102	Accts Receivable-Medicaid SNF	5,129,155.20
1103	Accts Receivable-Medicaid ICF	359,999.95
1104	Accts Receivable-Hospice	904,949.20
1105	Accts Receivable-Medicare Pt A	1,679,166.59
1106	Accts Receivable-Mcare Crossover Part A	51,879.11
1107	Accts Receivable-3rd Party Ins Part A	633,707.66
1108	Accts Receivable-Medicare Pt B	320,519.95
1109	Accts Receivable-Mcare Crossover Pt B	64,234.66
1110	Accts Receivable-Medicaid Pending	1,683,299.25
1111	Accts Receivable-Insurance	678,137.38
1112	Accts Receivable-Managed Care	1,710,950.67
1113	Accts Receivable-VA	2,274,673.50
1114	Accts Receivable-Other	265,109.00
1115	Accts Receivable Other	244,393.87
1118	Due from Karesh	102,172.45
1120	Allowance For Doubtful Accounts	(660,660.96)
1122	Accts Rec - 3rd Party Clearing Account	11,911.68
1123	Resident Refund Clearing Acct	5,116.89
1124	Resident Judgments	726,798.61
1125	Activities Fund	(22,838.23)
		17,447,050.88
1200	Inventory	
1201	Inventory-Food	157,163.10
1202	Inventory-Medical Supplies	75,798.28
1203	Inventory-Nursing Supplies	250,184.65
1204	Inventory-PEN	16,175.85
1205	Inventory-Laundry	45,271.03

Consolidated Balance Sheet
as of 12/31/21
 White Oak Management, Inc. (ALL)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>	
1206	Inventory-Housekeeping	43,851.15	
1207	Inventory-Other	159,090.74	
		<u>747,534.80</u>	
1300	Prepaid Expenses		
1301	Prepaid Insurance	844,394.61	
1303	Prepaid Taxes and Licenses	853,638.24	
1304	Prepaid Ins-W Comp	131,767.68	
		<u>1,829,800.53</u>	
1400	Other Current Assets		
1401	Estimated Income Tax Paid	715,565.00	
1402	Health Insurance Claims Account	(15,189.04)	
1403	Accrued Interest	67,500.00	
1504	Assets Limited to Use	9,348,351.01	
		<u>10,116,226.97</u>	
	Total Current Assets		39,276,100.99
1500	Non-Current Assets		
1501	Other Assets		
1507	Deferred Start Up Costs	400,857.02	
1508	Accum Amort Def Start Up Costs	(357,877.73)	
1509	Deferred Loan Costs	420,296.00	
1510	Accm Amort Def Loan Costs	(388,328.44)	
1601	Intercompany Account-Spartanburg		
1602	Intercompany Account-Columbia		
1603	Intercompany Account-Newberry		
1604	Intercompany Account-Rock Hill		
1605	Intercompany Account-Shelby		
1606	Intercompany Account-Kings Mountain		
1607	Intercompany Account-Tryon		
1609	Intercompany Account-Burlington		
1610	Intercompany Account-Charleston		
1611	Intercompany Account-Charlotte		
1612	Intercompany Account-SV Apartments		
1613	Intercompany Account-Oak Creek		
1614	Intercompany Account-Benson Hall		
1615	Intercompany Account-White Oak Estates		
1616	Intercompany Account-WOE Assisted Living		
1617	Intercompany Account-WOE Apartments		

Consolidated Balance Sheet
as of 12/31/21

White Oak Management, Inc. (ALL)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>
1618	Intercompany Account-Lancaster	
1619	Intercompany Account-York	
1620	Intercompany Account-WA with TR	
1621	Intercompany Account-BH with TR	
1622	Intercompany Account-OC with BU	
1623	Intercompany Account-SA with CR	
1624	Intercompany Account-EA with WE	
1625	Intercompany Account-EL with WE	
1626	Intercompany Account- Waxhaw	
1627	Intercompany Account-WO Village	
1631	Intercompany Account-WOE Wellness Center	
1632	Intercompany Account-EW with WE	
1633	Intercompany Account-EW with EA	
1634	Intercompany Account-EW with EL	
1635	Intercompany Account-North Grove	
1686	Intercompany Account-Payroll-Ultimate	
1687	Interdivision-Purchase Acct	
1691	Investment in Subsidiary	3,177,082.00
1692	Goodwill	679,593.44
1693	Accm Amort of Goodwill	(424,745.53)
		3,506,876.76
1800	Property, Plant and Equipment	
1801	Land	5,279,816.36
1802	Land Improvements	11,577,576.42
1803	Accm Depn-Land Improvements	(7,996,246.82)
1804	Building	97,908,063.96
1805	Accm Depn-Buildings	(65,883,655.46)
1806	Leasehold Improvements	295,804.40
1807	Accm Depn-Leasehold Improvements	(159,823.61)
1808	Fixed Equipment	19,894,859.88
1809	Accm Depn-Fixed Equipment	(12,670,416.34)
1810	Moveable Equipment	18,337,873.98
1811	Accm Depn-Moveable Equipment	(15,811,393.59)
1812	Accm Depn-Purchase Accounting	7,234,861.00
1817	Construction in Progress - AM	993,182.69
1825	Asset Retirement Cost	10,150.00
1826	Accm Depn Asset Retirement Cost	(8,915.00)
		59,001,737.87
	Total Non-Current Assets	

62,508,614.63

Consolidated Balance Sheet
as of 12/31/21
 White Oak Management, Inc. (ALL)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
	Total Assets	\$101,784,715.62
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	
3004	Notes and Accounts Payable	
3100	Accounts Payable	5,139,333.52
3104	Medicare Covid Advance	3,017,538.48
3109	Employee Deductions-Cancer	41,737.24
3110	Covid SS Tax Payable	0.09
		<u>8,198,609.33</u>
3200	Accrued Liabilities	
3201	Accrued Salaries and Wages	3,556,559.18
3202	Accrued Vacation/PTO Payable	2,011,815.23
3209	401K Payable	51,087.20
3210	Accrued Interest Payable	27,352.07
3211	Accrued Audit Fees	98,039.00
3212	Accrued Insurance Liabilities	1,075,000.00
3213	Accrued Liabilities-Bonus	30,000.00
3214	Accrued Liabilities-Other	2,861,589.00
3215	Accrued Liabilities-Provider Assess.	110,753.28
		<u>9,822,194.96</u>
3300	Other Current Liabilities	
3301	Property Taxes Payable	1,821,191.87
3302	SC Medicaid Emergency Funds	
3303	Asset Retirement Obligation	876,656.00
3305	Deferred Rev - HHS Tranche	(0.10)
3306	Derivatives	1,493,038.36
3350	Unearned Revenue	27,866.62
		<u>4,218,752.75</u>
		<u>22,239,557.04</u>
3003	Long Term Liabilities	
3400	Long Term Liabilities	
3401	Mortgage Payable 1	17,411,143.45
3402	Mortgage Payable 2	9,100,000.00

Consolidated Balance Sheet
as of 12/31/21

White Oak Management, Inc. (ALL)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>	
3403	Mortgage Payable 3	19,845,891.43	
3404	Mortgage Payable 4	1,022,800.14	
		<u>47,379,835.02</u>	
3500	Deferred Revenue		
3501	Deposits for Apartments Waiting List	142,890.32	
3502	Deposits on Apartments	839,119.76	
3503	Misc Deposits Account	115,325.00	
		<u>1,097,335.08</u>	
		<u>48,477,170.10</u>	
	Total Total Liabilities		70,716,727.14
4000	Equity		
4001	Common Stock	3,101,422.00	
4003	Retained Earnings	(4,051,273.50)	
4004	Current Earnings	4,743,798.14	
4006	Interdivision Equity	23,962,432.55	
4007	Unrealized (Gain)Loss on Investments	3,311,609.29	
	Total Equity		31,067,988.48
	Total Liabilities & Equity		<u><u>\$101,784,715.62</u></u>

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

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

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

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

4. RENT. Resident agrees to pay monthly rental to the Owner in the amount of _____, said rent to be payable in advance on or before the first day of each month for which due and owing, provided, however:

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

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

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

6. USE OF PREMISES. Resident shall have the use, possession and enjoyment during the term of this Agreement of the apartment above identified jointly with any other tenant, but all common areas, including stairways, walkways and grounds, shall be used and enjoyed with other residents, and no portion of the same may or shall be permanently or temporarily appropriated by Resident to Resident's exclusive use, enjoyment or possession.
7. DESCRIPTION OF LIVING QUARTERS. Resident will reside in one of the following units:
 - One Bedroom - 745 square feet. Living room, 1 bedroom, 1 walk-in closet, 1 bathroom, kitchen, dining room, sunroom
 - Two Bedroom - 1072 square feet. Living room, 2 bedrooms, 1 walk-in closet, 2 bathrooms, kitchen, dining room, sunroom
8. CARE OF APARTMENT AND REPAIRS. Resident will take good care of the apartment and common areas and will report promptly to Owner any repairs which may be needed. Owner shall keep and maintain the apartment in tenable condition and shall have the right to make at reasonable times any and all repairs, renovations and alterations as it shall determine necessary or desirable. Resident shall reimburse Owner for expenses incurred by Owner for repairs attributable to Resident's abuse or mistreatment of the apartment (including appliances) or the common areas.
9. ALTERATIONS BY RESIDENT. Resident shall make no alterations to the apartment without the prior written consent of the Owner, which consent shall not be unreasonably withheld.

10. PETS. Resident may not keep any pets or animals of any kind anywhere upon the premises without the prior written consent of the Owner. Even after the Owner's consent has been given, this consent may be reasonably withdrawn by the Owner according to its sole judgment and discretion based upon what it believes to be in the best interest of the complex and the other residents. A \$500 pet deposit is required if a pet is maintained in the apartment. The deposit may be refunded at the discretion of Management.
11. POSSESSION OF FIREARMS. No person, including residents, friends of residents or family members, may possess or carry, whether openly or concealed, any guns, rifles, pistols or firearms of any type on the premises. Violation of this policy shall be deemed a violation of the Apartment Rental Agreement and may constitute grounds for discharge or cancellation of the Agreement.
12. RIGHT OF ENTRY. Owner's representative may enter the apartment at any reasonable time to examine same and/or make such alterations and repairs as Owner may determine.
13. SURRENDER OF PREMISES. Upon the expiration or termination of this Apartment Rental Agreement, Resident shall surrender the apartment to the Owner in the same condition as at the beginning of the term, ordinary wear and tear excepted.
14. INSURANCE, RISK OF LOSS AND RENTAL ABATEMENT. Resident shall be solely responsible for insuring Resident's personal belongings. If the apartment is damaged by fire, casualty, or act of God, regarding which the Resident was neither negligent nor at fault, the Owner shall promptly repair the damages and the rental provided for herein shall be abated on a daily basis so long as the Resident is unable to occupy the premises while repairs are being made.

However, at such time as the premises are again tenable, the obligation to pay rent shall resume. In the event that the damages involved are caused by negligence or fault on the part of the Resident, the rental provided for herein shall not abate, but shall be paid, as agreed, in timely fashion, and the Resident shall be further responsible for paying any sums deductible under the Owner's insurance coverage, which the Owner would otherwise be required to pay.

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

16. CONDEMNATION. If the apartment or all or any part of the premises shall be at any time taken for any public or quasi-public use under any statute or by right of eminent domain, Owner shall be entitled to and shall receive the award or payment therefore (hereinafter called the "Award"), and Resident shall assign, and does hereby assign

and transfer, such Award to the Owner free and clear of every claim of every kind whatsoever by or on the part of the Resident.

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

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

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

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

incurred, or incurred by the Owner in cleaning Resident's apartment, Resident shall reimburse Owner therefore.

22. SERVICES OFFERED.

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

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

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

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

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

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

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

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

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

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

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

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

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

By: _____

(Name and Title)

_____ (SEAL)

(Resident)

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

Facility Use Only:

Apt. & Bldg. #



Oak Creek

APPLICATION FOR ADMISSION

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

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

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

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

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

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

14. Special Needs (or Handicaps): _____

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

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

16. Medical History: *(Please check any of the following illnesses or diseases which applies currently or in the past)*

<input type="checkbox"/> High Blood Pressure	<input type="checkbox"/> Stroke	<input type="checkbox"/> Depression
<input type="checkbox"/> Diabetes	<input type="checkbox"/> Heart Attack	<input type="checkbox"/> Mental Illness
<input type="checkbox"/> Congestive Heart Failure	<input type="checkbox"/> Arteriosclerosis	<input type="checkbox"/> Mental Retardation
<input type="checkbox"/> Asthma	<input type="checkbox"/> Chronic Lung Disease	<input type="checkbox"/> Muscular Dystrophy
<input type="checkbox"/> Ulcers	<input type="checkbox"/> Rectal Bleeding	<input type="checkbox"/> Cancer
<input type="checkbox"/> Anemia	<input type="checkbox"/> Surgeries in the last five years	

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

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

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

List all currently prescribed medications: _____

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

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

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

YES NO

(If your answer is Yes, explain) _____

Emergency Contact Person: _____

Address: _____

Telephone #: _____ Email Address: _____

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

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

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

Signature of Applicant

Date

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

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

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. USE OF PREMISES. Resident shall have the use, possession and enjoyment during the term of this Agreement of the apartment above identified jointly with any other tenant, but all common areas, including stairways, walkways and grounds, shall be used and enjoyed with other residents, and no portion of the same may or shall be permanently or temporarily appropriated by Resident to Resident's exclusive use, enjoyment or possession.
8. DESCRIPTION OF LIVING QUARTERS. Resident will reside in one of the following units:
 - One Bedroom - 745 square feet. Living room, 1 bedroom, 1 walk-in closet, 1 bathroom, kitchen, dining room, sunroom
 - Two Bedroom - 1072 square feet. Living room, 2 bedrooms, 1 walk-in closet, 2 bathrooms, kitchen, dining room, sunroom

9. CARE OF APARTMENT AND REPAIRS. Resident will take good care of the apartment and common areas and will report promptly to Owner any repairs which may be needed. Owner shall keep and maintain the apartment in tenable condition and shall have the right to make at reasonable times any and all repairs, renovations and alterations as it shall determine necessary or desirable. Resident shall reimburse Owner for expenses incurred by Owner for repairs attributable to Resident's abuse or mistreatment of the apartment (including appliances) or the common areas.
10. ALTERATIONS BY RESIDENT. Resident shall make no alterations to the apartment without the prior written consent of the Owner, which consent shall not be unreasonably withheld.
11. PETS. Resident may not keep any pets or animals of any kind anywhere upon the premises without the prior written consent of the Owner. Even after the Owner's consent has been given, this consent may be reasonably withdrawn by the Owner according to its sole judgment and discretion based upon what it believes to be in the best interest of the complex and the other residents. A \$500 pet deposit is required if a pet is maintained in the apartment. The deposit may be refunded at the discretion of Management.
12. POSSESSION OF FIREARMS. No person, including residents, friends of residents or family members, may possess or carry, whether openly or concealed, any guns, rifles, pistols or firearms of any type on the premises. Violation of this policy shall be deemed a violation of the Apartment Rental Agreement and may constitute grounds for discharge or cancellation of the Agreement.

13. RIGHT OF ENTRY. Owner's representative may enter the apartment at any reasonable time to examine same and/or make such alterations and repairs as Owner may determine.
14. SURRENDER OF PREMISES. Upon the expiration or termination of this Apartment Rental Agreement, Resident shall surrender the apartment to the Owner in the same condition as at the beginning of the term, ordinary wear and tear excepted.
15. INSURANCE, RISK OF LOSS AND RENTAL ABATEMENT. Resident shall be solely responsible for insuring Resident's personal belongings. If the apartment is damaged by fire, casualty, or act of God, regarding which the Resident was neither negligent nor at fault, the Owner shall promptly repair the damages and the rental provided for herein shall be abated on a daily basis so long as the Resident is unable to occupy the premises while repairs are being made. However, at such time as the premises are again tenable, the obligation to pay rent shall resume. In the event that the damages involved are caused by negligence or fault on the part of the Resident, the rental provided for herein shall not abate, but shall be paid, as agreed, in timely fashion, and the Resident shall be further responsible for paying any sums deductible under the Owner's insurance coverage, which the Owner would otherwise be required to pay.
16. LIABILITY AND INDEMNIFICATION. The Owner shall not be liable for any damages or injuries to person or property occasioned anyone whatsoever, including other residents, employees, guests, or the like, by reason of Resident's use or occupancy of the apartment or the common areas, and Resident shall indemnify, defend and hold harmless Owner from and against any and all claims for damages or

liability arising from injury to person or property regardless of how occurring. Furthermore, Owner shall not be liable to Resident, his family, employees or guests, for any injuries or damages caused by acts or omissions of other residents or occupants, whether caused on or off the property owned by the Owner. Finally, the Owner shall not be liable for any loss or damage resulting from failure, interruption or malfunction in the utilities provided Resident in connection with his/her occupancy of the apartment.

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

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

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

and said failure shall continue for a period of fifteen (15) days after receipt by Resident of written notice of such failure from Owner.

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

19. ASSIGNMENT AND SUBLETTING. Should the apartment complex be sold or leased to another party, Owner shall have the right to assign this lease to the new owner. However, Resident may not assign or transfer this lease or sublet the apartment or any part thereof without the prior written consent of the Owner, which consent the Owner may withhold.
20. SUBORDINATION. This Apartment Rental Agreement is subject and subordinate to all ground or underlying leases and to all mortgages or deeds of trust which may now or hereafter affect such leases or the real property on which the apartment is located. In the event of foreclosure, any Retention Deposits or security deposits will be refunded to the Resident on the basis of the applicable retention schedule. Furthermore, every effort will be made to have the mortgagee honor all agreements between the Owner and Resident and continue the apartment complex as an operating entity.

21. NOTICES. Any notice required or provided for herein shall be deemed to have been served sufficiently or received if the same shall be in writing and either hand delivered or mailed, postage prepaid, to a party's present address, or to such other address as that party may subsequently provide.
22. DISPOSITION OF PERSONAL PROPERTY. Upon the expiration or termination of this Agreement, Owner shall have the right, after ten (10) days written notice, to remove, at the Resident's sole cost and expense, from the premises, all of the Resident's personal belongings and other property remaining therein, and to dispose of same as the Owner in its sole judgment shall determine, with no liability therefore. In addition, as to any expenses thereby incurred, or incurred by the Owner in cleaning Resident's apartment, Resident shall reimburse Owner therefore.
23. SERVICES OFFERED.
- (a) Meals. Owner will provide Resident with one meal per day, the meal to be determined by Owner, and to be served in the common dining area.
 - (b) Guest Meals. Are available at \$8.00 per meal.
 - (c) Utilities. All utilities, except telephone expenses, will be paid for by the Owner. However, the cost of telephone installation and removal shall be paid by Resident.
 - (d) Janitorial Services. Owner will provide services in all service areas, halls and community areas.
 - (e) Maid Service. Owner will provide maid service twice a month, on a regularly scheduled basis, to clean Resident's apartment if so desired by Resident.

- (f) Laundry. Twice each week, Resident's flat laundry will be picked up outside the door of Resident's apartment, cleaned and returned.
- (g) Laundromat. Laundry facilities are available free of charge at the apartment complex for Resident's use (Resident must provide detergent).
- (h) Transportation. Transportation will be available at certain scheduled times, to be determined by the Owner in view of the needs of the Resident and the other occupants of apartments.
- (i) Nursing Center. A bed in the adjoining nursing center will be made available, on a priority basis, whenever Resident's health, as determined by Resident's physician, so requires.
- (j) Nurse Call System. Is located in the master bedroom and bath of each apartment and is connected to the nurse's station at the adjacent nursing facility. If activated, a trained member of the Nursing Department will respond to the apartment.
- (k) Health Services Available. Skilled and Intermediate Nursing Care (Medicare and Medicaid Certified).
- (l) Storage Facilities. Owner shall provide, at Resident's sole risk, reasonable storage space for Resident's belongings other than furniture and other household furnishings.
- (m) Recreational Facilities. Recreational facilities are available for Resident's use on first come / first served basis.
- (n) Basic Cable TV Service. Basic Cable TV service is provided by the Owner. Additional services can be purchased by the Resident.

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

Beauty/ Barber Shop

Accommodations for overnight guests

Dry cleaning pick-up and delivery

Daily delivery of local and national newspapers

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

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

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

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

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

By: _____

(Name and Title)

_____ (SEAL)

(Resident)

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