

# Pittsboro Christian Village, Inc.

1825 East Street  
Pittsboro, North Carolina 27312  
(919) 542-3151



## DISCLOSURE STATEMENT

March 1, 2022

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 28, 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 a government agency or representative to ensure accuracy or completeness of the information set out.

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## I. ORGANIZATION, INTRODUCTION, AND INFORMATION

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Pittsboro Christian Village, Inc. (hereinafter sometimes referred to as "PCV") is a not-for-profit corporation organized and operated under the laws of the State of North Carolina. It was first incorporated on April 4, 1952, as Pittsboro Christian Home, Inc. Articles of Incorporation were amended on October 6, 1986, to change the name to Pittsboro Christian Village, Inc. The corporation is tax exempt under Section 501(c)(3) of the Internal Revenue Code.

**Area Characteristics.** Pittsboro is a small town of approximately 4,000 people, located in Chatham County in central Piedmont North Carolina. It is located near the intersection of US 15-501 and US 64 and is 17 miles south of Chapel Hill, home of the University of North Carolina.

**Medical Facilities.** Many medical facilities surround Pittsboro. Those located in Pittsboro; include Garlick & Murray Family Medicine and UNC Family Medicine at Pittsboro. Other doctors are located in Chapel Hill, Siler City, Sanford, Raleigh, and Durham.

**Hospitals Serving the Area:** Central Carolina Hospital in Sanford, North Carolina; Chatham Hospital in Siler City, North Carolina; and University of North Carolina Hospitals in Chapel Hill, North Carolina. Other hospitals are located in Raleigh and Durham including a Veterans Hospital in Durham.

**Transportation.** The residents at Pittsboro Christian Village (PCV) are served by Raleigh-Durham Airport, located 28 miles from Pittsboro; Amtrak Railway at Cary, 20 miles away; and bus service from Chapel Hill, Durham, and Raleigh. PCV owns and operates a 24-passenger coach and a 14-passenger coach. This provides convenient transportation services for residents and features regular shopping trips, planned recreational trips, and trips for special events. PCV owns two cars and a mini-van wheelchair van and provides pickup services to airlines, trains, and bus stations. These cars and the wheelchair van also provide transportation for medical appointments and other special needs.

**Points of Interest.** Nearby Jordan Lake, for fishing and boating; Pinehurst, for golfing; and the beaches or beautiful mountains of North Carolina within a day's drive.

**Weather.** Weather is mild, without prolonged extreme temperature, having four distinct seasons. Average rainfall is 47 inches per year. Average temperature is 61 degrees, with an average high of 71 degrees and an average low of 46 degrees.

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## II. FACILITY INTRODUCTION AND INFORMATION

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**Assembly (Church) Fellowship.** Residency is reserved for believers in our Lord Jesus Christ and provisions are made for a meeting place with a local church on the grounds. There is an auditorium that seats up to 150 and is used for meetings of the local church. The assembly of believers that meet here owns Jesus Christ to be Lord of the Church and Head of the Body. No name is claimed other than those common to all believers. The local assembly serves to build up and care for the spiritual needs of the saints at PCV. Since the meeting place is connected to the main building, most can attend meetings without having to go outside. Some of the assembly meetings are:

Sunday	9:30 a.m.	- The Lord's Supper
Sunday	10:55 a.m.	- Preaching and teaching the Word
Sunday	7:00 p.m.	- Preaching and teaching the Word
Wednesday	7:00 p.m.	- Prayer Meeting

One four-day Bible Conference is held four times each year. Gifted Bible teachers are invited to these conferences to bring food to "the flock." Each day begins with a 10-minute devotional of Scripture reading and prayer at breakfast in the main dining room.

**Executive Director.** Gerald Baker, Jr. is the Executive Director of Pittsboro Christian Village, Inc. He has been with the corporation since January 16, 2006. He previously served as a commissioned officer in the United States Army.

**Staff.** PCV services are provided by approximately 40 full and part-time employees.

The names, occupations, and addresses of Pittsboro Christian Village, Inc.'s officers and directors are as follows:

<u>Name</u>	<u>Occupation/Business Address</u>
Ronald Taylor President & Director	Environmental Engineer 100 Loch Vale Lane Cary, NC 27511
James Helmly Vice President & Director	Network Engineer 12213 Dell Way Fredericksburg, VA 22407
David Steenland Treasurer & Director	Registered Investment Advisor 6377 Walter Wright Road Pleasant Garden, NC 27313

Richard Caldwell  
Secretary & Director

Retired  
6118 Walden Pond Road  
Pleasant Garden, NC 27313

Roy Arrowsmith  
Director

Retired  
1294 Easthaven Drive  
Clarksville, TN 37043

James Gibbons  
Director

Owner of Gibbons & Peck  
212 W. Prentiss Avenue  
Greenville, SC 29605

Dave Hansen  
Director

Associate University Librarian  
3947 Russell Road  
Graham, NC 27253

Wayne Jones  
Director

Regional Service Manager - Southeast  
6017 Coble Church Road  
Liberty, NC 27298

Mark Schell  
Director

Area Coordinator, NC Emergency Mgt.  
3727 Martha Lane N.  
Wilson, NC 27896

Rod Sharp  
Director

Pastor/Teacher  
2064 Heidelberg Drive  
Winston-Salem, NC 27106

Samuel Thorpe, Jr.  
Director

Retired  
6017 Highway 220 W.  
Lincolnton, GA 30817

Each of the above-named persons has no occupation with Pittsboro Christian Village, Inc., other than that set forth beside his name here-in-above.

Ronald L. Taylor has been President of the corporation since November 2021 and previously served as Vice-President of the corporation for 21 years. He is an Environmental Engineer with a consulting firm. He is an elder at North Ridge Bible Chapel in Raleigh, NC.

James Helmly has been a director of the corporation since November 2015 and Vice President of the corporation since November 2021. He is a Network Engineer with a consulting firm. He is an elder at Cherrydale Bible Church in Arlington, VA.

David Steenland has been Treasurer of the corporation since November 2009. He worked as a Sales Executive for Xerox for over 30 years. He now operates his own business as a Registered Investment Advisor. He is an elder at Shannon Hills Bible Chapel in Greensboro, NC.

Richard Caldwell has been Secretary of the corporation since June 2014. He is retired from the Federal Civil Service and a retired CPA. He is in fellowship at Shannon Hills Bible Chapel in Greensboro, NC.

Roy Arrowsmith has been a director of the corporation since November 2013. He retired from LORD Corporation in Cary, NC where he was a manager of strategic planning. Roy and his wife Kathy are in fellowship at The Gospel Chapel in Nashville, TN.

James Gibbons has been a director of the corporation since November 2011. He and his wife, Anne, own Gibbons and Peck, a small marketing communication firm. Gibbons and Peck provides marketing goods and services to Pittsboro Christian Village at an average cost of \$3,000 annually. James is in fellowship at the Asheville Gospel Chapel in Asheville, NC.

Dave Hansen has been a director of the corporation since June 2019. Dave is an Associate University Librarian for Research, Collections & Scholarly Communication and Lead Copyright & Information Policy Officer at Duke University. He is in fellowship at Western Wake Bible Chapel in Apex, NC.

Wayne Jones has been a director since November 2021. Wayne is a Regional Service Manager for the Southeastern USA with Veritiv for 28 years. He is an elder at Ireland Street Chapel in Burlington, NC.

Mark Schell has been a director of the corporation since June 2019. Mark is an Area Coordinator for North Carolina Emergency Management. Mark also serves as an elder at North Ridge Bible Chapel, in Raleigh, NC.

Rod Sharp has been a director of the corporation since November 2010. He has served in a pastoral and teaching ministry since 1971. He is in fellowship at Triad Christian Fellowship, in Winston-Salem, NC.

Samuel Thorpe, Jr. has been a director of the corporation since November 2011. He is a retired human resource manager and senior consultant with Westinghouse Savannah River Company, Aiken, SC. Sam is in fellowship at Washington Bible Chapel, Washington, GA.

Except as noted above, none of the officers, directors, or managers of PCV has an interest in any professional service, firm, association, trust, partnership, or corporation, which is or shall, as presently intended, provide goods, leases or services to PCV or its residents of an aggregate value of Five Hundred and No/100 Dollars (\$500.00) or more within any year.



Except as noted above, no professional service firm, association, trust, partnership, or corporation has a 10% or greater interest in any officer or board member that will provide services of \$500 or more to the Facility or its residents.

None of the officers, directors, or managers of PCV: (1) have been convicted of a felony or pleaded nolo contendere to a felony charge, (2) have been held liable or enjoined in a civil action by final judgment, if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property, or (3) is subject to a currently effective injunctive or restrictive court order that arose out of or was related to the business activity of health care including any order affecting a license to operate any facility subject to North Carolina General Statutes section 58-64 or a similar law in another state.

None of the officers, directors or managers of this corporation have been involved in any matter within the past five (5) years in which any state or federal license or permit was suspended or revoked as a result of an action brought by a governmental agency or department, including any action that arose out of or was related to the business activity of health care and also including any action affecting a license to operate any facility subject to North Carolina General Statutes section 58-64 or a similar law in another state.

PCV is not owned, operated, or controlled by any denomination, church or group of churches, and no church, denomination or group of churches is responsible for the debts or other obligations of PCV. Directors are associated with a number of local churches in North Carolina and elsewhere, each of which is individual in its administration and without federation or union.

The facilities of PCV are located on approximately forty-two (42) acres of land bordering NC Highway Business 64 on the north side of said highway and are one and one half (1.50) miles east of Pittsboro, North Carolina. The facilities are approximately thirty (30) miles west of Raleigh, North Carolina and thirty (30) miles south of Durham, North Carolina. Present facilities include twenty-five (25) single room studio apartments with private bath; three (3) two room studio apartments with private bath; six (6) one-bedroom apartments; two (2) two-bedroom apartments; and four (4) one-bedroom efficiency apartments. In addition, PCV also has fifteen (15) two-bedroom cottages, two (2) three-bedroom cottages, one (1) four-bedroom cottage, four (4) two-bedroom patio homes, four (4) three-bedroom heritage homes and four (4) three-bedroom legacy homes. A forty (40) bed adult care home provides for assisted living.

The estimated number of residents of PCV to be provided services in 2022 by PCV pursuant to contracts is 100.

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### III. POLICIES

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**Age.** Applicants must be at least 55 years of age, unless exceptions are granted by the Executive Director under conditions approved by the Board of Directors.

**Health Criteria.** Applicants must be in sufficient physical and mental health to occupy the facilities for which they are applying as determined at the sole discretion of the Executive Director and Director of Resident Care of PCV. Continued occupancy of any selected accommodation depends upon the resident's physical and mental condition.

**Financial Criteria.** PCV is a charitable organization. Persons who meet the entry requirements are not generally refused admission if they are unable to pay the fees. Residents who have financial difficulties are generally permitted to remain in the facility. These residents may apply for assistance and may receive aid through the Benevolent Fund. Residents making application for residence and/or financial assistance will be approved at the sole discretion of the directors of PCV and must agree to furnish a financial statement of net worth and income to PCV at the time of entrance to PCV. PCV has no stated financial requirements. PCV supplies applicants with a schedule of rates and fees and accepts applicants at its sole discretion when facilities appropriate to their needs are available regardless of the applicant's ability to pay. Historically since its beginning in 1952, PCV has received sufficient contributions from outside sources, which have enabled PCV to meet its obligations under its contracts. The handling of reserve funds and investments thereof and decisions relating thereto is the responsibility of the Finance Committee, Treasurer and Executive Director.

**Changes of Condition Prior to Occupancy.** Any change in any resident's financial condition prior to occupancy is evaluated as set forth above.

**Cancellation and Termination.** Residents are permitted to cancel contracts with PCV without cause provided that they give 14 days prior written notice. A Resident may rescind this contract within thirty (30) days from the later of the execution of this Contract or the date of the receipt of said Disclosure Statement. In the event Resident rescinds this contract, then any money or property transferred by Resident to PCV shall be returned in full by PCV to Resident, other than periodic charges specified in this Contract and applicable only to the period a living unit was actually occupied by Resident. The Resident is not required to move into his living quarters at PCV prior to the expiration of thirty (30) days from the later of the execution of this Contract or the date of receipt of said Disclosure Statement. The only grounds for dismissal by PCV and its resident master contract is (1) for failure to accept appropriate placement in other accommodations at PCV, (2) if PCV determines that the resident's physical and/or mental condition requires such a move, (3) if PCV determines that the new or prospective spouse of an

existing resident does not qualify for admission, or (4) if resident breaches the terms of the resident master contract, or (5) if resident has the ability to pay for services and fails to pay.

**Moves.** PCV shall not request a resident to move to other accommodations at PCV unless PCV determines that medical reasons and/or the resident's physical or mental condition necessitates such a move. Living units occupied by a resident may be made available to another resident when the resident occupying a given unit moves to another living unit either voluntarily or by request of the Executive Director.

**Marriages or New Second Occupant.** The policies governing the marriage of a resident or new second occupant are set forth in Paragraph 13 of the Resident Master Contract, which is attached to this disclosure statement.

**Inability to Pay.** As stated above, residents who have financial difficulty are generally permitted to remain in the facility. However, the determination of such a matter is at the sole discretion of the Executive Director and directors of PCV.

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## IV. SERVICES

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### A. North Wing One (1) Room Studio Apartments

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The following services are provided in North Wing One (1) Room Studio Apartments which are approximately 460 to 490 square feet:

1. **Basic Services**
  - a. Three meals per day per person
  - b. Utilities except telephone
  - c. Cablevision
  - d. Weekly housekeeping
  - e. Complete maintenance of the building, plumbing, wiring, and heating & cooling systems
  - f. Emergency call system
  - g. Fire and smoke alarm system
  - h. Personal laundry facilities
  - i. Linen service
  - j. Programmed and informal activities
  - k. Mail service

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

**2. Extra Charge Services**

- a. Short-term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days.
- b. Transportation
- c. Meals delivered to room

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## **B. North Wing One (1) Bedroom Apartments**

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The following services are provided in North Wing One (1) Bedroom Apartments which are approximately 700 square feet:

**1. Basic Services.**

- a. One meal per day per person
- b. Utilities except telephone
- c. Cablevision
- d. Weekly housekeeping
- e. Complete maintenance of the building, plumbing, wiring, and heating & cooling systems
- f. Emergency call system
- g. Fire and smoke alarm system
- h. Personal laundry facilities
- i. Linen service
- j. Programmed and informal activities
- k. Mail service

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

**2. Extra Charge Services.**

- a. Short-term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days.
- b. Transportation
- c. Meals delivered to room
- d. Meals not provided under monthly fees

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## C. North Wing Two (2) Bedroom Apartments

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The following services are provided in North Wing Two (2) Bedroom Apartments which are approximately 900 square feet:

1. **Basic Services.**

- a. One meal per day per person
- b. Utilities except telephone
- c. Cablevision
- d. Weekly housekeeping
- e. Complete maintenance of the building, plumbing, wiring, and heating & cooling systems
- f. Emergency call system
- g. Fire and smoke alarm system
- h. Personal laundry facilities
- i. Linen service
- j. Programmed and informal activities
- k. Mail service

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

2. **Extra Charge Services.**

- a. Short-term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days.
- b. Transportation
- c. Meals delivered to room
- d. Meals not provided under monthly fees

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## D. Northeast Wing One (1) Room Studio Apartments

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The following services are provided in Northeast Wing One (1) Room Studio Apartments which are approximately 340 square feet:

1. **Basic Services.**

- a. One meal per day per person
- b. Utilities except telephone
- c. Cablevision
- d. Weekly housekeeping

- e. Complete maintenance of the building, plumbing, wiring, and heating & cooling systems
- f. Emergency call system
- g. Fire and smoke alarm system
- h. Personal laundry facilities
- i. Linen service
- j. Programmed and informal activities
- k. Mail service

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

2. **Extra Charge Services.**

- a. Short-term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days.
- b. Transportation
- c. Meals delivered to room
- d. Meals not provided under monthly fees

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**E. Northeast Wing Two (2) Room Studio Apartments**

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The following services are provided in Northeast Wing Two (2) Room Studio Apartments which are approximately 680 square feet:

1. **Basic Services**

- a. Three meals per day per person
- b. Utilities except telephone
- c. Cablevision
- d. Weekly housekeeping
- e. Complete maintenance of the building, plumbing, wiring, and heating & cooling systems
- f. Emergency call system
- g. Fire and smoke alarm system
- h. Personal laundry facilities
- i. Linen service
- j. Programmed and informal activities
- k. Mail service

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

2. **Extra Charge Services**

- a. Short-term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days.
- b. Transportation
- c. Meals delivered to room

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## **F. Northeast Wing Two (2) Room Efficiency Apartments**

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1. **Basic Services**

- a. Three meals per day per person
- b. Utilities except telephone
- c. Cablevision
- d. Weekly housekeeping
- e. Complete maintenance of the building, plumbing, wiring, and heating & cooling systems
- f. Emergency call system
- g. Fire and smoke alarm system
- h. Personal laundry facilities
- i. Linen service
- j. Programmed and informal activities
- k. Mail service

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

2. **Extra Charge Services**

- a. Short-term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days.
- b. Transportation
- c. Meals delivered to room
- d. Meals not provided under monthly fees

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## G. Cottages

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The following services are provided in Cottages:

1. **Basic Services**

- a. Complete maintenance of the building (including painting and carpeting when needed) plumbing, wiring, heating and cooling systems, and appliances furnished by PCV. (Not including electric usage)
- b. Cablevision
- c. Water and sewer service
- d. Walkway, driveway and street maintenance
- e. Lawn Care
- f. Programmed and informal activities
- g. Mail service

2. **Extra Charge Services**

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

- a. Short term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days
- b. Transportation
- c. Meals

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## H. Patio Homes

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The following services are provided in Patio Homes:

1. **Basic Services**

- a. Complete maintenance of the building (including painting and carpeting when needed) plumbing, wiring, heating and cooling systems, and appliances furnished by PCV. (Not including electric usage)
- b. Cablevision
- c. Water and sewer service
- d. Walkway, driveway and street maintenance
- e. Lawn Care
- f. Programmed and informal activities
- g. Mail service



## **2. Extra Charge Services**

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

- a. Short term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days
- b. Transportation
- c. Meals

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## **I. Heritage Homes**

The following services are provided in Heritage Homes:

### **1. Basic Services**

- a. Complete maintenance of the building (including painting and carpeting when needed) plumbing, wiring, heating and cooling systems, and appliances furnished by PCV. (Not including electric usage)
- b. Cablevision
- c. Water and sewer service
- d. Walkway, driveway and street maintenance
- e. Lawn Care
- f. Programmed and informal activities
- g. Mail service

### **2. Extra Charge Services**

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

- a. Short term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days
- b. Transportation
- c. Meals

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## J. Legacy Homes

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The following services are provided in Legacy Homes:

1. Basic Services

- a. Complete maintenance of the building (including painting and carpeting when needed) plumbing, wiring, heating and cooling systems, and appliances furnished by PCV. (Not including electric usage)
- b. Cablevision
- c. Water and sewer service
- d. Walkway, driveway and street maintenance
- e. Lawn Care
- f. Programmed and informal activities
- g. Mail service

2. Extra Charge Services

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

- a. Short term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days
- b. Transportation
- c. Meals

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## K. Care Home (Assisted Living)

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The following Services are provided in the Care Home (Assisted Living):

- a. Administer prescribed medication
- b. Three meals per day per person with miscellaneous snacks
- c. Personal laundry service
- d. Housekeeping
- e. Mail service
- f. Meals served in room when needed
- g. Programmed and informal activities
- h. Utilities except private telephone
- i. Cablevision

- j. Local telephone service
- k. Call bell system
- l. Assist residents, when necessary, on an individual basis with their personal hygiene, eating, walking, going up and down steps, corresponding, shopping and scheduling medical and business appointments
- m. Provide regular medical and therapeutic care approved by the resident's physician and within the limits of PCV's capability
- n. Provide quality nursing care 24 hours a day
- o. Evacuate all residents in an emergency situation
- p. Provide therapeutic diets
- q. Provide transportation and assistance for medical, shopping, business, and recreational needs
- r. Provide wheelchair and assistance with walking and transferring to semi - ambulatory residents.
- s. Provide for diaper changing, ostomy maintenance, and other hygienic needs of incontinent residents

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## V. FEES

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A. **Application Fee.** PCV requires a non-refundable application fee in the amount of Four Hundred Seventy-Five Dollars (\$475.00) which is due and payable at the time a prospective resident submits an application to PCV.

B. **Entrance Fee and Monthly Fees.** PCV has two entrance fee payment plans as follows: The entrance fee assures a resident a place in the facility for the lifetime of such resident unless terminated under the terms set out in their Resident Master Contract.

### **Payment Plan A:**

The resident pays a Resident Refundable Entry Fee (hereinafter referred to as "RREF") based upon the facility occupied and services provided. The Resident (1) pays a lump sum payment (the RREF) at the time of admission, (2) pays a monthly fee (described in Payment Plan B), and (3) receives a monthly residency credit (reduction) on the statement of charges as long as the resident remains at PCV.

A Resident paying the lump sum RREF receives a reduction in his monthly fee that is equal to .50% to 1.00% times the lump sum paid, depending on his age at the time of admission. (See the residency credit factor described here in below). If a husband and wife are admitted to PCV's facilities, the age of the younger spouse is used in determining the credit for a couple. The amount of the credit is fixed and remains the same as long as the husband or wife lives at PCV even though the resident may move to other accommodations at PCV. The credit continues in the same amount for the survivor in the event of death of a spouse. The credit is non-assignable to anyone whose name is not affixed to the Resident Master Contract. If a Resident marries after entering living accommodations at PCV, the residency credit factor shall be reduced if the new spouse is younger than the existing Resident by substituting a new residency credit factor based on the age of the younger spouse at the time of the younger spouses' date of initial residency. In the event of such a marriage, the existing and new Resident shall execute a new Resident Master Contract which shall provide terms and conditions substantially similar to the existing Resident Master Contract, with appropriate adjustments for a second occupant of any facility. In the event any existing Resident marries, PCV may require the existing Resident and his or her spouse to move to other accommodations at PCV to accommodate both Residents.

In the event that PCV dismisses a Resident or in the event that a Resident terminates the Resident Master Contract prior to the expiration of three (3) years from the date of initial residency, there is a pro rata cash refund calculated to the nearest whole month, so that one third (1/3rd) of the RREF for each year of non-residency in the first three (3) year period shall be refunded to the Resident subject to the following provisions:

- a. The maximum refund shall be ninety percent (90%) of the RREF.
- b. PCV may delay the cash refund up to one (1) year after the residency is terminated or until a new Resident occupies the facility vacated by termination, whichever is the later.

If Resident (if the term "Resident" as used in the Resident Master Contract includes more than one person, then the term Resident for the purposes of this paragraph shall be deemed to be only one of such Residents) dies before occupying a living unit at PCV, or if on account of illness, injury or incapacity, Resident is precluded from occupying a living unit at PCV under the terms of the Resident Master Contract, then the Resident Master Contract shall be automatically cancelled and the Resident or legal representative of the Resident shall receive a refund of all money and property transferred to PCV, less those nonstandard costs specifically incurred by PCV at the request of Resident and described in the Resident Master Contract. If the Resident (or survivor if the Resident Master Contract is for two (2) persons) dies subsequent to the expiration of three (3) years from the execution of the Resident Master Contract, there shall be no refund of the RREF. If the Resident (or survivor if the Resident Master Contract is for two (2) persons) dies before the expiration of three (3) years from the date of the Resident Master Contract, PCV shall either (1) make a payment to the surviving Resident's estate, calculated to the nearest whole month, so that one-third (1/3rd) of the resident entry fee for each year of non-residency in the first three (3) year period shall be paid; provided that the maximum refund shall not exceed ninety percent (90%) of RREF; provided further, PCV reserves the right to delay cash refunds to the estate for a period of one (1) year or until a new Resident occupies the facility vacated, whichever is later; or (2) make no refund as outlined in the RREF Agreement. The parties shall agree at the time of the execution of the Refundable Resident Entry Fee Agreement upon one of these alternatives.

In the event that the applicant's physical and/or mental condition (as determined at the sole discretion of the directors of PCV) should significantly deteriorate between the date of the execution of the Resident Master Contract and the date of initial occupancy of a living unit by the applicant, PCV may cancel and terminate the Resident Master Contract and applicant shall receive a refund of all money and property that applicant had transferred to PCV. The maximum amount of the RREF paid at the time of entry shall not exceed the cost of the facility to be occupied in the case of new construction or the replacement cost in the case of an existing facility. The minimum amount of the RREF shall be not less than eighty percent (80%) of the maximum amount.

The reduction in monthly payment is calculated using the amount of the RREF times the credit factor appropriate for the age of the younger spouse. The residency credit factor to be used in calculating the reduction in the monthly fee described here-in-above is as follows:

**Residency Credit Factor:**

<b>Age</b>	<b>77+</b>	<b>76 - 74</b>	<b>73 - 71</b>	<b>70 - 68</b>	<b>67 - 65</b>	<b>64 - 62</b>	<b>61 - 59</b>	<b>58 - 55</b>
<b>Credit</b>	<b>1.00%</b>	<b>.84%</b>	<b>.74%</b>	<b>.67%</b>	<b>.62%</b>	<b>.56%</b>	<b>.53%</b>	<b>.50%</b>

**Resident Refundable Entry Fee (RREF):**

<b>Type of Home or Apartment</b>	<b>Maximum RREF</b>	<b>Minimum RREF</b>
<b>North Wing (Manor)</b>		
<b>"A" - Studio Apartment</b> (range from approximately 460 to 490 square feet)	\$50,000	\$40,000
<b>"B" - One Bedroom Apartment</b> (kitchen, separate living area, approximately 700 square feet)	\$70,000	\$56,000
<b>"C" - Two Bedroom Apartment</b> (kitchen, separate living area, approximately 900 square feet)	\$80,000	\$64,000
<b>Northeast Wing (Manor)</b>		
<b>"D" - Studio Apartment</b> (approximately 340 square feet)	\$40,000	\$30,000
<b>"E" - Two Room Studio Apartment</b> (approximately 680 square feet)	\$45,000	\$36,000
<b>"F" - Efficiency Apartment</b> (kitchenette, separate living area, approximately 515 square feet)	\$45,000	\$36,000
<b>Homes (Valley)</b>		
<b>"G" - Cottage</b>	\$95,000	\$76,000
<b>"H" - Patio Home</b>	\$105,000	\$84,000
<b>"I" - Heritage Home</b>	\$115,000	\$92,000
<b>"J" - Legacy Home</b>	\$155,000	\$124,000

If a Resident marries while at PCV, the couple will be subject to the second occupant fee, if applicable to the accommodation they are occupying. Neither the existing Resident nor the new Resident shall be required to pay any additional non-refundable or refundable resident entry fee.

The new spouse of any existing Resident must meet the same entrance requirements as any other applicant. If the new spouse is not qualified for admission, PCV reserves the right to dismiss the existing Resident. If the existing Resident has paid a Resident Refundable Entry Fee and such dismissal occurs subsequent to the expiration of three (3) years from the date of initial occupancy, the Resident shall not be entitled to a refund of said fee. If such dismissal occurs prior to the expiration of said three (3) year period, Resident shall be entitled to a refund of said

fee upon the same terms and conditions as if Resident had voluntarily moved from PCV as set forth here in above.

**Payment Plan B:**

The resident pays a monthly fee based upon the living quarters occupied. This plan has a non-refundable entry fee of One Thousand Nine Hundred Fifty and No/100 Dollars (\$1,950.00) payable at the time of occupancy. Rates under this plan are established in accordance with the living quarters occupied and services provided. This plan is available when it best suits the financial needs of the incoming Resident provided housing units are available that do not require a refund to the prior resident. The rates for each facility are as follows:

Type of Home or Apartment	Single Rate (per month)	Married Rate (per month)
<b>North Wing (Manor)</b>		
"A" - Studio Apartment (approximately 460 to 490 square feet)	\$1,975	\$2,650
"B" - One Bedroom Apartment (kitchen, separate living area, approximately 700 square feet)	\$1,845	\$2,510
"C" - Two Bedroom Apartment (kitchen, separate living area, approximately 900 square feet)	\$1,945	\$2,610
<b>Northeast Wing (Manor)</b>		
"D" - Studio Apartment (approximately 340 square feet)	\$1,875	\$2,550
"E" - Two Room Studio Apartment (approximately 680 square feet)	\$1,975	\$2,650
"F" - Efficiency Apartment (kitchenette, separate living area, approx. 515 square feet)	\$1,465	\$2,160
<b>Homes (Valley)</b>	<b>Rate (per month)</b>	
"G" - Cottage	\$1,675	
"H" - Patio Home	\$1,875	
"I" - Heritage Home	\$1,975	
"J" - Legacy Home	\$2,275	
<b>Care Home (Assisted Living)</b>	<b>Private Rate (per month)</b>	<b>Semi-Private Rate (per month)</b>
"K" - Assisted Living	\$4,460	\$4,360

- C. **Fee Change Policy.** Charges for occupancy and services may be adjusted as required at the sole discretion of the directors of PCV by giving ninety (90) days prior written notice to the Resident.
- D. **Changes in Fees for the Previous Five Years.** During the previous five years Pittsboro Christian Village has increased their monthly service fees as per below table. The increases were effective on January 1<sup>st</sup> of each year. Monthly service fee increases are expressed in average dollar amounts.

	2021	2020	2019	2018	2017
Care Home (Assisted Living)	\$135	\$75	\$75	\$75	\$50
North Wing Apartment (Independent Living)	\$65	\$50	\$40	\$36	\$35
Northeast Wing Apartment (Independent Living)	\$65	\$50	\$45	\$35	\$30
Cottage (Independent Living)	\$50	\$40	\$35	\$30	\$35
Patio Home (Independent Living)	\$50	\$40	\$35	\$25	\$25
Heritage Homes (Independent Living)	\$50	\$40	\$35	\$25	\$25
Legacy Homes (Independent Living)	\$50	\$40	\$35	N/A	N/A

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## VI. FINANCIAL INFORMATION

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Our certified financial statement is attached, along with our five-year forecast prepared by C. DeWitt Foard & Company, P.A., Certified Public Accountants. Our income projections are based on annual increases in rates to cover inflationary increases. The five-year forecasts do allow for increases in cost modified by careful budgeting. The following is an assessment by management of the results of operations compared to the budget for fiscal year ended September 30, 2021.



**Balance Sheet**  
**September 30, 2021**

<b>Assets</b>	<b>Actual (Audit)</b>	<b>Budget (Forecast)</b>	<b>Variance</b>	<b>%</b>	<b>Note</b>
Cash	907,520	1,036,369	(128,849)	(12.43)	1.
Investments: Operating Reserve Requirement (asset limited as to use)	623,000	623,000	-	-	
Investments	424,101	665,690	(241,589)	(36.29)	2.
Refundable Sales and Use Tax	23,958	-	23,958	-	
Prepaid expenses	37,783	26,602	11,181	42.03	
Property, plant and equipment:	10,525,156	9,873,724	651,432	6.60	
Less accumulated depreciation	5,735,582	5,743,832	(8,250)	(0.14)	
<b>Net Property, plant and equipment</b>	<b>4,789,574</b>	<b>4,129,892</b>			
<b>Total Assets</b>	<b>6,781,978</b>	<b>6,481,553</b>	<b>300,425</b>	<b>4.64</b>	

<b>Liabilities and Net Assets</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>%</b>	<b>Note</b>
Accounts payable	24,329	31,117	(6,788)	(21.81)	
Accrued expenses	48,534	41,324	7,210	17.45	
Current portion of long-term debt	60,434	65,007	(4,573)	(7.03)	
Withholdings from employees	-	-	-	-	
Long-term debt, net of current portion	637,652	673,419	(35,767)	(5.31)	
Deferred revenue - entrance fees	1,412,788	1,006,248	406,540	40.40	3.
Without donor restrictions - Undesignated	3,340,808	3,377,896	(37,088)	(1.10)	
Without donor restrictions - Designated for operating reserve	623,000	623,000	-	-	
With donor restrictions	658,391	663,542	(5,151)	(0.78)	
<b>Total Liabilities and Net Assets</b>	<b>6,805,936</b>	<b>6,481,553</b>	<b>324,383</b>	<b>5.00</b>	

1. Cash variance is due primarily to continued COVID-19 expenses and lower occupancy than expected.
2. Investments variance is due to the use of funds from investments for the building project of two new homes; 27 Love and 41 Love.
3. Deferred revenue - entrance fees variance is due to receiving more Refundable Resident Entry Fees than expected.

Variance threshold amount used to determine the material differences described above was 10% and \$25,000.

**Statement of Operations**  
For the year ended September 30, 2021

<b>Support and Revenue:</b>	<b>Actual (Audit)</b>	<b>Budget (Forecast)</b>	<b>Variance</b>	<b>%</b>	<b>Note</b>
Resident fees, net	1,711,341	2,037,428	(326,087)	(16.00)	4.
Amortization of deferred entrance fees	216,457	172,996	43,461	25.12	5.
Contributions	389,892	420,000	(30,108)	(7.17)	
Investment income	230,502	72,000	158,502	220.14	6.
Other	7,131	25,200	(18,069)	(71.70)	
Gain (loss) on disposal of fixed assets	(38,017)	-	(38,017)	-	
<b>Total support and revenue</b>	<b>2,517,306</b>	<b>2,727,624</b>	<b>(210,318)</b>	<b>(7.71)</b>	
<b>Expenses:</b>					
Salaries	1,329,492	1,486,230	(156,738)	(10.55)	7.
Payroll taxes	101,402	105,800	(4,398)	(4.16)	
Food and supplies	233,158	250,200	(17,042)	(6.81)	
Utilities	192,453	212,540	(20,087)	(9.45)	
Buildings and grounds	137,503	84,000	53,503	63.69	8.
Insurance	101,798	114,000	(12,202)	(10.70)	
Interest	40,314	44,046	(3,732)	(8.47)	
Laundry	27,521	25,200	2,321	9.21	
Professional services	17,724	18,050	(326)	(1.81)	
Office expense	16,667	20,300	(3,633)	(17.90)	
Equipment leases	12,380	12,300	80	0.65	
Vehicle expense	10,372	9,000	1,372	15.24	
Advertising	7,433	15,720	(8,287)	(52.72)	
Dues and subscriptions	5,405	6,000	(595)	(9.92)	
Training and education	5,090	5,400	(310)	(5.74)	
Licenses	4,481	4,800	(319)	(6.65)	
Postage	4,015	3,000	1,015	33.83	
Property taxes	3,120	3,000	120	4.00	
Miscellaneous	2,866	4,800	(1,934)	(40.29)	
Computer	544	2,400	(1,856)	(77.33)	
Depreciation	288,121	283,152	4,969	1.75	
<b>Total expenses</b>	<b>2,541,859</b>	<b>2,709,938</b>	<b>(168,079)</b>	<b>(6.20)</b>	
<b>Change in Net assets</b>	<b>(24,553)</b>	<b>17,686</b>	<b>(42,239)</b>	<b>(1.51)</b>	

4. Resident fees, net variance is due to lower occupancy than expected.
5. Amortization of deferred entrance fees variance is due to receiving more Refundable Resident Entry Fees than expected.
6. Investment income variance is due to unplanned gains from investments.
7. Salaries variance is due to numerous staffing vacancies that have not been filled.
8. Buildings and grounds variance is due to expenses of turning over thirteen units with significant flooring upgrades and other various modifications/renovations.

Variance threshold amount used to determine the material differences described above was 10% and \$25,000.

**Statement of Cash Flows**  
For the year ended September 30, 2021

	Actual (Audit)	Budget (Forecast)	Variance	%	Note
<b>Operating Activities:</b>					
Change in net assets	(24,553)	17,686	(42,239)	(1.51)	
<b>Adjustments to reconcile change in net assets to cash flows from operating activities:</b>					
Depreciation	288,121	283,152	4,969	1.75	
Amortization of deferred entrance fees	(216,457)	(172,996)	(43,461)	25.12	9.
Entrance fees received net of refunds	550,000	100,000	450,000	450.00	10.
Loss on disposal of property	38,017	-	38,017	-	
Realized and unrealized (gains) losses on investments	(219,227)	-	(219,227)	-	
<b>Change in operating assets and liabilities:</b>					
Receivables	(23,957)	-	(23,957)	-	
Prepaid expenses	(11,181)	-	(11,181)	-	
Accounts payable	(6,788)	-	(6,788)	-	
Accrued expenses	7,210	-	7,210	-	
<b>Cash Flows From Operating Activities:</b>	<b>381,185</b>	<b>227,842</b>	<b>153,343</b>	<b>67.30</b>	
<b>Investing Activities:</b>					
Purchase of property and equipment	(702,668)	-	(702,668)	-	
Proceeds from the sale of investments	388,816	-	388,816	-	
<b>Cash Flows From Investing Activities:</b>	<b>(313,852)</b>	<b>-</b>	<b>(313,852)</b>	<b>-</b>	
<b>Financing Activities:</b>					
Payments on notes payable	(103,006)	(62,666)	(40,340)	64.37	11.
Repayment of entrance fees	-	-	-	-	
<b>Cash Flows From Financing Activities:</b>	<b>(103,006)</b>	<b>(62,666)</b>	<b>(40,340)</b>	<b>64.37</b>	
<b>Change in Cash and Equivalents</b>	<b>(35,673)</b>	<b>165,176</b>	<b>(200,849)</b>	<b>(121.60)</b>	

9. Amortization of deferred entrance fees is due to receiving more Refundable Resident Entry Fees than expected.  
10. Entrance fees received net of refunds is due to receiving more Refundable Resident Entry Fees than expected.  
11. Payments on notes payable variance is due to additional payments made to principal of mortgage on North Wing.

Variance threshold amount used to determine the material differences described above was 10% and \$25,000.

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## VII. RESERVES, ESCROW AND TRUSTS

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Pittsboro Christian Village, Inc. (PCV) does not accept payment of entrance fees prior to the date a Resident is permitted to occupy a living unit in the facility. Consequently, PCV maintains no escrow accounts for the deposits of any such fees.

As of September 30, 2021, PCV had cash and investments of \$1,954,622.34. PCV maintains approximately \$800,000 as liquid working capital.

As of March 1997, G.S. 58-64-33 requires PCV to maintain cash reserve equal to three months operating expenses. At the close of the fiscal year on September 30, 2021, PCV had \$623,000 in the reserve account that meets this requirement based on the Five-Year Forecast.

Income from the Financial Assistance Endowment and annual contributions for financial assistance were used to provide charitable assistance to residents who otherwise would not be able to afford residence at PCV.

Investments of funds are currently in a checking account, Money Market accounts, investment securities, or Corporate Commercial Paper. Future investment strategies will of course depend upon future market conditions.

Overall policies and decision relative to the magnitude of reserve funds, investment of reserve funds and financial assistance funds and application of financial assistance funds are under the direction of the Finance Committee of the Board of Directors. Within the parameters of these policies, specific investment decisions may be authorized by any two of the persons holding the positions of President, Vice President, Treasurer, and Chairman of the Finance Committee or Executive Director.

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## VIII. FACILITY DEVELOPMENT AND EXPANSION

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Pittsboro Christian Village began the process about eleven years ago of renovating our cottages. These renovations provided needed updates that allow residents to reside longer in a home before needing to migrate to an apartment. The Board of Directors has also been developing a Strategic Plan that will include replacement of homes not renovated and significant upgrades to the current Care Home facilities. As part of this strategic plan, we built four Legacy Homes from 2019 to 2021. Plans are underway to build additional Legacy Homes in the near future. Pittsboro Christian Village owns approximately 24 acres of undeveloped land for possible expansion.

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## IX. OTHER MATERIAL INFORMATION

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There are no actions, suits, or claims, pending or threatened against, by or affecting PCV in any court or before any governmental agency or authority, or any judgment existing or pending, or any threatened or anticipated claims or liabilities, absolute, contingent, or otherwise, which might have an adverse effect on the operations of PCV and/or the furnishing of facilities and services to its Residents. PCV does not know or have reason to know of the occurrence of any events which could give rise to any such actions, suits, claims nor is there currently any order injunction, or decree against PCV. There is no labor dispute, grievance, controversy, strike, or request for union representation pending or threatened against PCV and PCV does not know or have any reason to know of any occurrence of any events that could give rise to any such labor dispute, controversy, or strike. To the best of its knowledge, PCV is not, at the date hereof, in violation of any applicable zoning or building regulations, ordinances or any other law, order, regulation or requirement relating to the operations of its facilities and the providing of its services.

**Attachment 1**

**Pittsboro Christian Village**

**Audited Financial Statements**

**September 30, 2021**

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***Pittsboro Christian Village, Inc.***  
**Table of Contents**  
**September 30, 2021**

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# ***C. DEWITT FOARD & COMPANY, P.A.***

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**CERTIFIED PUBLIC ACCOUNTANTS**  
**817 EAST MOREHEAD STREET SUITE 100**  
**CHARLOTTE, NORTH CAROLINA 28202**  
**TELEPHONE: 704-372-1515 WWW.CDFCO.COM**

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Pittsboro Christian Village , Inc.  
Pittsboro, North Carolina

We have audited the accompanying financial statements of Pittsboro Christian Village , Inc. (the "Organization" - a nonprofit corporation), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Pittsboro Christian Village , Inc., as of September 30, 2021 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*C. Dewitt Foard & Company, P.A.*  
January 26, 2022



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**Pittsboro Christian Village, Inc.****Statement of Financial Position****September 30, 2021**

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**Assets**

## Current Assets:

Cash and equivalents	\$	907,520
Investments		424,101
Sales tax receivable		23,958
Prepaid expenses		37,783
<b>Total Current Assets</b>		<b>1,393,362</b>

## Non-Current Assets:

Investments :Operating Reserve Requirement (asset limited as to use)		623,000
<b>Total Non-Current Assets</b>		<b>623,000</b>
Property and equipment, net		4,789,574

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**TOTAL** **\$ 6,805,936**

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**Liabilities and Net Assets**

## Current Liabilities:

Accounts payable and accrued expenses	\$	24,329
Accrued expenses		48,534
Current portion of long-term debt		60,434
<b>Total Current Liabilities</b>		<b>133,297</b>

## Long-Term Liabilities:

Long-term debt, net of current portion		637,652
Deferred revenue - entrance fees		1,412,788
<b>Total Liabilities</b>		<b>2,183,737</b>

## Net Assets:

## Without donor restrictions:

Undesignated		3,340,808
Designated for operating reserve		623,000
<b>Total Without donor restrictions</b>		<b>3,963,808</b>

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With donor restrictions		658,391
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<b>Total Net Assets</b>		<b>4,622,199</b>
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**TOTAL** **\$ 6,805,936**

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**Pittsboro Christian Village, Inc.****Statement of Activities****Year Ended September 30, 2021**

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	Without Donor Restrictions	With Donor Restrictions	TOTALS
Support and Revenue:			
Resident fees, net	\$ 1,711,341	\$ -	\$ 1,711,341
Amortization of deferred entrance fees	216,457	-	216,457
Contributions	274,228	115,664	389,892
Investment income	161,572	68,930	230,502
Other	7,131	-	7,131
Gain (loss) on disposal of fixed assets	(38,017)	-	(38,017)
Net assets released from restriction	165,745	(165,745)	-
<b>Total</b>	<b>2,498,457</b>	<b>18,849</b>	<b>2,517,306</b>
Expenses:			
Program services	2,054,621	-	2,054,621
Management & general	487,238	-	487,238
<b>Total</b>	<b>2,541,859</b>	<b>-</b>	<b>2,541,859</b>
<b>CHANGE IN NET ASSETS</b>	<b>(43,402)</b>	<b>18,849</b>	<b>(24,553)</b>
<b>NET ASSETS, BEGINNING</b>	<b>4,007,210</b>	<b>639,542</b>	<b>4,646,752</b>
<b>NET ASSETS, ENDING</b>	<b>\$ 3,963,808</b>	<b>\$ 658,391</b>	<b>\$ 4,622,199</b>

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***Pittsboro Christian Village, Inc.*****Statement of Functional Expense****Year Ended September 30, 2021**

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	Program Services	Management & and General	Totals
Expenses:			
Salaries	\$ 1,036,706	\$ 292,786	\$ 1,329,492
Payroll taxes	55,683	45,719	101,402
Food and supplies	227,749	5,409	233,158
Utilities	178,039	14,414	192,453
Buildings and grounds	136,933	570	137,503
Insurance	51,975	49,823	101,798
Interest	40,314	-	40,314
Laundry	27,521	-	27,521
Professional services	235	17,489	17,724
Office expense	-	16,667	16,667
Equipment leases	3,315	9,065	12,380
Vehicle expense	10,372	-	10,372
Advertising	-	7,433	7,433
Dues and subscriptions	-	5,405	5,405
Training and education	2,795	2,295	5,090
Licenses	-	4,481	4,481
Postage	-	4,015	4,015
Property taxes	-	3,120	3,120
Miscellaneous	-	2,866	2,866
Computer	-	544	544
Depreciation	282,984	5,137	288,121
<b>TOTAL EXPENSES</b>	<b>\$ 2,054,621</b>	<b>\$ 487,238</b>	<b>\$ 2,541,859</b>

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**Pittsboro Christian Village, Inc.****Statement of Cash Flows****Year Ended September 30, 2021**

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**Operating Activities**

Change in net assets	\$ (24,553)
Adjustments to reconcile change in net assets to cash flows from operating activities:	
Depreciation	288,121
Contributions restricted for long-term purposes	(115,664)
Amortization of deferred entrance fees	(216,457)
Entrance fees received net of refunds	550,000
Loss on disposal of property	38,017
Realized and unrealized (gains) losses on investments	(219,227)
Change in operating assets and liabilities:	
Receivables	(23,957)
Prepaid expenses	(11,181)
Accounts payable	(6,788)
Accrued expenses	7,210
<b><u>Cash Flows From Operating Activities</u></b>	<b><u>265,521</u></b>

**Investing Activities**

Purchase of property and equipment	(702,668)
Proceeds from the sale of investments	388,816
<b><u>Cash Flows From Investing Activities</u></b>	<b><u>(313,852)</u></b>

**Financing Activities**

Contributions restricted for long-term purposes	115,664
Principal payments on long-term debt	(103,006)
<b><u>Cash Flows From Financing Activities</u></b>	<b><u>12,658</u></b>
<b>CHANGE IN CASH AND EQUIVALENTS</b>	<b>(35,673)</b>
<b>CASH AND EQUIVALENTS - BEGINNING</b>	<b>943,193</b>
<b>CASH AND EQUIVALENTS - ENDING</b>	<b>\$ 907,520</b>

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***Pittsboro Christian Village, Inc.***  
**Notes to Financial Statements**  
**September 30, 2021**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of activities**

Pittsboro Christian Village, Inc. (the "Organization") is a non-profit corporation organized under the laws of the State of North Carolina on April 4, 1952. The Organization is a Christian Continuing Care Retirement Community under the direction of a board of Christians from the assemblies.

**Income tax status**

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code with respect to its exempt function income and is classified as other than a private foundation.

**Basis of presentation**

The financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (GAAP). Under GAAP, the Organization is required to report information regarding its financial position and activities according to the following classes of net assets.

*Net assets without donor restrictions* – These amounts are not subject to any donor-imposed stipulations and include resources invested in property. Net assets without donor restrictions can be designated by the Organization for specific purposes.

*Net assets with donor restrictions* – These amounts are subject to donor-imposed stipulations. These restrictions may be temporary in nature, such that they may or will be met either by actions of the Organization or the passage of time, or perpetual in nature, such that the donor stipulates that they be maintained in perpetuity.

**Revenue recognition**

The Organization adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2014-09, "*Revenue from Contracts with Customers*" (ASU 2014-09), in the current year. The core principle of this standard is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The implementation of this standard did not have an impact on the Organization's financial statements.

In accordance with GAAP, the Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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***Pittsboro Christian Village, Inc.***  
**Notes to Financial Statements**  
**September 30, 2021**

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Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of cash and other assets are considered to be available for use unless specifically restricted by the donor. Resident fees and other revenues are recorded when earned which is when the applicable service has been rendered. Amounts billed or collected in advance of being earned are recorded as deferred revenue and are recognized as revenue at the time of the service.

**Entrance agreements**

The residency entrance fee is set by the Board of Directors and is due in full at the time residency is established. Under the agreement the Organization agrees to make a pro-rata refund the entrance fee calculated to the nearest whole month, on a decreasing basis over the first three years of residency up to 90 percent of the initial resident entry fee. At year-end the potential refundable amount is \$592,144, however, management believes the potential for refund is minimal based on historical information. For financial statement purposes, entrance fees are recorded as a liability on the accompanying balance sheet as "Deferred Revenue - Entrance Fees" and amortized to revenue over a period equal to 88 years less the age of the youngest spouse at entry. The board annually reviews the amortization calculation for appropriateness. At year-end the portions of entrance fees that have not been earned and that are in excess of the contingent refund listed above is \$820,644.

In addition to the entrance fee, each unit is assessed a monthly service fee as set by the Board of Directors. The entrance agreement allows a monthly credit from .50 percent to 1 percent on this monthly charge of the resident of the Organization.

**Cash and equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Receivables**

Receivables are recorded at net realizable value. Management assesses the collectability of receivables on an individual account basis and writes off any amounts deemed uncollectible. Therefore, no allowance for uncollectible accounts is provided. The balances at year-end are expected to be collected within the following year.

**Investments**

The Organization maintains investments in marketable securities with readily determinable fair values. Investments are reflected on the accompanying balance sheet at fair value. Investment income restricted by a donor are reported as increases in net assets with donor restrictions.

**Property and equipment**

Property is recorded at cost if purchased or fair value if donated, subject to a \$500 capitalization policy. Depreciation is provided by charges to operations using the straight-line method at rates designed to amortize the cost of the assets over their estimated useful lives, which range from 3 to 40 years. Major renewals and improvements are charged to the property accounts, while replacements, maintenance, and repairs, which do not improve or extend the life of the assets, are expensed currently.

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***Pittsboro Christian Village, Inc.***  
**Notes to Financial Statements**  
**September 30, 2021**

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**Functional expense**

All expenses in the accompanying statement of activities were incurred for or related to the provision of services by the retirement facility consisting of independent and assisted living services. Program services represent the primary focus of the Organization's activities. Supporting services are related to general and administrative activities. The Organization spends no significant amount of time related to fundraising; therefore, no expenses have been allocated to this function. Certain costs have been allocated among the program and supporting services. Personnel related expenses are allocated based on management's estimates of time spent. Occupancy related and depreciation expenses are allocated based on space usage. All other expenses are allocated on an analysis of the various expenses that comprise those costs.

**Use of estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Advertising costs**

The Organization expenses advertising costs as incurred.

**Donated services and goods**

Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated goods, if significant, are included in support at fair value. During the year, the Organization recorded no donated services or goods.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs and various assignments. No amounts have been reflected in the financial statements for these contributions, as the contributions do not meet the criteria for recognition.

**NOTE 2 - INVESTMENTS**

At year-end, investments consist of the following:

Exchange Traded Funds	\$ 340,844
Mutual Funds	<u>706,257</u>
	<u>\$ 1,047,101</u>

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***Pittsboro Christian Village, Inc.***  
**Notes to Financial Statements**  
**September 30, 2021**

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**Fair value measurements**

Generally accepted accounting principles require fair value of financial instruments to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs, as follows:

Level 1 - Fair value is based on quoted prices in active markets for identical assets or liabilities.

Level 2 - Fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Fair value is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Organization's investments are classified as level 1 at year-end.

**NOTE 3 - PROPERTY AND EQUIPMENT**

The Organization's property and equipment as of year-end, is comprised of the following:

Land and land improvements	\$	535,380
Buildings and improvements		8,698,520
Furniture, fixtures, and equipment		1,057,419
Vehicles		233,492
Construction in progress		345
		<hr/>
		10,525,156
Less - accumulated depreciation		<hr/>
		5,735,582
		<hr/>
	\$	<u>4,789,574</u>

**NOTE 4 - STATUTORY OPERATING RESERVE REQUIREMENT**

Under regulations of the North Carolina Insurance Commission, CCRC's are required to maintain an operating reserve equal to 25 percent of the total occupancy costs, as defined, projected for the 12-month period following the period covered by the most recent annual financial statement filed with the North Carolina Department of Insurance, if the occupancy levels are in excess of 90 percent. If the occupancy levels are less than 90 percent, the operating reserve requirement is 50 percent of total occupancy costs, as defined. The Organization has historically maintained an occupancy level in excess of 90 percent. As of year-end, the Organization had an occupancy level of 92.22 percent and an operating reserve of \$623,000, which represented 25 percent of total occupancy costs, as defined.



***Pittsboro Christian Village, Inc.***  
**Notes to Financial Statements**  
**September 30, 2021**

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**NOTE 5 – REVENUE FROM CONTRACTS WITH RESIDENTS**

The following tables provide information about significant changes in refundable resident entrance fees:

Deferred revenue – refundable entrance fees:	
Beginning of year	\$ 1,079,245
Collected during the year	550,000
Recognized as revenue during the year	<u>(216,457)</u>
End of year	<u>\$ 1,412,788</u>

**NOTE 6 - LONG-TERM DEBT**

The Organization’s long-term debt as of year-end, consists of a mortgage due to a financial institution. The note is payable in monthly installments of \$8,110, including interest at a fixed rate of 5.5 percent with a maturity date of November 2030.

Maturities of the note are as follows:

Year ending September 30:	
2022	\$ 60,434
2023	63,843
2024	67,444
2025	71,248
2026 & thereafter	<u>435,117</u>
	<u>\$ 698,086</u>

**Interest expense**

During the year, the Organization paid interest expense of \$40,314.

**NOTE 7 – NET ASSETS**

Designated net assets at year-end consist of the statutory operating reserve.

Net assets with donor restrictions at year-end consist of the following:

Benevolent Assistance Fund	\$ 328,944
Building Fund	133,361
Perpetual - Endowment	<u>196,086</u>
	<u>\$ 658,391</u>

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***Pittsboro Christian Village, Inc.***  
**Notes to Financial Statements**  
**September 30, 2021**

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*Endowment fund*

In September 1991 the Organization received funds for an endowment. 90 percent of any interest, dividends, or other income earned on the principal of the endowment fund is distributed to the benevolent fund. At year-end the balance in the endowment fund of \$196,086 is to be held in perpetuity.

**NOTE 8 - RETIREMENT PLAN**

The Organization sponsors a defined contribution 403(b) retirement plan which enables employees to make contributions on their own behalf up to allowable amounts as defined by the Internal Revenue Code. The Organization does not provide a match.

**NOTE 9 - CHARITY CARE**

*Property tax status*

During 2001, the State of North Carolina passed legislation which provides a property tax exemption for continuing care retirement communities (CCRCs) that expend five percent or more of their operating revenues on charity care and community service. Partial exemptions are available for CCRCs which provide some charity care and community service. The Organization's management believes that it will qualify for a full or partial property tax exemption for the foreseeable future.

The Organization provides for a portion of the cost of resident care for those who are unable to pay the full cost of care from their own resources. The Organization has calculated charity care cost for the year based on benevolent fund payments to income as follows:

Gross revenue for the year		\$ 2,517,306
Less - other revenue:		
Contributions	\$ 389,892	
Investment income	230,502	
Loss on disposal of assets	(38,017 )	
Miscellaneous	<u>7,131</u>	<u>589,508</u>
Net operating revenue		1,927,798
Charity care paid through benevolent assistance fund		<u>\$ 165,745</u>

**NOTE 10 - CONTINGENCIES**

The Organization is subject to legal proceedings and claims which arise in the course of providing health care services. The Organization maintains liability insurance coverage for claims made on a per occurrence basis during the policy year. In management's opinion, adequate provision has been made for amounts expected to be paid under the policy's deductible limits for unasserted claims not covered by the policy and any other uninsured liability.

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. 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.

**NOTE 11 - CONCENTRATION OF CREDIT RISK**

**Cash and equivalents**

Cash and certificates of deposit held in bank accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The total cash and certificates of deposit held by the Organization at year-end, include \$679,643 in excess of insured limits covered by the FDIC. However, the Organization believes it is not exposed to any significant credit risk related to these accounts.

**Investments**

Investments held in financial institutions are insured up to \$500,000 by the Securities Investor Protection Corporation (SIPC); however, this insurance does not cover the loss of value of the underlying assets. As disclosed in Note 2 above, the Organization maintains investments which are subject to fluctuations in market values and expose the Organization to a certain degree of investment risk.

**Revenue and receivables**

The Organization receives revenue from a limited number of sources and operates in a limited geographic area and is therefore sensitive to changes in the local economy.

**NOTE 12 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization has \$1,355,579 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash and equivalents of \$907,520, investments of \$424,101, and receivables of \$23,958. This amount does not include funds the Organization is required to maintain as an operating reserve of \$623,000 as described in Note 4 above. Financial assets of \$658,391 are subject to donor restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

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***Pittsboro Christian Village, Inc.***  
**Notes to Financial Statements**  
**September 30, 2021**

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**NOTE 13 – UNCERTAINTY**

The COVID-19 pandemic has resulted in major changes in the local economy. At this point the full impact of this pandemic on the Organization is unknown, but management believes that it may negatively impact its support and revenue for the foreseeable future.

**NOTE 14 - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events from the date of the balance sheet through the date of the independent auditors' report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.

**Attachment 2**

**Pittsboro Christian Village**

**Interim Financial Statements**

**December 31, 2021**

# *Pittsboro Christian Village, Inc.*

## Balance Sheet

December 31, 2021

### *Assets*

#### Current Assets:

Cash and equivalents	\$	977,988.89
Investments	\$	465,893.06
Prepaid expenses	\$	37,782.84
<b>Total Current Assets</b>	<b>\$</b>	<b>1,481,664.79</b>

#### Non-Current Assets:

Investments: Operating Reserve Requirement (asset limited to use)	\$	622,000.00
<b>Total Non-Current Assets</b>	<b>\$</b>	<b>622,000.00</b>

Property and equipment, net	\$	4,716,133.28
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<b>TOTAL</b>	<b>\$</b>	<b>6,819,798.07</b>
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### *Liabilities and Net Assets*

#### Current Liabilities

Accounts payable and accrued expenses	\$	24,911.42
Accrued expenses	\$	48,431.43
Current portion of long-term debt	\$	45,634.66
<b>Total Current Liabilities</b>	<b>\$</b>	<b>118,977.51</b>

#### Long-Term Liabilities

Long-term debt, net of current portion	\$	637,626.27
Deferred revenue - entrance fees	\$	1,359,282.80
<b>Total Liabilities</b>	<b>\$</b>	<b>2,115,886.58</b>

#### Net Assets:

##### Without donor restrictions:

Undesignated	\$	3,408,252.42
Designated for operating reserve	\$	622,000.00
<b>Total Without donor restrictions</b>	<b>\$</b>	<b>4,030,252.42</b>

With donor restrictions	\$	673,659.07
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<b>Total Net Assets</b>	<b>\$</b>	<b>4,703,911.49</b>
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<b>TOTAL</b>	<b>\$</b>	<b>6,819,798.07</b>
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***Pittsboro Christian Village, Inc.*****Statement of Operations****December 31, 2021**

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## Support and Revenue:

Resident fees, net	\$	487,457.91
Amortization of deferred entrance fees	\$	53,505.00
Contributions	\$	110,957.41
Investment income	\$	46,816.66
Other	\$	2,514.86
Gain (loss) on disposal of fixed assets	\$	-
Net assets released from restriction	\$	-

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<b>Total</b>	<b>\$</b>	<b>701,251.84</b>
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## Expenses:

Salaries	\$	339,032.89
Payroll taxes	\$	25,816.50
Food and supplies	\$	60,756.49
Utilities	\$	46,729.49
Buildings and grounds	\$	17,713.63
Insurance	\$	17,306.13
Interest	\$	9,504.82
Laundry	\$	4,031.81
Professional services	\$	786.25
Office expense	\$	2,861.64
Equipment leases	\$	2,961.15
Vehicle expense	\$	2,634.15
Advertising	\$	3,114.33
Dues and subscriptions	\$	5,799.02
Training and education	\$	4,268.11
Licenses	\$	349.50
Postage	\$	992.87
Property taxes	\$	390.76
Miscellaneous	\$	757.33
Computer	\$	292.42
Depreciation	\$	73,440.00

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<b>Total</b>	<b>\$</b>	<b>619,539.29</b>
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<b><i>CHANGE IN NET ASSETS</i></b>	<b>\$</b>	<b>81,712.55</b>
<b><i>NET ASSETS, BEGINNING</i></b>	<b>\$</b>	<b>4,622,198.94</b>
<b><i>NET ASSETS, ENDING</i></b>	<b>\$</b>	<b>4,703,911.49</b>

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# *Pittsboro Christian Village, Inc.*

## Statement of Cash Flows

December 31, 2021

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### *Operating Activities*

Change in net assets	\$	81,712.55
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	\$	73,440.00
Contributions restricted for long-term purposes	\$	(36,928.00)
Amortization of deferred entrance fees	\$	(53,505.00)
Entrance fees received net of refunds	\$	-
Realized and unrealized (gains) losses on investments	\$	(40,792.06)
Change in operating assets and liabilities		
Receivables	\$	23,957.68
Accounts payable	\$	582.31
Accrued expenses	\$	(102.75)
<i>Cash Flows From Operating Activities</i>	\$	48,364.73

### *Investing Activities*

Purchase of property and equipment	\$	-
Proceeds from the sale of investments	\$	-
<i>Cash Flows From Investing Activities</i>	\$	-

### *Financing Activities*

Contributions restricted for long-term purposes	\$	36,928.00
Principal payments on long-term debt	\$	(14,825.18)
<i>Cash Flows From Financing Activities</i>	\$	22,102.82

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<i>CHANGE IN CASH AND EQUIVALENTS</i>	\$	70,467.55
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<i>CASH AND EQUIVALENTS - BEGINNING</i>	\$	907,521.34
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<i>CASH AND EQUIVALENTS - ENDING</i>	\$	977,988.89
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**Attachment 3**

**Pittsboro Christian Village**

**Forecasted Financial Statements**

**September 30, 2022, 2023, 2024, 2025, 2026**

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***Pittsboro Christian Village, Inc.***

**Table of Contents**

**For the Five Years Ending September 30, 2026**

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# **C. DEWITT FOARD & COMPANY, P.A.**

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**CERTIFIED PUBLIC ACCOUNTANTS**  
**817 EAST MOREHEAD STREET • SUITE 100**  
**CHARLOTTE, NORTH CAROLINA 28202**  
**TELEPHONE: 704-372-1515 • WWW.CDFCO.COM**

## **INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

To the Board of Directors of  
Pittsboro Christian Village, Inc.  
Pittsboro, North Carolina

Management is responsible for the accompanying forecasted financial statements of Pittsboro Christian Village, Inc. (the Organization - a nonprofit organization), which comprises the statements of financial position, activities, and cash flows as of September 30, 2022, 2023, 2024, 2025 and 2026, and for the years then ending, and the related summaries of significant assumptions and accounting policies in accordance with guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards of Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the forecast nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these forecasted financial statements or the assumptions. The forecasted results may not be achieved, as there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and these differences may be material.

The accompanying forecast 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 requirement of North Carolina General Statutes, Chapter 58, Article 64 and is included in the Organization's disclosure statement filing) and is not intended to be and should not be used, by anyone other than these specified parties.

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

*C. Dewitt Foard & Company, P.A.*

January 28, 2022

**Pittsboro Christian Village, Inc.**  
**Forecasted Statement of Financial Position**  
**September 30, 2022, 2023, 2024, 2025 and 2026**

	2022	2023	2024	2025	2026
<b><u>ASSETS</u></b>					
Current Assets:					
Cash and equivalents	\$ 947,344	\$ 986,936	\$ 1,026,648	\$ 1,066,849	\$ 1,107,937
Investments	509,223	578,287	650,398	723,663	801,192
Sales tax receivable	24,198	24,440	24,684	24,931	25,180
Prepaid expenses	38,161	38,543	38,928	39,317	39,710
<b>Total Current Assets</b>	<b>1,518,926</b>	<b>1,628,206</b>	<b>1,740,658</b>	<b>1,854,760</b>	<b>1,974,019</b>
Non-Current Assets:					
Investments: Operating Reserve					
Requirement (asset limited as to use)	622,000	640,000	658,000	678,000	697,000
<b>Total Non-Current Assets</b>	<b>622,000</b>	<b>640,000</b>	<b>658,000</b>	<b>678,000</b>	<b>697,000</b>
Property and Equipment:					
Land and improvements	535,380	535,380	535,380	535,380	535,380
Buildings and improvements	8,716,020	8,733,520	8,751,020	8,768,520	8,786,020
Furniture, fixtures, and equipment	1,074,919	1,092,419	1,109,919	1,127,419	1,144,919
Vehicles	233,492	233,492	233,492	233,492	233,492
Construction in progress	345	345	345	345	345
Total	10,560,156	10,595,156	10,630,156	10,665,156	10,700,156
Less - accumulated depreciation	6,029,342	6,326,040	6,625,705	6,928,367	7,234,056
<b>Property and Equipment (net)</b>	<b>4,530,814</b>	<b>4,269,116</b>	<b>4,004,451</b>	<b>3,736,789</b>	<b>3,466,100</b>
<b>TOTAL ASSETS</b>	<b>\$ 6,671,740</b>	<b>\$ 6,537,322</b>	<b>\$ 6,403,109</b>	<b>\$ 6,269,549</b>	<b>\$ 6,137,119</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>					
Current Liabilities:					
Accounts payable	\$ 24,937	\$ 25,560	\$ 26,199	\$ 26,854	\$ 27,525
Accrued expenses	49,747	50,991	52,266	53,573	54,912
Current portion of long-term debt	63,843	67,444	71,248	75,267	79,513
<b>Total Current Liabilities</b>	<b>138,527</b>	<b>143,995</b>	<b>149,713</b>	<b>155,694</b>	<b>161,950</b>
Long-Term Liabilities:					
Long-term debt, net of current portion	573,809	506,365	435,117	359,850	280,337
Deferred - refundable entrance fees	-	-	-	-	-
Deferred - nonrefundable entrance fees	1,298,768	1,214,300	1,119,832	1,015,364	900,896
<b>Total Liabilities</b>	<b>2,011,104</b>	<b>1,864,660</b>	<b>1,704,662</b>	<b>1,530,908</b>	<b>1,343,183</b>
Net Assets:					
Without donor restrictions					
Undesignated	3,367,077	3,347,672	3,341,757	3,347,977	3,370,019
Designated	622,000	640,000	658,000	678,000	697,000
Total Without donor restrictions	3,989,077	3,987,672	3,999,757	4,025,977	4,067,019
With donor restrictions	671,559	684,990	698,690	712,664	726,917
<b>Total Net Assets</b>	<b>4,660,636</b>	<b>4,672,662</b>	<b>4,698,447</b>	<b>4,738,641</b>	<b>4,793,936</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 6,671,740</b>	<b>\$ 6,537,322</b>	<b>\$ 6,403,109</b>	<b>\$ 6,269,549</b>	<b>\$ 6,137,119</b>

**Pittsboro Christian Village, Inc.****Forecasted Statement of Activities****Years Ending September 30, 2022, 2023, 2024, 2025 and 2026**

	2022	2023	2024	2025	2026
<b><u>NET ASSETS WITHOUT DONOR RESTRICTIONS</u></b>					
Support and Revenue:					
Resident fees, net	\$ 2,034,236	\$ 2,105,434	\$ 2,179,124	\$ 2,255,393	\$ 2,334,332
Amortization of deferred entrance fees	214,020	184,468	194,468	204,468	214,468
Contributions	420,000	420,000	420,000	420,000	420,000
Investment income	84,120	87,064	90,111	93,265	96,529
Other	5,880	6,086	6,299	6,519	6,747
<b>Total Support and Revenue</b>	<b>2,758,256</b>	<b>2,803,052</b>	<b>2,890,002</b>	<b>2,979,645</b>	<b>3,072,076</b>
Expenses:					
Salaries	1,502,630	1,547,709	1,594,140	1,641,964	1,691,223
Payroll taxes	105,200	108,356	111,607	114,955	118,404
Food and supplies	235,200	242,256	249,524	257,010	264,720
Utilities	208,640	214,899	221,346	227,986	234,826
Buildings and grounds	82,650	85,130	87,684	90,315	93,024
Insurance	123,570	127,277	131,095	135,028	139,079
Interest	36,884	33,477	29,876	26,072	22,053
Laundry	25,500	26,265	27,053	27,865	28,701
Professional services	20,200	20,806	21,430	22,073	22,735
Office expense	20,300	20,909	21,536	22,182	22,847
Equipment leases	13,500	13,905	14,322	14,752	15,195
Vehicle expense	8,400	8,652	8,912	9,179	9,454
Advertising	14,160	14,585	15,023	15,474	15,938
Dues and subscriptions	5,700	5,871	6,047	6,228	6,415
Training and education	6,000	6,180	6,365	6,556	6,753
Licenses	3,600	3,708	3,819	3,934	4,052
Postage	4,200	4,326	4,456	4,590	4,728
Property taxes	2,525	2,601	2,679	2,759	2,842
Miscellaneous	4,800	4,944	5,092	5,245	5,402
Computer	2,400	2,472	2,546	2,622	2,701
Depreciation	293,760	296,698	299,665	302,662	305,689
<b>Total Expenses</b>	<b>2,719,819</b>	<b>2,791,026</b>	<b>2,864,217</b>	<b>2,939,451</b>	<b>3,016,781</b>
<b>Change in Net Assets</b>	<b>38,437</b>	<b>12,026</b>	<b>25,785</b>	<b>40,194</b>	<b>55,295</b>
<b>NET ASSETS, BEGINNING</b>	<b>4,622,199</b>	<b>4,660,636</b>	<b>4,672,662</b>	<b>4,698,447</b>	<b>4,738,641</b>
<b>NET ASSETS, ENDING</b>	<b>\$ 4,660,636</b>	<b>\$ 4,672,662</b>	<b>\$ 4,698,447</b>	<b>\$ 4,738,641</b>	<b>\$ 4,793,936</b>

**Pittsboro Christian Village, Inc.****Forecasted Statement of Cash Flows****Years Ending September 30, 2022, 2023, 2024, 2025 and 2026**

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<b><u>OPERATING ACTIVITIES</u></b>					
Change in net assets	\$ 38,437	\$ 12,026	\$ 25,785	\$ 40,194	\$ 55,295
Adjustments to reconcile change in net assets to cash flows from operating activities:					
Depreciation	293,760	296,698	299,665	302,662	305,689
Amortization of deferred entrance fees	(214,020)	(184,468)	(194,468)	(204,468)	(214,468)
Entrance fees received net of refunds	100,000	100,000	100,000	100,000	100,000
(Increase) decrease in operating assets:					
Receivables	(241)	(242)	(244)	(246)	(249)
Prepaid expenses	(379)	(382)	(385)	(388)	(393)
Increase (decrease) in operating liabilities:					
Accounts payable	608	623	639	654	671
Accrued expenses	1,213	1,244	1,275	1,306	1,339
<b><i>Net Cash Flows From Operating Activities</i></b>	<b><i>219,378</i></b>	<b><i>225,499</i></b>	<b><i>232,267</i></b>	<b><i>239,714</i></b>	<b><i>247,884</i></b>
<b><u>INVESTING ACTIVITIES</u></b>					
Purchase of property and equipment	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
Purchases of investments	(84,120)	(87,064)	(90,111)	(93,265)	(96,529)
<b><i>Net Cash Flows From investing Activities</i></b>	<b><i>(119,120)</i></b>	<b><i>(122,064)</i></b>	<b><i>(125,111)</i></b>	<b><i>(128,265)</i></b>	<b><i>(131,529)</i></b>
<b><u>FINANCING ACTIVITIES</u></b>					
Principal payments on long-term debt	(60,434)	(63,843)	(67,444)	(71,248)	(75,267)
<b><i>Net Cash Flows From Financing Activities</i></b>	<b><i>(60,434)</i></b>	<b><i>(63,843)</i></b>	<b><i>(67,444)</i></b>	<b><i>(71,248)</i></b>	<b><i>(75,267)</i></b>
<b><i>CHANGE IN CASH</i></b>	<b><i>39,824</i></b>	<b><i>39,592</i></b>	<b><i>39,712</i></b>	<b><i>40,201</i></b>	<b><i>41,088</i></b>
<b><i>CASH - BEGINNING</i></b>	<b><i>907,520</i></b>	<b><i>947,344</i></b>	<b><i>986,936</i></b>	<b><i>1,026,648</i></b>	<b><i>1,066,849</i></b>
<b><i>CASH - ENDING</i></b>	<b><i>\$ 947,344</i></b>	<b><i>\$ 986,936</i></b>	<b><i>\$ 1,026,648</i></b>	<b><i>\$ 1,066,849</i></b>	<b><i>\$ 1,107,937</i></b>

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## ***Pittsboro Christian Village, Inc.***

### **Summary of Significant Forecast Assumptions and Accounting Policies For the Five Years Ending September 30, 2026**

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#### **Note 1 - Nature of Activities and Projections**

##### **General**

The accompanying financial forecast presents, to the best knowledge and belief of the management (“Management”) of Pittsboro Christian Village, Inc. (the “Organization”) the expected financial position, changes in net assets, and cash flows of the Organization as of and for each of the five years ending September 30, 2026. Accordingly, the accompanying forecast reflects Management’s judgment as of January 28, 2022, the date of completion of this forecast, of the expected conditions and its course of action.

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

##### **Background of the Organization**

Pittsboro Christian Village, Inc. (the “Organization”) is a non-profit corporation organized under the laws of the State of North Carolina on April 4, 1952. The Organization is a Christian Continuing Care Retirement Community under the direction of a board of Christians from the assemblies.

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code with respect to its exempt function income and is classified as other than a private foundation. Management has concluded that as of September 30, 2021, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

The Organization owns and operates a continuing care retirement community (“CCRC”) known as Pittsboro Christian Village (the “Community”) in Pittsboro, North Carolina. The Community is a licensed CCRC by the North Carolina Department of Insurance.

#### **Note 2 - Significant Accounting Policies**

##### **Basis of presentation**

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

##### **Receivables**

Receivables are recorded at net realizable value with no allowance for doubtful accounts.

##### **Investments**

The Organization maintains investments in marketable securities with readily determinable fair values and are presented at fair value.

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## ***Pittsboro Christian Village, Inc.***

### **Summary of Significant Forecast Assumptions and Accounting Policies For the Five Years Ending September 30, 2026**

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#### **Property and equipment**

Property is recorded at cost if purchased or fair value if donated, subject to a \$500 capitalization policy. Depreciation is provided by charges to operations using the straight-line method at rates designed to amortize the cost of the assets over their estimated useful lives, which range from 3 to 40 years. Major renewals and improvements are charged to the property accounts, while replacements, maintenance, and repairs, which do not improve or extend the life of the assets, are expensed currently.

#### **Entrance agreements**

The residency entrance fee is set by the Board of Directors and is due in full at the time residency is established. Under the agreement the Organization agrees to make a pro-rata refund of the entrance fee calculated to the nearest whole month, on a decreasing basis over the first three years of residency up to ninety percent of the initial resident entry fee. For financial statement purposes, entrance fees are recorded as a liability on the accompanying balance sheet as "Deferred Revenue - Entrance Fees" and amortized to revenue over a period equal to 88 years less the age of the youngest spouse at entry. The board annually reviews the amortization calculation for appropriateness.

In addition to the entrance fee, each unit is assessed a monthly service fee as set by the Board of Directors. The entrance agreement allows a monthly credit from .50 percent to 1 percent on this monthly charge of the resident of the Organization.

#### **Contributions**

In accordance with GAAP, the Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

#### **Resident fees**

Resident fees represent the estimated net realizable amounts from residents for services rendered. Resident fees are recorded as revenue when earned.

#### **Use of estimates**

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

#### **Concentration of credit risk**

The Organization's cash and certificates of deposit held by banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (the "FDIC"). These amounts may occasionally exceed the amount insured by the FDIC. However, the Organization believes it is not exposed to any significant credit risk related to these accounts.



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***Pittsboro Christian Village, Inc.***

**Summary of Significant Forecast Assumptions and Accounting Policies  
For the Five Years Ending September 30, 2026**

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**Note 3 - Summary of Significant Balance Sheet Assumptions**

**Property and equipment**

Management assumes no gain or loss from the sale or disposal of property and equipment and routine capital additions for each year during the forecast period as shown on the accompanying forecasted statement of cash flows. Depreciation is assumed to increase one percent annually to factor for new additions and items becoming fully depreciated.

**Long-term debt**

Management assumes no long-term debt will be obtained during the forecast period.

Currently, the Organization's long-term debt as of year-end, consists of a mortgage due to a financial institution. The note is payable in monthly installments of \$8,110, including interest at a fixed rate of 5.5 percent with a maturity date of November 2030.

Maturities of the note are as follows:

Year ending September 30:	
2022	\$ 60,434
2023	63,843
2024	67,444
2025	71,248
2026 & thereafter	<u>435,117</u>
	<u>\$ 698,086</u>

**Statutory operating reserve requirement**

North Carolina General Statute Chapter 58, Article 64 sets forth minimum operating reserve requirements. Under this legislation, the Organization is required to maintain an operating reserve at least equal to 25 percent of the upcoming year's total operating costs as defined by the statute. The reserve is maintained in investments on the forecasted balance sheet.

**Contingencies**

The Organization is subject to legal proceedings and claims which arise in the course of providing health care services. The Organization maintains liability insurance coverage for claims made on a per occurrence basis during the policy year. In management's opinion, adequate provision has been made for amounts expected to be paid under the policy's deductible limits for unasserted claims not covered by the policy and any other uninsured liability.

The State of North Carolina previously passed legislation which provides a property tax exemption for CCRCs that expend five percent or more of their operating revenues on charity care and community service. The property tax exemption must be requested each year. The forecast assumes that five percent of operating revenue will be spent on charity care and community service and that the Organization will qualify for a full property tax exemption for the forecast period.

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***Pittsboro Christian Village, Inc.***

**Summary of Significant Forecast Assumptions and Accounting Policies  
For the Five Years Ending September 30, 2026**

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**Obligation to provide future services**

The Organization enters into continuing-care contracts with various residents. A continuing-care contract is an agreement between a resident and the Organization over his or her remaining life. Under the contracts, the Organization has the ability to increase fees as deemed necessary. No obligation for future costs associated with these contracts has been provided by the Organization because management believes that future cash inflows will be sufficient to cover such costs.

**Note 4 - Summary of Statement of Operating Assumptions**

**Resident fees**

Revenue is forecasted based on management's experience in the industry. Generally, income is assumed to increase for inflation. Management assumes resident fee rates will increase approximately three and a half percent annually during the forecast period. Management assumes the Organization will maintain approximately ninety-three percent occupancy rate during the forecast period.

**Contributions**

Management assumes contributions to remain consistent during the forecast period.

**Investment income**

Management assumes income earned on exchange traded funds and mutual funds and interest earned on bank accounts to be approximately seven percent annually of the average balances during the forecast period.

**Operating expenses**

Expenses are forecasted based on management's experience in the industry. Generally, expenses are assumed to increase for inflation. Management assumes operating expenses will increase approximately three percent annually, which is the approximate average rate over the past five years based on the United States Consumer Price Index. Each expense line was reviewed to determine if additional increases was necessary.

**Attachment 4**

**Pittsboro Christian Village  
Resident Master Contract**

## RESIDENT MASTER CONTRACT

NORTH CAROLINA  
CHATHAM COUNTY

This Resident Master Contract (hereinafter called "Contract") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between PITTSBORO CHRISTIAN VILLAGE, INC., a North Carolina not-for-profit corporation (hereinafter called "PCV") with its principal office and place of business in Pittsboro, North Carolina, and \_\_\_\_\_ (hereinafter called "Resident").

### WITNESSETH

That for and in consideration of the mutual promises and covenants herein contained, both parties hereto agree as follows:

1. **Services.** PCV will provide comprehensive services as specified below. Such services shall be provided in keeping with Biblical principles of care and compassion, as well as regulations of various state and/or federal agencies applicable to specific areas of care. Services generally common to all Residents in a specific area are included in one comprehensive monthly fee for that area. Other services are available on an extra charge basis. The Resident will be invoiced monthly by PCV for any services or supplies obtained for and furnished to Resident which are not provided for pursuant to this Contract. Invoices for services are issued on the first of the month. Full payment is due by the fifth business day of the month. Any accounts with a balance due at the close of business on the twentieth of the month will receive a 1% penalty charge on the outstanding balance which will be posted on the next bill. If an account is more than 90 days past due, the resident will be asked to leave the facility. Services may be changed by PCV from time to time, including corresponding rates and fees.

### SELECT ONE OF THE FOLLOWING:

**A. North Wing One (1) Room Studio Apartments**

The following services are provided in North Wing One (1) Room Studio Apartments which are approximately 460 to 490 square feet:

1. **Basic Services**
  - a. Three meals per day per person
  - b. Utilities except telephone
  - c. Cablevision

- d. Weekly housekeeping
- e. Complete maintenance of the building, plumbing, wiring, and heating & cooling systems
- f. Emergency call system
- g. Fire and smoke alarm system
- h. Personal laundry facilities
- i. Linen service
- j. Programmed and informal activities
- k. Mail service

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

2. **Extra Charge Services**

- a. Short-term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days.
- b. Transportation
- c. Meals delivered to room

<input type="checkbox"/>	<b>B. North Wing One (1) Bedroom Apartments</b>
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The following services are provided in North Wing One (1) Bedroom Apartments which are approximately 700 square feet:

1. **Basic Services.**

- a. One meal per day per person
- b. Utilities except telephone
- c. Cablevision
- d. Weekly housekeeping
  
- e. Complete maintenance of the building, plumbing, wiring, and heating & cooling systems
- f. Emergency call system
- g. Fire and smoke alarm system
- h. Personal laundry facilities
- i. Linen service
- j. Programmed and informal activities
- k. Mail service

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

2. **Extra Charge Services.**

- a. Short-term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days.
- b. Transportation
- c. Meals delivered to room
- d. Meals not provided under monthly fees

<b>C. North Wing Two (2) Bedroom Apartments</b>
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The following services are provided in North Wing Two (2) Bedroom Apartments which are approximately 900 square feet:

1. **Basic Services.**

- a. One meal per day per person
- b. Utilities except telephone
- c. Cablevision
- d. Weekly housekeeping
- e. Complete maintenance of the building, plumbing, wiring, and heating & cooling systems
- f. Emergency call system
- g. Fire and smoke alarm system
- h. Personal laundry facilities
- i. Linen service
- j. Programmed and informal activities
- k. Mail service

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

2. **Extra Charge Services.**

- a. Short-term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days.
- b. Transportation
- c. Meals delivered to room
- d. Meals not provided under monthly fees

## **D. Northeast Wing One (1) Room Studio Apartments**

The following services are provided in Northeast Wing One (1) Room Studio Apartments which are approximately 340 square feet:

### **1. Basic Services.**

- a. One meal per day per person
- b. Utilities except telephone
- c. Cablevision
- d. Weekly housekeeping
- e. Complete maintenance of the building, plumbing, wiring, and heating & cooling systems
- f. Emergency call system
- g. Fire and smoke alarm system
- h. Personal laundry facilities
- i. Linen service
- j. Programmed and informal activities
- k. Mail service

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

### **2. Extra Charge Services.**

- a. Short-term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days.
- b. Transportation
- c. Meals delivered to room
- d. Meals not provided under monthly fees

## **E. Northeast Wing Two (2) Room Studio Apartments**

The following services are provided in Northeast Wing Two (2) Room Studio Apartments which are approximately 680 square feet:

### **1. Basic Services**

- a. Three meals per day per person
- b. Utilities except telephone
- c. Cablevision
- d. Weekly housekeeping

- e. Complete maintenance of the building, plumbing, wiring, and heating & cooling systems
- f. Emergency call system
- g. Fire and smoke alarm system
- h. Personal laundry facilities
- i. Linen service
- j. Programmed and informal activities
- k. Mail service

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

**2. Extra Charge Services**

- a. Short-term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days.
- b. Transportation
- c. Meals delivered to room

□	<b>F. Northeast Wing Two (2) Room Efficiency Apartments</b>
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**1. Basic Services**

- a. Three meals per day per person
- b. Utilities except telephone
- c. Cablevision
- d. Weekly housekeeping
- e. Complete maintenance of the building, plumbing, wiring, and heating & cooling systems
- f. Emergency call system
- g. Fire and smoke alarm system
- h. Personal laundry facilities
- i. Linen service
- j. Programmed and informal activities
- k. Mail service

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

**2. Extra Charge Services**

- a. Short-term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days.
- b. Transportation
- c. Meals delivered to room
- d. Meals not provided under monthly fees



## **G. Cottages**

The following services are provided in Cottages:

### **1. Basic Services**

- a. Complete maintenance of the building (including painting and carpeting when needed) plumbing, wiring, heating and cooling systems, and appliances furnished by PCV. (Not including electric usage)
- b. Cablevision
- c. Water and sewer service
- d. Walkway, driveway, and street maintenance
- e. Lawn Care
- f. Programmed and informal activities
- g. Mail service

### **2. Extra Charge Services**

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

- a. Short term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days
- b. Transportation
- c. Meals

## **H. Patio Homes**

The following services are provided in Patio Homes:

### **1. Basic Services**

- a. Complete maintenance of the building (including painting and carpeting when needed) plumbing, wiring, heating and cooling systems, and appliances furnished by PCV. (Not including electric usage)
- b. Cablevision
- c. Water and sewer service
- d. Walkway, driveway, and street maintenance
- e. Lawn Care
- f. Programmed and informal activities
- g. Mail service

## 2. Extra Charge Services

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

- a. Short term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days
- b. Transportation
- c. Meals

<input type="checkbox"/>	<b>I. Heritage Homes</b>
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The following services are provided in Heritage Homes:

### 1. Basic Services

- a. Complete maintenance of the building (including painting and carpeting when needed) plumbing, wiring, heating and cooling systems, and appliances furnished by PCV. (Not including electric usage)
- b. Cablevision
- c. Water and sewer service
- d. Walkway, driveway, and street maintenance
- e. Lawn Care
- f. Programmed and informal activities
- g. Mail service

### 2. Extra Charge Services

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

- a. Short term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days
- b. Transportation
- c. Meals

## J. Legacy Homes

The following services are provided in Legacy Homes:

### 1. Basic Services

- a. Complete maintenance of the building (including painting and carpeting when needed) plumbing, wiring, heating and cooling systems, and appliances furnished by PCV. (Not including electric usage)
- b. Cablevision
- c. Water and sewer service
- d. Walkway, driveway, and street maintenance
- e. Lawn Care
- f. Programmed and informal activities
- g. Mail service

### 2. Extra Charge Services

The following services are provided at extra charge to be agreed upon at the time such services are requested by resident:

- a. Short term in the Care Home (Assisted Living) when beds are available at a reduced rate for maximum 180 days
- b. Transportation
- c. Meals

## K. Care Home (Assisted Living)

The following Services are provided in the Care Home (Assisted Living):

- a. Administer prescribed medication
- b. Three meals per day per person with miscellaneous snacks
- c. Personal laundry service
- d. Housekeeping
- e. Mail service
- f. Meals served in room when needed
- g. Programmed and informal activities
- h. Utilities except private telephone
- i. Cablevision
- j. Local telephone service

- k. Call bell system
- l. Assist residents, when necessary, on an individual basis with their personal hygiene, eating, walking, going up and down steps, corresponding, shopping and scheduling medical and business appointments
- m. Provide regular medical and therapeutic care approved by the resident's physician and within the limits of PCV's capability
- n. Provide quality nursing care 24 hours a day
- o. Evacuate all residents in an emergency situation
- p. Provide therapeutic diets
- q. Provide transportation and assistance for medical, shopping, business, and recreational needs
- r. Provide wheelchair and assistance with walking and transferring to semi - ambulatory residents.
- s. Provide for diaper changing, ostomy maintenance, and other hygienic needs of incontinent residents

2. **Fees.** Resident agrees to pay a fee of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) on the day Resident moves into his living quarters which fee is for occupancy of the living quarters here-in-below described and services to be received for the days remaining in the month of \_\_\_\_\_20\_\_\_\_. Resident agrees to pay subsequent fees of \_\_\_\_\_Dollars (\$\_\_\_\_\_) per month on or before the fifth business day of each subsequent month for the term of this Contract.

3. **Occupancy.** Residents may rescind the contract within 30 days following the later of the execution of the contract or the receipt of a disclosure statement. The resident is not required to move into the facility before the expiration of the 30-day period. The Resident shall be entitled to occupy the living quarters described below. Continued occupancy of said facility is dependent on the Resident's physical and mental condition. PCV reserves the right, for health, safety, or medical reasons, to require the Resident to move to other living quarters at PCV or to vacate any facilities he may be occupying at PCV and terminate this Contract with a fourteen (14) day written notification citing the reason for the notification. Additionally, failure to accept appropriate placement in other facilities at PCV, as may be necessitated by the Resident's or other Residents' welfare as determined by PCV, will be grounds for dismissal of the Resident. Charges for occupancy and services shall begin on the day Resident moves into his living quarters. The fourteen (14) day notice shall be waived in cases where delay in discharge or transfer would jeopardize the health or safety of the resident or others in the Village.

SELECT ONE OF THE FOLLOWING:

- A. You are entitled to occupancy of a Studio Apartment, number \_\_\_\_\_, located in the North Wing and the services specified under *Services section A*. Your apartment is a single room provided with your own private full bath, closet. Your apartment opens on to a hallway that leads to the central parlor and dining area. Heating and air conditioning are provided and controlled in your apartment. Laundry facilities are located on each floor of the North Wing.
- B. You are entitled to occupancy of a One Bedroom Apartment, number \_\_\_\_\_, located in the North Wing and the services specified under *Services section B*. Your apartment is a one-bedroom apartment with a private full bath, kitchen, and personal washer/dryer. Heating and air conditioning are provided and controlled in your apartment. Your apartment opens on to a hallway that leads to the central parlor and dining area.
- C. You are entitled to occupancy of a Two Bedroom Apartment, number \_\_\_\_\_, located in the North Wing and the services specified under *Services section C*. Your apartment is a two-bedroom apartment with a private full bath, kitchen, and personal washer/dryer. Heating and air conditioning are provided and controlled in your apartment. Your apartment opens on to a hallway that leads to the central parlor and dining area.
- D. You are entitled to occupancy of a Studio Apartment, number \_\_\_\_\_, located in the Northeast Wing and the services specified under *Services section D*. Your apartment is a single room provided with your own private full bath, closet. Your apartment opens on to a hallway that leads to the central parlor and dining area. Heating and air conditioning are provided and controlled in your apartment. Laundry facilities are located on the Northeast Wing.
- E. You are entitled to occupancy of a Two Room Studio Apartment, number \_\_\_\_\_, located in the Northeast Wing and the services specified under *Services section E*. Your apartment is a single room provided with your own private full bath, closet. Your apartment opens on to a hallway that leads to the central parlor and dining area. Heating and air conditioning are provided and controlled in your apartment. Laundry facilities are located on the Northeast Wing.

- F. You are entitled to occupancy of an Efficiency Apartment, number \_\_\_\_\_, located in the Northeast Wing and the services specified under *Services section F*. Your apartment is a two-room apartment with a private full bath. The two rooms are (1) a bedroom and (2) a combined living area/dining area/kitchen area and closets. Air conditioning and heat is provided and controlled in your apartment. Your apartment opens to the outside to a walkway leading to a parking area or other areas of the Village. Laundry facilities are located in the East Basement.
- G. You are entitled to occupancy of a Cottage located at \_\_\_\_\_ on \_\_\_\_\_ Street and the services specified under *Services section G*. Your cottage has the following features: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- H. You are entitled to occupancy of a Patio Home located at \_\_\_\_\_ Love Street and the services specified under *Services Section H*. Your home has two bedrooms with closets, a full bath and a half bath, a large living/dining room, kitchen, dayroom, walk in storage room, and laundry area. There is a carport and a covered patio at the front door, and an open patio on the back of the home.
- I. You are entitled to occupancy of a Heritage Home located at \_\_\_\_\_ Love Street and the services specified under *Services section I*. Your Heritage Home has three bedrooms with walk-in closets, two full baths, laundry, kitchen and great room. There is an attached garage and covered front porch.
- J. You are entitled to occupancy of a Legacy Home located at \_\_\_\_\_ Love Street and the services specified under *Services section J*. Your home has three bedrooms with closets, two full baths, a large living/dining room, kitchen, walk in storage room, and laundry area. There is a garage and a patio at the front door, and a deck on the back of the home.
- K. You are entitled to occupancy of a room, number \_\_\_\_\_, located in the Care Home (Assisted Living) and the Assisted Living Services specified under *Services section K*. Your room is a room provided with your own private bath and closet. Your room opens on to a hallway that leads to the central parlor and dining area. Heating and air conditioning are provided and included.

4. **Valuables.** PCV agrees to take reasonable precaution to protect the personal property and valuables of the Resident and strongly urges the Resident to minimize valuables, especially cash or jewelry, that are kept in rooms, apartments or cottages. The Resident releases PCV from any liability for loss of any and all personal property maintained on or off the premises of PCV regardless of location at the time of the loss.

5. **Conservation of Resources.** The Resident agrees to make all reasonable efforts to conserve financial resources which will enable him to make future payments to PCV pursuant to the terms of this Contract. The Resident agrees not to make any gift or other transfer of assets for less than adequate consideration which would reduce the resident's ability to meet their obligations, current or future.

6. **Financial Statement.** Resident agrees to furnish a financial statement of net worth and income to PCV at time of entrance to PCV.

7. **Conduct.** The Resident agrees to practice conduct in accordance with scriptural standards and principles set forth for Christian conduct and abide by rules established by PCV for conduct and safety of all Residents.

8. **Bill of Rights.** The Resident has read and understands the Residents' Bill of Rights as follows: Pittsboro Christian Village accords every resident the following rights:

- a. to be treated with respect, consideration, dignity, and full recognition of his or her individuality and right to privacy.
- b. to receive care and services which are adequate, appropriate, and in compliance with relevant federal and state laws and rules and regulations.
- c. to receive upon admission and during his or her stay a written statement of the services provided by the facility and the charges for these services.
- d. to be free of mental and physical abuse, neglect, and exploitation.
- e. except in emergencies, to be free from chemical and physical restraint unless authorized for a specified period of time by a physician according to clear and indicated medical need.
- f. to have his or her personal and medical records kept confidential and not disclosed without the written consent of the individual or guardian, which consent shall specify to whom the disclosure may be made, except as required by applicable state or federal statute or regulation or by third party contract. It is not the intent of this section to prohibit access to medical records by the treating physician except when the individual objects in writing. Records may also be disclosed without the written consent of the individual to agencies, institutions or individuals which are providing emergency medical services to the individual. Disclosure of information shall be limited to that which is necessary to meet the emergency.

- g. to receive a reasonable response to his or her requests from the facility administrator and staff.
- h. to associate and communicate privately and without restriction with people and groups of his or her own choice on his or her own or their initiative at any reasonable hour.
- i. to have access at any reasonable hour to a telephone where he or she may speak privately.
- j. to send and receive mail promptly and unopened, unless the resident requests that someone open and read mail, and to have access at his or her expense to writing instruments, stationery and postage.
- k. to be encouraged to exercise his or her rights as a resident and citizen, and to be permitted to make complaints and suggestions without fear of coercion or retaliation.
- l. to have and use his or her own possessions where reasonable and have an accessible, lockable space provided for security of personal valuables. This space is to be accessible only to the resident, the administrator, or supervisor-in-charge.
- m. to manage his or her personal needs funds unless such authority has been delegated to another. If authority to manage personal needs funds has been delegated to the facility, the resident has the right to examine the account at any time.
- n. to be notified when the facility is issued a provisional license or notice of revocation of license by the North Carolina Department of Human Resources and the basis on which the provisional license or notice of revocation of license was issued. The resident's responsible family member or guardian must also be notified.
- o. to have freedom to participate by choice in accessible community activities and in social, political, medical, and religious resources and to have freedom to refuse such participation.
- p. to receive upon admission to the facility a copy of these rights.
- q. To not be transferred or discharged from a facility except for medical reasons, their own or other resident's welfare, or nonpayment. Except in cases of immediate jeopardy to health or safety, residents shall be given at least 30 days' notice of transfer or discharge and their right to appeal.

9. Affiliation. The Resident understands that PCV is not owned, operated, or controlled by any denomination, church or group of churches, and that no church, denomination or group of churches is responsible for debts or other obligations of PCV. Members and directors associated with this ministry are generally called brethren because they prefer to be called by a term that embraces all of their fellow Christians. They are associated with a number of local churches in North Carolina and around the world each of



which is individual in its administration, without federation or union. PCV is a faith ministry looking to God to supply needs for the care of Christians with limited financial resources.

10. **Insufficient Funds.** Should the Resident be unable to pay any part of the PCV fees, the Resident may make application for reduced fees. The Resident must then provide a current financial statement with full financial disclosure in order to assist PCV in evaluating the application. Based on the application and financial disclosure, a reduced rate may be established at which time Resident agrees, if specifically requested by PCV, to make available all present and future income or assets to pay for services and housing appropriate to the needs of the Resident and that assistance is not available from the family, the local home church, or government agencies. This is provided that the Resident has complied with paragraph 5 "*Conservation of Resources.*"

11. **Waiver.** The Resident agrees not to hold PCV or anyone connected with it liable or legally responsible for any injury or damage of any nature which may arise out of or in connection with the use of the vehicles, the buildings or adjoining premises or any recreational facilities on the premises of PCV or owned by PCV, and hereby expressly waives all claims for such injury or damage as might arise in his favor against PCV and releases PCV from all liability in connection with or resulting from any injury or damage.

12. **Rights.** The rights of the Resident under this agreement do not include any property or proprietary interest in the properties and assets of PCV, other than the right to occupy the facilities described herein. The rights and privileges of the Resident under this agreement are personal to the Resident and cannot be transferred or assigned by the Resident, or by any proceeding at law or otherwise.

13. **Marriage.** If a single Resident (regardless of whether Resident was single either at or subsequent to the execution of this Contract) marries while occupying any living quarters at PCV, the couple will be subject to the second occupant fee, if such fee is applicable to the living quarters they are to occupy. Upon such marriage, PCV may require the Resident to move to other living quarters at PCV. Neither the existing Resident nor the new Resident shall be required to pay any additional Non-refundable or Refundable Resident Entry Fee. PCV and the existing Resident and his or her new spouse shall terminate this Contract and execute another contract in lieu thereof upon substantially similar terms and provisions with reasonable changes and modifications, including a move from one facility at PCV to another, which may be requested by PCV in order to accommodate both Residents. The new spouse of any existing Resident must meet the same entrance requirements as any other applicant. If the new spouse is not qualified for admission, PCV reserves the right immediately to dismiss the existing Resident and terminate this Contract. If the existing Resident has paid a

Refundable Resident Entry Fee and such dismissal and termination occur subsequent to the expiration of three (3) years from the date of initial residency of the existing Resident, said existing Resident shall not be entitled to a refund of said fee. If such dismissal occurs prior to the expiration of said three (3) year period, PCV shall make a pro rata refund of said Entry Fee for each year of non-residency in said three (3) year period to the Resident, provided, that the maximum refund shall not exceed ninety percent (90%) of the initial Resident Entry Fee. Provided further, that PCV reserves the right to delay the cash refund for a period of one (1) year or until a new Resident occupies the facility vacated, whichever is the later. In the event a new contract is executed as provided herein above, then for purposes of measuring the three (3) year period to determine the refund of any portion of said Refundable Resident Entry Fee, the date of initial residency shall be that of the existing Resident as determined under this existing Contract. The date of initial residency shall not be changed as a result of the execution of a new contract.

14. **Refundable Resident Entry Fee.** A Refundable Resident Entry Fee (RREF) Program is offered to all residents. If the program is accepted, the terms and provisions of the Refundable Resident Entry Fee Agreement are attached hereto as Attachment 4 and are incorporated herein by reference and are an integral part of this Contract. Indicate here if the program is accepted or declined \_\_\_\_\_.

15. **Disclosure Statement.** The Resident acknowledges that he has received a Disclosure Statement in the same form as the Disclosure Statement attached.

16. **Rescission.** A Resident may rescind this contract within thirty (30) days from the later of the execution of this Contract or the date of the receipt of said Disclosure Statement. In the event Resident rescinds this contract, then any money or property transferred by Resident to PCV shall be returned in full by PCV to Resident, other than periodic charges specified in this Contract and applicable only to the period a living unit was actually occupied by Resident. The Resident is not required to move into his living quarters at PCV prior to the expiration of thirty (30) days from the later of the execution of this Contract or the date of receipt of said Disclosure Statement.

17. **Death.** If Resident (if the term Resident as used in this Contract includes more than one person, then the term Resident for the purposes of this paragraph shall be deemed to be only one of such residents) dies before occupying a living unit at PCV, or if on account of illness, injury or incapacity, the Resident is precluded from occupying a living unit at PCV under the terms of this contract, this contract shall be automatically cancelled and the Resident or legal representative of the Resident shall receive a refund of all money and property transferred to PCV, less (1) those nonstandard costs specifically incurred by PCV at the request of Resident and described in this Contract. If a husband and wife have executed this Contract and one of

them subsequently dies, the surviving Resident shall have the option of (1) retaining the same accommodation with the monthly cost of care changed to the rate for single occupancy (if such accommodation then has a single occupancy rate) or (2) moving to another residence when available and paying the monthly rate for single occupancy of the new residence.

18. **Periodic Fees.** The monthly fees for services may be increased at any time in the sole discretion of PCV upon providing ninety (90) days prior written notice to Resident.

19. **No Reduction in Fees.** In the event Resident shall be voluntarily absent from his living quarters for any period of time during the term of this Contract, there shall be no reduction in the amount of any monthly fees owed by the Resident to PCV.

20. **Merger of Prior Agreements.** This Contract contains the sole and entire agreement and understanding of the parties with respect to the entire subject matter described herein. Any and all prior discussions, negotiations, commitments, and understandings relating thereto are hereby merged herein. This Contract cannot be changed or terminated orally, but only by a written document, signed by all the parties.

21. **Binding Effect.** This Contract shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, legatees, administrators, executors, legal representatives, successors and assigns.

22. **Applicable Law.** This Contract shall be governed by and construed in accordance with the laws of the State of North Carolina.

23. **Counterparts.** This Contract may be executed in any number of separate counterparts, each of which shall be deemed an original, and the several counterparts taken together shall constitute the Contract of the parties.

24. **Further Assurance.** Each of the parties hereto agrees to execute such documents and take such action as may be reasonably requested by the other party to carry out the provisions and purposes of this Contract.

25. **Term.** This Contract shall exist and continue until terminated by either party as set forth herein. The Resident may terminate this Contract upon giving PCV fourteen (14) days prior written notice. A refund of the advance monthly fee shall be paid to the resident or his/her estate. This will be prorated on the number of days remaining in the month in which the death or transfer occurs, less any unpaid charges.

26. **Gender.** The terms "PCV" and "Resident" as used herein shall include the singular, masculine, feminine or neuter as required by context.

27. **Two Residents.** If more than one Resident has executed this Contract, then all of the terms, provisions and conditions of this Contract shall continue to be binding upon PCV and the surviving Resident upon the death of one Resident.

28. **Limitations.** The Resident will not be considered a third-party beneficiary to any other Resident Master Contract to which PCV is a party.

29. **Right of Entry.** The Resident grants duly authorized employees of PCV the right of entry into the Resident's residence for managerial purposes at reasonable times or for emergency purposes as required.

30. **Waiver of Breach.** The failure of PCV in any one or more instances to insist upon the strict performance, observance, or compliance by Resident with any of the terms or provisions of this Contract, or its waiver of the breach by the Resident of any terms or provisions of this Contract, shall not be construed to be a waiver or relinquishment by PCV of its right to insist upon strict compliance by the Resident with all the terms or provisions of this Contract.

31. **No Liability for Debts.** PCV shall not be liable or responsible for any expense incurred or debt or obligation of any nature or any kind contracted by the Resident on his own account and is not obligated to pay for, furnish, supply, or give the Resident any support, maintenance, board, or lodging when the Resident is absent from PCV. Resident will hold harmless PCV as to all debts and obligations.

32. **Emergency Healthcare.** The resident agrees to allow PCV and its staff to use whatever resources are available to protect the health of the resident in times of emergency health situations.

33. **Public Support.** PCV is a private pay organization and does not accept Medicare or Medicaid funding.

34. **Resident Grievance.** Each resident shall be afforded the unobstructed right and opportunity to present a grievance to the Administration of the Village. Any resident who has a complaint, grievance, suggestion, or recommendation regarding the policies of PCV procedures, services, accommodations, benefits, or personal care practices on behalf of himself/herself or others shall voice the complaint to the Executive Director or an employee on duty orally or in writing and allow time for corrective action be completed or explanation

for non-action. If a resident feels that a complaint has not been given fair consideration, he/she may make an appeal in writing to the Executive Director. If a resident still feels that a complaint has not been given fair consideration, he/she may make an appeal to the President of the Board of Directors, or Chatham County Department of Social Services, Adult Home Supervisor, as applicable.

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

PITTSBORO CHRISTIAN VILLAGE, INC

By: \_\_\_\_\_  
Executive Director Date

\_\_\_\_\_  
Resident Signature Date

\_\_\_\_\_  
Resident Signature Date

\_\_\_\_\_  
Witness (Print)

\_\_\_\_\_  
Witness Signature Date

## **Attachment 5**

### **Pittsboro Christian Village Refundable Resident Entry Fee Agreement**

## REFUNDABLE RESIDENT ENTRY FEE AGREEMENT

NORTH CAROLINA  
CHATHAM COUNTY

This Refundable Resident Entry Fee Agreement (hereinafter referred to as "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between PITTSBORO CHRISTIAN VILLAGE, INC., a North Carolina not-for-profit corporation (hereinafter called "PCV") and \_\_\_\_\_, (hereinafter called "Resident") and the same is attached to and made a part of "The Resident Master Contract" between PCV and \_\_\_\_\_ dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

1. **Receipt of Refundable Resident Entry Fee.** PCV acknowledges receipt of a Refundable Resident Entry Fee in the amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), which will entitle the Resident to occupancy of the facilities described in Paragraph 3 of said Resident Master Contract. PCV will grant a monthly credit in the amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_ ) for each month the Resident (or survivor), if this Agreement is for two (2) persons remains a Resident of PCV. This credit shall reduce the monthly charges due from Resident pursuant to Paragraph 2 of the Resident Master Contract and shall be nontransferable and non-assignable pursuant to Paragraph 12 of the Resident Master Contract.

2. **Fee Refunds Resident Entry.**

A. **Termination of Contract.** A Resident may rescind this contract within thirty (30) days from the later of the execution of this Contract or the date of the receipt of said Disclosure Statement. In the event Resident rescinds this contract, then any money or property transferred by Resident to PCV shall be returned in full by PCV to Resident, other than periodic charges specified in this Contract and applicable only to the period a living unit was actually occupied by Resident. The Resident is not required to move into his living quarters at PCV prior to the expiration of thirty (30) days from the later of the execution of this Contract or the date of receipt of said Disclosure Statement.

If Resident (if the term Resident as used in this Contract includes more than one person, then the term Resident for the purposes of this paragraph shall be deemed to be only one of such residents) dies before occupying a living unit at PCV, or if on account of illness, injury or incapacity, the Resident is precluded from occupying a living unit at PCV under the terms of this contract, this contract shall be automatically cancelled and the Resident or legal

representative of the Resident shall receive a refund of all money and property transferred to PCV, less (1) those nonstandard costs specifically incurred by PCV at the request of Resident and described in this Contract. If a husband and wife have executed this Contract and one of them subsequently dies, the surviving Resident shall have the option of (1) retaining the same accommodation with the monthly cost of care changed to the rate for single occupancy (if such accommodation then has a single occupancy rate) or (2) moving to another residence when available and paying the monthly rate for single occupancy of the new residence. In the event Resident or PCV shall terminate the Resident Master Contract as provided therein subsequent to the expiration of three (3) years from the date of this Agreement, Resident shall not be entitled to a refund of any portion of said Entry Fee. In the event Resident or PCV shall terminate the Resident Master Contract as provided therein before the expiration of three (3) years from the date of this Agreement, PCV agrees to make a pro rata refund of said Entry Fee calculated to the nearest whole month, so that one third (1/3rd) of the Resident Entry Fee for each year of non-residency in the first three (3) year period shall be refunded to the Resident, provided, that the maximum refund shall not exceed ninety percent (90%) of the initial Resident Entry Fee. Provided further, PCV reserves the right to delay the cash refund for a period of one (1) year or until a new Resident occupies the facility vacated, whichever is the later.

**B. Death.** If the Resident (or survivor if this Agreement is for two (2) persons) dies subsequent to the expiration of three (3) years from the date of this Agreement, there shall be no refund. If the Resident (or surviving Resident if the Agreement is for two (2) persons) dies before the expiration of three (3) years from the date of this Agreement, PCV shall either (1) make a payment to the surviving Resident's estate, calculated to the nearest whole month, so that one third (1/3rd) of the Resident Entry Fee for each year of non-residency in the first three (3) year period shall be paid; provided that the maximum refund shall not exceed ninety percent (90%) of the Resident Entry Fee; provided further, PCV reserves the right to delay cash refunds to the estate for a period of one (1) year or until a new Resident occupies the facility vacated, whichever is later; or (2) make no refund. The parties hereby agree that in the event Resident or surviving Resident dies prior to the expiration of said three (3) year period:

(STRIKE THE PROVISION WHICH DOES NOT APPLY AND INITIAL THE PROVISION THAT DOES APPLY)

\_\_\_\_\_ a refund shall be made in accordance with the terms of this Paragraph 2: or

\_\_\_\_\_ no refund shall be made in accordance with the terms of this Paragraph 2.



C. Insufficient Funds. In the event the Resident's financial resources are depleted to the extent they are insufficient to pay for care and services, and prior to the Resident's qualification for assistance from PCV's Benevolent Fund, PCV may, at its option, make a pro rata refund of the Resident Entry Fee based on three (3) years in the same manner as set forth in Paragraph 2 and hold the refund in a reserve fund, which will earn interest at the same rate as other PCV accounts. The difference between the cost of care and services and the amount which the Resident is able to pay will be paid from this reserve to PCV until such reserve fund is depleted. Upon death, or a move, the refund entitlement shall be the lesser of the amount calculated under Paragraph 2.A. or 2.B. above and the balance in the reserve. The monthly credit on the statement of charges provided in Paragraph 1 here-in-above shall cease whenever a refund under this provision is transferred to the reserve fund.

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

PITTSBORO CHRISTIAN VILLAGE, INC

By: _____	_____
Executive Director	Date
_____	_____
Resident Signature	Date
_____	_____
Resident Signature	Date
_____	_____
Witness (Print)	
_____	_____
Witness Signature	Date