

DISCLOSURE STATEMENT
SHARON VILLAGE
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DISCLOSURE STATEMENT

Dated: March 3, 2022

Name of Facility: Sharon Village Apartments

Located at: 4009 Craig Avenue (28211-2561)
P O Box 220130
Charlotte, NC 28222-0130

Telephone No.: 704-365-7190

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

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

DISCLOSURE STATEMENT
SHARON VILLAGE APARTMENTS

I. ORGANIZATION INTRODUCTION AND INFORMATION

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

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

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

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

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

II. FACILITY INTRODUCTION AND INFORMATION

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

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

The White Oak Manor – Charlotte nursing center is a licensed 180-bed Medicare and Medicaid certified nursing facility staffed 24-hours a day with health professionals.

Physical, speech and occupational therapists are available to apartment residents. Activities at Sharon Village are planned to meet the needs and desires of the individual resident. We offer planned and stimulating entertaining activities for you to enjoy at the community as well as outside excursions to satisfy everyone's taste. You're not bound by a schedule but are free to set your own pace.

White Oak Manor – Charlotte, Inc. is a wholly owned subsidiary of White Oak Manor, Inc., and both are for profit South Carolina corporations. The 4.559-acre site includes 34 apartments, all with ground floor entrance, and a 180-bed nursing facility.

Sharon Village can be easily located by traveling East on Highway #74 from downtown Charlotte, N.C., turning right on Sharon Amity (South) and then right again approximately 1.2 miles onto Craig Avenue.

As of September 30, 2010 there were 33 residents at Sharon Village occupying 33 of 34 available apartments.

Our nursing facility is recognized by the following affiliated groups:

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

The day-to-day operating manager of Sharon Village Apartments is Sheri Conrad, Apartment Coordinator. Please see biography on next page.

APARTMENT COORDINATOR'S BIOGRAPHY

Sheri Conrad

Sheri joined the White Oak family in July 2017 performing various administrative duties for multiple departments. In October 2018 she was promoted to Apartment Director for Sharon Village Apartments.

Sheri has over 28 years of in-depth experience in Property Management, Construction Management, Leasing and Human Resources. Her prior employment includes Star Linear Systems, Trammel Crow Company, Childress Klein Properties and Summit Properties.

CURRENT CONTACT INFORMATION:

SHARON VILLAGE APARTMENTS

4009 Craig Avenue (28211-2561)

P O Box 220130

Charlotte, NC 28222-0130

704-365-7190

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

- a) Oliver K. Cecil, Jr., NHA
Chief Executive Officer
Secretary
(44+ years' experience)
- b) Douglas M. Cecil, NHA
President
(37+ years' experience)
- c) John P. Barber, CPA
Executive Vice President – CFO
Treasurer
(43+ years' experience)
- d) Gregory Forsey
Director of Operations
(32+ years' experience)
- e) Joey Haney, CPA
Vice President Finance
(42+ years' experience)
- f) Susan Flanagan, MS, RD, LDN
Dietary Consultant
(38+ years' experience)
- g) Mildred Chapman, RN
Nurse Consultant
(43+ years' experience)
- h) Sharon Barnhardt, RN
Director of Risk Management & Compliance
(43+ years' experience)
- i) Pam Davis
Clinical Applications Coordinator
(41+ years' experience)
- j) Jacqueline Kirkwood, MSW, LMSW
Social Service Consultant
(35+ years' experience)
- k) Maintenance staff with preventive maintenance duties to insure efficiency and safety for staff and residents.
- l) Staff of 36 Home Office Support Personnel

Note: The above Corporate Staff can be contacted at:
White Oak Management, Inc.
130 East Main Street (29306)
P O Box 3347
Spartanburg, SC 29304

CORPORATE STRUCTURE AND MANAGEMENT COMPANY

White Oak Manor – Charlotte, Inc. is a wholly owned subsidiary (Q-sub) of White Oak Manor, Inc. White Oak Manor – Charlotte, Inc. has two operating divisions: White Oak Manor- Charlotte (180-bed Nursing) and Sharon Village Apartments (34 Continuing Care Retirement Apartments). The parent company, White Oak Manor, Inc., owns 100% of the real estate and related fixed equipment. On October 1, 2002, White Oak Manor – Charlotte, Inc. entered into a lease with its parent company, White Oak Manor, Inc., for the building and fixed equipment located at both divisions.

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

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

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

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

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

The Estate of Bettye Cecil
Oliver K. Cecil, Jr. – Chairman & CEO
Douglas M. Cecil – President
John P. Barber – Treasurer

Beth Cecil, Leadership Enrichment Director
Dorothy Dean Cecil
Jeni Cecil Feeser

RELATED PARTY TRANSACTION STATEMENT

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

The one exception is White Oak Pharmacy, Inc., who supplies prescription drugs, medical and nursing supplies to White Oak Manor – Charlotte nursing facility. The value of the goods purchased by White Oak Manor – Charlotte varies from year to year. For the year ending 9/30/21, the total value was approximately \$124,183.00.

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

Shareholders:

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

Board of Directors

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

AFFILIATION STATEMENT

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

CRIMINAL VIOLATION STATEMENT

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



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

3-3-22

Date

III. POLICIES

ADMISSION

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

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

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

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

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

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

- (a) The last day of the month following the Resident's death, or at such time thereafter as the Resident's belongings have been removed from the premises; or
- (b) Resident's default as hereinafter defined; or
- (c) Sharon Village having determined, and having given written notification thereof, that the Resident:
 - (i) is socially incompatible with the Sharon Village employees, other residents or guests;
 - (ii) has demonstrated possible emotional instability.
 - (iii) poses a risk to the life and well-being of him/herself or others;
 - (iv) has destroyed, or attempted to destroy, property belonging to Sharon Village, him/herself or others; or
 - (v) fails to fully comply with all terms and provisions contained in this Agreement; or
 - (vi) has acted in any other unreasonable fashion or poses for Sharon Village its employees, residents or guests, any other unreasonable risks; or
- (d) The last day of any month prior to which the Resident has given to Sharon Village:
 - (i) In the event the Resident is to be transferred, based upon written medical certification, to a hospital or to White Oak Manor- Charlotte Nursing Center, at least ten (10) days prior written notice or

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

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

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

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

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

Apartment Rental Agreement (With Retention Schedule Included)

Retention Schedule is as follows:

<u>LENGTH OF OCCUPANCY</u>	<u>AMOUNT RETAINED</u>	<u>AMOUNT REFUNDED</u>
Upon Occupancy	20%	80%
Year 1	20%	60%
Year 2	20%	40%
Year 3	20%	20%
Year 4	20%	0%

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

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

Upon termination of the Apartment Rental Agreement (with Retention Schedule Included) for any reason other than resident's death, the resident or his legal representative shall be entitled to a refund of the unearned portion of the Retention Deposit. The amount of refund will be calculated on a daily basis (365 days per year). Refunds of this nature will be promptly made to the Resident or his legal representative but under no circumstances later than 30 days after the termination date of the agreement.

If an executed contract is rescinded or cancelled under the terms of this contract, all unearned fees and deposits will be fully refundable to the Resident or their Legal Representative within 30 days following the later of the execution of the contract or the receipt of a disclosure statement and Resident will not be required to move into apartment during recession period. The amount of refund will be calculated on a daily basis (365 days per year).

Transfers

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

Marriages

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

Rent/ Default

If an existing resident is unable to meet their monthly obligation to the facility, the Apartment Rental Agreement provides the following under Section(s) 16 (no initial deposit agreement) and 17 (with retention schedule agreement) "Default":

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

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

In the event of a default, Sharon Village may, at its option, declare the term of this Agreement ended and repossess the apartment and shall further be entitled to all rights and remedies set forth herein." The Owner shall be entitled to be fully reimbursed for all costs and expenses incurred in enforcing its rights hereunder, including a reasonable attorney's fee, and shall be entitled to have accrued, monthly, interest, at the maximum rate allowed by law, as to any payments due and owing hereunder."

IV. SERVICES

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

- (a) Meals. Sharon Village will provide Resident with one meal per day, the meal to be determined by Owner, and to be served in the common dining area.
- (b) Guest Meals. Are available at \$10.00 per meal.
- (c) Utilities. All utilities, except telephone expenses, will be paid for by Sharon Village. However, the cost of telephone installation and removal shall be paid by Resident.
- (d) Janitorial Services. Sharon Village will provide services in all service areas, halls and community areas.
- (e) Maid Service. Sharon Village will provide maid service every other week, on a regularly scheduled basis, to clean Resident's apartment if so desired by Resident.
- (f) Laundry. Once each week, Resident's flat laundry will be picked up outside the door of Resident's apartment, cleaned, and then returned.
- (g) Laundromat. Laundry facilities are available free of charge at the apartment complex for Resident's use (Resident must provide detergent).
- (h) Transportation. Transportation will be available at certain scheduled times, to be determined by Sharon Village in view of the needs of the Resident and the other occupants of apartments.
- (i) Nursing Center. A bed in the adjoining nursing center will be made available, on a priority basis, whenever Resident's health, as determined by Resident's physician, so requires.
- (j) Nursing Facility Days. At the time of residence and each calendar year thereafter, each resident is allowed 10 inpatient days in the adjacent White Oak Manor Charlotte facility. Unused days cannot be carried forward to the next calendar year. A physician's written medical certification is required before admission to the Nursing Facility.
- (k) Nurse Call System. Is located in the master bedroom and bath of each apartment and is connected to the nurse's station at the adjacent nursing facility. If activated, a trained member of the Nursing Department will respond to the apartment.
- (l) Health Services Available. Skilled Nursing Care (Medicare and Medicaid Certified).
- (m) Storage Facilities. Sharon Village shall provide, at Resident's sole risk, reasonable storage space for Resident's belongings other than furniture and other household furnishings.
- (n) Recreational Facilities. Recreational facilities are available for Resident's use on first come/first served basis.

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

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

Beauty/ Barber Shop
Accommodations for overnight guests

V. FEES/ RENT

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

RETENTION & MONTHLY RENTAL FEES

Apartment Type	Retention Deposit	Monthly Rental Fee	
		1 st Person	2 nd Person
Efficiency	\$17,000	\$895	N/A
One Bedroom	\$22,000	\$1,160	\$1,490
One Bedroom Deluxe	\$26,000	\$1,465	\$1,795
Two Bedrooms	\$30,000	\$1,735	\$2,065

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

STRAIGHT RENTAL PLAN

Apartment Type	Retention Deposit	Monthly Rental Fee	
		1 st Person	2 nd Person
Efficiency	N/A	\$1,195	N/A
One Bedroom	N/A	\$1,540	\$1,870
One Bedroom Deluxe	N/A	\$1,870	\$2,200
Two Bedrooms	N/A	\$2,175	\$2,500

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

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

SHARON VILLAGE APARTMENTS

SCHEDULE OF FEE CHANGES FOR THE LAST FIVE YEARS

RETENTION DEPOSIT PLAN

	2021		2020		2019		2018		2017	
	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>
<u>2 Bedrooms</u>										
1 Person	\$30,000	\$1,735	\$30,000	\$1,650	\$30,000	\$1,650	\$30,000	\$1,573	\$30,000	\$1,573
2 People	\$30,000	\$2,065	\$30,000	\$1,965	\$30,000	\$1,965	\$30,000	\$1,873	\$30,000	\$1,873
<u>1 Bedroom</u>										
1 Person	\$22,000	\$1,160	\$22,000	\$1,105	\$22,000	\$1,105	\$22,000	\$1,051	\$22,000	\$1,051
2 People	\$22,000	\$1,490	\$22,000	\$1,420	\$22,000	\$1,420	\$22,000	\$1,351	\$22,000	\$1,351
<u>1 Bedroom Deluxe</u>										
1 Person	\$26,000	\$1,465	\$26,000	\$1,395	\$26,000	\$1,395	\$26,000	\$1,331	\$26,000	\$1,331
2 People	\$26,000	\$1,795	\$26,000	\$1,710	\$26,000	\$1,710	\$26,000	\$1,631	\$26,000	\$1,631
<u>Efficiency</u>										
1 Person	\$17,000	\$895	\$17,000	\$850	\$17,000	\$850	\$17,000	\$811	\$17,000	\$811

STRAIGHT RENTAL PLAN

	2021		2020		2019		2018		2017	
	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>	<u>Deposit</u>	<u>Rent</u>
<u>2 Bedrooms</u>										
1 Person	N/A	\$2,175	N/A	\$2,070	N/A	\$2,070	N/A	\$1,972	N/A	\$1,972
2 People	N/A	\$2,500	N/A	\$2,385	N/A	\$2,385	N/A	\$2,272	N/A	\$2,272
<u>1 Bedroom</u>										
1 Person	N/A	\$1,540	N/A	\$1,465	N/A	\$1,465	N/A	\$1,396	N/A	\$1,396
2 People	N/A	\$1,870	N/A	\$1,780	N/A	\$1,780	N/A	\$1,696	N/A	\$1,696
<u>1 Bedroom Deluxe</u>										
1 Person	N/A	\$1,870	N/A	\$1,780	N/A	\$1,780	N/A	\$1,694	N/A	\$1,694
2 People	N/A	\$2,200	N/A	\$2,095	N/A	\$2,095	N/A	\$1,994	N/A	\$1,994
<u>Efficiency</u>										
1 Person	N/A	\$1,195	N/A	\$1,135	N/A	\$1,135	N/A	\$1,082	N/A	\$1,082

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

	2021	2020	2019	2018	2017
1 Person	+55	N/C	+77	N/C	+46
2 People	+70	N/C	+92	N/C	+46
1 Person	+70	N/C	+54	N/C	+31
2 People	+85	N/C	+69	N/C	+31
<u>One Bedroom Deluxe</u>					
1 Person	+70	N/C	+64	N/C	+39
2 People	+85	N/C	+79	N/C	+39
<u>Efficiency</u>					
1 Person	+45	NC	+39	NC	+24

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

	2021	2020	2019	2018	2017
1 Person	+75	N/C	+98	N/C	+57
2 People	+90	N/C	+113	N/C	+57
1 Person	+75	N/C	+69	N/C	+41
2 People	+90	N/C	+84	N/C	+41
<u>One Bedroom Deluxe</u>					
1 Person	+90	N/C	+86	N/C	+39
2 People	+105	N/C	+101	N/C	+39
<u>Efficiency</u>					
1 Person	+60	N/C	+53	N/C	+32

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

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

VI. FINANCIAL INFORMATION

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

VII. PROJECTED VS. ACTUAL FORECAST COMPARISON

The following pages include:

1. White Oak Manor – Charlotte and Sharon Village, Inc.
 - a. Comparison – Year Ended September 30, 2021
Forecasted Balance Sheet
 - b. Comparison – Year Ended September 30, 2021
Forecasted Income Statement
 - c. Comparison – Year Ended September 30, 2021
Forecasted Statements of Cash Flows
 - d. Schedules Exhibit A – Assets Limited to Use – Operating Reserve /
Consolidating Balance Sheet
 - e. Accounts Receivable Balances by Year

White Oak Manor- Charlotte and Sharon Village, Inc.
Comparison - Year Ended September 30, 2021
Forecasted Income Statement

	<u>2021 Actual</u>	<u>2021 Forecast</u>	<u>Variance</u>	<u>% Variance</u>
REVENUES				
Net Patient Service Revenue	\$ 13,810,995	\$ 14,015,284	\$ (204,289)	-1%
Apartment Rents	516,447	547,411	(30,964)	-6%
Deposit Amortization	15,600	11,394	4,206	37%
Investment Income	7,669	11,603	(3,934)	-34%
Other Revenue - Provider Relief Funds		549,675		
Other Revenue	<u>21,198</u>	<u>532,896</u>	(511,698)	-96% D
Total Revenues	<u>14,371,909</u>	<u>15,668,263</u>		
COST AND EXPENSES				
Nursing Services	4,643,266	5,319,198	(675,932)	-13% E
Ancillaries	1,178,121	1,418,686	(240,565)	-17% F
Dietary Expenses	1,116,827	1,253,745	(136,918)	-11% G
Social Services	141,968	138,425	3,543	3%
Activities	140,690	153,333	(12,643)	-8%
Medical Records	41,716	46,229	(4,513)	-10%
Laundry and Linen	136,551	151,346	(14,795)	-10%
Housekeeping	362,789	416,070	(53,281)	-13%
Facility Operations and Maintenance	635,487	588,332	47,155	8%
Depreciation	78,555	105,388	(26,833)	-25%
Interest Expense	1,529		1,529	0%
Taxes and Insurance	195,384	179,615	15,769	9%
Employee Benefits	927,059	819,357	107,702	13% H
COVID-19 Expenses	1,082,063	1,054,898	27,165	3%
General and Administrative	<u>2,190,579</u>	<u>2,037,103</u>	153,476	8%
Total Expenses	<u>12,872,584</u>	<u>13,681,725</u>		
OPERATING GAIN (LOSS)	1,499,325	1,986,538		
NONOPERATING GAIN (LOSS)				
Change in Unrealized Losses on Investments	15,925			
Other Nonoperating Gain	<u>(1,357,107)</u>			
Total Nonoperating Loss	<u>(1,341,182)</u>	<u>-</u>		
Net Loss	<u>158,143</u>	<u>1,986,538</u>		

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

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

E) Due to lower occupancy and challenging labor market nursing services cost shrunk more than expected. Salary and contract labor combined were \$383,053 lower than prior cost. Due to inventory usage supplies expense was \$73,615 lower than prior year.

F) Lower than expected occupancy lead to drug expense being \$125,000 lower than prior year. Medicare occupancy was lower than expected causing a 106,790 reduction in OT therapy.

G) Due to lower occupancy and challenging labor market dietary salary expense was reduced by \$30,930. A new food vendor and occupancy lead to reduced raw food cost of 43,352.97.

H) White Oak expected an overall reduction in employee benefits in 2021 due to reduced staffing level. However workers comp expense increased \$167,100 while other benefit expense was reduced by 132,000. Worker comp expense is volatile by nature and should return to normal in the future periods.

White Oak Manor- Charlotte and Sharon Village, Inc.
Comparison - Year Ended September 30, 2021
Forecasted Statements of Cash Flows

	2021 Actual	2021 Forecast	Variance	% Variance	
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Loss	\$ 158,143	\$ 1,986,538			
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation	78,555	105,388	(26,833)	-25%	
Deposit Amortization	(15,800)	(11,394)	(4,206)	37%	
Deposit Receipts	(1,500)	25,025	(26,525)	-106%	
(Increase) in Current Assets:					
Accounts Receivable	281,607	(30,850)	312,457	-1013%	I
Estimated Third-Party Payor Settlements			-	100%	
Other Current Assets	(4,804)	(2,808)	(1,996)	71%	
Increase in Current Liabilities:					
Accounts Payable	(122,463)	30,579	(153,042)	-500%	J
Intercompany Accounts	-	(1,870,008)	1,870,008	-100%	K
Medicare Advance Payments		(77,571)			
Accrued Wages and Other Liabilities	(172,981)	(32,761)	(140,220)	428%	L
Net Cash Provided by (Used in) Operating Activities	200,957	122,138			
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(137,363)	(92,700)	(44,663)	48%	
Net Change in Assets Limited as to Use - Operating Reserve	(63,594)	(26,388)	(37,206)	141%	
Net Cash Used in Investing Activities	(200,957)	(119,088)			
CASH FLOWS FROM FINANCING ACTIVITIES					
Distributions to Shareholder	-	-	-	0%	
Net Cash Used in Financing Activities	-	-			
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	3,050			
Cash and Cash Equivalents - Beginning of Year	421,950	421,950			
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 421,950</u>	<u>\$ 425,000</u>			

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

I) Accounts receivable decrease more than projected to:

- VA clearing backlog of past due claims
- Acct 1115 - Other - decreased due COVID testing reimbursements being paid

J) Accounts payable reduction due to invoices being processed earlier due to better transfer process between facility and corporate office.

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

L) The number of days accrued was higher than forecasted due to October being a three pay period month.

White Oak Manor- Charlotte and Sharon Village, Inc.
Comparison - Year Ended September 30, 2021
Forecasted Balance Sheets

ASSETS	2021 Actual	2021 Forecast	Variance	% Variance	
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 421,950	\$ 425,000	\$ (3,050)	-1%	
Accounts Receivable, Net	804,202	1,116,660	(312,458)	-28%	A
Intercompany Accounts Receivable	-	1,870,008	(1,870,008)	-100%	B
Other Current Assets	75,071	73,012	2,059	3%	
Total Current Assets	1,301,223	3,484,680			
ASSETS LIMITED AS TO USE - OPERATING RESERVE	207,061	169,855	37,206	22%	
MOVEABLE EQUIPMENT					
Less: Accumulated Depreciation	1,818,728	1,782,568	36,160	2%	
Construction in Progress	1,400,774	1,436,109	(35,335)	-2%	
Moveable Equipment, Net	417,954	346,459			
Total Assets	\$ 1,926,238	\$ 4,000,994			
LIABILITIES AND SHAREHOLDER'S EQUITY (DEFICIT)					
CURRENT LIABILITIES					
Accounts Payable	\$ 218,912	\$ 371,954	\$ (153,042)	-41%	C
Accrued Wages and Other Liabilities	716,408	632,323	84,085	13%	
Medicare Advance Payments	-	146,671	-	0%	
Intercompany Accounts	-	-	-	0%	
Total Current Liabilities	935,320	1,150,948			
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	27,134	56,365	(29,231)	-52%	
Unearned Deposit Revenue - Refundable	-	-	-	0%	
Deposits on Apartments	7,000	8,500	(1,500)	-18%	
Total Deferred Credits	34,134	64,865			
LONG-TERM DEBT					
Total Liabilities	969,454	1,215,813			
SHAREHOLDER'S EQUITY (DEFICIT)					
Common Stock, par value \$1 per share; 300,000 shares authorized, 281,450 shares issued and outstanding	281,450	281,450	-	0%	
Retained Earnings (Deficit)	675,334	2,503,731			
Other Comprehensive Loss	-	-	-	0%	
Total Shareholder's Equity	956,784	2,785,181			
Total Liabilities and Shareholder's Equity	\$ 1,926,238	\$ 4,000,994			
Out of balance check	-	-			

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

A) Accounts receivable decrease more than projected to:

- VA clearing backlog of past due claims
- Acct 1115 - Other - decreased due COVID testing reimbursements being paid

B) NCDOT requested the intercompany balance be closed out to retained earnings after the forecast was submitted. The forecast was setup to accumulate an intercompany balance due to activity. We continue to work through improving the model to more accurately reflect the new procedure.

C) Accounts payable reduction due to invoices being processed earlier due to better transfer process between facility and corporate office.

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

		Reserve Calculation for 2022			
		Formula	Tryon	Burlington	Charlotte
Total Projected Operating Expenses:					
Projected SNF Expense	A		7,804,874	10,390,785	12,307,361
Projected Apartment Expense	B		1,807,040	952,867	579,928
	C	A + B	9,611,914	11,343,652	12,887,289
Total Projected Depreciation Expense:					
Projected SNF Depreciation	D		82,812	67,161	67,275
Projected Apartment Depreciation	E		73,732	20,861	18,864
	F	D + E	156,544	88,022	86,139
% of SNF Patient Days Attributable to Apartment Residents	G		2.40%	0.34%	0.52%
% of SNF Days Attributable to SNF only Residents	H		97.60%	99.66%	99.48%
Calculation of Excluded Expenses	I	H * A	7,617,557	10,355,456	12,243,363
Calculation of Included Expenses	J	G * A	187,317	35,329	63,998
Calculation of Included Depreciation	K	D * G	1,987	228	350
Expenses Subject to DOI Approved Operating Reserve	L	B+J-E-K	1,918,638	967,107	624,712
Operating Reserve Percentage	M		25.00%	25.00%	25.00%
Projected Reserve Req	N	L * M	479,660	241,777	156,178
Investment Balances			691,610	268,514	207,061

VIII. RESERVES, ESCROW AND TRUSTS

Sufficient reserves are maintained at all times to pay the residents the total outstanding initial deposit liability. The amount available at September 30, 2021 was \$207,061.00.

The amount anticipated to meet the operating reserve requirement effective at September 30, 2021 is \$156,178.00.

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

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

IX. FACILITY DEVELOPMENT/ EXPANSION

During the year, a freestanding elevator was installed allowing residents better access to community dining and social events.

X. OTHER MATERIAL INFORMATION, AS APPLICABLE

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

XI. RESIDENT'S AGREEMENT/ CONTRACT

Please refer to Attachment

Attachment I

WHITE OAK MANOR, INC. AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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

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

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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



Board of Directors
White Oak Manor, Inc. and Subsidiaries

Opinion

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

Emphasis-of-Matter Regarding Changes in Accounting Principles

As described in Note 1, White Oak Manor, Inc. and Subsidiaries adopted a provision of Financial Accounting Standards Board Accounting Standards Updates 2014-09, *Revenue from Contracts with Customers*. The new accounting standard clarifies how revenue is to be recognized and requires expanded disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Our opinion is not modified with respect to that matter.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
January 24, 2022

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

ASSETS	2021	2020
CURRENT		
Cash and Cash Equivalents	\$ 12,362,348	\$ 23,718,970
Patient Accounts Receivable, Net of Allowance for Uncollectible Accounts of Approximately \$569,000 and \$279,000 in 2021 and 2020, Respectively	15,233,507	15,987,011
Investments	7,509,008	6,118,276
Other Current Assets	3,019,415	1,497,377
Total Current Assets	38,124,278	47,321,634
ASSETS LIMITED AS TO USE	1,839,343	1,709,007
PROPERTY AND EQUIPMENT	153,246,965	147,962,434
Less: Accumulated Depreciation	(93,692,089)	(87,578,909)
Property and Equipment, Net	59,554,876	60,373,525
OTHER ASSETS		
Deferred Other Costs, Net	59,749	126,829
Goodwill, Net	271,837	339,797
Total Other Assets	331,586	466,626
Total Assets	\$ 99,850,083	\$ 109,870,792

See accompanying Notes to Consolidated Financial Statements.

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

LIABILITIES AND SHAREHOLDERS' EQUITY	<u>2021</u>	<u>2020</u>
CURRENT LIABILITIES		
Cash Overdraft	\$ 319,799	\$ 288,090
Current Portion of Long-Term Debt	2,692,871	2,739,455
Accounts Payable	5,009,626	6,082,295
Accrued Wages and Other Liabilities	17,209,706	20,912,348
Deferred Revenue - Provider Relief Funding	1,874,139	7,961,778
Tenant Deposits	259,607	155,495
Total Current Liabilities	<u>27,366,548</u>	<u>38,139,461</u>
LONG-TERM DEBT, NET OF CURRENT PORTION	45,169,755	47,818,175
FAIR VALUE OF INTEREST RATE SWAP AGREEMENTS	1,493,038	2,530,756
OTHER LIABILITIES		
Deferred Income	847,464	655,123
Asset Retirement Obligation	876,656	876,656
Total Other Liabilities	<u>48,386,913</u>	<u>51,880,710</u>
Total Liabilities	75,752,461	90,020,171
SHAREHOLDERS' EQUITY		
Common Stock: Series A Voting, No Par Value, Authorized 1,000,000 Shares; Issued and Outstanding 47,050 Shares	110	110
Common Stock: Series B Nonvoting, No Par Value, Authorized 20,000,000 Shares; Issued and Outstanding 19,916,135 Shares	46,752	46,752
Retained Earnings	24,050,760	19,803,759
Total Shareholders' Equity	<u>24,097,622</u>	<u>19,850,621</u>
Total Liabilities and Shareholders' Equity	<u>\$ 99,850,083</u>	<u>\$ 109,870,792</u>

See accompanying Notes to Consolidated Financial Statements.

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

	2021	2020
REVENUE		
Net Patient Service Revenue	\$ 160,758,762	\$ 163,281,795
Management Fee Revenue	488,184	497,289
Change in Fair Value of Interest Rate Swap Agreements	1,037,718	(897,114)
Other Revenue - COVID Relief Funding	14,430,460	4,179,718
Other Revenue	5,894,795	5,997,129
Total Revenue	172,609,909	173,058,817
EXPENSES		
Nursing Service	59,394,651	62,541,375
Ancillaries	16,552,317	19,463,965
Dietary	13,033,603	13,728,948
Social Services	2,288,334	2,336,247
Activities	1,629,591	1,698,208
Medical Records	701,335	711,064
Laundry and Linen	1,778,286	1,900,422
Housekeeping	4,548,588	4,824,673
Facility Operations and Maintenance	7,802,447	7,763,772
Depreciation	6,174,952	6,196,247
Interest Expense	1,530,177	1,960,633
Amortization Expense	135,039	148,131
Property Taxes and Insurance	5,503,049	4,825,498
Employee Benefits	12,635,998	13,723,499
COVID-19 Expenses	13,589,074	9,489,505
General and Administrative	20,428,346	19,677,802
Total Expenses	167,725,687	170,989,989
OPERATING INCOME (LOSS)	4,884,222	2,068,828
NONOPERATING GAIN (LOSS)		
Change in Unrealized Gains on Investments	1,400,646	332,713
Gain (Loss) on Sale of Property	(28,888)	2,711,130
Other Nonoperating Gain (Loss)	15,887	(95,763)
Total Nonoperating Gain (Loss)	1,387,645	2,948,080
NET INCOME	\$ 6,271,867	\$ 5,016,908

See accompanying Notes to Consolidated Financial Statements.

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

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

See accompanying Notes to Consolidated Financial Statements.

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

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 6,271,867	\$ 5,016,908
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	6,174,952	6,196,247
Amortization	135,039	148,131
Amortization of Debt Issuance Costs	12,420	21,866
Bad Debt Expense	1,098,332	1,259,812
Change in Unrealized (Gains) Losses on Investments	(1,400,646)	(332,713)
Change in Fair Value of Swap Agreement	(1,037,718)	897,114
Change in Third-Party Payor Settlements	5,000	(45,000)
Unearned Deposit Income and Other Liabilities	192,341	(59,821)
Gain on Disposal of Property	28,888	(2,711,130)
Decrease (Increase) in:		
Patient Accounts Receivable	(344,828)	2,297,693
Other Assets	(1,522,037)	(276,993)
Increase (Decrease) in:		
Cash Overdraft	31,709	(2,612,992)
Accounts Payable	(1,072,669)	169,326
Accrued Wages and Other Liabilities	(3,707,642)	10,592,183
Deferred Revenue - Provider Relief Funding	(6,087,639)	7,961,778
Asset Retirement Obligation	-	(32,444)
Tenant Deposits	104,112	(2,948)
Net Cash Provided (Used) by Operating Activities	<u>(1,118,519)</u>	<u>28,487,017</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in Assets Limited as to Use	(120,422)	(211,343)
Purchases of Property and Equipment	(5,395,291)	(2,442,608)
Proceeds from Sale of Property	10,100	3,207,193
Net Cash Provided (Used) by Investing Activities	<u>(5,505,613)</u>	<u>553,242</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Long-Term Debt	(2,706,484)	(5,511,842)
Proceeds from Line of Credit, Net	-	-
Distributions to Shareholders	(2,024,868)	(123,155)
Increase of Deferred Loan and Other Costs	(1,140)	-
Net Cash Used by Financing Activities	<u>(4,732,490)</u>	<u>(5,634,997)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(11,356,622)	23,405,262
Cash and Cash Equivalents - Beginning of Year	<u>23,718,970</u>	<u>313,708</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 12,362,348</u>	<u>\$ 23,718,970</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	<u>\$ 1,561,753</u>	<u>\$ 2,503,655</u>

See accompanying Notes to Consolidated Financial Statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

Principles of Consolidation

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Cash Equivalents

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

Allowance for Uncollectible Accounts

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

Investments

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Limited as to Use

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

Property and Equipment

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

Goodwill

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue – Provider Relief Funding

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

Deferred Income

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

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

Net Patient Service Revenue

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

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

Fair Value of Financial Instruments

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

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

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

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

Variable Interest Entity

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

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

Risks and Uncertainties

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risks and Uncertainties (Continued)

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Company, COVID-19 may impact various parts of its 2022 operations and financial results including but not limited to additional costs for emergency preparedness, disease control and containment, potential shortages of healthcare personnel, or loss of revenue due to reductions in certain revenue streams. Management believes the Company is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of September 30, 2021.

Change in Accounting Principle

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

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

NOTE 2 INVESTMENTS

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

	2021		2020	
	Cost	Market Value	Cost	Market Value
Cash and Cash Equivalents	\$ 136,537	\$ 136,537	\$ 384,458	\$ 384,458
Equity Securities	3,876,142	6,796,921	3,311,419	5,120,833
Debt Securities	222,618	236,314	239,790	255,067
Alternative Investments	125,433	339,236	202,564	357,918
Total	<u>\$ 4,360,730</u>	<u>\$ 7,509,008</u>	<u>\$ 4,138,231</u>	<u>\$ 6,118,276</u>

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

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

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

NOTE 3 ASSETS LIMITED AS TO USE

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

	2021	2020
Designated to Comply with Requirements Established by the Department of Insurance of North Carolina:		
Cash and Cash Equivalents	\$ 15,782	\$ 68,674
Equity Investments	824,830	836,135
Debt Securities	27,314	38,927
Total Designated to Comply	867,926	933,736
Apartment Reservation Deposits:		
Cash and Cash Equivalents	15,130	40,547
Equity Investments	790,817	577,823
Debt Securities	26,188	26,901
Total Apartment Reservation Deposits	832,135	645,271
Apartment Retention Deposits, Refundable and Nonrefundable:		
Cash and Cash Equivalents	2,533	8,169
Equity Investments	132,366	116,411
Debt Securities	4,383	5,420
Total Apartment Retention Deposits	139,282	130,000
Total	\$ 1,839,343	\$ 1,709,007

Operating Reserve Requirement

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

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

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

NOTE 3 ASSETS LIMITED AS TO USE (CONTINUED)

Deposits

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

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

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

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

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

NOTE 5 GOODWILL

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

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

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

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

NOTE 6 ACCRUED WAGES AND OTHER LIABILITIES

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

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

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

NOTE 7 LONG-TERM DEBT

The following comprise long-term debt at September 30:

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

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

NOTE 7 LONG-TERM DEBT (CONTINUED)

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

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

Estimated maturities on long-term debt follow:

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

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

NOTE 8 ASSET RETIREMENT OBLIGATION

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

NOTE 9 COMMON STOCK

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

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

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

NOTE 10 NET PATIENT SERVICE REVENUE

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

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

Patient service revenue is reported at the amount that reflects the consideration to which the Company expects to be entitled in exchange for providing resident and patient care. These amounts are due from residents, patients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Revenue is recognized as performance obligations are satisfied.

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

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

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

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

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

NOTE 10 NET PATIENT SERVICE REVENUE (CONTINUED)

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

Medicaid -- Standard Payments to Nursing Facilities

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

Medicare -- Prospective Payment System Payments to Skilled Nursing Facilities

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

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

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

Other

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

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

NOTE 10 NET PATIENT SERVICE REVENUE (CONTINUED)

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

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

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

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

NOTE 10 NET PATIENT SERVICE REVENUE (CONTINUED)

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

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

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

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

NOTE 11 CONCENTRATION OF CREDIT RISK

FDIC Insurance

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

Receivables

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

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

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

NOTE 12 OPERATING LEASES

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

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

NOTE 13 DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

NOTE 13 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

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

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

NOTE 14 RETIREMENT PLAN

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

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

NOTE 15 RELATED PARTY TRANSACTIONS

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

	<u>2021</u>	<u>2020</u>
Accounts Payable to White Oak Pharmacy	\$ 479,637	\$ 376,695
Nursing Expenses Provided to White Oak Pharmacy	50,831	70,062
Ancillary Expenses Provided to White Oak Pharmacy	4,848,486	5,271,198
Medical Supplies Provided to White Oak Pharmacy	101,081	120,960
Consulting Expenses Provided to White Oak Pharmacy	587,124	546,931
Other Expenses Provided to White Oak Pharmacy	48,289	79,771

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

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

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

NOTE 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

NOTE 16 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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

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

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

NOTE 17 COMMITMENTS AND CONTINGENCIES

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

Self-Insurance

Health Insurance

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

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

NOTE 17 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Self-Insurance (Continued)

Workers' Compensation

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

Professional Liability

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

Management Agreement

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



CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
January 24, 2022



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

ASSETS	<u>Consolidated</u>	<u>Eliminations</u>	<u>White Oak Manor, Inc.</u>	<u>All Subsidiaries</u>
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 12,362,348	\$ -	\$ -	\$ 12,362,348
Patient Accounts Receivable, Net	15,233,507	(947,231)	-	16,180,738
Investments	7,509,008	-	7,509,008	-
Other Current Assets	3,019,415	-	718,924	2,300,491
Total Current Assets	<u>38,124,278</u>	<u>(947,231)</u>	<u>8,227,932</u>	<u>30,843,577</u>
 ASSETS LIMITED AS TO USE	 1,839,343	 -	 682,168	 1,157,185
 PROPERTY AND EQUIPMENT	 153,246,965	 -	 132,434,821	 20,812,144
Less: Accumulated Depreciation	(93,692,089)	-	(77,980,668)	(15,711,421)
Property and Equipment, Net	<u>59,554,876</u>	<u>-</u>	<u>54,454,153</u>	<u>5,100,723</u>
 OTHER ASSETS				
Deferred Other Costs, Net	59,749	-	-	59,749
Goodwill, Net	271,837	-	271,837	-
Intercompany Accounts	-	(65,969,293)	17,749,451	48,219,842
Investment in Subsidiaries	-	(3,177,082)	3,177,082	-
Total Other Assets	<u>331,586</u>	<u>(69,146,375)</u>	<u>21,198,370</u>	<u>48,279,591</u>
 Total Assets	 <u>\$ 99,850,083</u>	 <u>\$ (70,093,606)</u>	 <u>\$ 84,562,613</u>	 <u>\$ 85,381,076</u>

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Consolidated	Eliminations	White Oak Manor, Inc.	All Subsidiaries
CURRENT LIABILITIES				
Cash Overdraft	\$ 319,799	\$ -	\$ 319,799	\$ -
Current Portion of Long-Term Debt	2,692,671	-	2,692,671	-
Accounts Payable	5,009,626	(947,231)	37,960	5,918,897
Accrued Wages and Other Liabilities	17,209,706	-	27,354	17,182,352
Deferred Revenue - Provider Relief Funding	1,874,139	-	1,874,139	-
Tenant Deposits	259,607	-	-	259,607
Total Current Liabilities	<u>27,366,548</u>	<u>(947,231)</u>	<u>4,951,923</u>	<u>23,360,856</u>
LONG-TERM DEBT, Net of Current Portion	45,189,755	-	45,169,755	-
FAIR VALUE OF INTEREST RATE SWAP AGREEMENTS	1,493,038	-	1,493,038	-
OTHER LIABILITIES				
Deferred Income	847,464	-	-	847,464
Asset Retirement Obligation	876,656	-	-	876,656
Intercompany Accounts	-	(65,969,293)	-	65,969,293
Total Other Liabilities	<u>48,386,913</u>	<u>(65,969,293)</u>	<u>46,662,793</u>	<u>67,693,413</u>
Total Liabilities	75,752,461	(66,916,524)	51,614,716	91,054,269
SHAREHOLDERS' EQUITY				
Common Stock, Series A, Voting	110	(3,177,082)	110	3,177,082
Common Stock, Series B, Nonvoting	46,752	-	46,752	-
Retained Earnings (Accumulated Deficit)	24,050,760	-	32,901,035	(8,850,275)
Total Shareholders' Equity	<u>24,097,622</u>	<u>(3,177,082)</u>	<u>32,947,897</u>	<u>(5,673,193)</u>
Total Liabilities and Shareholders' Equity	<u>\$ 99,850,083</u>	<u>\$ (70,093,606)</u>	<u>\$ 84,562,613</u>	<u>\$ 85,381,076</u>

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

	Consolidated	Eliminations	White Oak Manor, Inc.	All Subsidiaries
REVENUE				
Net Patient Service Revenue	\$ 150,758,762	\$ -	\$ -	\$ 150,758,762
Management Fee Revenue	488,184	(9,363,432)	-	9,851,616
Lease Fees	-	(5,820,240)	5,820,240	-
Apartment Fees	5,243,539	-	-	5,243,539
Deposit Revenue	449,136	-	-	449,136
Change in Value of Interest Rate Swap Agreements	1,037,718	-	1,037,718	-
Other Revenue - COVID Relief Funding	14,430,450	-	7,865,073	6,565,377
Interest and Other Revenue	202,120	-	82,277	119,843
Total Revenue	<u>172,609,909</u>	<u>(15,183,672)</u>	<u>14,805,308</u>	<u>172,988,273</u>
EXPENSES				
Nursing Service	59,394,651	-	-	59,394,651
Ancillaries	16,552,317	-	-	16,552,317
Dietary	13,033,503	-	-	13,033,503
Social Services	2,288,334	-	-	2,288,334
Activities	1,629,591	-	-	1,629,591
Medical Records	701,335	-	-	701,335
Laundry and Linen	1,778,286	-	-	1,778,286
Housekeeping	4,548,588	-	-	4,548,588
Facility Operations and Maintenance	7,802,447	-	-	7,802,447
Depreciation	6,174,952	-	5,040,422	1,134,530
Interest Expense	1,530,177	-	1,488,754	41,423
Amortization Expense	135,039	-	67,959	67,080
Property Taxes and Insurance	5,503,049	-	36,027	5,467,022
Employee Benefits	12,635,998	-	-	12,635,998
COVID-19 Expenses	13,589,074	-	-	13,589,074
General and Administrative	20,428,346	(15,183,672)	4,803	35,807,215
Total Expenses	<u>167,725,687</u>	<u>(15,183,672)</u>	<u>6,637,965</u>	<u>176,271,394</u>
OPERATING INCOME (LOSS)	4,884,222	-	8,167,343	(3,283,121)
NONOPERATING GAIN				
Change in Unrealized Gains on Investments	1,400,546	-	1,299,438	101,208
Gain on Sale of Property	(28,888)	-	(28,888)	-
Other Nonoperating Gain (Loss)	15,887	-	(52,963)	68,850
Total Nonoperating Gain	<u>1,387,545</u>	<u>-</u>	<u>1,217,587</u>	<u>170,058</u>
NET INCOME	<u>\$ 6,271,867</u>	<u>\$ -</u>	<u>\$ 9,384,930</u>	<u>\$ (3,113,063)</u>

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

ASSETS

CURRENT ASSETS

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

PROPERTY AND EQUIPMENT, NET

96,972

Total Assets

\$ 12,568,574

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

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

FAIR VALUE OF INTEREST RATE SWAP AGREEMENTS

-

OTHER LIABILITIES

Intercompany Accounts	<u>50,589,747</u>
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Total Liabilities

57,609,886

SHAREHOLDER'S DEFICIT

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

Total Liabilities and Shareholder's Deficit

\$ 12,568,574

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

REVENUE	
Management Fees	\$ 9,851,616
Other Revenue	<u>11,676</u>
Total Revenue	9,863,292
EXPENSES	
Nursing Services	-
Medical Records	-
Housekeeping	24,663
Facility Operations and Maintenance	91,391
Depreciation	20,912
Interest Expense	14,580
Taxes and Insurance	1,437,315
Employee Benefits	1,661,107
COVID-19 Expenses	389,058
General and Administrative	<u>9,392,029</u>
Total Expenses	13,031,055
OPERATING LOSS	(3,167,763)
NONOPERATING GAIN	
Other Nonoperating Gain	<u>85</u>
Net Loss	<u><u>\$ (3,167,678)</u></u>

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

ASSETS

CURRENT ASSETS

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

PROPERTY AND EQUIPMENT, NET

58,154

Total Assets

\$ 874,591

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

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

OTHER LIABILITIES

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

Total Liabilities

2,739,264

SHAREHOLDER'S DEFICIT

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

Total Liabilities and Shareholder's Deficit

\$ 874,591

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

REVENUE

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

EXPENSES

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

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

ASSETS

CURRENT ASSETS

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

PROPERTY AND EQUIPMENT, NET

185,613

OTHER ASSETS

Intercompany Accounts		3,821,858
		3,821,858

Total Assets

\$ 5,647,546

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

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

OTHER LIABILITIES

Asset Retirement Obligation		81,458
Total Other Liabilities		81,458

Total Liabilities

972,452

SHAREHOLDER'S EQUITY

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

Total Liabilities and Shareholder's Equity

\$ 5,647,546

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

REVENUE

Net Patient Service Revenue	\$ 8,905,417
Other Revenue - COVID Relief Funding	744,194
Other Revenue (Expense)	<u>(155)</u>
Total Revenue	<u>9,649,456</u>

EXPENSES

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

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

ASSETS

CURRENT ASSETS

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

PROPERTY AND EQUIPMENT, NET

41,010

OTHER ASSETS

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

\$ 5,157,366

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

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

OTHER LIABILITIES

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

Total Liabilities

877,451

SHAREHOLDER'S EQUITY

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

Total Liabilities and Shareholder's Equity

\$ 5,157,366

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

REVENUE

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

EXPENSES

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

Net Loss	<u>\$ (874,142)</u>
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WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – ROCK HILL, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
 (SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	101,500
Patient Accounts Receivable, Net		1,101,268
Other Current Assets		47,435
Total Current Assets		1,250,203

PROPERTY AND EQUIPMENT, NET

120,802

OTHER ASSETS

Intercompany Accounts		10,069,034
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Total Assets

\$ 11,440,039

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

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

OTHER LIABILITIES

Asset Retirement Obligation		63,689
Total Other Liabilities		63,689

Total Liabilities

1,457,162

SHAREHOLDER'S EQUITY

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

Total Liabilities and Shareholder's Equity

\$ 11,440,039

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

REVENUE

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

EXPENSES

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

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

ASSETS

CURRENT ASSETS

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

PROPERTY AND EQUIPMENT, NET

542,468

Total Assets

\$ 1,658,168

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

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

OTHER LIABILITIES

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

Total Liabilities

5,086,571

SHAREHOLDER'S DEFICIT

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

Total Liabilities and Shareholder's Deficit

\$ 1,658,168

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

REVENUE

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

EXPENSES

Nursing Services	3,713,867
Ancillaries	888,110
Dietary	873,693
Social Services	137,524
Activities	101,607
Medical Records	39,194
Laundry and Linen	127,998
Housekeeping	295,739
Facility Operations and Maintenance	426,752
Depreciation	113,322
Interest Expense	70
Taxes and Insurance	301,171
Employee Benefits	584,395
COVID-19 Expenses	973,420
General and Administrative	1,779,875
Total Expenses	<u>10,356,537</u>

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

ASSETS

CURRENT ASSETS

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

PROPERTY AND EQUIPMENT, NET

249,734

OTHER ASSETS

Intercompany Accounts	5,336,114
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Total Assets

\$ 6,827,016

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

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

OTHER LIABILITIES

Asset Retirement Obligation	92,727
Total Other Liabilities	92,727

Total Liabilities

957,649

SHAREHOLDER'S EQUITY

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

Total Liabilities and Shareholder's Equity

\$ 6,827,016

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

REVENUE

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

EXPENSES

Nursing Services	3,943,048
Ancillaries	1,014,416
Dietary	885,154
Social Services	137,072
Activities	116,830
Medical Records	36,778
Laundry and Linen	101,486
Housekeeping	269,204
Facility Operations and Maintenance	383,477
Depreciation	58,398
Interest Expense	144
Taxes and Insurance	552,986
Employee Benefits	666,124
COVID-19 Expenses	1,504,733
General and Administrative	<u>1,393,707</u>
Total Expenses	<u>11,083,557</u>

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

ASSETS

CURRENT ASSETS

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

ASSETS LIMITED AS TO USE		691,610
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PROPERTY AND EQUIPMENT, NET		723,655
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Total Assets	\$	2,316,120
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LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

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

OTHER LIABILITIES

Deferred Income		344,854
Asset Retirement Obligation		38,460
Total Other Liabilities		383,314

Total Liabilities		1,333,003
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SHAREHOLDER'S EQUITY

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

Total Liabilities and Shareholder's Equity	\$	2,316,120
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WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – TRYON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 7,095,223
Apartment Fees	1,686,350
Deposit Revenue	181,536
Other Revenue	46,686
Total Revenue	<u>9,009,795</u>

EXPENSES

Nursing Services	2,979,670
Ancillaries	659,818
Dietary	984,899
Social Services	89,470
Activities	108,623
Medical Records	26,792
Laundry and Linen	122,638
Housekeeping	304,883
Facility Operations and Maintenance	673,401
Depreciation	146,461
Interest Expense	691
Taxes and Insurance	214,853
Employee Benefits	706,950
COVID-19 Expenses	609,037
General and Administrative	1,535,636
Total Expenses	<u>9,163,822</u>

OPERATING LOSS

(154,027)

NONOPERATING GAIN (LOSS)

Change in Unrealized Gains on Investments	80,255
Other Nonoperating Gains	470,883
Total Nonoperating Gain	<u>551,138</u>

Net Loss

\$ 377,111

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

ASSETS

CURRENT ASSETS

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

INTERCOMPANY ACCOUNTS

239,184

Total Assets

\$ 239,184

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

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

OTHER LIABILITIES

Asset Retirement Obligation		-
Intercompany Accounts		-
Total Other Liabilities		-

Total Liabilities

-

SHAREHOLDER'S EQUITY

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

Total Liabilities and Shareholder's Equity

\$ 239,184

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

REVENUE

Net Patient Service Revenue	\$	-
Other Revenue		-
Total Revenue		<u>-</u>

EXPENSES

Nursing Services	-
Ancillaries	-
Dietary	-
Social Services	-
Activities	-
Medical Records	-
Laundry and Linen	-
Housekeeping	-
Facility Operations and Maintenance	-
Depreciation	-
Interest Expense	-
Taxes and Insurance	-
Employee Benefits	-
Bad Debt Expense	-
General and Administrative	-
Total Expenses	<u>-</u>

NONOPERATING GAIN

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

ASSETS

CURRENT ASSETS

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

ASSETS LIMITED AS TO USE

258,514

OTHER ASSETS

Intercompany Accounts	2,245
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PROPERTY AND EQUIPMENT, NET

363,911

Total Assets

\$ 2,446,027

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

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

OTHER LIABILITIES

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

Total Liabilities

1,230,343

SHAREHOLDER'S EQUITY

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

Total Liabilities and Shareholder's Equity

\$ 2,446,027

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

REVENUE

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

EXPENSES

Nursing Services	3,824,916
Ancillaries	1,183,120
Dietary	929,768
Social Services	59,297
Activities	76,856
Medical Records	46,394
Laundry and Linen	150,299
Housekeeping	348,931
Facility Operations and Maintenance	566,920
Depreciation	84,249
Interest Expense	489
Taxes and Insurance	218,621
Employee Benefits	775,252
COVID-19 Expenses	1,409,457
General and Administrative	1,849,153
Total Expenses	<u>11,523,722</u>

OPERATING LOSS

(779,497)

NONOPERATING GAIN (LOSS)

Change in Unrealized Losses on Investments	25,028
Other Nonoperating Gain	955,877
Total Nonoperating Gain	<u>980,905</u>

Net Income	<u>\$ 201,408</u>
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WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR -- CHARLESTON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

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

PROPERTY AND EQUIPMENT, NET

105,089

OTHER ASSETS

Intercompany Accounts		7,314,883
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Total Assets

\$ 9,049,050

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	268,297
Accrued Wages and Other Liabilities		1,237,678
Total Current Liabilities		1,503,975

OTHER LIABILITIES

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

Total Liabilities

1,603,333

SHAREHOLDER'S EQUITY

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

Total Liabilities and Shareholder's Equity

\$ 9,049,050

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

REVENUE	
Net Patient Service Revenue	\$ 14,343,262
Other Revenue - COVID Relief Funding	723,378
Other Revenue	<u>(3,364)</u>
Total Revenue	<u>15,063,276</u>
EXPENSES	
Nursing Services	5,548,074
Ancillaries	1,938,989
Dietary	1,034,434
Social Services	295,093
Activities	164,039
Medical Records	87,715
Laundry and Linen	131,907
Housekeeping	274,141
Facility Operations and Maintenance	738,729
Depreciation	19,544
Interest Expense	27
Taxes and Insurance	223,732
Employee Benefits	787,630
COVID-19 Expenses	779,575
General and Administrative	<u>2,396,146</u>
Total Expenses	<u>14,419,775</u>
Net Income	<u>\$ 643,501</u>

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

ASSETS

CURRENT ASSETS

Cash	\$	421,950
Patient Accounts Receivable, Net		804,202
Other Current Assets		75,071
Total Current Assets		1,301,223

ASSETS LIMITED AS TO USE

207,061

PROPERTY AND EQUIPMENT, NET

417,954

Total Assets

\$ 1,926,238

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	218,912
Accrued Wages and Other Liabilities		716,408
Tenant Deposits		7,000
Total Current Liabilities		942,320

OTHER LIABILITIES

Deferred Income		27,134
Total Other Liabilities		27,134

Total Liabilities

969,454

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 300,000 Shares Authorized; 281,450 Shares Issued and Outstanding		281,450
Retained Earnings		675,334
Total Shareholder's Equity		956,784

Total Liabilities and Shareholder's Equity

\$ 1,926,238

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

REVENUE	
Net Patient Service Revenue	\$ 13,810,995
Apartment Fees	616,447
Deposit Revenue	15,600
Other Revenue	28,867
Total Revenue	<u>14,371,909</u>
EXPENSES	
Nursing Services	4,643,266
Ancillaries	1,178,121
Dietary	1,116,827
Social Services	141,968
Activities	140,690
Medical Records	41,716
Laundry and Linen	136,551
Housekeeping	362,789
Facility Operations and Maintenance	635,487
Depreciation	78,555
Interest Expense	1,529
Taxes and Insurance	195,384
Employee Benefits	927,059
COVID-19 Expenses	1,082,063
General and Administrative	2,190,579
Total Expenses	<u>12,872,584</u>
OPERATING INCOME	1,499,325
NONOPERATING LOSS	
Change in Unrealized Losses on Investments	15,925
Other Nonoperating Loss	(1,357,107)
Total Nonoperating Loss	<u>(1,341,182)</u>
Net Income	<u>\$ 158,143</u>

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

ASSETS

CURRENT ASSETS

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

PROPERTY AND EQUIPMENT, NET

83,388

OTHER ASSETS

Intercompany Accounts		2,129,948
-----------------------	--	-----------

Total Assets

\$ 3,138,021

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

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

Total Liabilities

808,756

SHAREHOLDER'S EQUITY

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

Total Liabilities and Shareholder's Equity

\$ 3,138,021

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

REVENUE

Net Patient Service Revenue	\$ 8,038,383
Other Revenue - COVID Relief Funding	457,194
Other Revenue	(11,271)
Total Revenue	8,484,306

EXPENSES

Nursing Services	3,094,034
Ancillaries	1,280,827
Dietary	604,128
Social Services	130,058
Activities	103,878
Medical Records	42,257
Laundry and Linen	80,912
Housekeeping	190,553
Facility Operations and Maintenance	322,784
Depreciation	21,158
Interest Expense	619
Taxes and Insurance	114,777
Employee Benefits	559,415
COVID-19 Expenses	814,177
General and Administrative	1,649,394
Total Expenses	9,008,971

OPERATING LOSS

(524,665)

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

ASSETS

CURRENT ASSETS

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

PROPERTY AND EQUIPMENT, NET

201,615

OTHER ASSETS

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

Total Assets

\$ 4,568,529

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

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

OTHER LIABILITIES

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

Total Liabilities

542,514

SHAREHOLDER'S EQUITY

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

Total Liabilities and Shareholder's Equity

\$ 4,568,529

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

REVENUE	
Apartment Fees	\$ 2,139,201
Deposit Revenue	166,833
Other Revenue	20,538
Total Revenue	<u>2,326,572</u>
EXPENSES	
Nursing Services	-
Dietary	436,412
Activities	17,368
Laundry and Linen	(1,538)
Housekeeping	66,598
Facility Operations and Maintenance	431,465
Depreciation	44,494
Interest Expense	90
Taxes and Insurance	192,046
Employee Benefits	67,204
COVID-19 Expenses	3,586
General and Administrative	628,839
Total Expenses	<u>1,885,564</u>
Net Income	<u>\$ 441,008</u>

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

ASSETS

CURRENT ASSETS

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

PROPERTY AND EQUIPMENT, NET

27,109

OTHER ASSETS

Intercompany Accounts		1,479,550
Total Assets	\$	1,603,553

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

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

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 150,000 Shares Authorized; 147,787 Shares Issued and Outstanding		147,787
Retained Earnings		1,357,285
Total Shareholder's Equity		1,505,072
Total Liabilities and Shareholder's Equity	\$	1,603,553

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

REVENUE

Net Patient Service Revenue	\$ 1,161,639
Other Revenue	15,138
Total Revenue	<u>1,176,777</u>

EXPENSES

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

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

ASSETS

CURRENT ASSETS

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

PROPERTY AND EQUIPMENT, NET

159,783

OTHER ASSETS

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

Total Assets

\$ 7,416,663

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

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

Total Liabilities

1,069,526

SHAREHOLDER'S EQUITY

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

Total Liabilities and Shareholder's Equity

\$ 7,416,663

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

REVENUE

Net Patient Service Revenue	\$ 8,581,115
Other Revenue - COVID Relief Funding	845,481
Other Revenue	(531)
Total Revenue	<u>9,426,065</u>

EXPENSES

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

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

ASSETS

CURRENT ASSETS

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

PROPERTY AND EQUIPMENT, NET

143,912

OTHER ASSETS

Intercompany Accounts	<u>3,261,586</u>
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Total Assets

\$ 4,357,135

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

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

OTHER LIABILITIES

Asset Retirement Obligation	<u>157,039</u>
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Total Liabilities

866,963

SHAREHOLDER'S EQUITY

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

Total Liabilities and Shareholder's Equity

\$ 4,357,135

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

REVENUE

Net Patient Service Revenue	\$ 6,798,171
Other Revenue - COVID Relief Funding	786,449
Other Revenue (Loss)	<u>(698)</u>
Total Revenue	<u>7,581,922</u>

EXPENSES

Nursing Services	3,242,714
Ancillaries	552,016
Dietary	702,623
Social Services	112,945
Activities	129,329
Medical Records	26,872
Laundry and Linen	83,007
Housekeeping	292,840
Facility Operations and Maintenance	386,163
Depreciation	27,716
Interest Expense	559
Taxes and Insurance	128,987
Employee Benefits	538,771
COVID-19 Expenses	443,403
General and Administrative	<u>1,262,111</u>
Total Expenses	<u>7,930,056</u>
Net Loss	<u>\$ (348,134)</u>

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

ASSETS

CURRENT ASSETS

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

PROPERTY AND EQUIPMENT, NET

572,997

Total Assets

\$ 1,005,587

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

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

OTHER LIABILITIES

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

Total Liabilities

5,594,176

SHAREHOLDER'S DEFICIT

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

Total Liabilities and Shareholder's Deficit

\$ 1,005,587

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

REVENUE	
Net Patient Service Revenue	\$ 10,945,010
Other Revenue (Expense)	(3,309)
Total Revenue	<u>10,941,701</u>
EXPENSES	
Nursing Services	3,419,305
Ancillaries	1,276,347
Dietary	751,152
Social Services	201,702
Activities	99,031
Medical Records	33,780
Laundry and Linen	98,003
Housekeeping	183,190
Facility Operations and Maintenance	378,916
Depreciation	135,314
Interest Expense	199
Taxes and Insurance	423,833
Employee Benefits	645,329
COVID-19 Expenses	916,529
General and Administrative	1,792,885
Total Expenses	<u>10,355,495</u>
Net Income	<u>\$ 586,206</u>

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

ASSETS

CURRENT ASSETS	
Cash	\$ 50,150
PROPERTY AND EQUIPMENT, NET	<u>62,048</u>
Total Assets	<u>\$ 112,198</u>

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES	
Accrued Wages and Other Liabilities	\$ 90,488
OTHER LIABILITIES	
Intercompany Accounts	<u>3,316,963</u>
Total Liabilities	3,407,451
SHAREHOLDER'S DEFICIT	
Accumulated Deficit	<u>(3,295,253)</u>
Total Shareholder's Deficit	<u>(3,295,253)</u>
Total Liabilities and Shareholder's Deficit	<u>\$ 112,198</u>

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

REVENUE

Membership Fees	\$ 17,444
Total Revenue	<u>17,444</u>

EXPENSES

Dietary	1,408
Activities	3,603
Laundry and Linen	148
Housekeeping	31,631
Facility Operations and Maintenance	91,501
Depreciation	14,406
Interest Expense	-
Taxes and Insurance	99,080
Employee Benefits	24,534
COVID-19 Expenses	5,880
General and Administrative	176,457
Total Expenses	<u>448,648</u>

Net Loss	<u>\$ (431,204)</u>
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WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK AT NORTH GROVE, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2021
 (SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

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

PROPERTY AND EQUIPMENT, NET

944,509

OTHER ASSETS

Deferred Other Costs, Net	59,749
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Total Assets

\$ 2,223,515

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

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

OTHER LIABILITIES

Intercompany Accounts	1,183,325
Total Other Liabilities	1,183,325

Total Liabilities

3,023,878

SHAREHOLDER'S DEFICIT

Accumulated Deficit	(800,363)
Total Shareholder's Deficit	(800,363)

Total Liabilities and Shareholder's Deficit

\$ 2,223,515

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

REVENUE

Net Patient Service Revenue	\$ 12,300,284
Other Revenue - COVID Relief Funding	799,014
Other Revenue	501
Total Revenue	<u>13,099,779</u>

EXPENSES

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

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

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

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

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



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

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

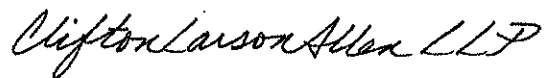
Management is responsible for the accompanying projected combined financial statements of White Oak Manor – Tryon, Inc., White Oak Manor – Burlington, Inc., and White Oak Manor – Charlotte, Inc., wholly-owned subsidiaries of White Oak Manor, Inc. (the "Combined Subsidiaries"), which comprise the projected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

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

Board of Directors
White Oak Manor, Inc.

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

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

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

CliftonLarsonAllen LLP

Charlotte, North Carolina
February 15, 2022

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

ASSETS	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000
Accounts Receivable, Net	2,442,921	2,735,114	2,993,786	3,266,456	3,379,288
Intercompany Accounts Receivable	467,806	1,041,576	1,737,405	2,555,942	3,936,921
Other Current Assets	192,060	199,742	207,732	216,041	224,682
Total Current Assets	<u>4,477,787</u>	<u>5,351,432</u>	<u>6,313,923</u>	<u>7,413,439</u>	<u>8,915,891</u>
ASSETS LIMITED AS TO USE - OPERATING RESERVE	877,615	948,993	1,014,517	1,076,302	1,106,561
MOVEABLE EQUIPMENT	6,769,222	7,009,836	7,257,667	7,512,932	7,775,852
Less: Accumulated Depreciation	5,360,798	5,702,825	6,056,513	6,422,211	6,800,280
Moveable Equipment, Net	<u>1,408,424</u>	<u>1,307,011</u>	<u>1,201,154</u>	<u>1,090,721</u>	<u>975,572</u>
Total Assets	<u>\$ 6,763,826</u>	<u>\$ 7,607,436</u>	<u>\$ 8,529,594</u>	<u>\$ 9,580,462</u>	<u>\$ 10,998,024</u>
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
LIABILITIES AND SHAREHOLDER'S EQUITY					
CURRENT LIABILITIES					
Accounts Payable	\$ 555,817	\$ 603,421	\$ 647,078	\$ 690,675	\$ 710,462
Accrued Wages and Other Liabilities	1,476,597	1,598,479	1,710,447	1,819,774	1,871,639
Intercompany Accounts Payable	766,623	927,506	760,030	294,056	-
Asset Retirement Obligation	117,494	117,494	117,494	117,494	117,494
Total Current Liabilities	<u>2,916,531</u>	<u>3,246,900</u>	<u>3,235,049</u>	<u>2,921,999</u>	<u>2,699,595</u>
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	578,721	668,334	698,952	671,611	618,618
Unearned Deposit Revenue - Refundable	-	-	-	-	-
Deposits on Apartments	109,748	109,963	110,182	110,406	110,634
Total Deferred Credits	<u>688,469</u>	<u>778,297</u>	<u>809,134</u>	<u>782,017</u>	<u>729,252</u>
LONG-TERM DEBT	-	-	-	-	-
Total Liabilities	<u>3,605,000</u>	<u>4,025,197</u>	<u>4,044,183</u>	<u>3,704,016</u>	<u>3,428,847</u>
SHAREHOLDER'S EQUITY					
Common Stock	887,153	887,153	887,153	887,153	887,153
Retained Earnings	2,271,673	2,695,086	3,598,258	4,989,293	6,682,024
Other Comprehensive Loss	-	-	-	-	-
Total Shareholder's Equity	<u>3,158,826</u>	<u>3,582,239</u>	<u>4,485,411</u>	<u>5,876,446</u>	<u>7,569,177</u>
Total Liabilities and Shareholder's Equity	<u>\$ 6,763,826</u>	<u>\$ 7,607,436</u>	<u>\$ 8,529,594</u>	<u>\$ 9,580,462</u>	<u>\$ 10,998,024</u>

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

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

	2022	2023	2024	2025	2026
REVENUES					
Patient Service Revenue	\$ 29,942,910	\$ 33,404,480	\$ 36,279,932	\$ 39,112,650	\$ 40,491,555
Apartment Rents	3,212,040	3,292,341	3,374,650	3,459,015	3,545,491
Deposit Amortization	270,000	225,787	284,782	342,741	368,393
Investment Income	74,681	67,578	69,720	71,685	73,539
Income From Provider Relief Funds	309,865	-	-	-	-
Other Revenue	36,600	37,515	38,453	39,415	40,400
Total Revenues	<u>33,846,096</u>	<u>37,027,701</u>	<u>40,047,537</u>	<u>43,025,506</u>	<u>44,519,378</u>
EXPENSES					
Nursing Services	13,581,920	14,845,822	15,888,229	16,915,154	17,399,431
Ancillaries	3,351,090	3,674,413	3,940,242	4,203,627	4,325,195
Dietary Expenses	3,189,420	3,464,602	3,693,322	3,914,362	4,024,332
Social Services	461,130	503,718	538,875	573,403	589,793
Activities	360,750	387,936	410,760	432,863	444,517
Medical Records	122,070	133,601	143,103	152,455	156,843
Laundry and Linen	440,400	482,555	517,291	551,280	567,240
Housekeeping	1,169,820	1,275,715	1,363,257	1,449,187	1,490,351
Facility Operations and Maintenance	1,965,420	2,141,491	2,287,501	2,428,230	2,497,326
Depreciation	330,705	342,027	353,688	365,698	378,069
Taxes and Insurance	693,000	760,416	815,960	869,928	895,300
Employee Benefits	2,366,730	2,592,776	2,779,139	2,960,880	3,046,623
COVID-19 Expenses	311,610	-	-	-	-
General and Administrative	5,498,790	5,999,216	6,412,998	6,817,404	7,011,627
Total Expenses	<u>33,842,655</u>	<u>36,604,288</u>	<u>39,144,365</u>	<u>41,634,471</u>	<u>42,826,647</u>
Net Income	<u>\$ 3,241</u>	<u>\$ 423,413</u>	<u>\$ 903,172</u>	<u>\$ 1,391,035</u>	<u>\$ 1,692,731</u>

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

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

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

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

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

	2022	2023	2024	2025	2026
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income	\$ 3,241	\$ 423,413	\$ 903,172	\$ 1,391,035	\$ 1,692,731
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:					
Depreciation	330,705	342,027	353,688	365,698	378,069
Deposit Amortization	(270,000)	(225,787)	(284,782)	(342,741)	(368,393)
Deposit Receipts	315,400	315,400	315,400	315,400	315,400
Change in Current Assets:					
Accounts Receivable	24,256	(292,193)	(258,672)	(272,670)	(112,832)
Intercompany Accounts Receivable	(467,806)	(573,770)	(695,829)	(818,537)	(931,086)
Other Current Assets	(7,387)	(7,682)	(7,990)	(8,309)	(8,641)
Change in Current Liabilities:					
Accounts Payable	(285)	47,604	43,657	43,597	19,787
Intercompany Accounts Payable	766,623	160,883	(167,476)	(465,974)	(743,949)
Medicare Advance Payments	(688,718)	-	-	-	-
Accrued Wages and Other Liabilities	(48,786)	121,882	111,968	109,327	51,865
Net Cash Provided by Operating Activities	<u>(42,757)</u>	<u>311,777</u>	<u>313,136</u>	<u>316,826</u>	<u>292,951</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(233,398)	(240,399)	(247,612)	(255,041)	(262,692)
Net Change in Assets Limited as to Use - Operating Reserve	279,570	(71,378)	(65,524)	(61,785)	(30,259)
Net Cash Used in Investing Activities	<u>46,172</u>	<u>(311,777)</u>	<u>(313,136)</u>	<u>(316,826)</u>	<u>(292,951)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Distributions to Shareholder	-	-	-	-	-
Net Cash Used in Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,415	-	-	-	-
Cash and Cash Equivalents - Beginning of Year	<u>1,371,585</u>	<u>1,375,000</u>	<u>1,375,000</u>	<u>1,375,000</u>	<u>1,375,000</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,375,000</u>	<u>\$ 1,375,000</u>	<u>\$ 1,375,000</u>	<u>\$ 1,375,000</u>	<u>\$ 1,375,000</u>

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

Summary of Significant Projection Assumptions and Accounting Policies

BASIS OF PRESENTATION

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

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

Management's hypothetical assumptions are as follows:

- The World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Combined Subsidiaries, COVID-19 may impact various parts of its 2022 operations and financial results including but not limited to additional costs for emergency preparedness, disease control and containment, potential shortages of healthcare personnel, or loss of revenue due to reductions in certain revenue streams. The full impact of COVID-19 is unknown and cannot be reasonably estimated as of the date of this Projection. While COVID-19 did impact the Combined Subsidiaries' occupancies in fiscal year 2021, Management has projected occupancy recoveries, as presented during the Projection Period.
- Management is able to achieve the projected operating revenue inflationary rate increases, operating expense inflationary increases, and occupancy increases as described hereinafter.

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

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

Summary of Significant Projection Assumptions and Accounting Policies

BASIS OF PRESENTATION

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

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

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

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

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

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

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

Summary of Significant Accounting Policies

Cash Equivalents

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

Allowance for Uncollectible Accounts

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

Assets Limited as to Use – Operating Reserve

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

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Moveable Equipment

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

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

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

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

Revenue Recognition

Patient service revenue is reported at the amount that reflects the consideration to which the Combined Subsidiaries expect to be entitled in exchange for providing resident and patient care. These amounts are due from residents, patients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Revenue is recognized as performance obligations are satisfied.

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

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

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

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Medicaid – Standard Payments to Nursing Facilities

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

Medicare – Prospective Payment System Payments to Skilled Nursing Facilities

The Combined Subsidiaries' licensed nursing facilities participate in the Medicare program. This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). The nursing facilities are paid the Patient Driven Payment Model (PDPM). The PDPM payment system operates similar to Medicare's previous prospective payment system (PPS) in that patients are assigned standard rates of payment for their specific needs. Under PDPM, therapy minutes are removed as the primary basis for payment and instead, uses the underlying complexity and clinical needs of a patient as a basis for reimbursement. In addition, PDPM introduces variable adjustment factors that change reimbursement rates during the resident's length of stay. Therapy services to residents not in a covered Part A stay remain the same. Annual cost reports are required to be submitted to the designated Medicare Administrative Contractor; however, they do not contain a cost settlement.

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

Other

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

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Combined Subsidiaries estimate the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to resident service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense.

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

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

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

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value of Financial Instruments

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

Income Taxes

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

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES

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

Facility Utilization

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

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

Revenue

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

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

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

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES

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

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

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

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF EXPENSES

Cost and Expenses

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

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

Distribution to Shareholder

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

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS

Operating Reserve

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

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

WHITE OAK MANOR - TRYON	2022	2023	2024	2025	2026
Total Projected Operating Expenses:					
Projected SNF Expense	\$ 7,804,874	\$ 8,298,582	\$ 8,758,351	\$ 9,123,112	\$ 9,372,374
Projected Apartment Expense	1,807,040	1,821,346	2,027,796	2,112,248	2,169,959
	9,611,914	10,219,928	10,786,147	11,235,360	11,542,333
Total Projected Depreciation Expense:					
Projected SNF Depreciation	82,812	84,379	85,993	87,655	89,367
Projected Apartment Depreciation	73,732	75,127	76,564	78,044	79,568
	156,544	159,506	162,557	165,699	168,935
Total Patient Days - SNF	19,676	21,053	22,106	22,769	22,997
Total Patient Days Attributable to Apartment Residents	472	505	530	547	552
% of SNF Patient Days Attributable to Apartment Residents	2.40%	2.40%	2.40%	2.40%	2.40%
% of SNF Days Attributable to SNF Only Residents	97.60%	97.60%	97.60%	97.60%	97.60%
Calculation of Excluded SNF Expenses	7,617,557	8,099,416	8,548,151	8,904,157	9,147,437
Calculation of Included SNF Expenses	187,317	199,166	210,200	218,955	224,937
Calculation of Included SNF Depreciation	1,987	2,025	2,064	2,104	2,145
Expenses Subject to DOI Approved Operating Reserve	1,918,638	2,043,360	2,159,368	2,251,055	2,313,183
Operating Reserve Percentage	25%	25%	25%	25%	25%
Projected Reserve Requirement	\$ 479,660	\$ 510,840	\$ 539,842	\$ 562,764	\$ 578,296
Projected Occupancy as of Year End	93.2%	94.0%	94.0%	94.0%	94.0%

Summary of Significant Projection Assumptions and Accounting Policies

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

Operating Reserve (continued)

<u>WHITE OAK MANOR - BURLINGTON</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Total Projected Operating Expenses:					
Projected SNF Expense	\$ 10,390,785	\$ 11,750,063	\$ 12,969,427	\$ 14,338,504	\$ 14,752,320
Projected Apartment Expense	952,867	1,077,517	1,189,336	1,314,885	1,352,833
	<u>11,343,652</u>	<u>12,827,580</u>	<u>14,158,763</u>	<u>15,653,389</u>	<u>16,105,153</u>
Total Projected Depreciation Expense:					
Projected SNF Depreciation	67,161	70,162	73,254	76,438	79,718
Projected Apartment Depreciation	20,861	21,784	22,754	23,743	24,762
	<u>88,022</u>	<u>91,956</u>	<u>96,008</u>	<u>100,181</u>	<u>104,480</u>
Total Patient Days - SNF	34,769	39,984	43,982	48,380	48,864
Total Patient Days Attributable to Apartment Residents	117	135	148	165	168
% of SNF Patient Days Attributable to Apartment Residents	0.34%	0.34%	0.34%	0.34%	0.34%
% of SNF Days Attributable to SNF Only Residents	99.66%	99.66%	99.66%	99.66%	99.66%
Calculation of Excluded SNF Expenses	10,355,456	11,710,113	12,925,331	14,289,753	14,702,162
Calculation of Included SNF Expenses	35,329	39,950	44,096	48,751	50,158
Calculation of Included SNF Depreciation	228	239	249	260	271
Expenses Subject to DOI Approved Operating Reserve	967,107	1,095,434	1,210,429	1,339,633	1,377,958
Operating Reserve Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Projected Reserve Requirement	<u>\$ 241,777</u>	<u>\$ 273,859</u>	<u>\$ 302,607</u>	<u>\$ 334,908</u>	<u>\$ 344,490</u>
Projected Occupancy as of Year End	<u>94.3%</u>	<u>96.2%</u>	<u>96.2%</u>	<u>96.2%</u>	<u>96.2%</u>
<u>WHITE OAK MANOR - CHARLOTTE</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Total Projected Operating Expenses:					
Projected SNF Expense	\$ 12,307,361	\$ 12,946,725	\$ 13,560,480	\$ 14,082,165	\$ 14,498,099
Projected Apartment Expense	579,928	610,055	638,975	663,557	683,062
	<u>12,887,289</u>	<u>13,556,780</u>	<u>14,199,455</u>	<u>14,745,722</u>	<u>15,179,161</u>
Total Projected Depreciation Expense:					
Projected SNF Depreciation	67,275	70,731	74,291	77,958	81,735
Projected Apartment Depreciation	18,864	19,834	20,832	21,860	22,919
	<u>86,139</u>	<u>90,565</u>	<u>95,123</u>	<u>99,818</u>	<u>104,654</u>
Total Patient Days - SNF	43,335	45,502	46,867	47,804	48,282
Total Patient Days Attributable to Apartment Residents	224	235	242	250	252
% of SNF Patient Days Attributable to Apartment Residents	0.52%	0.52%	0.52%	0.52%	0.52%
% of SNF Days Attributable to SNF Only Residents	99.48%	99.48%	99.48%	99.48%	99.48%
Calculation of Excluded SNF Expenses	12,243,363	12,879,402	13,489,966	14,008,938	14,420,719
Calculation of Included SNF Expenses	63,998	67,323	70,514	73,227	75,380
Calculation of Included SNF Depreciation	350	368	386	405	425
Expenses Subject to DOI Approved Operating Reserve	624,712	657,176	688,271	714,519	735,098
Operating Reserve Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Projected Reserve Requirement	<u>\$ 156,178</u>	<u>\$ 184,294</u>	<u>\$ 172,068</u>	<u>\$ 178,630</u>	<u>\$ 183,775</u>
Projected Occupancy as of Year End	<u>93.9%</u>	<u>93.9%</u>	<u>93.9%</u>	<u>93.9%</u>	<u>93.9%</u>

See Independent Accountants' Compilation Report

Summary of Significant Projection Assumptions and Accounting Policies

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

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

Intercompany Accounts

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

Commitments and Contingencies

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

Current Assets and Current Liabilities

Cash and Cash Equivalents

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

Accounts Receivable, Net

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

Other Current Assets

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

Accounts Payable

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

Accrued Wages and Other Liabilities

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

Asset Retirement Obligation

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

Summary of Significant Projection Assumptions and Accounting Policies

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

Other Items

Medicare Accelerated and Advance Payment Program

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

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

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

Provider Relief Funds

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



**INDEPENDENT ACCOUNTANTS' COMPILATION REPORT ON
SUPPLEMENTAL INFORMATION**

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
February 15, 2022

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

ASSETS	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000
Patient Accounts Receivable, Net	323,381	350,132	373,516	392,297	405,433
Intercompany Accounts Receivable	-	-	-	-	49,584
Other Current Assets	39,277	40,848	42,482	44,181	45,948
Total Current Assets	<u>912,656</u>	<u>940,980</u>	<u>965,998</u>	<u>986,478</u>	<u>1,050,965</u>
ASSETS LIMITED AS TO USE - OPERATING RESERVE	479,660	510,840	539,842	562,764	578,296
MOVEABLE EQUIPMENT	2,898,966	2,953,817	3,010,311	3,068,499	3,128,430
Less: Accumulated Depreciation	<u>2,278,599</u>	<u>2,438,105</u>	<u>2,600,662</u>	<u>2,766,361</u>	<u>2,935,296</u>
Moveable Equipment, Net	<u>620,367</u>	<u>515,712</u>	<u>409,649</u>	<u>302,138</u>	<u>193,134</u>
Total Assets	<u>\$ 2,012,685</u>	<u>\$ 1,967,532</u>	<u>\$ 1,915,489</u>	<u>\$ 1,851,380</u>	<u>\$ 1,822,395</u>
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
LIABILITIES AND SHAREHOLDER'S EQUITY					
CURRENT LIABILITIES					
Accounts Payable	\$ 129,526	\$ 137,814	\$ 145,529	\$ 151,639	\$ 155,800
Accrued Wages and Other Liabilities	492,197	523,693	553,009	576,229	592,040
Intercompany Accounts Payable	216,322	279,990	248,229	133,141	-
Asset Retirement Obligation	38,460	38,460	38,460	38,460	38,460
Total Current Liabilities	<u>876,505</u>	<u>979,957</u>	<u>985,227</u>	<u>899,469</u>	<u>786,300</u>
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	384,054	423,966	425,851	390,696	340,192
Unearned Deposit Revenue - Refundable	-	-	-	-	-
Deposits on Apartments	<u>94,993</u>	<u>95,208</u>	<u>95,427</u>	<u>95,651</u>	<u>95,879</u>
Total Deferred Credits	<u>479,047</u>	<u>519,174</u>	<u>521,278</u>	<u>486,347</u>	<u>436,071</u>
LONG-TERM DEBT	-	-	-	-	-
Total Liabilities	1,355,552	1,499,131	1,506,505	1,385,816	1,222,371
SHAREHOLDER'S EQUITY					
Common Stock, par value \$1 per share; 350,000 shares authorized, 296,213 shares issued and outstanding	296,213	296,213	296,213	296,213	296,213
Retained Earnings	360,920	172,188	112,771	169,351	303,811
Other Comprehensive Income	-	-	-	-	-
Total Shareholder's Equity	<u>657,133</u>	<u>468,401</u>	<u>408,984</u>	<u>465,564</u>	<u>600,024</u>
Total Liabilities and Shareholder's Equity	<u>\$ 2,012,685</u>	<u>\$ 1,967,532</u>	<u>\$ 1,915,489</u>	<u>\$ 1,851,380</u>	<u>\$ 1,822,395</u>

See Independent Accountants' Compilation Report on Supplemental Information

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

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
REVENUES					
Net Patient Service Revenue	\$ 7,306,290	\$ 8,013,047	\$ 8,624,180	\$ 9,104,905	\$ 9,425,981
Apartment Rents	1,752,000	1,795,800	1,840,695	1,886,712	1,933,880
Deposit Amortization	170,400	169,688	207,715	244,755	260,104
Investment Income	36,000	30,890	31,825	32,695	33,383
Other Revenue	21,240	21,771	22,315	22,873	23,445
Total Revenues	<u>9,285,930</u>	<u>10,031,196</u>	<u>10,726,730</u>	<u>11,291,940</u>	<u>11,676,793</u>
EXPENSES					
Nursing Services	3,516,240	3,759,109	3,969,537	4,138,211	4,249,702
Ancillaries	795,330	850,246	897,827	935,517	961,183
Dietary Expenses	1,064,160	1,137,659	1,201,341	1,251,782	1,286,129
Social Services	125,520	134,209	141,736	147,697	151,753
Activities	102,060	109,101	115,202	120,035	123,328
Medical Records	32,250	34,499	36,446	37,986	39,032
Laundry and Linen	133,470	142,695	150,688	157,019	161,328
Housekeeping	316,320	338,165	357,092	372,084	382,293
Facility Operations and Maintenance	707,340	756,203	798,539	832,072	854,903
Depreciation	166,544	159,506	162,557	165,699	168,935
Taxes and Insurance	240,600	257,204	271,591	282,988	290,751
Employee Benefits	769,810	812,270	857,723	893,727	918,247
COVID-19 Expenses	44,940	-	-	-	-
General and Administrative	1,617,330	1,729,062	1,825,868	1,902,543	1,954,749
Total Expenses	<u>9,611,914</u>	<u>10,219,928</u>	<u>10,786,147</u>	<u>11,235,360</u>	<u>11,542,333</u>
Net Income (Loss)	<u>\$ (325,984)</u>	<u>\$ (188,732)</u>	<u>\$ (59,417)</u>	<u>\$ 56,580</u>	<u>\$ 134,460</u>

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

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholder's Equity
BALANCE, SEPTEMBER 30, 2021	\$ 296,213	\$ 686,904	\$ -	\$ 983,117
Net Loss	-	(325,984)	-	(325,984)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2022	296,213	360,920	-	657,133
Net Loss	-	(188,732)	-	(188,732)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2023	296,213	172,188	-	468,401
Net Loss	-	(59,417)	-	(59,417)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2024	296,213	112,771	-	408,984
Net Income	-	56,580	-	56,580
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2025	296,213	169,351	-	465,564
Net Income	-	134,460	-	134,460
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2026	<u>\$ 296,213</u>	<u>\$ 303,811</u>	<u>\$ -</u>	<u>\$ 600,024</u>

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

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

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

ASSETS	2022	2023	2024	2025	2026
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Patient Accounts Receivable, Net	1,382,397	1,611,426	1,804,526	2,021,945	2,091,930
Intercompany Accounts Receivable	-	-	-	-	400,309
Other Current Assets	74,709	77,697	80,805	84,037	87,398
Total Current Assets	<u>1,857,106</u>	<u>2,089,123</u>	<u>2,285,331</u>	<u>2,505,982</u>	<u>2,979,637</u>
ASSETS LIMITED AS TO USE - OPERATING RESERVE	241,777	273,859	302,807	334,908	344,490
MOVEABLE EQUIPMENT	1,956,047	2,043,465	2,133,506	2,226,248	2,321,772
Less: Accumulated Depreciation	1,595,286	1,687,242	1,783,250	1,883,431	1,987,911
Moveable Equipment, Net	<u>360,761</u>	<u>356,223</u>	<u>350,256</u>	<u>342,817</u>	<u>333,861</u>
Total Assets	<u>\$ 2,459,644</u>	<u>\$ 2,719,205</u>	<u>\$ 2,938,194</u>	<u>\$ 3,183,707</u>	<u>\$ 3,657,988</u>
	2022	2023	2024	2025	2026
LIABILITIES AND SHAREHOLDER'S EQUITY					
CURRENT LIABILITIES					
Accounts Payable	\$ 215,881	\$ 244,245	\$ 269,697	\$ 298,281	\$ 306,862
Accrued Wages and Other Liabilities	493,397	558,274	616,450	681,784	701,399
Intercompany Accounts Payable	550,301	647,516	511,801	160,915	-
Asset Retirement Obligation	79,034	79,034	79,034	79,034	79,034
Total Current Liabilities	<u>1,338,593</u>	<u>1,529,069</u>	<u>1,476,982</u>	<u>1,220,014</u>	<u>1,087,295</u>
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	168,433	212,101	237,662	245,145	243,681
Unearned Deposit Revenue - Refundable	-	-	-	-	-
Deposits on Apartments	7,755	7,755	7,755	7,755	7,755
Total Deferred Credits	<u>176,188</u>	<u>219,856</u>	<u>245,417</u>	<u>252,900</u>	<u>251,436</u>
LONG-TERM DEBT	-	-	-	-	-
Total Liabilities	1,514,781	1,748,925	1,722,399	1,472,914	1,338,731
SHAREHOLDER'S EQUITY					
Common Stock, par value \$1 per share; 350,000 shares authorized, 309,490 shares issued and outstanding	309,490	309,490	309,490	309,490	309,490
Retained Earnings	635,373	660,790	906,305	1,401,303	2,009,767
Total Shareholder's Equity	<u>944,863</u>	<u>970,280</u>	<u>1,215,795</u>	<u>1,710,793</u>	<u>2,319,257</u>
Total Liabilities and Shareholder's Equity	<u>\$ 2,459,644</u>	<u>\$ 2,719,205</u>	<u>\$ 2,938,194</u>	<u>\$ 3,183,707</u>	<u>\$ 3,657,988</u>

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

	2022	2023	2024	2025	2026
REVENUES					
Patient Service Revenue	\$ 10,036,740	\$ 11,830,725	\$ 13,339,046	\$ 15,039,728	\$ 15,569,943
Apartment Rents	931,080	954,357	978,216	1,002,671	1,027,738
Deposit Amortization	84,000	47,432	65,539	83,617	92,564
Investment Income	19,811	19,253	20,216	21,078	22,047
Other Revenue	1,200	1,230	1,261	1,293	1,325
Total Revenues	<u>11,072,831</u>	<u>12,852,987</u>	<u>14,404,278</u>	<u>16,148,387</u>	<u>16,713,617</u>
EXPENSES					
Nursing Services	4,720,070	5,392,334	5,954,270	6,585,380	6,774,822
Ancillaries	1,251,090	1,429,292	1,578,248	1,745,535	1,795,756
Dietary Expenses	916,380	1,046,920	1,158,035	1,278,579	1,315,366
Social Services	166,630	178,928	197,667	218,499	224,784
Activities	86,220	98,499	108,763	120,290	123,751
Medical Records	43,470	49,616	54,765	60,526	62,264
Laundry and Linen	154,770	176,752	195,129	215,767	221,970
Housekeeping	385,980	440,918	486,840	538,413	553,900
Facility Operations and Maintenance	587,820	671,514	741,473	820,041	843,632
Depreciation	88,022	91,956	96,008	100,181	104,480
Taxes and Insurance	240,240	274,487	303,113	335,281	344,909
Employee Benefits	813,930	929,922	1,026,875	1,135,762	1,168,443
COVID-19 Expenses	107,700	-	-	-	-
General and Administrative	1,791,330	2,046,442	2,259,687	2,499,175	2,571,076
Total Expenses	<u>11,343,652</u>	<u>12,827,580</u>	<u>14,158,763</u>	<u>16,653,389</u>	<u>16,105,153</u>
Net Income (Loss)	<u>\$ (270,821)</u>	<u>\$ 25,417</u>	<u>\$ 245,515</u>	<u>\$ 494,998</u>	<u>\$ 608,464</u>

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

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholder's Equity
BALANCE, SEPTEMBER 30, 2021	\$ 309,490	\$ 906,194	\$ -	\$ 1,215,684
Net Loss	-	(270,821)	-	(270,821)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2022	309,490	835,373	-	944,863
Net Income	-	25,417	-	25,417
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2023	309,490	860,790	-	970,280
Net Income	-	245,515	-	245,515
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2024	309,490	906,305	-	1,215,795
Net Income	-	494,998	-	494,998
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2025	309,490	1,401,303	-	1,710,793
Net Income	-	608,464	-	608,464
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2026	<u>\$ 309,490</u>	<u>\$ 2,009,767</u>	<u>\$ -</u>	<u>\$ 2,319,257</u>

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

	2022	2023	2024	2025	2026
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income (Loss)	\$ (270,821)	\$ 25,417	\$ 245,515	\$ 494,898	\$ 608,464
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:					
Depreciation	88,022	91,956	96,008	100,181	104,480
Deposit Amortization	(84,000)	(47,432)	(65,539)	(83,617)	(92,564)
Deposit Receipts	91,100	91,100	91,100	91,100	91,100
Change In Current Assets:					
Accounts Receivable	(34,736)	(229,029)	(193,100)	(217,419)	(69,985)
Other Current Assets	(2,873)	(2,988)	(3,108)	(3,232)	(3,361)
Change In Current Liabilities:					
Accounts Payable	(3,510)	28,384	25,452	28,584	8,581
Intercompany Accounts Payable	550,301	97,215	(135,715)	(350,886)	(561,224)
Medicare Advance Payments	(255,427)	-	-	-	-
Accrued Wages and Other Liabilities	(11,781)	64,877	58,176	65,334	19,615
Net Cash Provided by Operating Activities	<u>66,275</u>	<u>119,500</u>	<u>118,789</u>	<u>125,043</u>	<u>105,106</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(84,872)	(87,418)	(90,041)	(92,742)	(95,524)
Net Change In Assets Limited as to Use - Operating Reserve	<u>16,737</u>	<u>(32,082)</u>	<u>(28,748)</u>	<u>(32,301)</u>	<u>(9,582)</u>
Net Cash Used in Investing Activities	<u>(68,135)</u>	<u>(119,500)</u>	<u>(118,789)</u>	<u>(125,043)</u>	<u>(105,106)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Distributions to Shareholder	-	-	-	-	-
Net Cash Used in Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,860)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash Equivalents - Beginning of Year	<u>401,860</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>

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

ASSETS	2022	2023	2024	2025	2026
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000
Accounts Receivable, Net	737,143	773,556	815,744	852,214	881,925
Intercompany Accounts Receivable	467,806	1,041,576	1,737,405	2,555,942	3,487,028
Other Current Assets	78,074	81,197	84,445	87,823	91,336
Total Current Assets	<u>1,708,023</u>	<u>2,321,329</u>	<u>3,062,594</u>	<u>3,920,979</u>	<u>4,885,289</u>
ASSETS LIMITED AS TO USE - OPERATING RESERVE	156,178	164,294	172,068	178,630	183,775
MOVEABLE EQUIPMENT					
Less: Accumulated Depreciation	1,914,209	2,012,554	2,113,850	2,218,185	2,325,650
Moveable Equipment, Net	<u>1,486,913</u>	<u>1,577,478</u>	<u>1,672,601</u>	<u>1,772,419</u>	<u>1,877,073</u>
Total Assets	<u>\$ 2,291,497</u>	<u>\$ 2,920,699</u>	<u>\$ 3,675,911</u>	<u>\$ 4,545,375</u>	<u>\$ 5,517,641</u>
LIABILITIES AND SHAREHOLDER'S EQUITY					
CURRENT LIABILITIES					
Accounts Payable	\$ 210,430	\$ 221,362	\$ 231,852	\$ 240,755	\$ 247,800
Accrued Wages and Other Liabilities	491,003	516,512	540,988	561,761	578,200
Total Current Liabilities	<u>701,433</u>	<u>737,874</u>	<u>772,840</u>	<u>802,516</u>	<u>826,000</u>
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	26,234	32,267	35,439	35,770	34,745
Unearned Deposit Revenue - Refundable	-	-	-	-	-
Deposits on Apartments	7,000	7,000	7,000	7,000	7,000
Total Deferred Credits	<u>33,234</u>	<u>39,267</u>	<u>42,439</u>	<u>42,770</u>	<u>41,745</u>
LONG-TERM DEBT					
Total Liabilities	<u>734,667</u>	<u>777,141</u>	<u>815,279</u>	<u>845,286</u>	<u>867,745</u>
SHAREHOLDER'S EQUITY					
Common Stock, par value \$1 per share; 300,000 shares authorized, 281,450 shares issued and outstanding	281,450	281,450	281,450	281,450	281,450
Retained Earnings	1,275,380	1,862,108	2,579,182	3,418,639	4,368,446
Other Comprehensive Loss	-	-	-	-	-
Total Shareholder's Equity	<u>1,558,830</u>	<u>2,143,558</u>	<u>2,860,632</u>	<u>3,700,089</u>	<u>4,649,896</u>
Total Liabilities and Shareholder's Equity	<u>\$ 2,291,497</u>	<u>\$ 2,920,699</u>	<u>\$ 3,675,911</u>	<u>\$ 4,545,375</u>	<u>\$ 5,517,641</u>

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

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
REVENUES					
Patient Service Revenue	\$ 12,599,880	\$ 13,560,708	\$ 14,316,706	\$ 14,968,017	\$ 15,495,631
Apartment Rents	528,960	542,184	555,739	589,632	583,873
Deposit Amortization	15,600	8,667	11,528	14,369	15,725
Investment Income	18,870	17,435	17,879	17,912	18,109
Income From Provider Relief Funds	309,865	-	-	-	-
Other Revenue	14,160	14,514	14,877	15,249	15,630
Total Revenues	<u>13,487,335</u>	<u>14,143,508</u>	<u>14,916,529</u>	<u>15,585,179</u>	<u>16,128,968</u>
COST AND EXPENSES					
Nursing Services	5,345,810	5,694,379	5,964,422	6,193,583	6,374,907
Ancillaries	1,304,870	1,394,875	1,464,167	1,522,675	1,568,256
Dietary Expenses	1,208,880	1,280,023	1,335,946	1,384,001	1,422,837
Social Services	178,980	190,581	199,572	207,207	213,256
Activities	172,470	180,336	186,795	192,538	197,438
Medical Records	46,350	49,486	51,902	53,943	55,547
Laundry and Linen	152,160	163,108	171,474	178,494	183,942
Housekeeping	467,520	496,632	519,325	538,690	554,158
Facility Operations and Maintenance	670,260	713,774	747,489	776,117	798,791
Depreciation	86,139	90,565	95,123	99,818	104,654
Taxes and Insurance	212,160	228,725	241,256	251,679	259,640
Employee Benefits	792,990	850,584	894,541	931,391	959,933
COVID-19 Expenses	158,970	-	-	-	-
General and Administrative	2,090,130	2,223,712	2,327,443	2,415,686	2,485,802
Total Expenses	<u>12,887,289</u>	<u>13,556,780</u>	<u>14,199,455</u>	<u>14,745,722</u>	<u>15,179,161</u>
Net Income	<u>\$ 600,046</u>	<u>\$ 586,728</u>	<u>\$ 717,074</u>	<u>\$ 839,457</u>	<u>\$ 949,807</u>

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

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

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

	2022	2023	2024	2025	2026
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income	\$ 600,046	\$ 586,728	\$ 717,074	\$ 839,457	\$ 949,807
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:					
Depreciation	86,139	90,565	95,123	99,818	104,654
Deposit Amortization	(15,600)	(8,667)	(11,528)	(14,369)	(15,725)
Deposit Receipts	14,700	14,700	14,700	14,700	14,700
Change in Current Assets:					
Accounts Receivable	67,059	(36,413)	(42,188)	(36,470)	(29,711)
Intercompany Accounts Receivable	(467,806)	(573,770)	(695,829)	(818,537)	(931,086)
Other Current Assets	(3,003)	(3,123)	(3,248)	(3,378)	(3,513)
Change in Current Liabilities:					
Accounts Payable	(8,482)	10,932	10,490	8,903	7,045
Medicare Advance Payments	(160,405)	-	-	-	-
Accrued Wages and Other Liabilities	(65,000)	25,509	24,476	20,773	16,439
Net Cash Provided by Operating Activities	<u>47,648</u>	<u>106,461</u>	<u>109,070</u>	<u>110,897</u>	<u>112,610</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(95,481)	(98,345)	(101,298)	(104,335)	(107,465)
Net Change in Assets Limited as to Use - Operating Reserve	50,883	(8,116)	(7,774)	(6,562)	(5,145)
Net Cash Used in Investing Activities	<u>(44,598)</u>	<u>(106,461)</u>	<u>(109,070)</u>	<u>(110,897)</u>	<u>(112,610)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Distributions to Shareholder	-	-	-	-	-
Net Cash Used in Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,050	-	-	-	-
Cash and Cash Equivalents - Beginning of Year	<u>421,950</u>	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ 425,000</u>

See Independent Accountants' Compilation Report on Supplemental Information

Attachment III

Consolidated Statement of Operations

Charlotte Consolidated (CHCO)

12/1/21 to 12/31/21

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
4,665	4,714	49 *			5010 Resident Revenue	13,661	13,952	291 *		
47,758	22,240	25,518	42.30	21.74	5100 Private Pay	113,302	66,720	46,582	36.21	21.98
3,847	28,210	24,363 *	549.51	455.00	5200 Medicare Part A	163,489	84,630	78,859	512.51	459.95
686,875	881,940	195,065 *	305.96	307.51	5300 Medicaid	1,984,020	2,645,820	661,800 *	305.70	312.01
33,426		33,426	306.66		5400 Medicaid Pending	70,960		70,960	315.38	
(18,739)	5,130	23,869 *	307.19	320.63	5500 Insurance	(1,043)	15,390	16,433 *		327.45
79,175	9,200	69,975	182.01	195.74	5600 Managed Care	211,868	27,600	184,268	174.38	198.56
45,624	51,910	6,286 *	9.78	11.01	5700 Medicare Part B	121,834	155,730	33,896 *	8.92	11.16
62,834	52,640	10,194	308.01	307.84	5800 Hospice	188,781	157,920	30,861	307.46	311.48
192,312	182,500	9,812	322.13	346.30	5850 Veterans Admin	538,696	547,500	8,804 *	322.77	351.19
49,793	48,680	1,113	44.10	47.59	5900 Apartment Revenues	144,362	146,040	1,678 *	46.14	48.10
1,182,904	1,282,450	99,546 *	253.57	272.05	Total Resident Revenue	3,536,269	3,847,350	311,081 *	258.86	275.76
14	880	866 *	0.00	0.19	6000 Other Revenues	5,111	2,640	2,471	0.37	0.19
1,182,918	1,283,330	100,412 *	253.57	272.24	Total Revenue	3,541,380	3,849,990	308,610 *	259.23	275.95
					7000 Operating Costs					
11,044	18,380	7,336	2.37	3.90	7101 Nursing Administration	44,169	55,140	10,971	3.23	3.95
432,519	416,530	15,989 *	92.72	88.36	7200 Nursing Service	1,165,005	1,249,590	84,585	85.28	89.56
9,181	13,210	4,029	1.97	2.80	7250 COVID-19	28,753	39,630	10,877	2.10	2.84
80,576	103,090	22,514	17.27	21.87	7300 Ancillaries	294,327	309,270	14,943	21.55	22.17
103,531	98,550	4,981 *	22.19	20.91	7400 Dietary	285,003	295,650	10,647	20.86	21.19
21,299	17,130	4,169 *	4.57	3.63	7500 Social Services	60,025	51,390	8,635 *	4.39	3.68
12,325	13,630	1,305	2.64	2.89	7600 Activities	35,099	40,890	5,791	2.57	2.93
3,536	3,780	244	0.76	0.80	7700 Medical Records	10,707	11,340	633	0.78	0.81
8,713	11,230	2,517	1.87	2.38	7800 Laundry	23,441	33,690	10,249	1.72	2.41
36,198	38,240	2,042	7.76	8.11	7900 Housekeeping	111,182	114,720	3,538	8.14	8.22
59,548	55,120	4,428 *	12.76	11.69	8000 Plant Operations and Maint.	154,584	165,360	10,776	11.32	11.85
3,978	6,300	2,322	0.85	1.34	8100 Transportation	8,129	18,900	10,771	0.60	1.35
8,250	8,250		1.77	1.75	8200 Depreciation	24,750	24,750		1.81	1.77
30,299	30,100	199 *	6.49	6.39	8300 Interest, Amortization & Lease	90,709	90,300	409 *	6.64	6.47
17,863	17,680	183 *	3.83	3.75	8400 Taxes and Insurance	53,143	53,040	103 *	3.89	3.80
33,575	56,080	22,505	7.20	11.90	8500 Employee Benefits	142,781	168,240	25,459	10.45	12.06
129,702	132,920	3,219	27.80	28.20	8600 General and Administration	395,176	398,760	3,584	28.93	28.58
5,100	6,100	1,000	1.09	1.29	8800 Other Costs	16,197	18,300	2,103	1.19	1.31
1,007,237	1,046,320	39,083	215.91	221.96	Total Operating Costs	2,943,180	3,138,960	195,781	215.44	224.98
175,681	237,010	61,329 *	37.66	50.28	Total Income/Loss from Operations	598,200	711,030	112,830 *	43.79	50.96
175,681	237,010	61,329 *	37.66	50.28	Total Net Income Before Taxes	598,200	711,030	112,830 *	43.79	50.96

* Unfavorable Differences

Consolidated Statement of Operations

Charlotte Consolidated (CHCO)

12/1/21 to 12/31/21

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
175,681	237,010	61,329 *	37.66	50.28	Total Net Income/Loss	598,200	711,030	112,830 *	43.79	50.96

* Unfavorable Differences

Consolidated Statement of Operations

Charlotte Consolidated (CHCO)

12/1/21 to 12/31/21

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
4,665	4,714	49 *			5010 Resident Revenue	13,661	13,952	291 *		
1,129	1,023	106			5100 Private Pay	3,129	3,036	93		
47,736	22,070	25,666	42.28	21.57	5101 Routine Services - PVT	113,191	66,210	46,981	36.17	21.81
28	70	42 *	0.02	0.07	5102 Medical Supplies- PVT	34	210	176 *	0.01	0.07
	10	10 *		0.01	5104 Oxygen - PVT		30	30 *		0.01
	50	50 *		0.05	5110 Fluidized Bed - PVT		150	150 *		0.05
	40	40 *		0.04	5113 Transportation - PVT	83	120	38 *	0.03	0.04
(6)		6 *	(0.01)		5120 Contractual Adjustment - PVT	(6)		6 *	0.00	
47,758	22,240	25,518	42.30	21.74	Total Private Pay	113,302	66,720	46,582	36.21	21.98
7	62	55 *			5200 Medicare Part A	319	184	135		
3,577	28,200	24,623 *	510.93	454.84	5201 Routine Services-MCR A	165,837	84,600	81,237	519.86	459.78
13	270	257 *	1.80	4.35	5202 Medical Supplies-MCR A	637	810	173 *	2.00	4.40
	3,190	3,190 *		51.45	5203 Drugs-MCR A	13,976	9,570	4,406	43.81	52.01
	20	20 *		0.32	5204 Oxygen-MCR A		60	60 *		0.33
19	220	201 *	2.68	3.55	5205 Laboratory-MCR A	1,402	660	742	4.40	3.59
382	2,750	2,368 *	54.56	44.35	5206 Physical Therapy-MCR A	18,863	8,250	10,613	59.13	44.84
	800	800 *		12.90	5207 Speech Therapy-MCR A	12,552	2,400	10,152	39.35	13.04
353	2,880	2,527 *	50.45	46.45	5208 Occupational Therapy-MCR A	17,409	8,640	8,769	54.57	46.96
	120	120 *		1.94	5209 PEN Therapy-MCR A	174	360	186 *	0.55	1.96
	200	200 *		3.23	5210 Fluid Bed-MCR A	860	600	260	2.70	3.26
	120	120 *		1.94	5213 Transportation-MCR A	631	360	271	1.98	1.96
	120	120 *		1.94	5214 X-Rays-MCR A	65	360	295 *	0.20	1.96
192	60	132	27.44	0.97	5215 Misc-MCR A	192	180	12	0.60	0.98
269		269	38.44		5220 Contract Adj-Room MCR A	(2,350)		2,350 *	(7.37)	
(958)	(10,740)	9,782	(136.79)	(173.23)	5221 Contract Adj-Ancillaries MCR A	(66,757)	(32,220)	34,537 *	(209.27)	(175.11)
3,847	28,210	24,363 *	549.51	455.00	Total Medicare Part A	163,489	84,630	78,859	512.51	459.95
2,245	2,868	623 *			5300 Medicaid	6,490	8,480	1,990 *		
689,642	881,930	192,288 *	307.19	307.51	5301 Routine Services-MCD	1,993,663	2,645,790	652,127 *	307.19	312.00
2,192	4,470	2,278 *	0.98	1.56	5302 Medical Supplies-MCD	7,286	13,410	6,124 *	1.12	1.58
5,468	7,840	2,372 *	2.44	2.73	5303 Oxygen- MCD	17,164	23,520	6,356 *	2.64	2.77
158	650	493 *	0.07	0.23	5304 Laboratory-MCD	315	1,950	1,635 *	0.05	0.23
525	100	425 *	0.23	0.03	5305 Physical Therapy-MCD Non-Covered	525	300	225	0.08	0.04
	30	30 *		0.01	5307 Speech Therapy-MCD Non-Covered		90	90 *		0.01
	100	100 *		0.03	5309 Occup. Therapy - MCD Non-Covered		300	300 *		0.04
3,880	6,370	2,490 *	1.73	2.22	5313 Fluidized Bed -MCD	12,760	19,110	6,350 *	1.97	2.25
	790	790 *		0.28	5316 Transportation -MCD	616	2,370	1,754 *	0.09	0.28
313	710	398 *	0.14	0.25	5317 X-Rays -MCD	313	2,130	1,818 *	0.05	0.25

* Unfavorable Differences

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<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
85		85	0.04		5321 Flu/Pnemounia Vacc - MCD	85		85	0.01	
(15,387)	(21,050)	5,663	(6.85)	(7.34)	5324 Contract Adj-Ancillaries MCD	(48,706)	(63,150)	14,444	(7.50)	(7.45)
686,875	881,940	195,065 *	305.96	307.51	Total Medicaid	1,984,020	2,645,820	661,800 *	305.70	312.01
109		109			5400 Medicaid Pending Days	225		225		
33,426		33,426	306.66		5401 Routine Services - MCD Pend	70,960		70,960	315.38	
21		21	0.19		5402 Medical Supplies - MCD Pend	573		573	2.54	
535		535	4.91		5404 Oxygen - MCD Pend	535		535	2.38	
(555)		555 *	(5.09)		5421 Contract Adj-Ancillaries MCD Pend	(1,107)		1,107 *	(4.92)	
33,426	0	33,426	306.66	0.00	Total Medicaid Pending	70,960	0	70,960	315.38	0.00
(61)	16	77 *			5500 Insurance Days		47	47 *		
(18,739)	5,130	23,869 *	307.19	320.63	5501 Routine Services - INS	(1,043)	15,390	16,433 *		327.45
915	580	335	(15.00)	36.25	5502 Medical Supplies - INS	2,519	1,740	779		37.02
(2,627)	920	3,547 *	43.07	57.50	5503 Drugs - INS	772	2,760	1,988 *		58.72
983	390	593	(16.12)	24.38	5504 Oxygen - INS	2,484	1,170	1,314		24.89
820	920	100 *	(13.44)	57.50	5505 Laboratory - INS	1,529	2,760	1,231 *		58.72
	740	740 *		46.25	5506 Physical Therapy - INS		2,220	2,220 *		47.23
	480	480 *		30.00	5507 Speech Therapy - INS		1,440	1,440 *		30.64
	830	830 *		51.88	5508 Occupational Therapy - INS		2,490	2,490 *		52.98
407	90	317	(6.68)	5.63	5509 PEN Therapy - INS	1,189	270	919		5.74
(85)		85 *	1.39		5511 Flu/Pneumonia - INS					
	170	170 *		10.63	5513 Wound Care - INS		510	510 *		10.85
	70	70 *		4.38	5514 Transportation - INS		210	210 *		4.47
313	310	3	(5.12)	19.38	5515 X-Rays - INS	313	930	618 *		19.79
(725)	(5,500)	4,775	11.89	(343.75)	5522 Contract Adj-Ancillaries - INS	(8,806)	(16,500)	7,694		(351.06)
(18,739)	5,130	23,869 *	307.19	320.63	Total Insurance	(1,043)	15,390	16,433 *	0.00	327.45
435	47	388			5600 Managed Care Days	1,215	139	1,076		
82,234	9,200	73,034	189.04	195.74	5601 Routine Services - MGC	218,879	27,600	191,279	180.15	198.56
905	430	475	2.08	9.15	5606 Physical Therapy - MGC	3,226	1,290	1,936	2.66	9.28
1,985	80	1,905	4.56	1.70	5607 Speech Therapy - MGC	1,985	240	1,745	1.63	1.73
2,037	330	1,707	4.68	7.02	5608 Occupational Therapy - MGC	6,371	990	5,381	5.24	7.12
1,240	260	980	2.85	5.53	5610 Fluidized Bed - MGC	4,820	780	4,040	3.97	5.61
1,457	470	987	3.35	10.00	5611 Flu/Pneumonia - MGC	3,787	1,410	2,377	3.12	10.14
	10	10 *		0.21	5614 Transportation - MGC		30	30 *		0.22
200		200	0.46		5616 Therapy Screenings - MGC	280		280	0.23	
(755)		755 *	(1.74)		5621 Contract Adj-Room MGC	(2,849)		2,849 *	(2.34)	
(10,127)	(1,580)	8,547 *	(23.28)	(33.62)	5622 Contract Adj-Ancillaries MGC	(24,630)	(4,740)	19,890 *	(20.27)	(34.10)

* Unfavorable Differences

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79,175	9,200	69,975	182.01	195.74	Total Managed Care	211,868	27,600	184,268	174.38	198.56
4,665	4,714	49 *			5700 Medicare Part B Days	13,661	13,952	291 *		
26,660	18,500	8,160	5.71	3.92	5703 Physical Therapy - MCR B	54,403	55,500	1,097 *	3.98	3.98
8,297	18,500	10,203 *	1.78	3.92	5704 Speech Therapy - MCR B	36,660	55,500	18,840 *	2.68	3.98
20,620	25,900	5,280 *	4.42	5.49	5705 Occupational Therapy - MCR B	49,249	77,700	28,451 *	3.61	5.57
339		339	0.07		5706 PEN Therapy - MCR B	740		740	0.05	
292	410	118 *	0.06	0.09	5707 Flu/Pneumonia - MCR B	2,742	1,230	1,512	0.20	0.09
					5708 Misc - MCR B	1,690		1,690	0.12	
(10,583)	(11,400)	817	(2.27)	(2.42)	5720 Contractual Adjustment - MRB	(23,650)	(34,200)	10,550	(1.73)	(2.45)
45,624	51,910	6,286 *	9.78	11.01	Total Medicare Part B	121,834	155,730	33,896 *	8.92	11.16
204	171	33			5800 Hospice Days	614	507	107		
62,667	52,630	10,037	307.19	307.78	5801 Routine Services - HSP	188,615	157,890	30,725	307.19	311.42
124	1,260	1,136 *	0.61	7.37	5802 Medical Supplies- HSP	845	3,780	2,935 *	1.38	7.46
	550	550 *		3.22	5804 Oxygen - HSP		1,650	1,650 *		3.25
	20	20 *		0.12	5805 Laboratory - HSP		60	60 *		0.12
167		167	0.82		5807 Speech Therapy- HSP	167		167	0.27	
385	20	365	1.89	0.12	5809 PEN Therapy - HSP	1,582	60	1,522	2.58	0.12
360		360	1.76		5810 Fluidized Bed - HSP	1,480		1,480	2.41	
					5811 Flu/Pneumonia - HSP	120		120	0.20	
					5813 Wound Care - HSP	1,205		1,205	1.96	
	190	190 *		1.11	5814 Transportation - HSP	74	570	496 *	0.12	1.12
	20	20 *		0.12	5815 X-Rays - HSP		60	60 *		0.12
(869)	(2,050)	1,181	(4.26)	(11.99)	5822 Contract Adj-Ancillaries HSP	(5,306)	(6,150)	844	(8.64)	(12.13)
62,834	52,640	10,194	308.01	307.84	Total Hospice	188,781	157,920	30,861	307.46	311.48
597	527	70			5850 Veterans Admin Days	1,669	1,559	110		
192,261	182,500	9,761	322.05	346.30	5851 Routine Services - VA	525,649	547,500	21,851 *	314.95	351.19
456	1,160	704 *	0.76	2.20	5852 Medical Supplies - VA	1,838	3,480	1,642 *	1.10	2.23
16,334	16,160	174	27.36	30.66	5853 Drugs - VA	58,214	48,480	9,734	34.88	31.10
1,294	1,040	254	2.17	1.97	5854 Oxygen - VA	3,899	3,120	779	2.34	2.00
514	1,040	526 *	0.86	1.97	5855 Laboratory - VA	3,338	3,120	218	2.00	2.00
4,985	5,890	905 *	8.35	11.18	5856 Physical Therapy - VA	17,744	17,670	74	10.63	11.33
3,321	2,090	1,231	5.56	3.97	5857 Speech Therapy - VA	5,514	6,270	756 *	3.30	4.02
4,106	3,040	1,066	6.88	5.77	5858 Occupational Therapy - VA	7,623	9,120	1,497 *	4.57	5.85
390	870	480 *	0.65	1.65	5859 PEN Therapy - VA	906	2,610	1,704 *	0.54	1.67
600		600	1.01		5860 Fluidized Bed - VA	1,820		1,820	1.09	
	440	440 *		0.83	5863 Transportation - VA	200	1,320	1,120 *	0.12	0.85
833	760	73	1.39	1.44	5864 X-rays - VA	2,611	2,280	331	1.56	1.46

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146		146	0.24	5865	Flu/Pneumonia - VA	746		746	0.45	
51		51	0.09	5867	Contract Adj Room - VA	13,047		13,047	7.82	
(32,978)	(32,490)	488 *	(55.24)	(61.65)	5868 Contract Adj Ancil - VA	(104,451)	(97,470)	6,981 *	(62.58)	(62.52)
192,312	182,500	9,812	322.13	346.30	Total Veterans Admin	538,696	547,500	8,804 *	322.77	351.19
					5900 Apartment Revenues					
1,129	1,023	106			Days	3,129	3,036	93		
45,040	44,080	960	39.89	43.09	5901 Apartment Rental Income	129,035	132,240	3,205 *	41.24	43.56
1,733	1,300	433			5902 Apartment Deposit Income	4,767	3,900	867		
3,000	3,000		0.64	0.64	5903 Interest Income-Investments	9,000	9,000		0.66	0.65
20	300	280 *	0.00	0.06	5904 Apartment Income-Misc	1,560	900	660	0.11	0.06
49,793	48,680	1,113	44.10	47.59	Total Apartment Revenues	144,362	146,040	1,678 *	46.14	48.10
1,182,904	1,282,450	99,546 *	253.57	272.05	Total Resident Revenue	3,536,269	3,847,350	311,081 *	258.86	275.76
					6000 Other Revenues					
4,665	4,714	49 *			Days	13,661	13,952	291 *		
1,100	1,000	100	0.24	0.21	6002 Property Lease Income	6,987	3,000	3,987	0.51	0.22
(1,086)	(120)	966 *	(0.23)	(0.03)	6003 Barber and Beauty	(1,940)	(360)	1,580 *	(0.14)	(0.03)
					6006 Interest Income-Misc	63		63	0.00	
14	880	866 *	0.00	0.19	Total Other Revenues	5,111	2,640	2,471	0.37	0.19
1,182,918	1,283,330	100,412 *	253.57	272.24	Total Revenue	3,541,380	3,849,990	308,610 *	259.23	275.95
					7000 Operating Costs					
					7101 Nursing Administration					
	7,700	7,700		1.63	7102 Nurs Admin DON Salaries	14,208	23,100	8,892	1.04	1.66
2,210	1,910	300 *	0.47	0.41	7104 Nurs Admin PTO	5,273	5,730	457	0.39	0.41
640	770	130	0.14	0.16	7106 Nurs Admin PR Taxes	1,899	2,310	411	0.14	0.17
4,194	4,000	194 *	0.90	0.85	7108 Nurs Admin Consultants	10,789	12,000	1,211	0.79	0.86
4,000	4,000		0.86	0.85	7109 Nurs Admin Medical Director Expense	12,000	12,000		0.88	0.86
11,044	18,380	7,336	2.37	3.90	Total Nursing Administration	44,169	55,140	10,971	3.23	3.95
					7200 Nursing Service					
43,333	56,010	12,677	9.29	11.88	7201 Nursing RN Salaries	122,741	168,030	45,289	8.98	12.04
89,095	97,350	8,255	19.10	20.65	7202 Nursing LPN Salaries	242,142	292,050	49,908	17.73	20.93
124,358	164,580	40,222	26.66	34.91	7203 Nursing CNA Salaries	374,279	493,740	119,461	27.40	35.39
15,974	13,720	2,254 *	3.42	2.91	7206 Nursing PTO	34,204	41,160	6,956	2.50	2.95
25,436	20,000	5,436 *	5.45	4.24	7207 Nursing Overtime	79,323	60,000	19,323 *	5.81	4.30
22,721	28,130	5,409	4.87	5.97	7208 Nursing PR Taxes	64,863	84,390	19,527	4.75	6.05
420	450	30	0.09	0.10	7209 Nursing Clinical Software	2,443	1,350	1,093 *	0.18	0.10
16,890	21,280	4,390	3.62	4.51	7210 Nursing Supplies	52,534	63,840	11,306	3.85	4.58

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	10	10		0.00	7211 Nursing Travel and Meetings	1,244	30	1,214 *	0.09	0.00
94,292	15,000	79,292 *	20.21	3.18	7213 Nursing Contract Services	191,231	45,000	146,231 *	14.00	3.23
432,519	416,530	15,989 *	92.72	88.36	Total Nursing Service	1,165,005	1,249,590	84,585	85.28	89.56
					7250 COVID-19					
3,518	1,500	2,018 *	0.75	0.32	7251 COVID-19 Nursing Salaries	3,518	4,500	982	0.26	0.32
3,282	1,000	2,282 *	0.70	0.21	7252 COVID-19 Nursing Hero Bonuses	3,282	3,000	282 *	0.24	0.22
1,294	1,000	294 *	0.28	0.21	7253 COVID-19 Nursing Isolating Pay	1,294	3,000	1,706	0.09	0.22
	500	500		0.11	7254 COVID-19 Other Salaries		1,500	1,500		0.11
	250	250		0.05	7255 COVID-19 Other Hero Bonuses		750	750		0.05
1,087	500	587 *	0.23	0.11	7256 COVID-19 Other Isolating Pay	1,754	1,500	254 *	0.13	0.11
					7262 COVID-19 Nursing Supplies/PPE	145		145 *	0.01	
	1,480	1,480		0.31	7263 COVID-19 Housekeeping Supplies		4,440	4,440		0.32
	1,500	1,500		0.32	7266 COVID-19 Med Supp-Test Kits-Residen	2,520	4,500	1,980	0.18	0.32
	5,000	5,000		1.06	7267 COVID-19 Med Supp-Test Kits Vis/Emp	16,240	15,000	1,240 *	1.19	1.08
	430	430		0.09	7271 COVID-19 Payroll Taxes		1,290	1,290		0.09
	50	50		0.01	7272 COVID-19 PPE Disposal		150	150		0.01
9,181	13,210	4,029	1.97	2.80	Total COVID-19	28,753	39,630	10,877	2.10	2.84
					7300 Ancillaries					
19,469	20,350	881	4.17	4.32	7301 Physical Therapy - Contract	62,061	61,050	1,011 *	4.54	4.38
1,128	400	728 *	0.24	0.08	7302 Physical Therapy - Supplies	1,881	1,200	681 *	0.14	0.09
5,996	16,010	10,014	1.29	3.40	7303 Speech Therapy - Contract	29,820	48,030	18,210	2.18	3.44
15,889	23,670	7,781	3.41	5.02	7304 Occupational Therapy - Contract	53,567	71,010	17,443	3.92	5.09
353	410	57	0.08	0.09	7305 PEN Therapy Nutrient	1,673	1,230	443 *	0.12	0.09
113	410	297	0.02	0.09	7306 PEN Therapy Supplies	455	1,230	775	0.03	0.09
224		224 *	0.05		7307 Wound Care Expense - Non Part B	1,660		1,660 *	0.12	
1,255	2,170	915	0.27	0.46	7308 Laboratory Expense	5,279	6,510	1,231	0.39	0.47
1,296	1,200	96 *	0.28	0.25	7309 Oxygen Expense	1,891	3,600	1,709	0.14	0.26
	700	700		0.15	7310 Fluidized Bed Expense		2,100	2,100		0.15
416	700	284	0.09	0.15	7312 X-Ray Expense	1,635	2,100	465	0.12	0.15
	600	600		0.13	7313 Flu/Pneumonia Expense	5,718	1,800	3,918 *	0.42	0.13
19,519	21,070	1,551	4.18	4.47	7314 Prescription Drug Expense	83,010	63,210	19,800 *	6.08	4.53
2,590	2,770	180	0.56	0.59	7315 OTC/Stock Drug Expense	8,716	8,310	406 *	0.64	0.60
4,105	3,960	145 *	0.88	0.84	7316 Pharmacy Consultant Expense	13,203	11,880	1,323 *	0.97	0.85
2,730	3,400	670	0.59	0.72	7317 Medical Supplies	10,003	10,200	197	0.73	0.73
192	60	132 *	0.04	0.01	7319 Misc Ancillary Expense - MCR A	202	180	22 *	0.01	0.01
5,299	5,210	89 *	1.14	1.11	7327 Misc Ancillary Expense-VA	13,553	15,630	2,077	0.99	1.12
80,576	103,090	22,514	17.27	21.87	Total Ancillaries	294,327	309,270	14,943	21.55	22.17

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7400 Dietary										
5,214	6,350	1,136	1.12	1.35	7401 Dietary Director Salaries	17,658	19,050	1,392	1.29	1.37
38,059	40,510	2,451	8.16	8.59	7402 Dietary Other Salaries	109,669	121,530	11,861	8.03	8.71
3,102	2,970	132 *	0.66	0.63	7404 Dietary PTO	7,203	8,910	1,707	0.53	0.64
75	1,000	925	0.02	0.21	7405 Dietary Overtime	2,371	3,000	629	0.17	0.22
3,640	4,070	430	0.78	0.86	7406 Dietary PR Taxes	10,547	12,210	1,663	0.77	0.88
815	800	15 *	0.17	0.17	7407 Dietary Consultants	2,403	2,400	3 *	0.18	0.17
50,368	45,060	5,308 *	10.80	9.56	7408 Dietary Raw Food	130,585	135,180	4,595	9.56	9.69
6,408	5,470	938 *	1.37	1.16	7409 Dietary Supplies	16,617	16,410	207 *	1.22	1.18
	20	20		0.00	7411 Dietary Travel and Meetings		60	60		0.00
(4,150)	(7,700)	3,550 *	(0.89)	(1.63)	7412 Dietary Emp/Guest Meal Income	(12,049)	(23,100)	11,051 *	(0.88)	(1.66)
103,531	98,550	4,981 *	22.19	20.91	Total Dietary	285,003	295,650	10,647	20.86	21.19
7500 Social Services										
4,351	4,560	209	0.93	0.97	7501 Social Services Director Salaries	13,374	13,680	306	0.98	0.98
12,212	8,890	3,322 *	2.62	1.89	7502 Social Services Other Salaries	35,276	26,670	8,606 *	2.58	1.91
1,550	570	980 *	0.33	0.12	7504 Social Services PTO	2,465	1,710	755 *	0.18	0.12
118		118 *	0.03		7505 Social Services Overtime	584		584 *	0.04	
1,469	1,120	349 *	0.31	0.24	7506 Social Services PR Taxes	4,089	3,360	729 *	0.30	0.24
900	1,250	350	0.19	0.27	7507 Social Services Consultants	2,136	3,750	1,614	0.16	0.27
700	700		0.15	0.15	7508 Social Services Supplies	2,100	2,100		0.15	0.15
	40	40		0.01	7510 Social Services Travel and Meetings		120	120		0.01
21,299	17,130	4,169 *	4.57	3.63	Total Social Services	60,025	51,390	8,635 *	4.39	3.68
7600 Activities										
2,966	3,300	334	0.64	0.70	7601 Activities Director Salaries	9,057	9,900	843	0.66	0.71
6,194	6,440	246	1.33	1.37	7602 Activities Other Salaries	18,436	19,320	884	1.35	1.38
1,059	880	179 *	0.23	0.19	7604 Activities PTO	2,869	2,640	229 *	0.21	0.19
528	500	28 *	0.11	0.11	7605 Activities Overtime	718	1,500	782	0.05	0.11
791	890	99	0.17	0.19	7606 Activities PR Taxes	2,296	2,670	374	0.17	0.19
503	1,500	997	0.11	0.32	7608 Activities Supplies	812	4,500	3,688	0.06	0.32
285	120	165 *	0.06	0.03	7609 Activities Purchased Services	910	360	550 *	0.07	0.03
12,325	13,630	1,305	2.64	2.89	Total Activities	35,099	40,890	5,791	2.57	2.93
7700 Medical Records										
3,504	2,880	624 *	0.75	0.61	7701 Medical Records Salaries	9,156	8,640	516 *	0.67	0.62
(94)	190	284	(0.02)	0.04	7703 Medical Records PTO	423	570	147	0.03	0.04
89	100	11	0.02	0.02	7704 Medical Records Overtime	364	300	64 *	0.03	0.02
256	260	4	0.05	0.06	7705 Medical Records PR Taxes	726	780	54	0.05	0.06

* Unfavorable Differences

Consolidated Statement of Operations

Charlotte Consolidated (CHCO)

12/1/21 to 12/31/21

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
(284)	350	634	(0.06)	0.07	7707 Medical Records Supplies	(27)	1,050	1,077	0.00	0.08
65		65 *	0.01		7709 Medical Records Travel and Meetings	65		65 *	0.00	
3,536	3,780	244	0.76	0.80	Total Medical Records	10,707	11,340	633	0.78	0.81
					7800 Laundry					
5,013	6,570	1,557	1.07	1.39	7802 Laundry Other Salaries	14,875	19,710	4,835	1.09	1.41
347	310	37 *	0.07	0.07	7804 Laundry PTO	790	930	140	0.06	0.07
64	300	236	0.01	0.06	7805 Laundry Overtime	522	900	378	0.04	0.06
411	570	159	0.09	0.12	7806 Laundry PR Taxes	1,258	1,710	452	0.09	0.12
1,414	1,220	194 *	0.30	0.26	7807 Laundry Supplies	3,843	3,660	183 *	0.28	0.26
1,463	2,040	577	0.31	0.43	7808 Laundry Linen and Bedding	2,153	6,120	3,967	0.16	0.44
	220	220		0.05	7809 Laundry Underpads		660	660		0.05
8,713	11,230	2,517	1.87	2.38	Total Laundry	23,441	33,690	10,249	1.72	2.41
					7900 Housekeeping					
4,087	4,310	223	0.88	0.91	7901 Housekeeping Director Salaries	12,368	12,930	562	0.91	0.93
22,381	24,040	1,659	4.80	5.10	7902 Housekeeping Other Salaries	64,147	72,120	7,973	4.70	5.17
1,027	1,750	723	0.22	0.37	7904 Housekeeping PTO	7,496	5,250	2,246 *	0.55	0.38
653	400	253 *	0.14	0.08	7905 Housekeeping Overtime	1,713	1,200	513 *	0.13	0.09
2,122	2,440	318	0.45	0.52	7906 Housekeeping PR Taxes	6,550	7,320	770	0.48	0.52
4,747	4,950	203	1.02	1.05	7908 Housekeeping Supplies	15,921	14,850	1,071 *	1.17	1.06
1,181	350	831 *	0.25	0.07	7909 Housekeeping Purch Services	2,986	1,050	1,936 *	0.22	0.08
36,198	38,240	2,042	7.76	8.11	Total Housekeeping	111,182	114,720	3,538	8.14	8.22
					8000 Plant Operations and Maint.					
14,776	11,170	3,606 *	3.17	2.37	8002 POM Other Salaries	29,544	33,510	3,966	2.16	2.40
(1,841)	1,550	3,391	(0.39)	0.33	8004 POM PTO	4,694	4,650	44 *	0.34	0.33
298	250	48 *	0.06	0.05	8005 POM Overtime	1,316	750	566 *	0.10	0.05
1,171	1,040	131 *	0.25	0.22	8006 POM PR Taxes	3,187	3,120	67 *	0.23	0.22
1,929	650	1,279 *	0.41	0.14	8007 POM Consultants	5,982	1,950	4,032 *	0.44	0.14
6,284	5,600	684 *	1.35	1.19	8008 POM Supplies	13,626	16,800	3,174	1.00	1.20
13,009	10,500	2,509 *	2.79	2.23	8009 POM Purchased Services	27,311	31,500	4,189	2.00	2.26
20,253	20,660	407	4.34	4.38	8010 POM Utilities	57,918	61,980	4,062	4.24	4.44
3,669	3,700	31	0.79	0.78	8011 POM Cable/TV Expense	11,006	11,100	94	0.81	0.80
59,548	55,120	4,428 *	12.76	11.69	Total Plant Operations and Maint.	154,584	165,360	10,776	11.32	11.85
					8100 Transportation					
	1,850	1,850		0.39	8101 Transportation Salaries		5,550	5,550		0.40
	150	150		0.03	8105 Transportation PR Taxes		450	450		0.03
1,274	1,200	74 *	0.27	0.25	8106 Transportation Vehicle Expense	3,822	3,600	222 *	0.28	0.26

* Unfavorable Differences

Consolidated Statement of Operations

Charlotte Consolidated (CHCO)

12/1/21 to 12/31/21

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
2,705	3,100	396	0.58	0.66	8107 Transportation NEMT Contr Veh-Mcaid	4,307	9,300	4,993	0.32	0.67
3,978	6,300	2,322	0.85	1.34	Total Transportation	8,129	18,900	10,771	0.60	1.35
8200 Depreciation										
8,250	8,250		1.77	1.75	8205 Depr Expense - Moveable Equipment	24,750	24,750		1.81	1.77
8,250	8,250	0	1.77	1.75	Total Depreciation	24,750	24,750	0	1.81	1.77
8300 Interest, Amortization & Lease										
199		199 *	0.04		8302 Interest Expense - Other	409		409 *	0.03	
30,100	30,100		6.45	6.39	8303 Building Lease Expense	90,300	90,300		6.61	6.47
30,299	30,100	199 *	6.49	6.39	Total Interest, Amortization & Lease	90,709	90,300	409 *	6.64	6.47
8400 Taxes and Insurance										
7,240	7,240		1.55	1.54	8401 Property Tax Expense	21,720	21,720		1.59	1.56
223	40	183 *	0.05	0.01	8402 Misc Tax Expense	223	120	103 *	0.02	0.01
3,400	3,400		0.73	0.72	8403 Insurance Expense- Property	10,200	10,200		0.75	0.73
7,000	7,000		1.50	1.48	8404 Insurance Expense- Liability	21,000	21,000		1.54	1.51
17,863	17,680	183 *	3.83	3.75	Total Taxes and Insurance	53,143	53,040	103 *	3.89	3.80
8500 Employee Benefits										
21,913	48,000	26,087	4.70	10.18	8501 Employee Group insurance	115,262	144,000	28,738	8.44	10.32
6,200	6,200		1.33	1.32	8502 Workers Compensation Expense	18,600	18,600		1.36	1.33
	350	350		0.07	8504 Retirement Plan Expense		1,050	1,050		0.08
5,462	1,530	3,932 *	1.17	0.32	8505 Employee Benefits Misc Expense	8,919	4,590	4,329 *	0.65	0.33
33,575	56,080	22,505	7.20	11.90	Total Employee Benefits	142,781	168,240	25,459	10.45	12.06
8600 General and Administration										
16,030	17,140	1,110	3.44	3.64	8601 Administrative Administrator Salaries	56,813	51,420	5,393 *	4.16	3.69
24,903	22,300	2,603 *	5.34	4.73	8603 Administrative Other Salaries	66,452	66,900	448	4.86	4.80
488	2,500	2,012	0.10	0.53	8605 Administrative PTO	5,185	7,500	2,315	0.38	0.54
512	1,000	488	0.11	0.21	8606 Administrative Overtime	3,243	3,000	243 *	0.24	0.22
2,571	3,430	859	0.55	0.73	8607 Administrative PR Taxes	6,670	10,290	3,620	0.49	0.74
70,580	70,580		15.13	14.97	8608 Management Fee Expense	211,740	211,740		15.50	15.18
1,035	1,110	75	0.22	0.24	8609 Telephone Expense	3,105	3,330	225	0.23	0.24
2,063	1,850	213 *	0.44	0.39	8610 Auto Expense	4,515	5,550	1,035	0.33	0.40
1,101	2,100	999	0.24	0.45	8612 Dues and Subscriptions	6,869	6,300	569 *	0.50	0.45
1,351	650	701 *	0.29	0.14	8613 Office Supplies	2,905	1,950	955 *	0.21	0.14
1,599	1,900	301	0.34	0.40	8614 Copier Expense	4,476	5,700	1,224	0.33	0.41
388	410	22	0.08	0.09	8615 Postage Expense	933	1,230	297	0.07	0.09
					8616 Professional Fees - Legal	1,837		1,837 *	0.13	

* Unfavorable Differences

Consolidated Statement of Operations

Charlotte Consolidated (CHCO)

12/1/21 to 12/31/21

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
750	250	500 *	0.16	0.05	8617 Professional Fees - Other	750	750		0.05	0.05
1,106	500	606 *	0.24	0.11	8619 Admin - Travel and Meetings	1,372	1,500	128	0.10	0.11
856	350	506 *	0.18	0.07	8620 Help Wanted Advertising Expense	1,712	1,050	662 *	0.13	0.08
622	2,050	1,428	0.13	0.43	8621 General Advertising Expense	4,771	6,150	1,379	0.35	0.44
1,099	1,000	99 *	0.24	0.21	8622 Bank Charge Expense	4,282	3,000	1,282 *	0.31	0.22
214	240	26	0.05	0.05	8623 Printing Expense	416	720	304	0.03	0.05
2,435	3,250	815	0.52	0.69	8624 Data Processing Expense	7,129	9,750	2,621	0.52	0.70
	10	10		0.00	8625 Administrative Misc Expense		30	30		0.00
	300	300		0.06	8626 Meals & Entertainment		900	900		0.06
129,702	132,920	3,219	27.80	28.20	Total General and Administration	395,176	398,760	3,584	28.93	28.58
					8800 Other Costs					
867	1,500	633	0.19	0.32	8801 Non-Allowable Expense	1,808	4,500	2,692	0.13	0.32
3,000	3,000		0.64	0.64	8804 Bad Debt Expense	9,000	9,000		0.66	0.65
1,234	1,600	366	0.26	0.34	8808 Mcare Co-Ins Bad Debt	5,389	4,800	589 *	0.39	0.34
5,100	6,100	1,000	1.09	1.29	Total Other Costs	16,197	18,300	2,103	1.19	1.31
1,007,237	1,046,320	39,083	215.91	221.96	Total Operating Costs	2,943,180	3,138,960	195,781	215.44	224.98
175,681	237,010	61,329 *	37.66	50.28	Total income/Loss from Operations	598,200	711,030	112,830 *	43.79	50.96
175,681	237,010	61,329 *	37.66	50.28	Total Net Income Before Taxes	598,200	711,030	112,830 *	43.79	50.96
175,681	237,010	61,329 *	37.66	50.28	Total Net Income/Loss	598,200	711,030	112,830 *	43.79	50.96

* Unfavorable Differences

Consolidated Balance Sheet
as of 12/31/21
 Charlotte Consolidated (CHCO)

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 GLBalShtLandscape

<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	1,391,633.72
1100	Accounts Receivable	1,171,659.12
1200	Inventory	33,317.48
1300	Prepaid Expenses	18,652.02
1400	Other Current Assets	216,061.20
	Total Current Assets	2,831,323.54
1500	Non-Current Assets	
1501	Other Assets	(946,325.96)
1800	Property, Plant and Equipment	428,645.61
	Total Non-Current Assets	(517,680.35)
	Total Assets	<u><u>\$2,313,643.19</u></u>
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	
3004	Notes and Accounts Payable	350,661.24
3200	Accrued Liabilities	413,424.35
3300	Other Current Liabilities	337.54
		<u>764,423.13</u>
3003	Long Term Liabilities	
3500	Deferred Revenue	53,867.39
		<u>53,867.39</u>
	Total Total Liabilities	818,290.52
4000	Equity	
	Total Equity	1,495,352.67
	Total Liabilities & Equity	<u><u>\$2,313,643.19</u></u>

Consolidated Balance Sheet
as of 12/31/21
 Charlotte Consolidated (CHCO)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	
1003	Operating Bank Account	1,389,683.72
1005	Petty Cash	1,150.00
1008	Resident Trust Funds Petty Cash	800.00
		1,391,633.72
1100	Accounts Receivable	
1101	Accts Receivable-Private	23,420.13
1102	Accts Receivable-Medicaid SNF	139,970.93
1104	Accts Receivable-Hospice	48,772.52
1105	Accts Receivable-Medicare Pt A	(2,058.21)
1107	Accts Receivable-3rd Party Ins Part A	27,639.50
1108	Accts Receivable-Medicare Pt B	23,759.65
1109	Accts Receivable-Mcare Crossover Pt B	6,311.07
1110	Accts Receivable-Medicaid Pending	97,505.30
1111	Accts Receivable-Insurance	(10,142.89)
1112	Accts Receivable-Managed Care	257,441.80
1113	Accts Receivable-VA	541,420.00
1115	Accts Receivable Other	19,947.54
1120	Allowance For Doubtful Accounts	(19,712.78)
1124	Resident Judgments	17,414.36
1125	Activities Fund	(29.80)
		1,171,659.12
1200	Inventory	
1201	Inventory-Food	10,734.53
1202	Inventory-Medical Supplies	3,224.60
1203	Inventory-Nursing Supplies	4,609.32
1204	Inventory-PEN	1,313.73
1205	Inventory-Laundry	7,907.00
1206	Inventory-Housekeeping	446.58
1207	Inventory-Other	5,081.72
		33,317.48
1300	Prepaid Expenses	
1301	Prepaid Insurance	18,652.02
		18,652.02

Consolidated Balance Sheet
as of 12/31/21
 Charlotte Consolidated (CHCO)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>	
1400	Other Current Assets		
1403	Accrued Interest	9,000.00	
1504	Assets Limited to Use	207,061.20	
		<u>216,061.20</u>	
	Total Current Assets		2,831,323.54
1500	Non-Current Assets		
1501	Other Assets		
1611	Intercompany Account-Charlotte	(861,766.26)	
1612	Intercompany Account-SV Apartments	(22,765.91)	
1623	Intercompany Account-SA with CR		
1686	Intercompany Account-Payroll-Ultimate	(61,793.79)	
		<u>(946,325.96)</u>	
1800	Property, Plant and Equipment		
1810	Moveable Equipment	1,854,169.53	
1811	Accm Depn-Moveable Equipment	(1,425,523.92)	
		<u>428,645.61</u>	
	Total Non-Current Assets		(517,680.35)
	Total Assets		<u><u>\$2,313,643.19</u></u>
3000	Liabilities & Equity		
3001	Total Liabilities		
3002	Current Liabilities		
3004	Notes and Accounts Payable		
3100	Accounts Payable	249,475.58	
3104	Medicare Covid Advance	101,847.64	
3109	Employee Deductions-Cancer	(661.98)	
		<u>350,661.24</u>	
3200	Accrued Liabilities		
3201	Accrued Salaries and Wages	238,387.90	
3202	Accrued Vacation/PTO Payable	174,116.29	
3209	401K Payable	920.16	
		<u>413,424.35</u>	

Consolidated Balance Sheet
as of 12/31/21
 Charlotte Consolidated (CHCO)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>
3300	Other Current Liabilities	
3301	Property Taxes Payable	337.54
		<u>337.54</u>
		764,423.13
3003	Long Term Liabilities	
3500	Deferred Revenue	
3501	Deposits for Apartments Waiting List	3,000.00
3502	Deposits on Apartments	48,367.39
3503	Misc Deposits Account	2,500.00
		<u>53,867.39</u>
		53,867.39
	Total Total Liabilities	818,290.52
4000	Equity	
4001	Common Stock	281,450.00
4003	Retained Earnings	1,474,836.24
4004	Current Earnings	598,200.31
4006	Interdivision Equity	(873,681.96)
4007	Unrealized (Gain)Loss on Investments	14,548.08
	Total Equity	1,495,352.67
	Total Liabilities & Equity	<u><u>\$2,313,643.19</u></u>

Consolidated Balance Sheet
as of 12/31/21
Charlotte Consolidated (CHCO)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	1,391,633.72
1100	Accounts Receivable	1,171,659.12
1200	Inventory	33,317.48
1300	Prepaid Expenses	18,652.02
1400	Other Current Assets	216,061.20
	Total Current Assets	2,831,323.54
1500	Non-Current Assets	
1501	Other Assets	(946,325.96)
1800	Property, Plant and Equipment	428,645.61
	Total Non-Current Assets	(517,680.35)
	Total Assets	\$2,313,643.19
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	
3004	Notes and Accounts Payable	350,661.24
3200	Accrued Liabilities	413,424.35
3300	Other Current Liabilities	337.54
		<u>764,423.13</u>
3003	Long Term Liabilities	
3500	Deferred Revenue	53,867.39
		<u>53,867.39</u>
	Total Total Liabilities	818,290.52
4000	Equity	
	Total Equity	1,495,352.67
	Total Liabilities & Equity	\$2,313,643.19

Consolidated Balance Sheet
as of 12/31/21
Charlotte Consolidated (CHCO)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	
1003	Operating Bank Account	1,389,683.72
1005	Petty Cash	1,150.00
1008	Resident Trust Funds Petty Cash	800.00
		1,391,633.72
1100	Accounts Receivable	
1101	Accts Receivable-Private	23,420.13
1102	Accts Receivable-Medicaid SNF	139,970.93
1104	Accts Receivable-Hospice	48,772.52
1105	Accts Receivable-Medicare Pt A	(2,058.21)
1107	Accts Receivable-3rd Party Ins Part A	27,639.50
1108	Accts Receivable-Medicare Pt B	23,759.65
1109	Accts Receivable-Mcare Crossover Pt B	6,311.07
1110	Accts Receivable-Medicaid Pending	97,505.30
1111	Accts Receivable-Insurance	(10,142.89)
1112	Accts Receivable-Managed Care	257,441.80
1113	Accts Receivable-VA	541,420.00
1115	Accts Receivable Other	19,947.54
1120	Allowance For Doubtful Accounts	(19,712.78)
1124	Resident Judgments	17,414.36
1125	Activities Fund	(29.80)
		1,171,659.12
1200	Inventory	
1201	Inventory-Food	10,734.53
1202	Inventory-Medical Supplies	3,224.60
1203	Inventory-Nursing Supplies	4,609.32
1204	Inventory-PEN	1,313.73
1205	Inventory-Laundry	7,907.00
1206	Inventory-Housekeeping	446.58
1207	Inventory-Other	5,081.72
		33,317.48
1300	Prepaid Expenses	
1301	Prepaid Insurance	18,652.02
		18,652.02

Consolidated Balance Sheet
as of 12/31/21
 Charlotte Consolidated (CHCO)

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 GLBalShtLandscape

<i>Account</i>	<i>Description</i>	<i>Amount</i>	
1400	Other Current Assets		
1403	Accrued Interest	9,000.00	
1504	Assets Limited to Use	207,061.20	
		<u>216,061.20</u>	
	Total Current Assets		2,831,323.54
1500	Non-Current Assets		
1501	Other Assets		
1611	Intercompany Account-Charlotte	(861,766.26)	
1612	Intercompany Account-SV Apartments	(22,765.91)	
1623	Intercompany Account-SA with CR		
1686	Intercompany Account-Payroll-Ultimate	(61,793.79)	
		<u>(946,325.96)</u>	
1800	Property, Plant and Equipment		
1810	Moveable Equipment	1,854,169.53	
1811	Accm Depn-Moveable Equipment	(1,425,523.92)	
		<u>428,645.61</u>	
	Total Non-Current Assets		(517,680.35)
	Total Assets		<u><u>\$2,313,643.19</u></u>
3000	Liabilities & Equity		
3001	Total Liabilities		
3002	Current Liabilities		
3004	Notes and Accounts Payable		
3100	Accounts Payable	249,475.58	
3104	Medicare Covid Advance	101,847.64	
3109	Employee Deductions-Cancer	(661.98)	
		<u>350,661.24</u>	
3200	Accrued Liabilities		
3201	Accrued Salaries and Wages	238,387.90	
3202	Accrued Vacation/PTO Payable	174,116.29	
3209	401K Payable	920.16	
		<u>413,424.35</u>	

Consolidated Balance Sheet
as of 12/31/21
 Charlotte Consolidated (CHCO)

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 GLBalShtLandscape

<i>Account</i>	<i>Description</i>	<i>Amount</i>	
3300	Other Current Liabilities		
3301	Property Taxes Payable	337.54	
		<u>337.54</u>	
		<u>764,423.13</u>	
3003	Long Term Liabilities		
3500	Deferred Revenue		
3501	Deposits for Apartments Waiting List	3,000.00	
3502	Deposits on Apartments	48,367.39	
3503	Misc Deposits Account	2,500.00	
		<u>53,867.39</u>	
		<u>53,867.39</u>	
	Total Total Liabilities		818,290.52
4000	Equity		
4001	Common Stock	281,450.00	
4003	Retained Earnings	1,474,836.24	
4004	Current Earnings	598,200.31	
4006	Interdivision Equity	(873,681.96)	
4007	Unrealized (Gain)Loss on Investments	14,548.08	
	Total Equity		1,495,352.67
	Total Liabilities & Equity		<u><u>\$2,313,643.19</u></u>

Statement of Operations
 Sharon Village Apartments Inc (SA)
 12/1/21 to 12/31/21

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
976	961	15			5010 Resident Revenue					
49,793	48,680	1,113	51.02	50.66	5900 Apartment Revenues	2,776	2,852	76 *	52.00	51.21
49,793	48,680	1,113	51.02	50.66	Total Resident Revenue	144,362	146,040	1,678 *	52.00	51.21
31		31	0.03		6000 Other Revenues	45		45	0.02	
49,824	48,680	1,144	51.05	50.66	Total Revenue	144,407	146,040	1,633 *	52.02	51.21
					7000 Operating Costs					
12,622	7,900	4,722 *	12.93	8.22	7400 Dietary	25,527	23,700	1,827 *	9.20	8.31
302	600	298	0.31	0.62	7600 Activities	(26)	1,800	1,826	(0.01)	0.63
360	2,760	2,400	0.37	2.87	7900 Housekeeping	1,446	8,280	6,834	0.52	2.90
9,613	9,140	473 *	9.85	9.51	8000 Plant Operations and Maint.	20,429	27,420	6,991	7.36	9.61
1,250	1,250		1.28	1.30	8200 Depreciation	3,750	3,750		1.35	1.31
3,000	3,000		3.07	3.12	8300 Interest, Amortization & Lease	9,032	9,000	32 *	3.25	3.16
3,840	3,840		3.93	4.00	8400 Taxes and Insurance	11,520	11,520		4.15	4.04
3,995	3,280	715 *	4.09	3.41	8500 Employee Benefits	10,762	9,840	922 *	3.88	3.45
16,509	15,970	539 *	16.91	16.62	8600 General and Administration	46,083	47,910	1,827	16.60	16.80
51,491	47,740	3,751 *	52.76	49.68	Total Operating Costs	128,525	143,220	14,695	46.30	50.22
(1,667)	940	2,607 *	(1.71)	0.98	Total Income/Loss from Operations	15,882	2,820	13,062	5.72	0.99
(1,667)	940	2,607 *	(1.71)	0.98	Total Net Income Before Taxes	15,882	2,820	13,062	5.72	0.99
(1,667)	940	2,607 *	(1.71)	0.98	Total Net Income/Loss	15,882	2,820	13,062	5.72	0.99

* Unfavorable Differences

Statement of Operations
 Sharon Village Apartments Inc (SA)
 12/1/21 to 12/31/21

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	
976	961	15			5010 Resident Revenue	Days	2,776	2,852		76 *	
976	961	15			5900 Apartment Revenues	Days	2,776	2,852		76 *	
45,040	44,080	960	46.15	45.87	5901 Apartment Rental Income		129,035	132,240	3,205 *	46.48	46.37
1,733	1,300	433			5902 Apartment Deposit Income		4,767	3,900	867		
3,000	3,000		3.07	3.12	5903 Interest Income-Investments		9,000	9,000		3.24	3.16
20	300	280 *	0.02	0.31	5904 Apartment income-Misc		1,560	900	660	0.56	0.32
<u>49,793</u>	<u>48,680</u>	<u>1,113</u>	<u>51.02</u>	<u>50.66</u>	Total Apartment Revenues		<u>144,362</u>	<u>146,040</u>	<u>1,678 *</u>	<u>52.00</u>	<u>51.21</u>
<u>49,793</u>	<u>48,680</u>	<u>1,113</u>	<u>51.02</u>	<u>50.66</u>	Total Resident Revenue		<u>144,362</u>	<u>146,040</u>	<u>1,678 *</u>	<u>52.00</u>	<u>51.21</u>
976	961	15			6000 Other Revenues	Days	2,776	2,852		76 *	
31		31	0.03		6003 Barber and Beauty		45		45	0.02	
<u>31</u>	<u>0</u>	<u>31</u>	<u>0.03</u>	<u>0.00</u>	Total Other Revenues		<u>45</u>	<u>0</u>	<u>45</u>	<u>0.02</u>	<u>0.00</u>
<u>49,824</u>	<u>48,680</u>	<u>1,144</u>	<u>51.05</u>	<u>50.66</u>	Total Revenue		<u>144,407</u>	<u>146,040</u>	<u>1,633 *</u>	<u>52.02</u>	<u>51.21</u>
					7000 Operating Costs						
					7400 Dietary						
12,594	7,610	4,984 *	12.90	7.92	7408 Dietary Raw Food		25,509	22,830	2,679 *	9.19	8.00
28	290	262	0.03	0.30	7409 Dietary Supplies		28	870	842	0.01	0.31
					7412 Dietary Emp/Guest Meal Income		(10)		10	0.00	
<u>12,622</u>	<u>7,900</u>	<u>4,722 *</u>	<u>12.93</u>	<u>8.22</u>	Total Dietary		<u>25,527</u>	<u>23,700</u>	<u>1,827 *</u>	<u>9.20</u>	<u>8.31</u>
					7600 Activities						
302	600	298	0.31	0.62	7608 Activities Supplies		(26)	1,800	1,826	(0.01)	0.63
<u>302</u>	<u>600</u>	<u>298</u>	<u>0.31</u>	<u>0.62</u>	Total Activities		<u>(26)</u>	<u>1,800</u>	<u>1,826</u>	<u>(0.01)</u>	<u>0.63</u>
					7900 Housekeeping						
	2,000	2,000		2.08	7902 Housekeeping Other Salaries			6,000	6,000		2.10
	160	160		0.17	7906 Housekeeping PR Taxes			480	480		0.17
35	250	215	0.04	0.26	7908 Housekeeping Supplies		566	750	184	0.20	0.26
325	350	25	0.33	0.36	7909 Housekeeping Purch Services		880	1,050	170	0.32	0.37
<u>360</u>	<u>2,760</u>	<u>2,400</u>	<u>0.37</u>	<u>2.87</u>	Total Housekeeping		<u>1,446</u>	<u>8,280</u>	<u>6,834</u>	<u>0.52</u>	<u>2.90</u>
					8000 Plant Operations and Maint.						
	1,200	1,200		1.25	8002 POM Other Salaries			3,600	3,600		1.26
	100	100		0.10	8004 POM PTO			300	300		0.11
	50	50		0.05	8005 POM Overtime			150	150		0.05
24	110	86	0.02	0.11	8006 POM PR Taxes		60	330	270	0.02	0.12

* Unfavorable Differences

Statement of Operations
 Sharon Village Apartments Inc (SA)
 12/1/21 to 12/31/21

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
313		313 *	0.32		8007 POM Consultants	808		808 *	0.29	
1,339	2,000	661	1.37	2.08	8008 POM Supplies	2,010	6,000	3,990	0.72	2.10
4,289	2,000	2,289 *	4.39	2.08	8009 POM Purchased Services	7,338	6,000	1,338 *	2.64	2.10
2,545	2,580	35	2.61	2.68	8010 POM Utilities	6,905	7,740	835	2.49	2.71
1,103	1,100	3 *	1.13	1.14	8011 POM Cable/TV Expense	3,309	3,300	9 *	1.19	1.16
<u>9,613</u>	<u>9,140</u>	<u>473 *</u>	<u>9.85</u>	<u>9.51</u>	Total Plant Operations and Maint.	<u>20,429</u>	<u>27,420</u>	<u>6,991</u>	<u>7.36</u>	<u>9.61</u>
					8200 Depreciation					
1,250	1,250		1.28	1.30	8205 Depr Expense - Moveable Equipment	3,750	3,750		1.35	1.31
<u>1,250</u>	<u>1,250</u>	<u>0</u>	<u>1.28</u>	<u>1.30</u>	Total Depreciation	<u>3,750</u>	<u>3,750</u>	<u>0</u>	<u>1.35</u>	<u>1.31</u>
					8300 Interest, Amortization & Lease					
					8302 Interest Expense - Other	32		32 *	0.01	
3,000	3,000		3.07	3.12	8303 Building Lease Expense	9,000	9,000		3.24	3.16
<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>3.07</u>	<u>3.12</u>	Total Interest, Amortization & Lease	<u>9,032</u>	<u>9,000</u>	<u>32 *</u>	<u>3.25</u>	<u>3.16</u>
					8400 Taxes and Insurance					
2,740	2,740		2.81	2.85	8401 Property Tax Expense	8,220	8,220		2.96	2.88
1,100	1,100		1.13	1.14	8403 Insurance Expense- Property	3,300	3,300		1.19	1.16
<u>3,840</u>	<u>3,840</u>	<u>0</u>	<u>3.93</u>	<u>4.00</u>	Total Taxes and Insurance	<u>11,520</u>	<u>11,520</u>	<u>0</u>	<u>4.15</u>	<u>4.04</u>
					8500 Employee Benefits					
3,670	3,000	670 *	3.76	3.12	8501 Employee Group Insurance	10,037	9,000	1,037 *	3.62	3.16
200	200		0.20	0.21	8502 Workers Compensation Expense	600	600		0.22	0.21
	50	50		0.05	8504 Retirement Plan Expense		150	150		0.05
125	30	95 *	0.13	0.03	8505 Employee Benefits Misc Expense	125	90	35 *	0.05	0.03
<u>3,995</u>	<u>3,280</u>	<u>715 *</u>	<u>4.09</u>	<u>3.41</u>	Total Employee Benefits	<u>10,762</u>	<u>9,840</u>	<u>922 *</u>	<u>3.88</u>	<u>3.45</u>
					8600 General and Administration					
10,762	7,800	2,962 *	11.03	8.12	8603 Administrative Other Salaries	25,082	23,400	1,682 *	9.04	8.20
228	1,000	772	0.23	1.04	8605 Administrative PTO	2,263	3,000	737	0.82	1.05
1,196	700	496 *	1.23	0.73	8607 Administrative PR Taxes	2,363	2,100	263 *	0.85	0.74
2,680	2,680		2.75	2.79	8608 Management Fee Expense	8,040	8,040		2.90	2.82
264	280	16	0.27	0.29	8609 Telephone Expense	792	840	48	0.29	0.29
852	900	48	0.87	0.94	8610 Auto Expense	2,042	2,700	658	0.74	0.95
	100	100		0.10	8612 Dues and Subscriptions		300	300		0.11
440	100	340 *	0.45	0.10	8613 Office Supplies	1,411	300	1,111 *	0.51	0.11
	100	100		0.10	8614 Copier Expense		300	300		0.11
	10	10		0.01	8615 Postage Expense		30	30		0.01
	2,000	2,000		2.08	8621 General Advertising Expense	3,741	6,000	2,259	1.35	2.10

* Unfavorable Differences

Statement of Operations
 Sharon Village Apartments Inc (SA)
 12/1/21 to 12/31/21

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
	40	40		0.04	8623 Printing Expense	90	120	30	0.03	0.04
87	250	163	0.09	0.26	8624 Data Processing Expense	260	750	490	0.09	0.26
	10	10		0.01	8625 Administrative Misc Expense		30	30		0.01
16,509	15,970	539*	16.91	16.62	Total General and Administration	46,083	47,910	1,827	16.60	16.80
51,491	47,740	3,751*	52.76	49.68	Total Operating Costs	128,525	143,220	14,695	46.30	50.22
(1,667)	940	2,607*	(1.71)	0.98	Total Income/Loss from Operations	15,882	2,820	13,062	5.72	0.99
(1,667)	940	2,607*	(1.71)	0.98	Total Net Income Before Taxes	15,882	2,820	13,062	5.72	0.99
(1,667)	940	2,607*	(1.71)	0.98	Total Net Income/Loss	15,882	2,820	13,062	5.72	0.99

* Unfavorable Differences

Balance Sheet
as of 12/31/21
 Sharon Village Apartments Inc (SA)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	429,274.26
1100	Accounts Receivable	1,190.00
1400	Other Current Assets	216,061.20
	Total Current Assets	646,525.46
1500	Non-Current Assets	
1501	Other Assets	(79,446.36)
1800	Property, Plant and Equipment	131,561.56
	Total Non-Current Assets	52,115.20
	Total Assets	\$698,640.66
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	
3004	Notes and Accounts Payable	3,139.35
3200	Accrued Liabilities	10,825.61
3300	Other Current Liabilities	33,237.48
		<u>47,202.44</u>
3003	Long Term Liabilities	
3500	Deferred Revenue	53,867.39
		<u>53,867.39</u>
	Total Total Liabilities	101,069.83
4000	Equity	
	Total Equity	597,570.83
	Total Liabilities & Equity	\$698,640.66

Balance Sheet
as of 12/31/21

Sharon Village Apartments Inc (SA)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>	
1000	Assets		
1001	Current Assets		
1002	Cash		
1003	Operating Bank Account	428,924.26	
1005	Petty Cash	350.00	
		429,274.26	
1100	Accounts Receivable		
1101	Accts Receivable-Private	1,190.00	
		1,190.00	
1400	Other Current Assets		
1403	Accrued Interest	9,000.00	
1504	Assets Limited to Use	207,061.20	
		216,061.20	
	Total Current Assets		646,525.46
1500	Non-Current Assets		
1501	Other Assets		
1612	Intercompany Account-SV Apartments	(22,765.91)	
1623	Intercompany Account-SA with CR	(27,592.12)	
1686	Intercompany Account-Payroll-Ultimate	(29,088.33)	
		(79,446.36)	
1800	Property, Plant and Equipment		
1810	Moveable Equipment	300,006.45	
1811	Accm Depn-Moveable Equipment	(168,444.89)	
		131,561.56	
	Total Non-Current Assets		52,115.20
	Total Assets		\$698,640.66
3000	Liabilities & Equity		
3001	Total Liabilities		
3002	Current Liabilities		
3004	Notes and Accounts Payable		

Balance Sheet
as of 12/31/21
 Sharon Village Apartments Inc (SA)

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 GLBalShtLandscape

<i>Account</i>	<i>Description</i>	<i>Amount</i>	
3100	Accounts Payable	3,139.35	
		<u>3,139.35</u>	
3200	Accrued Liabilities		
3201	Accrued Salaries and Wages	7,298.48	
3202	Accrued Vacation/PTO Payable	3,527.13	
		<u>10,825.61</u>	
3300	Other Current Liabilities		
3301	Property Taxes Payable	33,237.48	
		<u>33,237.48</u>	
		<u>47,202.44</u>	
3003	Long Term Liabilities		
3500	Deferred Revenue		
3501	Deposits for Apartments Waiting List	3,000.00	
3502	Deposits on Apartments	48,367.39	
3503	Misc Deposits Account	2,500.00	
		<u>53,867.39</u>	
		<u>53,867.39</u>	
	Total Total Liabilities		101,069.83
4000	Equity		
4001	Common Stock	94,618.00	
4003	Retained Earnings	597,537.11	
4004	Current Earnings	15,882.14	
4006	Interdivision Equity	(125,014.50)	
4007	Unrealized (Gain)Loss on Investments	14,548.08	
	Total Equity		597,570.83
	Total Liabilities & Equity		<u><u>\$698,640.66</u></u>

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

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
3,689	3,753	64 *			5010 Resident Revenue	Days	10,885	11,100	215 *	
47,758	22,240	25,518	312.14	358.71	5100 Private Pay		113,302	66,720	46,582	320.97
3,847	28,210	24,363 *	549.51	455.00	5200 Medicare Part A		163,489	84,630	78,859	512.51
686,875	881,940	195,065 *	305.96	307.51	5300 Medicaid		1,984,020	2,645,820	661,800 *	305.70
33,426		33,426	306.66		5400 Medicaid Pending		70,960		70,960	315.38
(18,739)	5,130	23,869 *	307.19	320.63	5500 Insurance		(1,043)	15,390	16,433 *	
79,175	9,200	69,975	182.01	195.74	5600 Managed Care		211,868	27,600	184,268	174.38
45,624	51,910	6,286 *	12.37	13.83	5700 Medicare Part B		121,834	155,730	33,896 *	11.19
62,834	52,640	10,194	308.01	307.84	5800 Hospice		188,781	157,920	30,861	307.46
192,312	182,500	9,812	322.13	346.30	5850 Veterans Admin		538,696	547,500	8,804 *	322.77
1,133,111	1,233,770	100,660 *	307.16	328.74	Total Resident Revenue		3,391,907	3,701,310	309,403 *	311.61
(17)	880	897 *	0.00	0.23	6000 Other Revenues		5,066	2,640	2,426	0.47
1,133,094	1,234,650	101,556 *	307.15	328.98	Total Revenue		3,396,973	3,703,950	306,977 *	312.08
					7000 Operating Costs					
11,044	18,380	7,336	2.99	4.90	7101 Nursing Administration		44,169	55,140	10,971	4.06
432,519	416,530	15,989 *	117.25	110.99	7200 Nursing Service		1,165,005	1,249,590	84,585	107.03
9,181	13,210	4,029	2.49	3.52	7250 COVID-19		28,753	39,630	10,877	2.64
80,576	103,090	22,514	21.84	27.47	7300 Ancillaries		294,327	309,270	14,943	27.04
90,908	90,650	258 *	24.64	24.15	7400 Dietary		259,476	271,950	12,474	23.84
21,299	17,130	4,169 *	5.77	4.56	7500 Social Services		60,025	51,390	8,635 *	5.51
12,024	13,030	1,006	3.26	3.47	7600 Activities		35,124	39,090	3,966	3.23
3,536	3,780	244	0.96	1.01	7700 Medical Records		10,707	11,340	633	0.98
8,713	11,230	2,517	2.36	2.99	7800 Laundry		23,441	33,690	10,249	2.15
35,837	35,480	357 *	9.71	9.45	7900 Housekeeping		109,736	106,440	3,296 *	10.08
49,935	45,980	3,955 *	13.54	12.25	8000 Plant Operations and Maint.		134,155	137,940	3,785	12.32
3,978	6,300	2,322	1.08	1.68	8100 Transportation		8,129	18,900	10,771	0.75
7,000	7,000		1.90	1.87	8200 Depreciation		21,000	21,000		1.93
27,299	27,100	199 *	7.40	7.22	8300 Interest, Amortization & Lease		81,677	81,300	377 *	7.50
14,023	13,840	183 *	3.80	3.69	8400 Taxes and Insurance		41,623	41,520	103 *	3.82
29,580	52,800	23,220	8.02	14.07	8500 Employee Benefits		132,019	158,400	26,381	12.13
113,193	116,950	3,757	30.68	31.16	8600 General and Administration		349,092	350,850	1,758	32.07
5,100	6,100	1,000	1.38	1.63	8800 Other Costs		16,197	18,300	2,103	1.49
955,746	998,580	42,834	259.08	266.08	Total Operating Costs		2,814,655	2,995,740	181,085	258.58
177,348	236,070	58,722 *	48.07	62.90	Total Income/Loss from Operations		582,318	708,210	125,892 *	53.50
177,348	236,070	58,722 *	48.07	62.90	Total Net Income Before Taxes		582,318	708,210	125,892 *	53.50

* Unfavorable Differences

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<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
177,348	236,070	58,722 *	48.07	62.90	Total Net Income/Loss	582,318	708,210	125,892 *	53.50	63.80

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<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	
3,689	3,753	64 *			5010 Resident Revenue	Days	10,885	11,100		215 *	
153	62	91			5100 Private Pay	Days	353	184		169	
47,736	22,070	25,666	312.00	355.97	5101 Routine Services - PVT		113,191	66,210	46,981	320.65	359.84
28	70	42 *	0.18	1.13	5102 Medical Supplies- PVT		34	210	176 *	0.10	1.14
	10	10 *		0.16	5104 Oxygen - PVT			30	30 *		0.16
	50	50 *		0.81	5110 Fluidized Bed - PVT			150	150 *		0.82
	40	40 *		0.65	5113 Transportation - PVT		83	120	38 *	0.23	0.65
(6)		6 *	(0.04)		5120 Contractual Adjustment - PVT		(6)		6 *	(0.02)	
47,758	22,240	25,518	312.14	358.71	Total Private Pay		113,302	66,720	46,582	320.97	362.61
7	62	55 *			5200 Medicare Part A	Days	319	184		135	
3,577	28,200	24,623 *	510.93	454.84	5201 Routine Services-MCR A		165,837	84,600	81,237	519.86	459.78
13	270	257 *	1.80	4.35	5202 Medical Supplies-MCR A		637	810	173 *	2.00	4.40
	3,190	3,190 *		51.45	5203 Drugs-MCR A		13,976	9,570	4,406	43.81	52.01
	20	20 *		0.32	5204 Oxygen-MCR A			60	60 *		0.33
19	220	201 *	2.68	3.55	5205 Laboratory-MCR A		1,402	660	742	4.40	3.59
382	2,750	2,368 *	54.56	44.35	5206 Physical Therapy-MCR A		18,863	8,250	10,613	59.13	44.84
	800	800 *		12.90	5207 Speech Therapy-MCR A		12,552	2,400	10,152	39.35	13.04
353	2,880	2,527 *	50.45	46.45	5208 Occupational Therapy-MCR A		17,409	8,640	8,769	54.57	46.96
	120	120 *		1.94	5209 PEN Therapy-MCR A		174	360	186 *	0.55	1.96
	200	200 *		3.23	5210 Fluid Bed-MCR A		860	600	260	2.70	3.26
	120	120 *		1.94	5213 Transportation-MCR A		631	360	271	1.98	1.96
	120	120 *		1.94	5214 X-Rays-MCR A		65	360	295 *	0.20	1.96
192	60	132	27.44	0.97	5215 Misc-MCR A		192	180	12	0.60	0.98
269		269	38.44		5220 Contract Adj-Room MCR A		(2,350)		2,350 *	(7.37)	
(958)	(10,740)	9,782	(136.79)	(173.23)	5221 Contract Adj-Ancillaries MCR A		(66,757)	(32,220)	34,537 *	(209.27)	(175.11)
3,847	28,210	24,363 *	549.51	455.00	Total Medicare Part A		163,489	84,630	78,859	512.51	459.95
2,245	2,868	623 *			5300 Medicaid	Days	6,490	8,480		1,990 *	
689,642	881,930	192,288 *	307.19	307.51	5301 Routine Services-MCD		1,993,663	2,645,790	652,127 *	307.19	312.00
2,192	4,470	2,278 *	0.98	1.56	5302 Medical Supplies-MCD		7,286	13,410	6,124 *	1.12	1.58
5,468	7,840	2,372 *	2.44	2.73	5303 Oxygen- MCD		17,164	23,520	6,356 *	2.64	2.77
158	650	493 *	0.07	0.23	5304 Laboratory-MCD		315	1,950	1,635 *	0.05	0.23
525	100	425	0.23	0.03	5305 Physical Therapy-MCD Non-Covered		525	300	225	0.08	0.04
	30	30 *		0.01	5307 Speech Therapy-MCD Non-Covered			90	90 *		0.01
	100	100 *		0.03	5309 Occup. Therapy - MCD Non-Covered			300	300 *		0.04
3,880	6,370	2,490 *	1.73	2.22	5313 Fluidized Bed -MCD		12,760	19,110	6,350 *	1.97	2.25
	790	790 *		0.28	5316 Transportation -MCD		616	2,370	1,754 *	0.09	0.28
313	710	398 *	0.14	0.25	5317 X-Rays -MCD		313	2,130	1,818 *	0.05	0.25

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85		85	0.04		5321 Flu/Pnemounia Vacc - MCD	85		85	0.01	
(15,387)	(21,050)	5,663	(6.85)	(7.34)	5324 Contract Adj-Ancillaries MCD	(48,706)	(63,150)	14,444	(7.50)	(7.45)
686,875	881,940	195,065 *	305.96	307.51	Total Medicaid	1,984,020	2,645,820	661,800 *	305.70	312.01
109		109			5400 Medicaid Pending Days	225		225		
33,426		33,426	306.66		5401 Routine Services - MCD Pend	70,960		70,960	315.38	
21		21	0.19		5402 Medical Supplies - MCD Pend	573		573	2.54	
535		535	4.91		5404 Oxygen - MCD Pend	535		535	2.38	
(555)		555 *	(5.09)		5421 Contract Adj-Ancillaries MCD Pend	(1,107)		1,107 *	(4.92)	
33,426	0	33,426	306.66	0.00	Total Medicaid Pending	70,960	0	70,960	315.38	0.00
(61)	16	77 *			5500 Insurance Days		47	47 *		
(18,739)	5,130	23,869 *	307.19	320.63	5501 Routine Services - INS	(1,043)	15,390	16,433 *		327.45
915	580	335	(15.00)	36.25	5502 Medical Supplies - INS	2,519	1,740	779		37.02
(2,627)	920	3,547 *	43.07	57.50	5503 Drugs - INS	772	2,760	1,988 *		58.72
983	390	593	(16.12)	24.38	5504 Oxygen - INS	2,484	1,170	1,314		24.89
820	920	100 *	(13.44)	57.50	5505 Laboratory - INS	1,529	2,760	1,231 *		58.72
	740	740 *		46.25	5506 Physical Therapy - INS		2,220	2,220 *		47.23
	480	480 *		30.00	5507 Speech Therapy - INS		1,440	1,440 *		30.64
	830	830 *		51.88	5508 Occupational Therapy - INS		2,490	2,490 *		52.98
407	90	317	(6.68)	5.63	5509 PEN Therapy - INS	1,189	270	919		5.74
(85)		85 *	1.39		5511 Flu/Pneumonia - INS					
	170	170 *		10.63	5513 Wound Care - INS		510	510 *		10.85
	70	70 *		4.38	5514 Transportation - INS		210	210 *		4.47
313	310	3	(5.12)	19.38	5515 X-Rays - INS	313	930	618 *		19.79
(725)	(5,500)	4,775	11.89	(343.75)	5522 Contract Adj-Ancillaries - INS	(8,806)	(16,500)	7,694		(351.06)
(18,739)	5,130	23,869 *	307.19	320.63	Total Insurance	(1,043)	15,390	16,433 *	0.00	327.45
435	47	388			5600 Managed Care Days	1,215	139	1,076		
82,234	9,200	73,034	189.04	195.74	5601 Routine Services - MGC	218,879	27,600	191,279	180.15	198.56
905	430	475	2.08	9.15	5606 Physical Therapy - MGC	3,226	1,290	1,936	2.66	9.28
1,985	80	1,905	4.56	1.70	5607 Speech Therapy - MGC	1,985	240	1,745	1.63	1.73
2,037	330	1,707	4.68	7.02	5608 Occupational Therapy - MGC	6,371	990	5,381	5.24	7.12
1,240	260	980	2.85	5.53	5610 Fluidized Bed - MGC	4,820	780	4,040	3.97	5.61
1,457	470	987	3.35	10.00	5611 Flu/Pneumonia - MGC	3,787	1,410	2,377	3.12	10.14
	10	10 *		0.21	5614 Transportation - MGC		30	30 *		0.22
200		200	0.46		5616 Therapy Screenings - MGC	280		280	0.23	
(755)		755 *	(1.74)		5621 Contract Adj-Room MGC	(2,849)		2,849 *	(2.34)	
(10,127)	(1,580)	8,547 *	(23.28)	(33.62)	5622 Contract Adj-Ancillaries MGC	(24,630)	(4,740)	19,890 *	(20.27)	(34.10)

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79,175	9,200	69,975	182.01	195.74	Total Managed Care	211,868	27,600	184,268	174.38	198.56
3,689	3,753	64 *			5700 Medicare Part B	10,885	11,100	215 *		
					Days					
26,660	18,500	8,160	7.23	4.93	5703 Physical Therapy - MCR B	54,403	55,500	1,097 *	5.00	5.00
8,297	18,500	10,203 *	2.25	4.93	5704 Speech Therapy - MCR B	36,660	55,500	18,840 *	3.37	5.00
20,620	25,900	5,280 *	5.59	6.90	5705 Occupational Therapy - MCR B	49,249	77,700	28,451 *	4.52	7.00
339		339	0.09		5706 PEN Therapy - MCR B	740		740	0.07	
292	410	118 *	0.08	0.11	5707 Flu/Pneumonia - MCR B	2,742	1,230	1,512	0.25	0.11
					5708 Misc - MCR B	1,690		1,690	0.16	
(10,583)	(11,400)	817	(2.87)	(3.04)	5720 Contractual Adjustment - MRB	(23,650)	(34,200)	10,550	(2.17)	(3.08)
45,624	51,910	6,286 *	12.37	13.83	Total Medicare Part B	121,834	155,730	33,896 *	11.19	14.03
204	171	33			5800 Hospice	614	507	107		
					Days					
62,667	52,630	10,037	307.19	307.78	5801 Routine Services - HSP	188,615	157,890	30,725	307.19	311.42
124	1,260	1,136 *	0.61	7.37	5802 Medical Supplies- HSP	845	3,780	2,935 *	1.38	7.46
	550	550 *		3.22	5804 Oxygen - HSP		1,650	1,650 *		3.25
	20	20 *		0.12	5805 Laboratory - HSP		60	60 *		0.12
167		167	0.82		5807 Speech Therapy- HSP	167		167	0.27	
385	20	365	1.89	0.12	5809 PEN Therapy - HSP	1,582	60	1,522	2.58	0.12
360		360	1.76		5810 Fluidized Bed - HSP	1,480		1,480	2.41	
					5811 Flu/Pneumonia - HSP	120		120	0.20	
					5813 Wound Care - HSP	1,205		1,205	1.96	
	190	190 *		1.11	5814 Transportation - HSP	74	570	496 *	0.12	1.12
	20	20 *		0.12	5815 X-Rays - HSP		60	60 *		0.12
(869)	(2,050)	1,181	(4.26)	(11.99)	5822 Contract Adj-Ancillaries HSP	(5,306)	(6,150)	844	(8.64)	(12.13)
62,834	52,640	10,194	308.01	307.84	Total Hospice	188,781	157,920	30,861	307.46	311.48
597	527	70			5850 Veterans Admin	1,669	1,559	110		
					Days					
192,261	182,500	9,761	322.05	346.30	5851 Routine Services - VA	525,649	547,500	21,851 *	314.95	351.19
456	1,160	704 *	0.76	2.20	5852 Medical Supplies - VA	1,838	3,480	1,642 *	1.10	2.23
16,334	16,160	174	27.36	30.66	5853 Drugs - VA	58,214	48,480	9,734	34.88	31.10
1,294	1,040	254	2.17	1.97	5854 Oxygen - VA	3,899	3,120	779	2.34	2.00
514	1,040	526 *	0.86	1.97	5855 Laboratory - VA	3,338	3,120	218	2.00	2.00
4,985	5,890	905 *	8.35	11.18	5856 Physical Therapy - VA	17,744	17,670	74	10.63	11.33
3,321	2,090	1,231	5.56	3.97	5857 Speech Therapy - VA	5,514	6,270	756 *	3.30	4.02
4,106	3,040	1,066	6.88	5.77	5858 Occupational Therapy - VA	7,623	9,120	1,497 *	4.57	5.85
390	870	480 *	0.65	1.65	5859 PEN Therapy - VA	906	2,610	1,704 *	0.54	1.67
600		600	1.01		5860 Fluidized Bed - VA	1,820		1,820	1.09	
	440	440 *		0.83	5863 Transportation - VA	200	1,320	1,120 *	0.12	0.85
833	760	73	1.39	1.44	5864 X-rays - VA	2,611	2,280	331	1.56	1.46

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146		146	0.24		5865 Flu/Pneumonia - VA	746		746	0.45	
51		51	0.09		5867 Contract Adj Room - VA	13,047		13,047	7.82	
(32,978)	(32,490)	488 *	(55.24)	(61.65)	5868 Contract Adj Ancil - VA	(104,451)	(97,470)	6,981 *	(62.58)	(62.52)
192,312	182,500	9,812	322.13	346.30	Total Veterans Admin	538,696	547,500	8,804 *	322.77	351.19
1,133,111	1,233,770	100,660 *	307.16	328.74	Total Resident Revenue	3,391,907	3,701,310	309,403 *	311.61	333.45
3,689	3,753	64 *			6000 Other Revenues	Days				
1,100	1,000	100	0.30	0.27	6002 Property Lease Income	6,987	3,000	3,987	0.64	0.27
(1,117)	(120)	997 *	(0.30)	(0.03)	6003 Barber and Beauty	(1,985)	(360)	1,625 *	(0.18)	(0.03)
					6006 Interest Income-Misc	63		63	0.01	
(17)	880	897 *	0.00	0.23	Total Other Revenues	5,066	2,640	2,426	0.47	0.24
1,133,094	1,234,650	101,556 *	307.15	328.98	Total Revenue	3,396,973	3,703,950	306,977 *	312.08	333.69
					7000 Operating Costs					
					7101 Nursing Administration					
	7,700	7,700		2.05	7102 Nurs Admin DON Salaries	14,208	23,100	8,892	1.31	2.08
2,210	1,910	300 *	0.60	0.51	7104 Nurs Admin PTO	5,273	5,730	457	0.48	0.52
640	770	130	0.17	0.21	7106 Nurs Admin PR Taxes	1,899	2,310	411	0.17	0.21
4,194	4,000	194 *	1.14	1.07	7108 Nurs Admin Consultants	10,789	12,000	1,211	0.99	1.08
4,000	4,000		1.08	1.07	7109 Nurs Admin Medical Director Expense	12,000	12,000		1.10	1.08
11,044	18,380	7,336	2.99	4.90	Total Nursing Administration	44,169	55,140	10,971	4.06	4.97
					7200 Nursing Service					
43,333	56,010	12,677	11.75	14.92	7201 Nursing RN Salaries	122,741	168,030	45,289	11.28	15.14
89,095	97,350	8,255	24.15	25.94	7202 Nursing LPN Salaries	242,142	292,050	49,908	22.25	26.31
124,358	164,580	40,222	33.71	43.85	7203 Nursing CNA Salaries	374,279	493,740	119,461	34.38	44.48
15,974	13,720	2,254 *	4.33	3.66	7206 Nursing PTO	34,204	41,160	6,956	3.14	3.71
25,436	20,000	5,436 *	6.89	5.33	7207 Nursing Overtime	79,323	60,000	19,323 *	7.29	5.41
22,721	28,130	5,409	6.16	7.50	7208 Nursing PR Taxes	64,863	84,390	19,527	5.96	7.60
420	450	30	0.11	0.12	7209 Nursing Clinical Software	2,443	1,350	1,093 *	0.22	0.12
16,890	21,280	4,390	4.58	5.67	7210 Nursing Supplies	52,534	63,840	11,306	4.83	5.75
	10	10		0.00	7211 Nursing Travel and Meetings	1,244	30	1,214 *	0.11	0.00
94,292	15,000	79,292 *	25.56	4.00	7213 Nursing Contract Services	191,231	45,000	146,231 *	17.57	4.05
432,519	416,530	15,989 *	117.25	110.99	Total Nursing Service	1,165,005	1,249,590	84,585	107.03	112.58
					7250 COVID-19					
3,518	1,500	2,018 *	0.95	0.40	7251 COVID-19 Nursing Salaries	3,518	4,500	982	0.32	0.41
3,282	1,000	2,282 *	0.89	0.27	7252 COVID-19 Nursing Hero Bonuses	3,282	3,000	282 *	0.30	0.27

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1,294	1,000	294 *	0.35	0.27	7253 COVID-19 Nursing Isolating Pay	1,294	3,000	1,706	0.12	0.27
	500	500		0.13	7254 COVID-19 Other Salaries		1,500	1,500		0.14
	250	250		0.07	7255 COVID-19 Other Hero Bonuses		750	750		0.07
1,087	500	587 *	0.29	0.13	7256 COVID-19 Other Isolating Pay	1,754	1,500	254 *	0.16	0.14
					7262 COVID-19 Nursing Supplies/PPE	145		145 *	0.01	
	1,480	1,480		0.39	7263 COVID-19 Housekeeping Supplies		4,440	4,440		0.40
	1,500	1,500		0.40	7266 COVID-19 Med Supp-Test Kits-Residen	2,520	4,500	1,980	0.23	0.41
	5,000	5,000		1.33	7267 COVID-19 Med Supp-Test Kits Vis/Emp	16,240	15,000	1,240 *	1.49	1.35
	430	430		0.11	7271 COVID-19 Payroll Taxes		1,290	1,290		0.12
	50	50		0.01	7272 COVID-19 PPE Disposal		150	150		0.01
9,181	13,210	4,029	2.49	3.52	Total COVID-19	28,753	39,630	10,877	2.64	3.57
					7300 Ancillaries					
19,469	20,350	881	5.28	5.42	7301 Physical Therapy - Contract	62,061	61,050	1,011 *	5.70	5.50
1,128	400	728 *	0.31	0.11	7302 Physical Therapy - Supplies	1,881	1,200	681 *	0.17	0.11
5,996	16,010	10,014	1.63	4.27	7303 Speech Therapy - Contract	29,820	48,030	18,210	2.74	4.33
15,889	23,670	7,781	4.31	6.31	7304 Occupational Therapy - Contract	53,567	71,010	17,443	4.92	6.40
353	410	57	0.10	0.11	7305 PEN Therapy Nutrient	1,673	1,230	443 *	0.15	0.11
113	410	297	0.03	0.11	7306 PEN Therapy Supplies	455	1,230	775	0.04	0.11
224		224 *	0.06		7307 Wound Care Expense - Non Part B	1,660		1,660 *	0.15	
1,255	2,170	915	0.34	0.58	7308 Laboratory Expense	5,279	6,510	1,231	0.49	0.59
1,296	1,200	96 *	0.35	0.32	7309 Oxygen Expense	1,891	3,600	1,709	0.17	0.32
	700	700		0.19	7310 Fluidized Bed Expense		2,100	2,100		0.19
416	700	284	0.11	0.19	7312 X-Ray Expense	1,635	2,100	465	0.15	0.19
	600	600		0.16	7313 Flu/Pneumonia Expense	5,718	1,800	3,918 *	0.53	0.16
19,519	21,070	1,551	5.29	5.61	7314 Prescription Drug Expense	83,010	63,210	19,800 *	7.63	5.69
2,590	2,770	180	0.70	0.74	7315 OTC/Stock Drug Expense	8,716	8,310	406 *	0.80	0.75
4,105	3,960	145 *	1.11	1.06	7316 Pharmacy Consultant Expense	13,203	11,880	1,323 *	1.21	1.07
2,730	3,400	670	0.74	0.91	7317 Medical Supplies	10,003	10,200	197	0.92	0.92
192	60	132 *	0.05	0.02	7319 Misc Ancillary Expense - MCR A	202	180	22 *	0.02	0.02
5,299	5,210	89 *	1.44	1.39	7327 Misc Ancillary Expense-VA	13,553	15,630	2,077	1.25	1.41
80,576	103,090	22,514	21.84	27.47	Total Ancillaries	294,327	309,270	14,943	27.04	27.86
					7400 Dietary					
5,214	6,350	1,136	1.41	1.69	7401 Dietary Director Salaries	17,658	19,050	1,392	1.62	1.72
38,059	40,510	2,451	10.32	10.79	7402 Dietary Other Salaries	109,669	121,530	11,861	10.08	10.95
3,102	2,970	132 *	0.84	0.79	7404 Dietary PTO	7,203	8,910	1,707	0.66	0.80
75	1,000	925	0.02	0.27	7405 Dietary Overtime	2,371	3,000	629	0.22	0.27
3,640	4,070	430	0.99	1.08	7406 Dietary PR Taxes	10,547	12,210	1,663	0.97	1.10
815	800	15 *	0.22	0.21	7407 Dietary Consultants	2,403	2,400	3 *	0.22	0.22

* Unfavorable Differences

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

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
37,774	37,450	324 *	10.24	9.98	7408 Dietary Raw Food	105,076	112,350	7,274	9.65	10.12
6,379	5,180	1,199 *	1.73	1.38	7409 Dietary Supplies	16,588	15,540	1,048 *	1.52	1.40
	20	20		0.01	7411 Dietary Travel and Meetings		60	60		0.01
(4,150)	(7,700)	3,550 *	(1.13)	(2.05)	7412 Dietary Emp/Guest Meal Income	(12,039)	(23,100)	11,061 *	(1.11)	(2.08)
90,908	90,650	258 *	24.64	24.15	Total Dietary	259,476	271,950	12,474	23.84	24.50
					7500 Social Services					
4,351	4,560	209	1.18	1.22	7501 Social Services Director Salaries	13,374	13,680	306	1.23	1.23
12,212	8,890	3,322 *	3.31	2.37	7502 Social Services Other Salaries	35,276	26,670	8,606 *	3.24	2.40
1,550	570	980 *	0.42	0.15	7504 Social Services PTO	2,465	1,710	755 *	0.23	0.15
118		118 *	0.03		7505 Social Services Overtime	584		584 *	0.05	
1,469	1,120	349 *	0.40	0.30	7506 Social Services PR Taxes	4,089	3,360	729 *	0.38	0.30
900	1,250	350	0.24	0.33	7507 Social Services Consultants	2,136	3,750	1,614	0.20	0.34
700	700		0.19	0.19	7508 Social Services Supplies	2,100	2,100		0.19	0.19
	40	40		0.01	7510 Social Services Travel and Meetings		120	120		0.01
21,299	17,130	4,169 *	5.77	4.56	Total Social Services	60,025	51,390	8,635 *	5.51	4.63
					7600 Activities					
2,966	3,300	334	0.80	0.88	7601 Activities Director Salaries	9,057	9,900	843	0.83	0.89
6,194	6,440	246	1.68	1.72	7602 Activities Other Salaries	18,436	19,320	884	1.69	1.74
1,059	880	179 *	0.29	0.23	7604 Activities PTO	2,869	2,640	229 *	0.26	0.24
528	500	28 *	0.14	0.13	7605 Activities Overtime	718	1,500	782	0.07	0.14
791	890	99	0.21	0.24	7606 Activities PR Taxes	2,296	2,670	374	0.21	0.24
201	900	699	0.05	0.24	7608 Activities Supplies	837	2,700	1,863	0.08	0.24
285	120	165 *	0.08	0.03	7609 Activities Purchased Services	910	360	550 *	0.08	0.03
12,024	13,030	1,006	3.26	3.47	Total Activities	35,124	39,090	3,966	3.23	3.52
					7700 Medical Records					
3,504	2,880	624 *	0.95	0.77	7701 Medical Records Salaries	9,156	8,640	516 *	0.84	0.78
(94)	190	284	(0.03)	0.05	7703 Medical Records PTO	423	570	147	0.04	0.05
89	100	11	0.02	0.03	7704 Medical Records Overtime	364	300	64 *	0.03	0.03
256	260	4	0.07	0.07	7705 Medical Records PR Taxes	726	780	54	0.07	0.07
(284)	350	634	(0.08)	0.09	7707 Medical Records Supplies	(27)	1,050	1,077	0.00	0.09
65		65 *	0.02		7709 Medical Records Travel and Meetings	65		65 *	0.01	
3,536	3,780	244	0.96	1.01	Total Medical Records	10,707	11,340	633	0.98	1.02
					7800 Laundry					
5,013	6,570	1,557	1.36	1.75	7802 Laundry Other Salaries	14,875	19,710	4,835	1.37	1.78
347	310	37 *	0.09	0.08	7804 Laundry PTO	790	930	140	0.07	0.08
64	300	236	0.02	0.08	7805 Laundry Overtime	522	900	378	0.05	0.08

* Unfavorable Differences

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

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
411	570	159	0.11	0.15	7806 Laundry PR Taxes	1,258	1,710	452	0.12	0.15
1,414	1,220	194 *	0.38	0.33	7807 Laundry Supplies	3,843	3,660	183 *	0.35	0.33
1,463	2,040	577	0.40	0.54	7808 Laundry Linen and Bedding	2,153	6,120	3,967	0.20	0.55
	220	220		0.06	7809 Laundry Underpads		660	660		0.06
8,713	11,230	2,517	2.36	2.99	Total Laundry	23,441	33,690	10,249	2.15	3.04
7900 Housekeeping										
4,087	4,310	223	1.11	1.15	7901 Housekeeping Director Salaries	12,368	12,930	562	1.14	1.16
22,381	22,040	341 *	6.07	5.87	7902 Housekeeping Other Salaries	64,147	66,120	1,973	5.89	5.96
1,027	1,750	723	0.28	0.47	7904 Housekeeping PTO	7,496	5,250	2,246 *	0.69	0.47
653	400	253 *	0.18	0.11	7905 Housekeeping Overtime	1,713	1,200	513 *	0.16	0.11
2,122	2,280	158	0.58	0.61	7906 Housekeeping PR Taxes	6,550	6,840	290	0.60	0.62
4,711	4,700	11 *	1.28	1.25	7908 Housekeeping Supplies	15,355	14,100	1,255 *	1.41	1.27
856		856 *	0.23		7909 Housekeeping Purch Services	2,106		2,106 *	0.19	
35,837	35,480	357 *	9.71	9.45	Total Housekeeping	109,736	106,440	3,296 *	10.08	9.59
8000 Plant Operations and Maint.										
14,776	9,970	4,806 *	4.01	2.66	8002 POM Other Salaries	29,544	29,910	366	2.71	2.69
(1,841)	1,450	3,291	(0.50)	0.39	8004 POM PTO	4,694	4,350	344 *	0.43	0.39
298	200	98 *	0.08	0.05	8005 POM Overtime	1,316	600	716 *	0.12	0.05
1,147	930	217 *	0.31	0.25	8006 POM PR Taxes	3,127	2,790	337 *	0.29	0.25
1,616	650	966 *	0.44	0.17	8007 POM Consultants	5,175	1,950	3,225 *	0.48	0.18
4,945	3,600	1,345 *	1.34	0.96	8008 POM Supplies	11,617	10,800	817 *	1.07	0.97
8,720	8,500	220 *	2.36	2.26	8009 POM Purchased Services	19,972	25,500	5,528	1.83	2.30
17,708	18,080	372	4.80	4.82	8010 POM Utilities	51,013	54,240	3,227	4.69	4.89
2,566	2,600	34	0.70	0.69	8011 POM Cable/TV Expense	7,697	7,800	103	0.71	0.70
49,935	45,980	3,955 *	13.54	12.25	Total Plant Operations and Maint.	134,155	137,940	3,785	12.32	12.43
8100 Transportation										
	1,850	1,850		0.49	8101 Transportation Salaries		5,550	5,550		0.50
	150	150		0.04	8105 Transportation PR Taxes		450	450		0.04
1,274	1,200	74 *	0.35	0.32	8106 Transportation Vehicle Expense	3,822	3,600	222 *	0.35	0.32
2,705	3,100	396	0.73	0.83	8107 Transportation NEMT Contr Veh-Mcaid	4,307	9,300	4,993	0.40	0.84
3,978	6,300	2,322	1.08	1.68	Total Transportation	8,129	18,900	10,771	0.75	1.70
8200 Depreciation										
7,000	7,000		1.90	1.87	8205 Depr Expense - Moveable Equipment	21,000	21,000		1.93	1.89
7,000	7,000	0	1.90	1.87	Total Depreciation	21,000	21,000	0	1.93	1.89
8300 Interest, Amortization & Lease										

* Unfavorable Differences

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

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
199		199 *	0.05		8302 Interest Expense - Other	377		377 *	0.03	
27,100	27,100		7.35	7.22	8303 Building Lease Expense	81,300	81,300		7.47	7.32
27,299	27,100	199 *	7.40	7.22	Total Interest, Amortization & Lease	81,677	81,300	377 *	7.50	7.32
					8400 Taxes and Insurance					
4,500	4,500		1.22	1.20	8401 Property Tax Expense	13,500	13,500		1.24	1.22
223	40	183 *	0.06	0.01	8402 Misc Tax Expense	223	120	103 *	0.02	0.01
2,300	2,300		0.62	0.61	8403 Insurance Expense- Property	6,900	6,900		0.63	0.62
7,000	7,000		1.90	1.87	8404 Insurance Expense- Liability	21,000	21,000		1.93	1.89
14,023	13,840	183 *	3.80	3.69	Total Taxes and Insurance	41,623	41,520	103 *	3.82	3.74
					8500 Employee Benefits					
18,243	45,000	26,757	4.95	11.99	8501 Employee Group Insurance	105,225	135,000	29,775	9.67	12.16
6,000	6,000		1.63	1.60	8502 Workers Compensation Expense	18,000	18,000		1.65	1.62
	300	300		0.08	8504 Retirement Plan Expense		900	900		0.08
5,337	1,500	3,837 *	1.45	0.40	8505 Employee Benefits Misc Expense	8,794	4,500	4,294 *	0.81	0.41
29,580	52,800	23,220	8.02	14.07	Total Employee Benefits	132,019	158,400	26,381	12.13	14.27
					8600 General and Administration					
16,030	17,140	1,110	4.35	4.57	8601 Administrative Administrator Salaries	56,813	51,420	5,393 *	5.22	4.63
14,142	14,500	358	3.83	3.86	8603 Administrative Other Salaries	41,370	43,500	2,130	3.80	3.92
259	1,500	1,241	0.07	0.40	8605 Administrative PTO	2,922	4,500	1,578	0.27	0.41
512	1,000	488	0.14	0.27	8606 Administrative Overtime	3,243	3,000	243 *	0.30	0.27
1,375	2,730	1,355	0.37	0.73	8607 Administrative PR Taxes	4,307	8,190	3,883	0.40	0.74
67,900	67,900		18.41	18.09	8608 Management Fee Expense	203,700	203,700		18.71	18.35
771	830	59	0.21	0.22	8609 Telephone Expense	2,313	2,490	177	0.21	0.22
1,210	950	260 *	0.33	0.25	8610 Auto Expense	2,474	2,850	376	0.23	0.26
1,101	2,000	899	0.30	0.53	8612 Dues and Subscriptions	6,869	6,000	869 *	0.63	0.54
911	550	361 *	0.25	0.15	8613 Office Supplies	1,494	1,650	156	0.14	0.15
1,599	1,800	201	0.43	0.48	8614 Copier Expense	4,476	5,400	924	0.41	0.49
388	400	12	0.11	0.11	8615 Postage Expense	933	1,200	267	0.09	0.11
					8616 Professional Fees - Legal	1,837		1,837 *	0.17	
750	250	500 *	0.20	0.07	8617 Professional Fees - Other	750	750		0.07	0.07
1,106	500	606 *	0.30	0.13	8619 Admin - Travel and Meetings	1,372	1,500	128	0.13	0.14
856	350	506 *	0.23	0.09	8620 Help Wanted Advertising Expense	1,712	1,050	662 *	0.16	0.09
622	50	572 *	0.17	0.01	8621 General Advertising Expense	1,030	150	880 *	0.09	0.01
1,099	1,000	99 *	0.30	0.27	8622 Bank Charge Expense	4,282	3,000	1,282 *	0.39	0.27
214	200	14 *	0.06	0.05	8623 Printing Expense	327	600	273	0.03	0.05
2,348	3,000	652	0.64	0.80	8624 Data Processing Expense	6,869	9,000	2,131	0.63	0.81
	300	300		0.08	8626 Meals & Entertainment		900	900		0.08

* Unfavorable Differences

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

<i>Month Actual</i>	<i>Month Budget</i>	<i>Month Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>	<i>Account</i>	<i>YTD Actual</i>	<i>YTD Budget</i>	<i>YTD Diff</i>	<i>PPD Actual</i>	<i>PPD Budget</i>
113,193	116,950	3,757	30.68	31.16	Total General and Administration	349,092	350,850	1,758	32.07	31.61
					8800 Other Costs					
867	1,500	633	0.23	0.40	8801 Non-Allowable Expense	1,808	4,500	2,692	0.17	0.41
3,000	3,000		0.81	0.80	8804 Bad Debt Expense	9,000	9,000		0.83	0.81
1,234	1,600	366	0.33	0.43	8808 Micare Co-Ins Bad Debt	5,389	4,800	589 *	0.50	0.43
5,100	6,100	1,000	1.38	1.63	Total Other Costs	16,197	18,300	2,103	1.49	1.65
955,746	998,580	42,834	259.08	266.08	Total Operating Costs	2,814,655	2,995,740	181,085	258.58	269.89
177,348	236,070	58,722 *	48.07	62.90	Total Income/Loss from Operations	582,318	708,210	125,892 *	53.50	63.80
177,348	236,070	58,722 *	48.07	62.90	Total Net Income Before Taxes	582,318	708,210	125,892 *	53.50	63.80
177,348	236,070	58,722 *	48.07	62.90	Total Net Income/Loss	582,318	708,210	125,892 *	53.50	63.80

* Unfavorable Differences

Balance Sheet
as of 12/31/21
 White Oak Manor - Charlotte Inc (CR)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	962,359.46
1100	Accounts Receivable	1,170,469.12
1200	Inventory	33,317.48
1300	Prepaid Expenses	18,652.02
	Total Current Assets	2,184,798.08
1500	Non-Current Assets	
1501	Other Assets	(866,879.60)
1800	Property, Plant and Equipment	297,084.05
	Total Non-Current Assets	(569,795.55)
	Total Assets	<u><u>\$1,615,002.53</u></u>
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	
3004	Notes and Accounts Payable	347,521.89
3200	Accrued Liabilities	402,598.74
3300	Other Current Liabilities	(32,899.94)
		<u>717,220.69</u>
	Total Total Liabilities	717,220.69
4000	Equity	
	Total Equity	897,781.84
	Total Liabilities & Equity	<u><u>\$1,615,002.53</u></u>

Balance Sheet

as of 12/31/21

White Oak Manor - Charlotte Inc (CR)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	
1003	Operating Bank Account	960,759.46
1005	Petty Cash	800.00
1008	Resident Trust Funds Petty Cash	800.00
		<hr/>
		962,359.46
1100	Accounts Receivable	
1101	Accts Receivable-Private	22,230.13
1102	Accts Receivable-Medicaid SNF	139,970.93
1104	Accts Receivable-Hospice	48,772.52
1105	Accts Receivable-Medicare Pt A	(2,058.21)
1107	Accts Receivable-3rd Party Ins Part A	27,639.50
1108	Accts Receivable-Medicare Pt B	23,759.65
1109	Accts Receivable-Mcare Crossover Pt B	6,311.07
1110	Accts Receivable-Medicaid Pending	97,505.30
1111	Accts Receivable-Insurance	(10,142.89)
1112	Accts Receivable-Managed Care	257,441.80
1113	Accts Receivable-VA	541,420.00
1115	Accts Receivable Other	19,947.54
1120	Allowance For Doubtful Accounts	(19,712.78)
1124	Resident Judgments	17,414.36
1125	Activities Fund	(29.80)
		<hr/>
		1,170,469.12
1200	Inventory	
1201	Inventory-Food	10,734.53
1202	Inventory-Medical Supplies	3,224.60
1203	Inventory-Nursing Supplies	4,609.32
1204	Inventory-PEN	1,313.73
1205	Inventory-Laundry	7,907.00
1206	Inventory-Housekeeping	446.58
1207	Inventory-Other	5,081.72
		<hr/>
		33,317.48
1300	Prepaid Expenses	
1301	Prepaid Insurance	18,652.02
		<hr/>
		18,652.02

Balance Sheet
as of 12/31/21

White Oak Manor - Charlotte Inc (CR)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>
	Total Current Assets	2,184,798.08
1500	Non-Current Assets	
1501	Other Assets	
1611	Intercompany Account-Charlotte	(861,766.26)
1623	Intercompany Account-SA with CR	27,592.12
1686	Intercompany Account-Payroll-Ultimate	(32,705.46)
		<u>(866,879.60)</u>
1800	Property, Plant and Equipment	
1810	Moveable Equipment	1,554,163.08
1811	Accm Depn-Moveable Equipment	(1,257,079.03)
		<u>297,084.05</u>
	Total Non-Current Assets	(569,795.55)
	Total Assets	<u>\$1,615,002.53</u>
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	
3004	Notes and Accounts Payable	
3100	Accounts Payable	246,336.23
3104	Medicare Covid Advance	101,847.64
3109	Employee Deductions-Cancer	(661.98)
		<u>347,521.89</u>
3200	Accrued Liabilities	
3201	Accrued Salaries and Wages	231,089.42
3202	Accrued Vacation/PTO Payable	170,589.16
3209	401K Payable	920.16
		<u>402,598.74</u>
3300	Other Current Liabilities	
3301	Property Taxes Payable	(32,899.94)
		<u>(32,899.94)</u>
		<u>717,220.69</u>
	Total Total Liabilities	717,220.69

Balance Sheet

as of 12/31/21

White Oak Manor - Charlotte Inc (CR)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
4000	Equity	
4001	Common Stock	186,832.00
4003	Retained Earnings	877,299.13
4004	Current Earnings	582,318.17
4006	Interdivision Equity	(748,667.46)
	Total Equity	897,781.84
	Total Liabilities & Equity	<u><u>\$1,615,002.53</u></u>

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/21 to 12/31/21

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

* Unfavorable Differences

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/21 to 12/31/21

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

* Unfavorable Differences

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/21 to 12/31/21

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

* Unfavorable Differences

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/21 to 12/31/21

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

* Unfavorable Differences

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/21 to 12/31/21

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

* Unfavorable Differences

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White Oak Management, Inc. (ALL)

12/1/21 to 12/31/21

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

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

* Unfavorable Differences

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

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

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

* Unfavorable Differences

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/21 to 12/31/21

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

* Unfavorable Differences

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/21 to 12/31/21

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

* Unfavorable Differences

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/21 to 12/31/21

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
50,184	36,100	14,084 *	0.92	0.66	8107 Transportation NEMT Contr Veh-Mcaid	106,718	108,300	1,582	0.66	0.67
9,546	11,320	1,774	0.17	0.21	8108 Transportation Contr Vehicles-non Mcai	33,004	33,960	956	0.20	0.21
108,798	102,820	5,978 *	1.99	1.89	Total Transportation	292,013	308,460	16,447	1.80	1.92
8200 Depreciation										
48,000	48,000		0.88	0.88	8201 Depreciation Expense - Land Improverr	144,000	144,000		0.89	0.90
2,000	2,000		0.04	0.04	8202 Depreciation Expense - Leasehold Impr	6,000	6,000		0.04	0.04
265,000	265,000		4.85	4.87	8203 Depreciation Expense - Buildings	795,000	795,000		4.91	4.95
117,000	117,000		2.14	2.15	8204 Depreciation Expense - Fixed Equipmei	351,000	351,000		2.17	2.19
102,500	102,500		1.88	1.88	8205 Depr Expense - Moveable Equipment	307,500	307,500		1.90	1.92
534,500	534,500	0	9.78	9.82	Total Depreciation	1,603,500	1,603,500	0	9.90	9.99
8300 Interest, Amortization & Lease										
120,393	126,000	5,607	2.20	2.31	8301 Interest Expense - Mortgage	366,347	378,000	11,653	2.26	2.36
14,494	1,600	12,894 *	0.27	0.03	8302 Interest Expense - Other	18,025	4,800	13,225 *	0.11	0.03
573,205	573,205		10.49	10.53	8303 Building Lease Expense	1,719,615	1,719,615		10.61	10.72
1,320	1,320		0.02	0.02	8304 Amort Expense - Loan Costs	3,960	3,960		0.02	0.02
5,590	5,590		0.10	0.10	8305 Amort Expense - Pre-Operating	16,770	16,770		0.10	0.10
5,663	5,663	0 *	0.10	0.10	8308 Amort Expense - Goodwill	16,990	16,989	1 *	0.10	0.11
720,665	713,378	7,287 *	13.19	13.10	Total Interest, Amortization & Lease	2,141,706	2,140,134	1,572 *	13.22	13.34
8400 Taxes and Insurance										
200,682	200,290	392 *	3.67	3.68	8401 Property Tax Expense	602,045	600,870	1,175 *	3.72	3.74
120,454	126,640	6,186	2.20	2.33	8402 Misc Tax Expense	360,508	379,920	19,412	2.22	2.37
46,350	46,550	200	0.85	0.86	8403 Insurance Expense- Property	139,350	139,650	300	0.86	0.87
68,600	68,600		1.26	1.26	8404 Insurance Expense- Liability	205,800	205,800		1.27	1.28
436,086	442,080	5,994	7.98	8.12	Total Taxes and Insurance	1,307,702	1,326,240	18,538	8.07	8.27
8500 Employee Benefits										
853,146	918,930	65,784	15.61	16.88	8501 Employee Group Insurance	2,406,385	2,756,790	350,405	14.85	17.18
106,300	106,300		1.95	1.95	8502 Workers Compensation Expense	319,000	318,900	100 *	1.97	1.99
(638)		638	(0.01)		8503 Uniform Expense - NC Locations	(32)	32	66	0.00	
	16,770	16,770		0.31	8504 Retirement Plan Expense	11,635	50,310	38,675	0.07	0.31
104,374	47,700	56,674 *	1.91	0.88	8505 Employee Benefits Misc Expense	149,476	143,100	6,376 *	0.92	0.89
1,063,182	1,089,700	26,518	19.45	20.02	Total Employee Benefits	2,886,463	3,269,100	382,637	17.81	20.37
8600 General and Administration										
161,015	167,050	6,035	2.95	3.07	8601 Administrative Administrator Salaries	516,521	501,150	15,371 *	3.19	3.12
744,148	729,690	14,458 *	13.62	13.40	8603 Administrative Other Salaries	2,163,564	2,189,070	25,506	13.35	13.64
41,694	44,340	2,646	0.76	0.81	8605 Administrative PTO	83,955	133,020	49,065	0.52	0.83

* Unfavorable Differences

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/21 to 12/31/21

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

* Unfavorable Differences

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/21 to 12/31/21

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

* Unfavorable Differences

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

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

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

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

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

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

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

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<i>Account</i>	<i>Description</i>	<i>Amount</i>
1618	Intercompany Account-Lancaster	
1619	Intercompany Account-York	
1620	Intercompany Account-WA with TR	
1621	Intercompany Account-BH with TR	
1622	Intercompany Account-OC with BU	
1623	Intercompany Account-SA with CR	
1624	Intercompany Account-EA with WE	
1625	Intercompany Account-EL with WE	
1626	Intercompany Account- Waxhaw	
1627	Intercompany Account-WO Village	
1631	Intercompany Account-WOE Wellness Center	
1632	Intercompany Account-EW with WE	
1633	Intercompany Account-EW with EA	
1634	Intercompany Account-EW with EL	
1635	Intercompany Account-North Grove	
1686	Intercompany Account-Payroll-Ultimate	
1687	Interdivision-Purchase Acct	
1691	Investment in Subsidiary	3,177,082.00
1692	Goodwill	679,593.44
1693	Accm Amort of Goodwill	(424,745.53)
		<hr/> 3,506,876.76
1800	Property, Plant and Equipment	
1801	Land	5,279,816.36
1802	Land Improvements	11,577,576.42
1803	Accm Depn-Land Improvements	(7,996,246.82)
1804	Building	97,908,063.96
1805	Accm Depn-Buildings	(65,883,655.46)
1806	Leasehold Improvements	295,804.40
1807	Accm Depn-Leasehold Improvements	(159,823.61)
1808	Fixed Equipment	19,894,859.88
1809	Accm Depn-Fixed Equipment	(12,670,416.34)
1810	Moveable Equipment	18,337,873.98
1811	Accm Depn-Moveable Equipment	(15,811,393.59)
1812	Accm Depn-Purchase Accounting	7,234,861.00
1817	Construction in Progress - AM	993,182.69
1825	Asset Retirement Cost	10,150.00
1826	Accm Depn Asset Retirement Cost	(8,915.00)
		<hr/> 59,001,737.87
	Total Non-Current Assets	62,508,614.63

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

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

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

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

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

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

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

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

agreement will terminate and alternate placement will be required.

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

(a) The rent for a partial month at the beginning of the term shall be prorated;

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

(i) Six (6%) percent of the average monthly rental during the preceding calendar year; or

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

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

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

other residents who signed their Apartment Rental Agreements prior to the implementation of this policy in September, 2008.

6. USE OF PREMISES. Resident shall have the use, possession and enjoyment during the term of this Agreement of the apartment above identified jointly with any other tenant, but all common areas, including stairways, walkways and grounds, shall be used and enjoyed with other residents, and no portion of the same may or shall be permanently or temporarily appropriated by Resident to Resident's exclusive use, enjoyment or possession.
7. DESCRIPTION OF LIVING QUARTERS. Resident will reside in one of the following units:
 - Efficiency - 323 square feet. Living room/bedroom, kitchen, 1 bathroom, porch
 - One Bedroom - 530 square feet. Living room, bedroom, walk-in closet, 1 bathroom, kitchen, porch
 - Deluxe One Bedroom - 655 square feet. Living room, bedroom, walk-in closet, 1 bathroom, kitchen, dining room, porch
 - Deluxe Two Bedroom - 867 square feet. Living room, 2 bedrooms, 2 bathrooms, kitchen, dining room, porch
8. CARE OF APARTMENT AND REPAIRS. Resident will take good care of the apartment and common areas and will report promptly to Owner any repairs which may be needed. Owner shall keep and maintain the apartment in tenable condition and shall have the right to make at reasonable times any and all repairs, renovations and alterations as it shall determine necessary or desirable. Resident shall reimburse Owner for expenses incurred by Owner for repairs

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

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

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

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

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

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

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

enforcing its rights hereunder, including a reasonable attorney's fee, and shall be entitled to have accrued monthly interest, at the maximum rate allowed by law, as to any payments due and owing hereunder.

18. ASSIGNMENT AND SUBLETTING. Should the apartment complex be sold or leased to another party, Owner shall have the right to assign this lease to the new owner. However, Resident may not assign or transfer this lease or sublet the apartment or any part thereof without the prior written consent of the Owner, which consent the Owner may withhold.
19. SUBORDINATION. This Apartment Rental Agreement is subject and subordinate to all ground or underlying leases and to all mortgages or deeds of trust which may now or hereafter affect such leases or the real property on which the apartment is located. In the event of foreclosure, any retention deposits or security deposits will be refunded to the Resident on the basis of the applicable retention schedule. Furthermore, every effort will be made to have the mortgagee honor all agreements between the Owner and Resident and continue the apartment complex as an operating entity.
20. NOTICES. Any notice required or provided for herein shall be deemed to have been served sufficiently or received if the same shall be in writing and either hand delivered or mailed, postage prepaid, to a party's present address, or to such other address as that party may subsequently provide.
21. DISPOSITION OF PERSONAL PROPERTY. Upon the expiration or termination of this Agreement, Owner shall have the right, after ten (10) days written notice, to remove, at the Resident's sole cost and expense, from the premises, all of the Resident's personal belongings and other property

remaining therein, and to dispose of same as the Owner in its sole judgment shall determine, with no liability therefore. In addition, as to any expenses thereby incurred, or incurred by the Owner in cleaning Resident's apartment, Resident shall reimburse Owner therefore.

22. SERVICES OFFERED.

- (a) Meals. Owner will provide Resident with one meal per day, the meal to be determined by Owner, and to be served in the common dining area.
- (b) Guest Meals. Are available at \$10.00 per meal.
- (c) Utilities. All utilities, except telephone expenses, will be paid for by the Owner. However, the cost of telephone installation and removal shall be paid by Resident.
- (d) Janitorial Services. Owner will provide services in all service areas, halls and community areas.
- (e) Maid Service. Owner will provide maid service every other week, on a regularly scheduled basis, to clean Resident's apartment if so desired by Resident.
- (f) Laundry. Once each week, Resident's flat laundry will be picked up outside the door of Resident's apartment, cleaned and returned.
- (g) Laundromat. Laundry facilities are available free of charge at the apartment complex for Resident's use (Resident must provide detergent).
- (h) Transportation. Transportation will be available at certain scheduled times, to be determined by the Owner in view of the needs of the Resident and the other occupants of apartments.

- (i) Nursing Center. A bed in the adjoining nursing center will be made available, on a priority basis, whenever Resident's health, as determined by Resident's physician, so requires.
- (j) Nursing Facility Days. At the time of residence and each calendar year thereafter, each resident is allowed 10 inpatient days in the adjacent White Oak Manor Charlotte Facility. Unused days cannot be carried forward to the next calendar year. A physician's written medical certification is required before admission to the Nursing Facility.
- (k) Nurse Call System. Is located in the master bedroom and bath of each apartment and is connected to the nurse's station at the adjacent nursing facility. If activated, a trained member of the Nursing Department will respond to the apartment.
- (l) Health Services Available. Skilled and Intermediate Nursing Care (Medicare and Medicaid Certified).
- (m) Storage Facilities. Owner shall provide, at Resident's sole risk, reasonable storage space for Resident's belongings other than furniture and other household furnishings.
- (n) Recreational Facilities. Recreational facilities are available for Resident's use on first come / first served basis.
- (o) Basic Cable TV Service. Basic Cable TV service is provided by the Owner. Additional services can be purchased by the Resident.
- (p) Personal Services. The following are available at the resident's expense:
 - Beauty/ Barber Shop
 - Accommodations for overnight guests

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

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

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

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

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

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

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

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

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

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

WHITE OAK MANOR - CHARLOTTE, INC.

d/b/a SHARON VILLAGE APARTMENTS

By: _____

(Name and Title)

_____ (SEAL)

(Resident)

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

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

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

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

<u>LENGTH OF OCCUPANCY</u>	<u>AMOUNT</u>	<u>AMOUNT</u>
	<u>RETAINED</u>	<u>REFUNDED</u>
Upon Occupancy	20%	80%
1-4 Years (prorated daily)	20% per year	80-0%

In the event this Agreement shall terminate due to Resident's death or default as provided in Paragraphs i(a) or i(b) above, the balance of the Retention Deposit to which the Resident would otherwise be entitled shall immediately become the property of the Owner and neither the Resident, nor anyone claiming in his/her behalf, shall

have any further entitlement thereto. However, should this Agreement terminate as provided in Paragraphs 1(c), (d), or (e) above, Resident or his legal representative, as the case may be, shall be entitled to such refund as the Resident may be due according to the Retention Schedule described above. The amount of refund will be calculated on a daily basis (365 days per year). Refunds of this nature will be promptly made to the Resident or his/her legal representative but under no circumstances later than 30 days after the termination date of the agreement.

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

3. TRANSFERS. A transfer fee may apply if you desire to transfer from your current apartment to another. After 10 years of residency in the same apartment, a transfer fee may be waived. A 50% transfer fee will apply if transfer occurs within 5-10 years of residency. If request is made prior to 5 years, 100% of the transfer fee will apply. An exception to applying the transfer fee may apply if a prearranged admission agreement signed by both parties stipulates a desire to transfer to another specific apartment within one year. The transfer fee is not a preset cost but is based on cost to refurbish current apartment.
4. MARRIAGES. If a current resident(s) of Sharon Village becomes married, the rent will increase based on the rent schedules in effect at that time for two persons. No additional deposit is required and the balance outstanding on any deposit(s) will continue to amortize in accordance with each Resident's original Rental Agreement. A new

Rental Agreement will be negotiated between Sharon Village and the husband and wife as Residents. Other than for medical reasons there are no qualifying requirements for a spouse to meet as a condition for entry. In the event the spouse does not medically qualify for admission, the agreement will terminate and alternate placement will be required.

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

Workers), "which index is currently published in the "Monthly Labor Review" of the Bureau of Labor Statistics of the United States Department of Labor, or its successor index.

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

6. USE OF APARTMENT; COMPLIANCE WITH RULES AND REGULATIONS; SMOKING POLICY. Resident will make no unlawful or offensive use of the apartment and the common areas belonging to the Owner and will comply with all laws, ordinances and regulations of duly constituted governmental authorities. Resident will use the apartment only as a private dwelling for him/her and such other persons as may be authorized. In addition, Resident agrees to abide by the reasonable rules and regulations promulgated from time to time by Owner generally applicable to all occupants and designed for the general health, welfare, and comfort of the other occupants. In addition to all such other rules and regulations, Resident specifically acknowledges that Owner has a policy prohibiting the use of all tobacco products in the apartments as well as on the Sharon Village property, and Resident agrees to abide by said policy. Any resident who violates this policy by using tobacco products in his/her apartment or on the Sharon Village property or by allowing anyone else to use tobacco products in his/her apartment or on the property will be deemed to be in default under this agreement and subject to the provisions of Paragraph 14 of this Agreement, including eviction and

reimbursement of Owner's costs, expenses and attorney's fees. Notwithstanding the foregoing, Resident further acknowledges that this tobacco policy does not apply to other residents who signed their Apartment Rental Agreements prior to the implementation of this policy in September, 2008.

7. USE OF PREMISES. Resident shall have the use, possession and enjoyment during the term of this Agreement of the apartment above identified jointly with any other tenant, but all common areas, including stairways, walkways and grounds, shall be used and enjoyed with other residents, and no portion of the same may or shall be permanently or temporarily appropriated by Resident to Resident's exclusive use, enjoyment or possession.
8. DESCRIPTION OF LIVING QUARTERS. Resident will reside in one of the following:
 - Efficiency - 323 square feet. Living room/bedroom, kitchen, 1 bathroom, porch
 - One Bedroom - 530 square feet. Living room, bedroom, walk-in closet, 1 bathroom, kitchen, porch
 - Deluxe One Bedroom - 655 square feet. Living room, bedroom, walk-in closet, 1 bathroom, kitchen, dining room, porch
 - Deluxe Two Bedroom - 867 square feet. Living room, 2 bedrooms, 2 bathrooms, kitchen, dining room, porch
9. CARE OF APARTMENT AND REPAIRS. Resident will take good care of the apartment and common areas and will report promptly to Owner any repairs which may be needed. Owner shall keep and maintain the apartment in tenable condition and shall have the right to make at reasonable times any and all repairs, renovations and alterations as it shall determine necessary or desirable. Resident shall reimburse

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

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

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

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

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

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

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

attorney's fee, and shall be entitled to have accrued monthly interest, at the maximum rate allowed by law, as to any payments due and owing hereunder.

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

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

23. SERVICES OFFERED.

- (a) Meals. Owner will provide Resident with one meal per day, the meal to be determined by Owner, and to be served in the common dining area.
- (b) Guest Meals. Are available at \$10.00 per meal.
- (c) Utilities. All utilities, except telephone expenses, will be paid for by the Owner. However, the cost of telephone installation and removal shall be paid by Resident.
- (d) Janitorial Services. Owner will provide services in all service areas, halls and community areas.
- (e) Maid Service. Owner will provide maid service every other week, on a regularly scheduled basis, to clean Resident's apartment if so desired by Resident.
- (f) Laundry. Once each week, Resident's flat laundry will be picked up outside the door of Resident's apartment, cleaned and returned.
- (g) Laundromat. Laundry facilities are available free of charge at the apartment complex for Resident's use (Resident must provide detergent).
- (h) Transportation. Transportation will be available at certain scheduled times, to be determined by the Owner in view of the needs of the Resident and the other occupants of apartments.
- (i) Nursing Center. A bed in the adjoining nursing center will be made available, on a priority basis, whenever Resident's health, as determined by Resident's physician, so requires.
- (j) Nursing Facility Days. At the time of residence and each calendar year thereafter, each resident is

allowed 10 inpatient days in the adjacent White Oak Manor Charlotte Facility. Unused days cannot be carried forward to the next calendar year. A physician's written medical certification is required before admission to the Nursing Facility.

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

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

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

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

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

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

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

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

WHITE OAK MANOR - CHARLOTTE, INC.
d/b/a SHARON VILLAGE APARTMENTS

By: _____

(Name and Title)

_____ (SEAL)

(Resident)

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