

DISCLOSURE STATEMENT

Dated: March 24, 2023

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
February 27, 2024;**
- * **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, 2022 there were 30 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) Nicolett Volk, RD, LDN
Dietary Consultant
(18+ years' experience)
- g) Mildred Chapman, RN
Nurse Consultant
(43+ years' experience)
- h) Pam Davis
Clinical Applications Coordinator
(41+ years' experience)
- i) Jacqueline Kirkwood, MSW, LMSW
Social Service Consultant
(35+ years' experience)
- j) Maintenance staff with preventive maintenance duties to insure efficiency and safety for staff and residents.
- k) 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
Dorothy Dean Cecil	Sibling	1718 Crestwood Drive Columbia, SC 29205	20.94%
Douglas M. Cecil	Sibling	P O Box 3347 Spartanburg, SC 29304	19.34%
Jeni C. Feeser	Sibling	5 Bobwhite Court Beaufort, SC 29902	20.54%
Beth C. Cecil	Sibling	P O Box 3347 Spartanburg, SC 29304	20.94%
Oliver K. Cecil, Jr.	Sibling	P O Box 3347 Spartanburg, SC 29304	18.23%

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

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 9/30/22, the total value was approximately \$129,394.00.

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

3-22-23

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 (prorated daily)	20%	60%
Year 2 (prorated daily)	20%	40%
Year 3 (prorated daily)	20%	20%
Year 4 (prorated daily)	20%	0%

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

Upon a resident's death, the unearned portion of the Retention Deposit becomes the facility's property. In the event of a death of a spouse where the remaining spouse continues to live at 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

	2022		2021		2020		2019		2018	
	<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	N/A	\$30,000	\$1,735	\$30,000	\$1,650	\$30,000	\$1,650	\$30,000	\$1,573
2 People	\$30,000	N/A	\$30,000	\$2,065	\$30,000	\$1,965	\$30,000	\$1,965	\$30,000	\$1,873
<u>1 Bedroom</u>										
1 Person	\$22,000	N/A	\$22,000	\$1,160	\$22,000	\$1,105	\$22,000	\$1,105	\$22,000	\$1,051
2 People	\$22,000	N/A	\$22,000	\$1,490	\$22,000	\$1,420	\$22,000	\$1,420	\$22,000	\$1,351
<u>1 Bedroom Deluxe</u>										
1 Person	\$26,000	N/A	\$26,000	\$1,465	\$26,000	\$1,395	\$26,000	\$1,395	\$26,000	\$1,331
2 People	\$26,000	N/A	\$26,000	\$1,795	\$26,000	\$1,710	\$26,000	\$1,710	\$26,000	\$1,631
<u>Efficiency</u>										
1 Person	\$17,000	N/A	\$17,000	\$895	\$17,000	\$850	\$17,000	\$850	\$17,000	\$811

STRAIGHT RENTAL PLAN

	2022		2021		2020		2019		2018	
	<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	N/A	N/A	\$2,175	N/A	\$2,070	N/A	\$2,070	N/A	\$1,972
2 People	N/A	N/A	N/A	\$2,500	N/A	\$2,385	N/A	\$2,385	N/A	\$2,272
<u>1 Bedroom</u>										
1 Person	N/A	N/A	N/A	\$1,540	N/A	\$1,465	N/A	\$1,465	N/A	\$1,396
2 People	N/A	N/A	N/A	\$1,870	N/A	\$1,780	N/A	\$1,780	N/A	\$1,696
<u>1 Bedroom Deluxe</u>										
1 Person	N/A	N/A	N/A	\$1,870	N/A	\$1,780	N/A	\$1,780	N/A	\$1,694
2 People	N/A	N/A	N/A	\$2,200	N/A	\$2,095	N/A	\$2,095	N/A	\$1,994
<u>Efficiency</u>										
1 Person	N/A	N/A	N/A	\$1,195	N/A	\$1,135	N/A	\$1,135	N/A	\$1,082

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

	2022	2021	2020	2019	2018
1 Person	N/C	+55	N/C	+77	N/C
2 People	N/C	+70	N/C	+92	N/C
1 Person	N/C	+70	N/C	+54	N/C
2 People	N/C	+85	N/C	+69	N/C
<u>One Bedroom Deluxe</u>					
1 Person	N/C	+70	N/C	+64	N/C
2 People	N/C	+85	N/C	+79	N/C
<u>Efficiency</u>					
1 Person	N/C	+45	N/C	+39	NC

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

	2022	2021	2020	2019	2018
1 Person	N/C	+75	N/C	+98	N/C
2 People	N/C	+90	N/C	+113	N/C
1 Person	N/C	+75	N/C	+69	N/C
2 People	N/C	+90	N/C	+84	N/C
<u>One Bedroom Deluxe</u>					
1 Person	N/C	+90	N/C	+86	N/C
2 People	N/C	+105	N/C	+101	N/C
<u>Efficiency</u>					
1 Person	N/C	+60	N/C	+53	N/C

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

	2022	2021	2020	2019	2018
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, 2022
Forecasted Balance Sheet
 - b. Comparison – Year Ended September 30, 2022
Forecasted Income Statement
 - c. Comparison – Year Ended September 30, 2022
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, 2022

Forecasted Balance Sheets

ASSETS	2022 Actual	2022 Forecast	Variance	% Variance
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 417,204	\$ 425,000	\$ (7,796)	-2%
Accounts Receivable, Net	1,092,539	737,143	355,396	48% A
Intercompany Accounts Receivable	-	467,806	(467,806)	-100% B
Other Current Assets	105,544	78,074	27,470	35%
Total Current Assets	1,615,287	1,708,023		
ASSETS LIMITED AS TO USE - OPERATING RESERVE	171,051	156,178	14,873	10%
MOVEABLE EQUIPMENT	1,886,120	1,914,209	(28,089)	-1%
Less: Accumulated Depreciation	1,482,632	1,486,913	(4,281)	0%
Construction in Progress	-	-		
Moveable Equipment, Net	403,488	427,296		
Total Assets	\$ 2,189,826	\$ 2,291,497		
	<u>Actual</u>	<u>Forecast</u>	<u>Variance</u>	<u>% Variance</u>
LIABILITIES AND SHAREHOLDER'S EQUITY (DEFICIT)				
CURRENT LIABILITIES				
Accounts Payable	\$ 299,711	\$ 210,430	\$ 89,281	42%
Accrued Wages and Other Liabilities	339,666	491,003	(151,337)	-31% C
Medicare Advance Payments	-	-		
Intercompany Accounts	-	-		0%
Total Current Liabilities	639,377	701,433		
DEFERRED CREDITS				
Unearned Deposit Revenue - Nonrefundable	55,534	26,234	29,300	112%
Unearned Deposit Revenue - Refundable	-	-		0%
Deposits on Apartments	5,500	7,000	(1,500)	-21%
Total Deferred Credits	61,034	33,234		
LONG-TERM DEBT				
Total Liabilities	700,411	734,667		
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)	1,207,965	1,275,380		
Other Comprehensive Loss	-	-		0%
Total Shareholder's Equity	1,489,415	1,556,830		
Total Liabilities and Shareholder's Equity	\$ 2,189,826	\$ 2,291,497		
Out of balance check	-	-		

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

A) VA changed their billing system and were unable to process claims. Claims started being paid 12/22.

B) NCDOL 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) Accrued wages were lower than forecasted due to timing of pay dates. September 2022 was a three payroll month.

White Oak Manor- Charlotte and Sharon Village, Inc.
Comparison - Year Ended September 30, 2022
Forecasted Income Statement

	2022 Actual	2022 Forecast	Variance	% Variance
REVENUES				
Net Patient Service Revenue	\$ 12,736,504	\$ 12,599,880	\$ 136,624	1%
Apartment Rents	527,937	528,960	(1,023)	0%
Deposit Amortization	19,600	15,600	4,000	26%
Investment Income	2,621	18,870	(16,249)	-86%
Other Revenue - Provider Relief Funds		309,865		
Other Revenue	15,826	14,160	1,666	12%
Total Revenues	13,302,488	13,487,335		
COST AND EXPENSES				
Nursing Services	5,612,078	5,345,610	266,468	5%
Ancillaries	1,069,259	1,304,670	(235,411)	-18% D
Dietary Expenses	1,195,148	1,208,880	(13,732)	-1%
Social Services	243,661	178,980	64,681	36%
Activities	145,567	172,470	(26,903)	-16%
Medical Records	43,531	46,350	(2,819)	-6%
Laundry and Linen	103,859	152,160	(48,301)	-32%
Housekeeping	410,794	467,520	(56,726)	-12%
Facility Operations and Maintenance	677,254	670,260	6,994	1%
Depreciation	81,859	86,139	(4,280)	-5%
Interest Expense	3,979		3,979	0%
Taxes and Insurance	223,329	212,160	11,169	5%
Employee Benefits	683,177	792,990	(109,813)	-14% E
COVID-19 Expenses	212,030	158,970	53,060	33%
General and Administrative	1,925,617	2,090,130	(164,513)	-8%
Total Expenses	12,631,142	12,887,289		
OPERATING GAIN (LOSS)	671,346	600,046		
NONOPERATING GAIN (LOSS)				
Change in Unrealized Losses on Investments	(29,166)			
Other Nonoperating Gain	(109,384)			
Total Nonoperating Loss	(138,550)	-		
Net Loss	532,796	600,046		

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

D) Ancillaries were less than expected due to occupancy not meeting forecasted level.

E) Employee benefits were slightly reduced due to increased contract labor usage.

White Oak Manor- Charlotte and Sharon Village, Inc.
Comparison - Year Ended September 30, 2022

Forecasted Statements of Cash Flows

	2022 Actual	2022 Forecast	Variance	% Variance	
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income (loss)	\$ 532,796	\$ 600,046	██████████	██████████	
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation	81,858	86,139	(4,281)	-5%	
Deposit Amortization	(19,600)	(15,600)	(4,000)	26%	
Deposit Receipts	46,500	14,700	31,800	216%	
(Increase) in Current Assets:					
Accounts Receivable	(288,335)	67,059	(355,394)	-530%	I
Estimated Third-Party Payor Settlements			-	100%	
Other Current Assets	(30,597)	(3,003)	(27,594)	919%	
Increase in Current Liabilities:					
Accounts Payable	80,966	(8,482)	89,448	-1055%	
Intercompany Accounts	-	(467,806)	467,806	-100%	J
Medicare Advance Payments	(160,405)	(160,405)	-	0%	
Accrued Wages and Other Liabilities	(216,607)	(65,000)	(151,607)	233%	K
Net Cash Provided by (Used in) Operating Activities	26,576	47,648	██████████	██████████	
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(67,393)	(95,481)	28,088	-29%	
Net Change in Assets Limited as to Use - Operating Reserve	36,071	50,883	(14,812)	-29%	
Net Cash Used in Investing Activities	(31,322)	(44,598)	██████████	██████████	
CASH FLOWS FROM FINANCING ACTIVITIES					
Distributions to Shareholder	-	-	-	0%	
Net Cash Used in Financing Activities	-	-	-	-	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,746)	3,050	██████████	██████████	
Cash and Cash Equivalents - Beginning of Year	421,950	421,950	██████████	██████████	
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 417,204</u>	<u>\$ 425,000</u>	██████████	██████████	

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

I) VA changed their billing system and were unable to process claims. Claims started being paid 12/22.

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

K) Accrued wages were lower than forecasted due to timing of pay dates. September 2022 was a three payroll month.

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

			Reserve Calculation for 2022		
Total Projected Operating Expenses:		Formula	Tryon	Burlington	Charlotte
Projected SNF Expense	A		8,031,319	13,534,659	12,642,581
Projected Apartment Expense	B		1,774,931	1,145,014	554,268
	C	A + B	9,806,250	14,679,673	13,196,849
Total Projected Depreciation Expense:					
Projected SNF Depreciation	D		80,408	68,878	77,212
Projected Apartment Depreciation	E		94,012	26,919	18,466
	F	D + E	174,420	95,797	95,678
% of SNF Patient Days Attributable to Apartment Residents	G		3.40%	0.43%	2.43%
% of SNF Days Attributable to SNF only Residents	H		96.60%	99.57%	97.57%
Calculation of Excluded Expenses	I	H * A	7,758,254	13,476,460	12,335,366
Calculation of Included Expenses	J	G * A	273,065	58,199	307,215
Calculation of Included Depreciation	K	D * G	2,734	296	1,876
Expenses Subject to DOI Approved Operating Reserve	L	B+J-E-K	1,951,250	1,175,998	841,141
Operating Reserve Percentage	M		25.00%	25.00%	25.00%
Projected Reserve Req	N	L * M	487,813	294,000	210,285
Investment Balances			594,029	222,088	180,598

Over/(Short) 106,216 (71,912) (29,687)

Total operating expenses			9,806,250	14,679,673	13,196,849
Principal payment on any long-term debt	+		0	0	0
Depreciation expense	-		94,012	26,919	18,466
Amortization expense	-		0	0	0
Extraordinary items as approved by the Commissioner	-		7,760,988	13,476,756	12,337,242
Debt service Portion	-		0	0	0
Total operating Costs	=		1,951,250	1,175,998	841,141
Occupancy Factor	x		25.00%	25.00%	25.00%
Operating Reserve Requirement	=		487,813	294,000	210,285

1,951,250	1,175,998	841,141
0	0	0

*As of 09/30/2022 White Oak's reserves were inadequate due to market losses. White Oak will reallocate funds to ensure requirements are met by 03/31/2023.

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, 2022 was \$171,051

The amount anticipated to meet the operating reserve requirement effective at September 30, 2022 is \$210,285.00. The short fall amount was transferred on 3/22/2023 and the \$294,000 balance as of today will exceed the required \$209,017.

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



North Carolina Department of Insurance
 Continuing Care Retirement Community
 Annual Disclosure Statement Filing Supplement

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

Instructions:

Type or print your responses. Do not use pencil. If information is pre-printed, verify the information pre-printed, and correct any information that is incorrect.

Unanswered questions and blank lines will not be accepted. If no answers or entries are to be made, write "None", "Not Applicable", "N/A", or "-0-" in the space provided. Do NOT leave a blank space.

If additional information, explanations, supporting statements or schedules are added or are necessary, the additions should be properly marked with a cross-reference to the item being answered.

Submit filings or questions to: specialentitiessubmissions@ncdoi.gov

Section I. Facility Information:

A. General Information:

Facility Name: Sharon Village Apartments License Number: 48-01
 Address 1: 4009 Craig Avenue
 Address 2: P.O. Box 220130
 City: Charlotte County: Mecklenburg State: NC Zip Code: 28211-2505
 Phone Number: (704) 365-2620 Fax Number: (704) 365-5466 Toll Free Number: _____
 Year Opened: 1983 Date Licensed: 7/20/2004 Web Page: www.whiteoakindependentliving.com

Administrator/Executive Director:

Prefix: Ms. First Name: Sheri Middle Name: _____ Last Name: Conrad Suffix: _____
 Title: Apartment Director E-Mail Address: ssconrad@whiteoakmanor.com
 Phone Number: (704) 365-2620 Extension: _____

Facility Contact (person to whom all correspondence should be addressed):

Prefix: _____ First Name: Sheri Middle Name: _____ Last Name: Conrad Suffix: _____
 Title: Apartment Director E-Mail Address: ssconrad@whiteoakmanor.com
 Company: Sharon Village Apartments
 Address: 4009 Craig Avenue
 City: Charlotte State: NC Zip Code: 28211-2505
 Phone Number: (704) 365-2620 Extension: _____ Fax Number: (704) 365-2624

Facility Owner:

Name: White Oak Manor, Inc.
 Address 1: P.O. Box 3347
 Address 2: _____
 City: Spartanburg State: SC Zip Code: 29304-3347

Management Company (if applicable):

Management Company Name: White Oak Management, Inc.

B. Unit/Occupancy Analysis:

Note: The total number of licensed ACH Beds and Nursing Beds is expected to agree with the total number of licensed beds listed in the most recent version of the State Medical Facilities Plan.

Data as of: 9/30/22

	A		B		= A - B		
	Total Units	Unoccupied and Unavailable	Total ALU Available	Unoccupied but Reserved	Number Occupied	Under Development	Number Residents
Independent Living Units:	34	1	33		32		30

* Unit(s) must be reserved under a signed contract.

If units are unoccupied and unavailable, explain (used as storage, under renovation, guest room, etc.):

1 - Used as a guest suite and/or model unit.

	A			B		= A - B	
	Total Beds/Units	Total Open Beds	Total Closed Beds	Unoccupied and Unavailable	Total ALU Available	Number Occupied	Number Residents
Licensed ACH Beds:							
In Licensed Nursing Home:							
In Licensed ACH:							
Unlicensed AL Units:							

"Closed beds" are beds that are available only to residents of the facility, in accordance with Policy LTC, who have entered into a continuing care contract with the provider.

"Open beds" are beds that are available to either residents of the facility or to individuals of the general community.

If beds/units are unoccupied and unavailable, explain (used as storage, under renovation, in a semi-private room, etc.):

	A			B		= A - B	
	Total Beds	Total Open Beds	Total Closed Beds	Unoccupied and Unavailable	Total NH Beds Available	Number Occupied	Number Residents
Licensed NH Beds:	180	59	121		59	121	121

"Closed beds" are beds that are available only to residents of the facility, in accordance with Policy NH-2, who have entered into a continuing care contract with the provider.

"Open beds" are beds that are available to either residents of the facility or to individuals of the general community.

If beds are unoccupied and unavailable, explain (used as storage, under renovation, in a semi-private room, etc.):

Section II. Provider Information:

A. General Information:

Provider Name: White Oak Manor - Charlotte, Inc.
Mailing Address 1: P.O. Box 220130
Mailing Address 2: _____
City: Charlotte State: NC Zip Code: 28222-0130 Tax ID #: 55-0801210
Phone Number: (704) 365-2620 Fax Number: (704) 579-7714 Tax Status: For-Profit
Entity Type: Corporation Incorporation Date: 10/1/2002 State of Incorporation: NC

B. Answer the Questions Below:

1. On what dates did the provider hold the semi-annual meetings required by G.S. § 58-64-40(b) with the residents of the facility named above?
Date #1: 4/27/22 Date #2: 11/1/22
 - a. Were all residents given seven (7) days advance notice of each semi-annual meeting?
Yes No If "No" attach a statement explaining why.
 - b. Were the meetings open for free discussion of subjects including, but not limited to, revenue, expenses, and financial trends and problems as they apply to the facility and discussions of proposed changes in policy, programs, and services?
Yes No If "No" attach a statement explaining why.
2. Has the provider been a party to any merger or consolidation?
Yes No If "Yes" attach a statement describing the merger or consolidation.
3. Has the provider had any licenses or registrations suspended or revoked by any governmental entity during the previous year?
Yes No If "Yes" attach a statement describing the suspension or revocation.
4. Has any change been made during the previous year in the by-laws, articles of Incorporation, etc. of the provider?
Yes No If "Yes" furnish herewith a certified copy of the instrument as amended.
5. Is the provider currently in default of any financial ratio or loan agreement covenants?
Yes No If "Yes" attach a statement describing the default.
6. Have there been any changes in the criminal violation statement as required by G.S. § 58-64-20(a)(3)(c) since the last disclosure statement was filed with the North Carolina Department of Insurance?
Yes No If "Yes" attach a statement describing the violation.

Section III. Operating Reserve:

Pursuant to G.S. § 58-64-33, a provider shall maintain after the opening of a facility: an operating reserve equal to fifty percent (50%) of the total operating costs of the facility forecasted for the 12 month period following the period covered by the most recent disclosure statement filed with the Department. The forecast statements as required by G.S. 58-64-20(a)(12) shall serve as the basis for computing the operating reserve. In addition to total operating expenses, total operating costs will include debt service, consisting of principal and interest payments along with taxes and insurance on any mortgage loan or other long term financing, but will exclude depreciation, amortized expenses, and extraordinary items as approved by the Commissioner. If the debt service portion is accounted for by way of another reserve account, the debt service portion may be excluded. If a facility maintains an occupancy level in excess of ninety percent (90%), a provider shall only be required to maintain a twenty five percent (25%) operating reserve upon approval of the Commissioner, unless otherwise instructed by the Commissioner. The operating reserve must be funded by cash, by invested cash, or by investment grade securities, including bonds, stocks, U.S. Treasury obligations, or obligations of U.S. government agencies.

In accordance with N.C.G.S. § 58-64-33(c), operating reserves shall only be released upon the submittal of a detailed request from the provider and must be approved by the Commissioner. Such requests must be submitted in writing for the Commissioner to review at least 10 business days prior to the date of withdrawal. Any request for the release of an operating reserve must include a plan for the replacement of the operating reserve.

A. Operating Reserve Calculation:

Using the table below, compute the required operating reserve for the facility named above. All numbers included in the table must be able to be traced back to the five-year forecasted financial statements included in the revised disclosure statement.

Total operating expenses		13,196,849
Principal payment on any long-term debt or mortgage payment	+	
Depreciation expense	-	18,466
Amortization expense	-	
Extraordinary items as approved by the Commissioner *	-	12,337,242
Debt service portion, if provided for by way of a separate reserve account **	-	
Total operating costs	=	841,141
Occupancy Factor (see subsection C)	X	.25
OPERATING RESERVE REQUIREMENT ***	=	210,285

* Attach a copy of approval letter from the Commissioner.

**A provider may take a credit for debt service (principal and/or interest) if the debt service included in the operating reserve calculation is required, and is being held, in a separate reserve account in accordance with covenants in the provider's loan documents. If a credit is claimed, provide an explanation in subsection D. of this section and attach proof of the requirement.

*** The operating reserve requirement listed on this page must match the operating reserve requirement disclosed in the facility's disclosure statement and in the five-year forecasted financial statements.

B. Operating Reserve Assets:

Identify below the assets currently serving as the operating reserve for the facility named above:

	Description of Asset	Institution Holding Assets	Market Value
1.	Equities, Mutual Funds	Goldfinch Investors	\$211,000
2.			
3.			
4.			
5.			
Total Market Value			\$211,000

C. Occupancy Factor:

For the purpose of the operating reserve, occupancy is calculated by dividing the sum of the total number of independent living units and assisted living units occupied by the sum of the total number of independent living units and assisted living units available.

1.	Total ILU + ALU Occupied - Reserved	32
2.	Total ILU + ALU Available	33
3.	Occupancy Percentage (Line 1 divided by Line 2 times 100)	97%

If the Occupancy Percentage from Line 3 above is >90% use 25% as the Occupancy Factor
 If the Occupancy Percentage from Line 3 above is < or = to 90% use 50% as the Occupancy Factor

D. Explanations:

E. Contracts:

Provide the number of each continuing care contract type in place on the reporting date stated in Section I.B.

Entrance Fee Refund

Type of Contract	0%	50%	80%	90%	100%	Declining	Other	Total
Type A (Extensive)								
Type B (Modified)								
Type C (Fee-for-Service)								
Type D (Rental)								
Type E (Equity)								
Total								

Section VIII. Attestation:

I attest that:

1. I have reviewed this filing, and to the best of my knowledge and belief it is true, correct and complete.
2. A disclosure statement has been given to each person with whom a contract for continuing care has been entered into, either at the time of, or prior to, the execution of the contract to provide continuing care, or at the time of, or prior to, the transfer of any money or other property by or on behalf of the prospective resident.
3. Disclosure statements distributed to current/prospective residents are identical to the disclosure statements on file with the North Carolina Department of Insurance.
4. The continuing care retirement community license held by the Provider for the facility named above will not be transferred, nor will ownership of the Facility, or any part thereof, be sold or transferred, nor will the Provider enter into a contract with a third-party provider for management of Facility, without the prior approval of the Commissioner.
5. The Provider is in compliance with 11 NCAC 11H.0002 (if expanding).

I, on behalf of White Oak Manor - Charlotte, Inc.

hereby accept in good faith the terms and obligations of the Insurance Laws of the State of North Carolina, presently existing or enacted in the future, as a part of the consideration for a continuing care license, and that said Provider has neither directly nor indirectly violated any of the provisions of the said Insurance laws and of all acts amendatory or supplementary thereto. It is understood and agreed that said license may be revoked as provided for in said laws.

I am authorized to make and sign this statement on behalf of the named Provider above.

Date: 3-22-23

Signature: 

Name: JOHN P. BARBER

Title: EVP-CFO

Attachment 1

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEARS ENDED SEPTEMBER 30, 2022 AND 2021



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**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 Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying financial statements of White Oak Manor, Inc. and Subsidiaries (the Company) which comprise the consolidated balance sheets as of September 30, 2022 and 2021, 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.

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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of White Oak Manor, Inc. and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about White Oak Manor, Inc. and Subsidiaries' ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 White Oak Manor, Inc. and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
January 27, 2023

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2022 AND 2021

ASSETS	<u>2022</u>	<u>2021</u>
CURRENT		
Cash and Cash Equivalents	\$ 2,983,349	\$ 12,362,348
Patient Accounts Receivable, Net of Allowance for Uncollectible Accounts of Approximately \$795,000 and \$569,000 in 2022 and 2021, Respectively	18,518,484	15,233,507
Investments	5,729,911	7,509,008
Other Current Assets	<u>2,203,415</u>	<u>3,019,415</u>
Total Current Assets	<u>29,435,159</u>	<u>38,124,278</u>
ASSETS LIMITED AS TO USE	1,916,431	1,839,343
FAIR VALUE OF INTEREST RATE SWAP - ASSET	1,016,840	-
PROPERTY AND EQUIPMENT	157,723,991	153,246,965
Less: Accumulated Depreciation	<u>(99,821,803)</u>	<u>(93,692,089)</u>
Property and Equipment, Net	57,902,188	59,554,876
OTHER ASSETS		
Deferred Other Costs, Net	-	59,749
Goodwill, Net	<u>203,878</u>	<u>271,837</u>
Total Other Assets	<u>203,878</u>	<u>331,586</u>
 Total Assets	 <u><u>\$ 90,474,496</u></u>	 <u><u>\$ 99,850,083</u></u>

See accompanying Notes to Consolidated Financial Statements.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
SEPTEMBER 30, 2022 AND 2021

LIABILITIES AND SHAREHOLDERS' EQUITY	<u>2022</u>	<u>2021</u>
CURRENT LIABILITIES		
Cash Overdraft	\$ 4,540,792	\$ 319,799
Current Portion of Long-Term Debt	4,428,177	2,692,671
Accounts Payable	7,503,665	5,009,626
Accrued Wages and Other Liabilities	8,928,229	17,209,706
Deferred Revenue - Provider Relief Funding	-	1,874,139
Tenant Deposits	256,609	259,607
Total Current Liabilities	<u>25,657,472</u>	<u>27,365,548</u>
LONG-TERM DEBT, NET OF CURRENT PORTION	42,583,496	45,169,755
FAIR VALUE OF INTEREST RATE SWAP - LIABILITY	-	1,493,038
OTHER LIABILITIES		
Deferred Income	924,039	847,464
Asset Retirement Obligation	876,656	876,656
Total Other Liabilities	<u>44,384,191</u>	<u>48,386,913</u>
Total Liabilities	70,041,663	75,752,461
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	20,385,971	24,050,760
Total Shareholders' Equity	<u>20,432,833</u>	<u>24,097,622</u>
Total Liabilities and Shareholders' Equity	<u>\$ 90,474,496</u>	<u>\$ 99,850,083</u>

See accompanying Notes to Consolidated Financial Statements.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

REVENUE	2022	2021
Net Patient Service Revenue	\$ 161,419,132	\$ 150,758,762
Management Fee Revenue	577,002	488,184
Change in Fair Value of Interest Rate Swap Agreements	2,509,878	1,037,718
Other Revenue - COVID Relief Funding	6,663,210	14,430,450
Other Revenue	6,036,073	5,894,795
Total Revenue	177,205,295	172,609,909
 EXPENSES		
Nursing Service	80,913,111	59,394,651
Ancillaries	16,383,228	16,552,317
Dietary	14,017,289	13,033,503
Social Services	3,296,448	2,288,334
Activities	1,808,710	1,629,591
Medical Records	717,065	701,335
Laundry and Linen	2,022,068	1,778,286
Housekeeping	4,900,150	4,548,588
Facility Operations and Maintenance	8,470,184	7,802,447
Depreciation	6,129,712	6,174,952
Interest Expense	1,622,799	1,530,177
Amortization Expense	127,709	135,039
Property Taxes and Insurance	5,234,726	5,503,049
Employee Benefits	11,922,828	12,635,998
COVID-19 Expenses	2,510,902	13,589,074
General and Administrative	20,586,457	20,428,346
Total Expenses	180,663,386	167,725,687
 OPERATING INCOME (LOSS)	 (3,458,091)	 4,884,222
 NONOPERATING GAIN (LOSS)		
Change in Unrealized Gains (Losses) on Investments	(1,749,883)	1,400,646
Loss on Sale of Property	-	(28,888)
Other Nonoperating Gains	3,801,224	15,887
Total Nonoperating Gain	2,051,341	1,387,645
 NET INCOME (LOSS)	 \$ (1,406,750)	 \$ 6,271,867

See accompanying Notes to Consolidated Financial Statements.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	Series A Voting Common Stock		Series B Nonvoting Common Stock		Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
	Shares	Amount	Shares	Amount			
2020	47,050	\$ 110	19,916,135	\$ 46,752	\$ 19,803,759	\$ -	\$ 19,850,621
	-	-	-	-	6,271,867	-	6,271,867
	-	-	-	-	(2,024,866)	-	(2,024,866)
2021	47,050	110	19,916,135	46,752	24,050,760	-	24,097,622
	-	-	-	-	(1,406,750)	-	(1,406,750)
	-	-	-	-	(2,258,039)	-	(2,258,039)
2022	<u>47,050</u>	<u>\$ 110</u>	<u>19,916,135</u>	<u>\$ 46,752</u>	<u>\$ 20,385,971</u>	<u>\$ -</u>	<u>\$ 20,432,833</u>

Consolidated Financial Statements.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ (1,406,750)	\$ 6,271,867
Adjustments to Reconcile Net income to Net Cash		
Used by Operating Activities:		
Depreciation	6,129,712	6,174,952
Amortization	127,709	135,039
Amortization of Debt Issuance Costs	15,840	12,420
Bad Debt Expense	866,444	1,098,332
Change in Unrealized (Gains) Losses on Investments	1,749,883	(1,400,646)
Change in Fair Value of Swap Agreement	(2,509,878)	(1,037,718)
Change in Third-Party Payor Settlements	-	5,000
Unearned Deposit Income and Other Liabilities	76,575	192,341
Gain on Disposal of Property	-	28,888
Decrease (Increase) in:		
Patient Accounts Receivable	(4,151,421)	(344,828)
Other Assets	815,999	(1,522,037)
Increase (Decrease) in:		
Cash Overdraft	4,220,993	31,709
Accounts Payable	2,494,039	(1,072,669)
Accrued Wages and Other Liabilities	(8,281,477)	(3,707,642)
Deferred Revenue - Provider Relief Funding	(1,874,139)	(6,087,639)
Tenant Deposits	(2,998)	104,112
Net Cash Used by Operating Activities	(1,729,469)	(1,118,519)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in Assets Limited as to Use	(47,874)	(120,422)
Purchases of Property and Equipment	(4,477,024)	(5,395,291)
Proceeds from Sale of Property	-	10,100
Net Cash Used by Investing Activities	(4,524,898)	(5,505,613)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Long-Term Debt	(2,593,739)	(2,706,484)
Proceeds from Line of Credit, Net	1,735,506	-
Distributions to Shareholders	(2,258,039)	(2,024,866)
Increase of Deferred Loan and Other Costs	(8,360)	(1,140)
Net Cash Used by Financing Activities	(3,124,632)	(4,732,490)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(9,378,999)	(11,356,622)
Cash and Cash Equivalents - Beginning of Year	12,362,348	23,718,970
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,983,349	\$ 12,362,348
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 1,606,959	\$ 2,503,655

See accompanying Notes to Consolidated Financial Statements.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

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 2022 and 2021 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, 2022 AND 2021

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, 2022 and 2021, the Company had overdrawn its cash balances by \$4,540,792 and \$319,799, 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, 2022 and 2021, the allowance for uncollectible accounts was approximately \$795,000 and \$569,000, respectively.

Investments

The Company follows the accounting standard requiring unrealized gains and losses on instruments other than debt securities to be included within net income (loss) on the consolidated statements of income.

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.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The Company follows 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, 2022 and 2021 was approximately \$68,000.

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 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. At September 30, 2022 and 2021, the Company recognized \$1,874,139 and \$7,865,073 of Provider Relief Funding, respectively, as other operating revenue in the consolidated statements of income and \$1,874,139, as a deferred revenue in the consolidated balance sheets. Management believes the amounts have been recognized appropriately as of September 30, 2022 and 2021.

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.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2022.

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.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

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.

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 follows 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.

New Accounting Pronouncement Effective in Future Accounting Period

In February 2016, FASB issued ASU 2016-02 Leases (Topic 842). The amendments in the update increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statements of financial position and disclosing key information about leasing arrangements.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncement Effective in Future Accounting Period (Continued)

In June 2020, the FASB issued ASU 2020-05, Leases (Topic 842): Effective Dates for Certain Entities, which extended the effective date of this guidance. The guidance is required to be applied by the Company for the year ended September 30, 2023; however, early application is permitted. The Company is currently evaluating the effect that the standard will have on the financial statements.

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.

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 2023 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, 2022.

Subsequent Events

In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through January 27, 2023, the date the consolidated financial statements were available to be issued.

NOTE 2 INVESTMENTS

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

	<u>2022</u>	<u>2021</u>
	Market Value	Market Value
Cash and Cash Equivalents	\$ 832,246	\$ 136,537
Equity Securities	4,506,623	6,796,921
Debt Securities	197,766	236,314
Alternative Investments	193,276	339,236
Total	<u>\$ 5,729,911</u>	<u>\$ 7,509,008</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 2 INVESTMENTS (CONTINUED)

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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Income:		
Interest and Dividend Income, Net of Fees	\$ 86,186	\$ 62,975
Realized Gains (Losses) on Sales of Securities	(38,312)	141,277
Total	<u>\$ 47,874</u>	<u>\$ 204,252</u>
Nonoperating Gain (Loss):		
Unrealized Gains (Losses) on Investments	<u>\$ (1,749,883)</u>	<u>\$ 1,400,646</u>

NOTE 3 ASSETS LIMITED AS TO USE

Assets limited as to use are as follows at September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Designated to Comply with Requirements Established by the Department of Insurance of North Carolina:		
Cash and Cash Equivalents	\$ 134,856	\$ 15,782
Equity Investments	712,469	824,830
Debt Securities	30,291	27,314
Total Designated to Comply	<u>877,616</u>	<u>867,926</u>
Apartment Reservation Deposits:		
Cash and Cash Equivalents	136,687	15,130
Equity Investments	722,145	790,817
Debt Securities	30,702	26,188
Total Apartment Reservation Deposits	<u>889,534</u>	<u>832,135</u>
Apartment Retention Deposits, Refundable and Nonrefundable:		
Cash and Cash Equivalents	22,939	2,533
Equity Investments	121,190	132,366
Debt Securities	5,152	4,383
Total Apartment Retention Deposits	<u>149,281</u>	<u>139,282</u>
Total	<u>\$ 1,916,431</u>	<u>\$ 1,839,343</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 3 ASSETS LIMITED AS TO USE (CONTINUED)

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, 2022 and 2021 is \$877,616 and \$867,926, 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.

Deposits

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

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

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	<u>2022</u>	<u>2021</u>
Land and Improvements	\$ 17,129,546	\$ 16,727,799
Buildings	99,613,794	97,661,493
Fixed Equipment	21,086,798	19,745,153
Moveable Equipment	18,858,686	18,122,128
Construction in Progress	1,035,167	990,392
Subtotal	<u>157,723,991</u>	<u>153,246,965</u>
Less: Accumulated Depreciation	(99,821,803)	(93,692,089)
Total	<u>\$ 57,902,188</u>	<u>\$ 59,554,876</u>

At September 30, 2022 and 2021, construction in progress related to general renovations. Depreciation expense for the years ended September 30, 2022 and 2021 amounted to approximately \$6,130,000 and \$6,175,000, respectively.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 5 GOODWILL

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

	<u>2022</u>	<u>2021</u>
Goodwill		
Accumulated Amortization	\$ 679,593	\$ 679,593
Total	<u>(475,715)</u>	<u>(407,756)</u>
	<u>\$ 203,878</u>	<u>\$ 271,837</u>

Amortization expense for 2022 and 2021 was approximately \$68,000.

NOTE 6 ACCRUED WAGES AND OTHER LIABILITIES

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

	<u>2022</u>	<u>2021</u>
Accrued Salaries, Wages, Taxes, and Benefits	\$ 4,084,888	\$ 6,813,986
Medicare Advance Payments - CARES Act	43,210	4,448,383
Self-Insurance Liabilities	2,346,626	3,786,589
Property Taxes	1,746,467	1,729,820
Other Accrued Liabilities	707,038	430,928
Total	<u>\$ 8,928,229</u>	<u>\$ 17,209,706</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.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 7 LONG-TERM DEBT

The following comprise long-term debt at September 30:

<u>Description</u>	<u>2022</u>	<u>2021</u>
Mortgage note payable, maturing March 20, 2024, including interest at 30-day LIBOR plus 1.6% (4.32% at September 30, 2022)	\$ 16,538,790	\$ 17,730,641
Note payable, maturing April 20, 2025, including interest at 30-day LIBOR plus 1.6% (4.32% at September 30, 2022)	8,450,000	9,100,000
Note payable, maturing July 15, 2025, including interest at 30-day LIBOR plus 1.6% (4.32% at September 30, 2022)	19,485,642	19,968,316
Equipment note payable, maturing July 15, 2025, including interest at 30-day LIBOR plus 1.6% (4.32% at September 30, 2022)	821,823	1,091,037
Line of credit, maturing July 20, 2023, including interest at 30-day LIBOR plus 1.5% (4.22% at September 30, 2022)	<u>1,735,506</u>	<u>-</u>
Total	47,031,761	47,889,994
Less: Unamortized Debt Issuance Costs	20,088	27,568
Less: Current Portion	<u>4,428,177</u>	<u>2,692,671</u>
Total Long-Term Debt	<u>\$ 42,583,496</u>	<u>\$ 45,169,755</u>

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>
2023	\$ 4,428,177
2024	16,672,241
2025	25,931,343
Total	<u>\$ 47,031,761</u>

The terms of certain loan agreements contain covenants that require the maintenance of specific financial ratios and other covenants. As of September 30, 2022, the Company believes they are in compliance with these covenants.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

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, 2022 and 2021 related to this obligation. No accretion expense was recorded in 2022 or 2021 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.

NOTE 10 NET PATIENT SERVICE REVENUE

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

	<u>2022</u>	<u>2021</u>
Routine Services	\$ 155,620,758	\$ 143,239,890
Special Services	25,969,071	29,082,588
Subtotal	<u>181,589,829</u>	<u>172,322,478</u>
Less: Contractual Adjustments	<u>(20,170,697)</u>	<u>(21,563,716)</u>
Total	<u>\$ 161,419,132</u>	<u>\$ 150,758,762</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.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 10 NET PATIENT SERVICE REVENUE (CONTINUED)

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.

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

The Medicare Reimbursement System methodology is based on 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, 2022 AND 2021

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 2022 and 2021.

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, 2022 and 2021. 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 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.)

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 10 NET PATIENT SERVICE REVENUE (CONTINUED)

For the years ended September 30, 2022 and 2021, the Company recognized revenue of \$161,419,132 and \$150,758,762 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 72% and 69%, respectively, of the Company's net patient service revenue in the years ended September 30, 2022 and 2021.

The opening and closing contract balances were as follows:

	Patient Accounts Receivable	Deferred Income
As of October 1, 2020	\$ 15,987,011	\$ 655,123
As of September 31, 2021	15,233,507	847,464
As of September 31, 2022	18,518,484	924,039

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, 2022 and 2021 was as follows:

	2022	2021
Medicare	11 %	12 %
Medicaid	42	43
Other Third-Party Payors	47	45
Total	100 %	100 %

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

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 2022 and 2021, respectively. Future annual minimum lease commitments under such leases are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2023	\$ 970,688
2024	697,225
2025	6,447
Total	<u>\$ 1,674,360</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, 2022 and 2021, the Company had interest swaps with notional amounts of approximately \$26,159,000 and \$27,286,000, 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>(Asset) Liability Derivative</u>			
	<u>September 30, 2022</u>		<u>September 30, 2021</u>	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
	Fair Value of Interest Rate Swap		Fair Value of Interest Rate Swap	
Interest Rate Swap	Agreements	\$ (1,016,840)	Agreements	\$ 1,493,038

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 income are as follows:

	<u>Location of Unrealized Gain Recognized in Income on the Derivative</u>	<u>Amount of Unrealized Gain Recognized in Income on the Derivative</u>	
		<u>September 30, 2022</u>	<u>September 30, 2021</u>
	Interest Rate Swap	Change in Fair Value of Interest Rate Swap Agreements	\$ 2,509,878

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 13 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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, 2022.

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 \$67,000 and \$203,000 during the years ended September 30, 2022 and 2021, respectively.

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:

	2022	2021
Accounts Payable to White Oak Pharmacy	\$ 608,058	\$ 479,637
Nursing Expenses Provided to White Oak Pharmacy	60,922	50,831
Ancillary Expenses Provided to White Oak Pharmacy	4,968,645	4,848,486
Medical Supplies Provided to White Oak Pharmacy	121,856	101,081
Consulting Expenses Provided to White Oak Pharmacy	642,040	587,124
Other Expenses Provided to White Oak Pharmacy	30,985	48,289

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 2022 and 2021.

The Company was the guarantor on the mortgage payable on the building. The loan matures December 11, 2027, and required monthly principal and interest payments of \$3,828. The loan bore interest at One Month LIBOR plus 1.75%. The loan was paid in full during the year ended September 30, 2022 and the Company is no longer a guarantor.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

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:

	2022			Total
	Level 1	Level 2	Level 3	
Assets:				
Investments:				
Equity Securities	\$ 4,506,623	\$ -	\$ -	\$ 4,506,623
Debt Securities	197,766	-	-	197,766
Assets Limited as to Use:				
Equity Investments	1,555,804	-	-	1,555,804
Debt Securities	66,145	-	-	66,145
Total Assets Measured at Fair Value	<u>\$ 6,326,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,326,338</u>
(Asset) Liabilities:				
Interest Rate Swap Agreement	\$ -	\$ (1,016,840)	\$ -	\$ (1,016,840)
Total Liabilities Measured at Fair Value	<u>\$ -</u>	<u>\$ (1,016,840)</u>	<u>\$ -</u>	<u>\$ (1,016,840)</u>
	2021			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Equity Securities	\$ 6,863,667	\$ -	\$ -	\$ 6,863,667
Debt Securities	236,314	-	-	236,314
Assets Limited as to Use:				
Equity Securities	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>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

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, 2022 and 2021:

	2022			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Alternative Investments	\$ 193,276	\$ -	Initial 2-Year Period; Quarterly Thereafter	45 Days
	2021			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Alternative Investments	\$ 339,236	\$ -	Initial 2 Year Period; Quarterly Thereafter	45 Days

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

NOTE 17 COMMITMENTS AND CONTINGENCIES

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

Self-Insurance

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.

WHITE OAK MANOR, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 17 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Self-Insurance (Continued)

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.

NOTE 18 SUBSEQUENT EVENTS

In 2022, the Company signed a non-binding letter of intent proposal to potentially sell all asset of the Company to an unrelated third-party. As of the date of these financial statements, no deal has been formalized.



**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, 2022, and have issued our report thereon dated January 27, 2023, 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 27, 2023

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
SEPTEMBER 30, 2022
(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	\$ 2,983,349	\$ -	\$ -	\$ 2,983,349
Patient Accounts Receivable, Net	18,518,484	-	-	18,518,484
Investments	5,729,911	-	5,729,911	-
Other Current Assets	2,203,415	-	712,206	1,491,209
Total Current Assets	<u>29,435,159</u>	<u>-</u>	<u>6,442,117</u>	<u>22,993,042</u>
ASSETS LIMITED AS TO USE	1,916,431	-	975,011	941,420
FAIR VALUE OF INTEREST RATE SWAP	1,016,840	-	1,016,840	-
PROPERTY AND EQUIPMENT	157,723,991	-	136,120,036	21,603,955
Less: Accumulated Depreciation	(99,821,803)	-	(82,998,019)	(16,823,784)
Property and Equipment, Net	<u>57,902,188</u>	<u>-</u>	<u>53,122,017</u>	<u>4,780,171</u>
OTHER ASSETS				
Deferred Other Costs, Net	-	-	-	-
Goodwill, Net	203,878	-	203,878	-
Intercompany Accounts	-	(61,353,849)	17,478,035	43,875,814
Investment in Subsidiaries	-	(3,177,082)	3,177,082	-
Total Other Assets	<u>203,878</u>	<u>(64,530,931)</u>	<u>20,858,995</u>	<u>43,875,814</u>
Total Assets	<u>\$ 90,474,496</u>	<u>\$ (64,530,931)</u>	<u>\$ 82,414,980</u>	<u>\$ 72,590,447</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

LIABILITIES AND SHAREHOLDERS' EQUITY	<u>Consolidated</u>	<u>Eliminations</u>	<u>White Oak Manor, Inc.</u>	<u>All Subsidiaries</u>
CURRENT LIABILITIES				
Cash Overdraft	\$ 4,540,792	\$ -	\$ 4,540,792	\$ -
Current Portion of Long-Term Debt	4,428,177	-	2,696,471	1,731,706
Accounts Payable	7,503,665	-	10,000	7,493,665
Accrued Wages and Other Liabilities	8,928,229	-	27,351	8,900,878
Deferred Revenue - Provider Relief Funding	-	-	-	-
Tenant Deposits	256,609	-	-	-
Total Current Liabilities	<u>25,657,472</u>	<u>-</u>	<u>7,274,614</u>	<u>18,382,858</u>
LONG-TERM DEBT, Net of Current Portion	42,583,496	-	42,583,496	-
OTHER LIABILITIES				
Deferred Income	924,039	-	-	924,039
Asset Retirement Obligation	876,656	-	-	876,656
Intercompany Accounts	-	(61,353,849)	-	61,353,849
Total Other Liabilities	<u>44,384,191</u>	<u>(61,353,849)</u>	<u>42,583,496</u>	<u>63,154,544</u>
Total Liabilities	70,041,663	(61,353,849)	49,858,110	81,537,402
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)	20,385,971	-	32,510,008	(12,124,037)
Total Shareholders' Equity	<u>20,432,833</u>	<u>(3,177,082)</u>	<u>32,556,870</u>	<u>(8,946,955)</u>
Total Liabilities and Shareholders' Equity	<u>\$ 90,474,496</u>	<u>\$ (64,530,931)</u>	<u>\$ 82,414,980</u>	<u>\$ 72,590,447</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Consolidated	Eliminations	White Oak Manor, Inc.	All Subsidiaries
REVENUE				
Net Patient Service Revenue	\$ 161,419,132	\$ -	\$ -	\$ 161,419,132
Management Fee Revenue	577,002	(9,635,406)	-	10,212,408
Lease Fees	-	(5,820,240)	5,820,240	-
Apartment Fees	5,386,580	-	-	5,386,580
Deposit Revenue	477,537	-	-	477,537
Change in Value of Interest Rate Swap Agreements	2,509,878	-	2,509,878	-
Other Revenue - COVID Relief Funding	6,663,210	-	-	6,663,210
Interest and Other Revenue	171,956	-	68,816	103,140
Total Revenue	<u>177,205,295</u>	<u>(15,455,646)</u>	<u>8,398,934</u>	<u>184,262,007</u>
EXPENSES				
Nursing Service	80,913,111	-	-	80,913,111
Ancillaries	16,383,228	-	-	16,383,228
Dietary	14,017,289	-	-	14,017,289
Social Services	3,296,448	-	-	3,296,448
Activities	1,808,710	-	-	1,808,710
Medical Records	717,065	-	-	717,065
Laundry and Linen	2,022,068	-	-	2,022,068
Housekeeping	4,900,150	-	-	4,900,150
Facility Operations and Maintenance	8,470,184	-	-	8,470,184
Depreciation	6,129,712	-	5,017,348	1,112,364
Interest Expense	1,622,799	-	1,571,338	51,461
Amortization Expense	127,709	-	67,960	59,749
Property Taxes and Insurance	5,234,726	-	36,056	5,198,670
Employee Benefits	11,922,828	-	-	11,922,828
COVID-19 Expenses	2,510,902	-	-	2,510,902
General and Administrative	20,586,457	(15,455,646)	164,745	35,877,358
Total Expenses	<u>180,663,386</u>	<u>(15,455,646)</u>	<u>6,857,447</u>	<u>189,261,585</u>
OPERATING INCOME (LOSS)	(3,458,091)	-	1,541,487	(4,999,578)
NONOPERATING GAIN (LOSS)				
Change in Unrealized Losses on Investments	(1,749,883)	-	(1,564,802)	(185,081)
Gain on Sale of Property	-	-	-	-
Other Nonoperating Gain	3,801,224	-	1,887,276	1,913,948
Total Nonoperating Gain	<u>2,051,341</u>	<u>-</u>	<u>322,474</u>	<u>1,728,867</u>
NET INCOME (LOSS)	<u>\$ (1,406,750)</u>	<u>\$ -</u>	<u>\$ 1,863,961</u>	<u>\$ (3,270,711)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANAGEMENT, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 154,658
Patient Accounts Receivable, Net	1,429,982
Other Current Assets	791,722
Total Current Assets	2,376,362

PROPERTY AND EQUIPMENT, NET

Total Assets	\$ 2,453,398
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LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

Accounts Payable	\$ 3,302,584
Current Portion of Long-Term Debt	1,731,706
Accrued Wages and Other Liabilities	3,330,645
Tenant Deposits	68,327
Total Current Liabilities	8,433,262

OTHER LIABILITIES

Intercompany Accounts	42,297,264
Total Liabilities	50,730,526

SHAREHOLDER'S DEFICIT

Common Stock, Par Value \$1 per Share; 150,000 Shares Authorized; 123,381 Shares Issued and Outstanding	123,381
Accumulated Deficit	(48,400,509)
Total Shareholder's Deficit	(48,277,128)
Total Liabilities and Shareholder's Deficit	\$ 2,453,398

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Management Fees	\$ 10,212,408
Other Revenue	19,998
Total Revenue	<u>10,232,406</u>

EXPENSES

Medical Records	12,701
Housekeeping	29,737
Facility Operations and Maintenance	106,813
Depreciation	19,936
Interest Expense	21,706
Taxes and Insurance	703,217
Employee Benefits	1,640,051
COVID-19 Expenses	1,924,855
General and Administrative	9,009,206
Total Expenses	<u>13,468,222</u>
Net Loss	<u>\$ (3,235,816)</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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 101,075
Patient Accounts Receivable, Net	219,525
Other Current Assets	22,780
Total Current Assets	343,380

PROPERTY AND EQUIPMENT, NET

	43,768
Total Assets	\$ 387,148

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

Accounts Payable	\$ 118,626
Accrued Wages and Other Liabilities	207,923
Total Current Liabilities	326,549

OTHER LIABILITIES

Deferred Income	876
Intercompany Accounts	2,900,517
Asset Retirement Obligation	98,633
Total Other Liabilities	3,000,026
Total Liabilities	3,326,575

SHAREHOLDER'S DEFICIT

Common Stock, Par Value \$1 per Share; 290,000 Shares Authorized; 154,935 Shares Issued and Outstanding	154,935
Accumulated Deficit	(3,094,362)
Total Shareholder's Deficit	(2,939,427)
Total Liabilities and Shareholder's Deficit	\$ 387,148

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 5,028,362
Other Revenue - COVID Relief Funding	135,085
Total Revenue	<u>5,163,447</u>

EXPENSES

Nursing Services	3,038,050
Ancillaries	409,611
Dietary	546,166
Social Services	134,548
Activities	56,373
Medical Records	48,101
Laundry and Linen	89,146
Housekeeping	235,879
Facility Operations and Maintenance	301,120
Depreciation	14,386
Interest Expense	178
Taxes and Insurance	116,392
Employee Benefits	398,050
COVID-19 Expenses	490
General and Administrative	849,682
Total Expenses	<u>6,238,172</u>
Net Loss	<u>\$ (1,074,725)</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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 101,390
Patient Accounts Receivable, Net	1,239,494
Other Current Assets	39,464
Total Current Assets	1,380,348

PROPERTY AND EQUIPMENT, NET

149,343

OTHER ASSETS

Intercompany Accounts	3,026,091
	3,026,091

Total Assets

\$ 4,555,782

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 199,607
Accrued Wages and Other Liabilities	342,393
Total Current Liabilities	542,000

OTHER LIABILITIES

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

Total Liabilities

623,458

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 150,000 Shares Authorized; 109,226 Shares Issued and Outstanding	109,226
Retained Earnings	3,823,098
Total Shareholder's Equity	3,932,324

Total Liabilities and Shareholder's Equity

\$ 4,555,782

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 9,341,812
Other Revenue - COVID Relief Funding	489,823
Other Revenue	1,098
Total Revenue	9,832,733

EXPENSES

Nursing Services	5,035,744
Ancillaries	1,088,674
Dietary	815,183
Social Services	228,034
Activities	150,481
Medical Records	45,982
Laundry and Linen	114,799
Housekeeping	312,736
Facility Operations and Maintenance	531,895
Depreciation	36,270
Interest Expense	7
Taxes and Insurance	118,873
Employee Benefits	552,079
COVID-19 Expenses	23,920
General and Administrative	1,520,715
Total Expenses	10,575,392
Net Loss	\$ (742,659)

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – NEWBERRY, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 100,918
Patient Accounts Receivable, Net	1,151,678
Other Current Assets	29,718
Total Current Assets	1,282,314

PROPERTY AND EQUIPMENT, NET

35,423

OTHER ASSETS

Intercompany Accounts	4,070,202
	4,070,202

Total Assets

\$ 5,387,939

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 221,888
Accrued Wages and Other Liabilities	196,177
Total Current Liabilities	418,065

OTHER LIABILITIES

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

Total Liabilities

459,563

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 150,000 Shares Authorized; 126,414 Shares Issued and Outstanding	126,414
Retained Earnings	4,801,962
Total Shareholder's Equity	4,928,376

Total Liabilities and Shareholder's Equity

\$ 5,387,939

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 9,119,401
Other Revenue - COVID Relief Funding	1,770,653
Other Revenue	2,266
Total Revenue	<u>10,892,320</u>

EXPENSES

Nursing Services	4,797,097
Ancillaries	937,583
Dietary	797,982
Social Services	234,004
Activities	123,503
Medical Records	47,732
Laundry and Linen	194,348
Housekeeping	293,605
Facility Operations and Maintenance	464,014
Depreciation	12,603
Interest Expense	220
Taxes and Insurance	111,272
Employee Benefits	666,887
COVID-19 Expenses	34,090
General and Administrative	1,528,834
Total Expenses	<u>10,243,774</u>
Net Income	<u>\$ 648,546</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – ROCK HILL, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 97,192
Patient Accounts Receivable, Net	1,186,987
Other Current Assets	56,335
Total Current Assets	1,340,514

PROPERTY AND EQUIPMENT, NET

128,036

OTHER ASSETS

Intercompany Accounts	8,878,763
	8,878,763

Total Assets

\$ 10,347,313

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 288,594
Accrued Wages and Other Liabilities	553,419
Total Current Liabilities	842,013

OTHER LIABILITIES

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

Total Liabilities

905,702

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 200,000 Shares Authorized; 187,493 Shares Issued and Outstanding	187,493
Retained Earnings	9,254,118
Total Shareholder's Equity	9,441,611

Total Liabilities and Shareholder's Equity

\$ 10,347,313

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 13,476,653
Other Revenue	254
Total Revenue	<u>13,476,907</u>

EXPENSES

Nursing Services	6,872,289
Ancillaries	1,291,361
Dietary	983,999
Social Services	349,265
Activities	134,789
Medical Records	62,600
Laundry and Linen	161,519
Housekeeping	462,040
Facility Operations and Maintenance	550,868
Depreciation	38,674
Interest Expense	59
Taxes and Insurance	194,448
Employee Benefits	970,315
COVID-19 Expenses	28,575
General and Administrative	1,917,091
Total Expenses	<u>14,017,892</u>
Net Loss	<u>\$ (540,985)</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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 100,893
Patient Accounts Receivable, Net	1,663,953
Other Current Assets	49,475
Total Current Assets	<u>1,814,321</u>

PROPERTY AND EQUIPMENT, NET

498,072

Total Assets

\$ 2,312,393

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

Accounts Payable	\$ 297,397
Accrued Wages and Other Liabilities	198,572
Total Current Liabilities	<u>495,969</u>

OTHER LIABILITIES

Asset Retirement Obligation	124,760
Intercompany Accounts	5,617,676
Total Other Liabilities	<u>5,742,436</u>
Total Liabilities	6,238,405

SHAREHOLDER'S DEFICIT

Common Stock, Par Value \$1 per Share; 250,000 Shares Authorized; 206,031 Shares Issued and Outstanding	206,031
Accumulated Deficit	(4,132,043)
Total Shareholder's Deficit	<u>(3,926,012)</u>

Total Liabilities and Shareholder's Deficit

\$ 2,312,393

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 11,555,935
Other Revenue	355
Total Revenue	<u>11,556,290</u>

EXPENSES

Nursing Services	5,971,980
Ancillaries	1,000,095
Dietary	826,566
Social Services	241,427
Activities	82,790
Medical Records	47,350
Laundry and Linen	149,170
Housekeeping	303,228
Facility Operations and Maintenance	457,255
Depreciation	106,910
Interest Expense	414
Taxes and Insurance	538,475
Employee Benefits	559,986
COVID-19 Expenses	87,640
General and Administrative	1,680,406
Total Expenses	<u>12,053,692</u>
Net Loss	<u>\$ (497,402)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – KINGS MOUNTAIN, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash		\$ 100,682
Patient Accounts Receivable, Net		1,557,261
Other Current Assets		40,922
Total Current Assets		1,698,865

PROPERTY AND EQUIPMENT, NET

258,087

OTHER ASSETS

Intercompany Accounts		5,379,188
		5,379,188

Total Assets

\$ 7,336,140

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable		\$ 238,265
Accrued Wages and Other Liabilities		300,883
Total Current Liabilities		539,148

OTHER LIABILITIES

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

Total Liabilities

631,875

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 250,000 Shares Authorized; 206,060 Shares Issued and Outstanding		206,060
Retained Earnings		6,498,205
Total Shareholder's Equity		6,704,265

Total Liabilities and Shareholder's Equity

\$ 7,336,140

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 14,586,967
Other Revenue	55
Total Revenue	<u>14,587,022</u>

EXPENSES

Nursing Services	7,142,035
Ancillaries	1,092,673
Dietary	1,040,900
Social Services	199,008
Activities	117,139
Medical Records	45,341
Laundry and Linen	160,499
Housekeeping	260,949
Facility Operations and Maintenance	424,927
Depreciation	65,067
Interest Expense	86
Taxes and Insurance	658,576
Employee Benefits	786,786
COVID-19 Expenses	52,990
General and Administrative	1,704,832
Total Expenses	<u>13,751,808</u>
Net Income	<u>\$ 835,214</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – TRYON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 546,924
Patient Accounts Receivable, Net	282,453
Other Current Assets	27,821
Total Current Assets	857,198

ASSETS LIMITED AS TO USE

561,352

PROPERTY AND EQUIPMENT, NET

669,554

Total Assets

\$ 2,088,104

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 162,894
Accrued Wages and Other Liabilities	321,534
Tenant Deposits	100,782
Total Current Liabilities	585,210

OTHER LIABILITIES

Deferred Income	383,585
Asset Retirement Obligation	38,460
Total Other Liabilities	422,045
Total Liabilities	1,007,255

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 350,000 Shares Authorized; 296,213 Shares Issued and Outstanding	296,213
Retained Earnings	784,636
Total Shareholder's Equity	1,080,849
Total Liabilities and Shareholder's Equity	\$ 2,088,104

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 7,116,693
Apartment Fees	1,716,640
Deposit Revenue	207,749
Other Revenue	(181)
Total Revenue	<u>9,040,901</u>

EXPENSES

Nursing Services	3,501,772
Ancillaries	621,381
Dietary	994,419
Social Services	123,366
Activities	141,232
Medical Records	27,777
Laundry and Linen	141,386
Housekeeping	340,440
Facility Operations and Maintenance	715,833
Depreciation	160,992
Interest Expense	627
Taxes and Insurance	243,140
Employee Benefits	707,409
COVID-19 Expenses	20,440
General and Administrative	1,614,245
Total Expenses	<u>9,354,459</u>

OPERATING LOSS

(313,558)

NONOPERATING GAIN (LOSS)

Change in Unrealized Losses on Investments	(112,716)
Other Nonoperating Gains	524,283
Total Nonoperating Gain	<u>411,567</u>
Net Income	<u>\$ 98,009</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – RUTHERFORDTON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2022
(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, 2022
(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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 401,462
Patient Accounts Receivable, Net	2,032,728
Other Current Assets	57,073
Total Current Assets	2,491,263

ASSETS LIMITED AS TO USE

209,017

PROPERTY AND EQUIPMENT, NET

364,486

Total Assets

\$ 3,064,766

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 348,320
Accrued Wages and Other Liabilities	400,186
Tenant Deposits	10,000
Total Current Liabilities	758,506

OTHER LIABILITIES

Deferred Income	121,334
Asset Retirement Obligation	79,034
Total Other Liabilities	200,368

Total Liabilities

958,874

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 350,000 Shares Authorized; 309,490 Shares Issued and Outstanding	309,490
Retained Earnings	1,796,402
Total Shareholder's Equity	2,105,892

Total Liabilities and Shareholder's Equity

\$ 3,064,766

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE	
Net Patient Service Revenue	\$ 11,453,089
Apartment Fees	957,658
Deposit Revenue	62,435
Other Revenue	(5,036)
Total Revenue	<u>12,468,146</u>
EXPENSES	
Nursing Services	5,970,761
Ancillaries	1,187,529
Dietary	1,062,540
Social Services	169,257
Activities	121,321
Medical Records	58,749
Laundry and Linen	173,729
Housekeeping	399,045
Facility Operations and Maintenance	690,282
Depreciation	84,780
Interest Expense	745
Taxes and Insurance	215,673
Employee Benefits	871,472
COVID-19 Expenses	24,850
General and Administrative	2,002,626
Total Expenses	<u>13,033,359</u>
OPERATING LOSS	(565,213)
NONOPERATING GAIN (LOSS)	
Change in Unrealized Losses on Investments	(43,199)
Other Nonoperating Gain	1,499,049
Total Nonoperating Gain	<u>1,455,850</u>
Net Income	<u>\$ 890,637</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK MANOR – CHARLESTON, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 101,707
Patient Accounts Receivable, Net	1,380,418
Other Current Assets	46,489
Total Current Assets	<u>1,528,614</u>

PROPERTY AND EQUIPMENT, NET

99,903

OTHER ASSETS

Intercompany Accounts	<u>7,087,568</u>
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Total Assets

\$ 8,716,085

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 356,573
Accrued Wages and Other Liabilities	632,937
Total Current Liabilities	<u>989,510</u>

OTHER LIABILITIES

Asset Retirement Obligation	<u>99,358</u>
Total Other Liabilities	<u>99,358</u>

Total Liabilities

1,088,868

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 250,000 Shares Authorized; 204,607 Shares Issued and Outstanding	204,607
Retained Earnings	7,422,610
Total Shareholder's Equity	<u>7,627,217</u>

Total Liabilities and Shareholder's Equity

\$ 8,716,085

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 14,279,209
Other Revenue - COVID Relief Funding	1,094,849
Other Revenue	264
Total Revenue	<u>15,374,322</u>

EXPENSES

Nursing Services	7,274,048
Ancillaries	1,688,910
Dietary	1,048,685
Social Services	320,905
Activities	173,580
Medical Records	42,194
Laundry and Linen	148,660
Housekeeping	296,699
Facility Operations and Maintenance	731,664
Depreciation	24,759
Interest Expense	49
Taxes and Insurance	217,379
Employee Benefits	707,034
COVID-19 Expenses	29,825
General and Administrative	2,488,138
Total Expenses	<u>15,192,529</u>
Net Income	<u>\$ 181,793</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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 417,204
Patient Accounts Receivable, Net	1,092,539
Other Current Assets	105,544
Total Current Assets	<u>1,615,287</u>

ASSETS LIMITED AS TO USE

171,051

PROPERTY AND EQUIPMENT, NET

403,488

Total Assets

\$ 2,189,826

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 299,711
Accrued Wages and Other Liabilities	339,666
Tenant Deposits	5,500
Total Current Liabilities	<u>644,877</u>

OTHER LIABILITIES

Deferred Income	55,534
Total Other Liabilities	<u>55,534</u>

Total Liabilities

700,411

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 300,000 Shares Authorized; 281,450 Shares Issued and Outstanding	281,450
Retained Earnings	1,207,965
Total Shareholder's Equity	<u>1,489,415</u>

Total Liabilities and Shareholder's Equity

\$ 2,189,826

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 12,736,504
Apartment Fees	527,937
Deposit Revenue	19,600
Other Revenue	18,447
Total Revenue	<u>13,302,488</u>

EXPENSES

Nursing Services	5,612,078
Ancillaries	1,069,259
Dietary	1,195,148
Social Services	243,661
Activities	145,567
Medical Records	43,531
Laundry and Linen	103,859
Housekeeping	410,794
Facility Operations and Maintenance	677,254
Depreciation	81,859
Interest Expense	3,979
Taxes and Insurance	223,329
Employee Benefits	683,177
COVID-19 Expenses	212,030
General and Administrative	1,925,617
Total Expenses	<u>12,631,142</u>

OPERATING INCOME

671,346

NONOPERATING LOSS

Change in Unrealized Losses on Investments	(29,166)
Other Nonoperating Loss	<u>(109,384)</u>
Total Nonoperating Loss	<u>(138,550)</u>

Net Income

\$ 532,796

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK ESTATES, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	100,779
Patient Accounts Receivable, Net		722,466
Other Current Assets		43,186
Total Current Assets		866,431

PROPERTY AND EQUIPMENT, NET

78,929

OTHER ASSETS

Intercompany Accounts		1,380,692
		1,380,692

Total Assets

\$ 2,326,052

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	264,105
Accrued Wages and Other Liabilities		113,165
Total Current Liabilities		377,270

Total Liabilities

377,270

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 100,000 Shares Authorized; 73,267 Shares Issued and Outstanding		73,267
Retained Earnings		1,875,515
Total Shareholder's Equity		1,948,782

Total Liabilities and Shareholder's Equity

\$ 2,326,052

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 8,230,955
Other Revenue - COVID Relief Funding	408,674
Other Revenue	2,179
Total Revenue	<u>8,641,808</u>

EXPENSES

Nursing Services	3,852,495
Ancillaries	1,237,970
Dietary	765,404
Social Services	202,732
Activities	104,770
Medical Records	47,824
Laundry and Linen	94,605
Housekeeping	227,069
Facility Operations and Maintenance	332,606
Depreciation	22,088
Interest Expense	864
Taxes and Insurance	108,572
Employee Benefits	502,575
COVID-19 Expenses	9,520
General and Administrative	1,513,078
Total Expenses	<u>9,022,172</u>
Net Loss	<u>\$ (380,364)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK ESTATES APARTMENTS, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash		\$ 100,350
Patient Accounts Receivable, Net		-
Total Current Assets		100,350

PROPERTY AND EQUIPMENT, NET

232,582

OTHER ASSETS

Intercompany Accounts		4,733,563
		4,733,563

Total Assets

\$ 5,066,495

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable		\$ 30,503
Accrued Wages and Other Liabilities		150,894
Tenant Deposits		72,000
Total Current Liabilities		253,397

OTHER LIABILITIES

Deferred Income		338,397
Total Other Liabilities		338,397

Total Liabilities

591,794

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 350,000 Shares Authorized; 325,391 Shares Issued and Outstanding		325,391
Retained Earnings		4,149,310
Total Shareholder's Equity		4,474,701

Total Liabilities and Shareholder's Equity

\$ 5,066,495

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Apartment Fees	\$ 2,184,345
Deposit Revenue	187,753
Other Revenue	15,576
Total Revenue	<u>2,387,674</u>

EXPENSES

Nursing Services	-
Dietary	-
Activities	417,579
Laundry and Linen	20,624
Housekeeping	(80)
Facility Operations and Maintenance	64,026
Depreciation	439,073
Interest Expense	52,412
Taxes and Insurance	107
Employee Benefits	196,977
COVID-19 Expenses	64,632
General and Administrative	-
Total Expenses	<u>683,639</u>
	<u>1,938,989</u>
Net Income	<u>\$ 448,685</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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

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

PROPERTY AND EQUIPMENT, NET

21,341

OTHER ASSETS

Intercompany Accounts	1,265,071
	<u>1,265,071</u>

Total Assets

\$ 1,386,762

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 14,019
Accrued Wages and Other Liabilities	73,138
Total Current Liabilities	<u>87,157</u>

Total Liabilities

87,157

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 150,000 Shares Authorized; 147,787 Shares Issued and Outstanding	147,787
Retained Earnings	1,151,818
Total Shareholder's Equity	<u>1,299,605</u>

Total Liabilities and Shareholder's Equity

\$ 1,386,762

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 937,551
Other Revenue	6,867
Total Revenue	<u>944,418</u>

EXPENSES

Nursing Services	536,176
Ancillaries	7,940
Dietary	103,234
Activities	9,713
Laundry and Linen	267
Housekeeping	12,415
Facility Operations and Maintenance	112,334
Depreciation	5,769
Interest Expense	3
Taxes and Insurance	74,340
Employee Benefits	60,495
General and Administrative	227,198
Total Expenses	<u>1,149,884</u>
Net Loss	<u>\$ (205,466)</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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	105,192
Patient Accounts Receivable, Net		1,031,848
Other Current Assets		58,188
Total Current Assets		1,195,228

PROPERTY AND EQUIPMENT, NET

152,707

OTHER ASSETS

Intercompany Accounts		5,922,191
		5,922,191

Total Assets

\$ 7,270,126

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	278,221
Accrued Wages and Other Liabilities		274,909
Total Current Liabilities		553,130

Total Liabilities

553,130

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 150,000 Shares Authorized; 143,913 Shares Issued and Outstanding		143,913
Retained Earnings		6,573,083
Total Shareholder's Equity		6,716,996

Total Liabilities and Shareholder's Equity

\$ 7,270,126

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 10,476,072
Other Revenue - COVID Relief Funding	1,265,854
Other Revenue	12
Total Revenue	<u>11,741,938</u>

EXPENSES

Nursing Services	5,524,458
Ancillaries	918,275
Dietary	985,158
Social Services	209,128
Activities	94,274
Medical Records	46,030
Laundry and Linen	163,930
Housekeeping	330,638
Facility Operations and Maintenance	458,425
Depreciation	23,596
Interest Expense	45
Taxes and Insurance	141,797
Employee Benefits	902,404
COVID-19 Expenses	23,025
General and Administrative	1,550,829
Total Expenses	<u>11,372,012</u>
Net Income	<u>\$ 369,926</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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 100,933
Patient Accounts Receivable, Net	941,761
Other Current Assets	29,416
Total Current Assets	1,072,110

PROPERTY AND EQUIPMENT, NET

119,671

OTHER ASSETS

Intercompany Accounts	1,893,301
-----------------------	-----------

Total Assets

\$ 3,085,082

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 209,570
Accrued Wages and Other Liabilities	285,832
Total Current Liabilities	495,402

OTHER LIABILITIES

Asset Retirement Obligation	157,039
-----------------------------	---------

Total Liabilities

652,441

SHAREHOLDER'S EQUITY

Common Stock, Par Value \$1 per Share; 200,000 Shares Authorized; 158,902 Shares Issued and Outstanding	158,902
Retained Earnings	2,273,739
Total Shareholder's Equity	2,432,641

Total Liabilities and Shareholder's Equity

\$ 3,085,082

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 7,050,642
Other Revenue - COVID Relief Funding	1,270,041
Other Revenue (Loss)	(6,435)
Total Revenue	<u>8,314,248</u>

EXPENSES

Nursing Services	4,958,689
Ancillaries	492,366
Dietary	703,173
Social Services	187,501
Activities	138,916
Medical Records	40,247
Laundry and Linen	102,896
Housekeeping	274,570
Facility Operations and Maintenance	452,539
Depreciation	30,523
Interest Expense	323
Taxes and Insurance	135,202
Employee Benefits	492,551
COVID-19 Expenses	9,280
General and Administrative	1,352,937
Total Expenses	<u>9,371,713</u>
Net Loss	<u>\$ (1,057,465)</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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$	100,796
Patient Accounts Receivable, Net		966,479
Other Current Assets		42,564
Total Current Assets		1,109,839

PROPERTY AND EQUIPMENT, NET

		585,507
Total Assets	\$	1,695,346

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

Accounts Payable	\$	239,801
Accrued Wages and Other Liabilities		278,932
Total Current Liabilities		518,733

OTHER LIABILITIES

Deferred Income		24,297
Intercompany Accounts		4,612,655
Total Other Liabilities		4,636,952

Total Liabilities		5,155,685
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SHAREHOLDER'S DEFICIT

Accumulated Deficit		(3,460,339)
Total Shareholder's Deficit		(3,460,339)

Total Liabilities and Shareholder's Deficit	\$	1,695,346
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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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 11,834,068
Other Revenue	388
Total Revenue	<u>11,834,456</u>

EXPENSES

Nursing Services	4,311,246
Ancillaries	1,456,601
Dietary	812,355
Social Services	206,626
Activities	121,657
Medical Records	30,299
Laundry and Linen	109,995
Housekeeping	213,734
Facility Operations and Maintenance	412,040
Depreciation	139,551
Interest Expense	59
Taxes and Insurance	444,022
Employee Benefits	504,669
COVID-19 Expenses	2,660
General and Administrative	1,940,389
Total Expenses	<u>10,705,903</u>
Net Income	<u><u>\$ 1,128,553</u></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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 50,150
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PROPERTY AND EQUIPMENT, NET

49,000

Total Assets

\$ 99,150

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

Accounts Payable	\$ 98
Accrued Wages and Other Liabilities	80,220
Total Current Liabilities	<u>80,318</u>

OTHER LIABILITIES

Intercompany Accounts	3,750,141
-----------------------	-----------

Total Liabilities

3,830,361

SHAREHOLDER'S DEFICIT

Accumulated Deficit	(3,731,211)
Total Shareholder's Deficit	<u>(3,731,211)</u>

Total Liabilities and Shareholder's Deficit

\$ 99,150

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Membership Fees	\$ 47,656
Other Revenue (Expense)	(926)
Total Revenue	<u>46,730</u>

EXPENSES

Dietary	654
Activities	2,982
Laundry and Linen	(297)
Housekeeping	35,313
Facility Operations and Maintenance	114,565
Depreciation	13,048
Taxes and Insurance	101,403
Employee Benefits	18,271
General and Administrative	196,749
Total Expenses	<u>482,688</u>
Net Loss	<u>\$ (435,958)</u>

WHITE OAK MANOR, INC. AND SUBSIDIARIES
WHITE OAK AT NORTH GROVE, INC.
(A WHOLLY OWNED SUBSIDIARY OF WHITE OAK MANOR, INC.)
BALANCE SHEET
SEPTEMBER 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS

CURRENT ASSETS

Cash	\$ 100,694
Patient Accounts Receivable, Net	1,368,014
Other Current Assets	50,512
Total Current Assets	1,519,220

PROPERTY AND EQUIPMENT, NET

	813,238
Total Assets	\$ 2,332,458

LIABILITIES AND SHAREHOLDER'S DEFICIT

CURRENT LIABILITIES

Accounts Payable	\$ 372,089
Accrued Wages and Other Liabilities	819,453
Total Current Liabilities	1,191,542

OTHER LIABILITIES

Deferred Income	16
Intercompany Accounts	2,175,596
Total Other Liabilities	2,175,612
Total Liabilities	3,367,154

SHAREHOLDER'S DEFICIT

Accumulated Deficit	(1,034,696)
Total Shareholder's Deficit	(1,034,696)
Total Liabilities and Shareholder's Deficit	\$ 2,332,458

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, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

REVENUE

Net Patient Service Revenue	\$ 14,195,219
Other Revenue - COVID Relief Funding	228,231
Other Revenue	303
Total Revenue	<u>14,423,753</u>

EXPENSES

Nursing Services	6,514,193
Ancillaries	1,883,000
Dietary	918,144
Social Services	246,986
Activities	68,999
Medical Records	70,607
Laundry and Linen	113,637
Housekeeping	397,233
Facility Operations and Maintenance	496,677
Depreciation	179,141
Interest Expense	21,990
Amortization Expense	59,749
Taxes and Insurance	655,583
Employee Benefits	833,985
COVID-19 Expenses	26,712
General and Administrative	2,171,147
Total Expenses	<u>14,657,783</u>
Net Loss	<u>\$ (234,030)</u>

Attachment 2

**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, 2023
THROUGH SEPTEMBER 30, 2027**



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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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FOR THE YEARS ENDING SEPTEMBER 30, 2023 THROUGH 2027**

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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, 2023, 2024, 2025, 2026 and 2027, 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, the projected results may not be achieved, as 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
March 8, 2023

**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 ASSUMPTION ON PAGE 7
 SEPTEMBER 30, 2023 THROUGH 2027**

ASSETS	2023	2024	2025	2026	2027
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000
Accounts Receivable, Net	3,914,730	4,110,466	4,315,989	4,445,468	4,578,833
Intercompany Accounts Receivable	1,880,019	3,938,918	6,102,534	8,354,005	10,672,141
Other Current Assets	196,151	202,036	208,096	214,339	220,769
Total Current Assets	<u>7,365,900</u>	<u>9,626,420</u>	<u>12,001,619</u>	<u>14,388,812</u>	<u>16,846,743</u>
ASSETS LIMITED AS TO USE - OPERATING RESERVE	992,098	1,042,216	1,094,853	1,127,744	1,161,621
MOVEABLE EQUIPMENT	7,216,004	7,463,615	7,718,654	7,981,344	8,251,915
Less: Accumulated Depreciation	5,903,972	6,281,842	6,872,046	7,074,955	7,490,949
Moveable Equipment, Net	<u>1,312,032</u>	<u>1,181,773</u>	<u>1,046,608</u>	<u>906,389</u>	<u>760,966</u>
Total Assets	<u>\$ 9,670,030</u>	<u>\$ 11,850,409</u>	<u>\$ 14,143,080</u>	<u>\$ 16,422,945</u>	<u>\$ 18,769,330</u>
	2023	2024	2025	2026	2027
LIABILITIES AND SHAREHOLDER'S EQUITY					
CURRENT LIABILITIES					
Accounts Payable	\$ 880,932	\$ 924,979	\$ 971,227	\$ 1,000,364	\$ 1,030,375
Accrued Wages and Other Liabilities	1,105,808	1,180,889	1,218,932	1,255,501	1,293,166
Intercompany Accounts Payable	490,083	744,439	1,010,279	1,245,813	1,488,774
Asset Retirement Obligation	117,494	117,494	117,494	117,494	117,494
Total Current Liabilities	<u>2,594,117</u>	<u>2,947,801</u>	<u>3,317,932</u>	<u>3,619,172</u>	<u>3,929,809</u>
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	626,253	749,216	816,873	823,388	812,982
Unearned Deposit Revenue - Refundable	-	-	-	-	-
Deposits on Apartments	116,282	116,282	116,282	116,282	116,282
Total Deferred Credits	<u>742,535</u>	<u>865,498</u>	<u>933,155</u>	<u>939,670</u>	<u>929,264</u>
LONG-TERM DEBT	-	-	-	-	-
Total Liabilities	<u>3,336,652</u>	<u>3,813,299</u>	<u>4,251,087</u>	<u>4,558,842</u>	<u>4,859,073</u>
SHAREHOLDER'S EQUITY					
Common Stock	887,153	887,153	887,153	887,153	887,153
Retained Earnings	5,448,225	7,149,957	9,004,840	10,976,950	13,023,104
Total Shareholder's Equity	<u>6,333,378</u>	<u>8,037,110</u>	<u>9,891,993</u>	<u>11,864,103</u>	<u>13,910,257</u>
Total Liabilities and Shareholder's Equity	<u>\$ 9,670,030</u>	<u>\$ 11,850,409</u>	<u>\$ 14,143,080</u>	<u>\$ 16,422,945</u>	<u>\$ 18,769,330</u>

**WHITE OAK MANOR – TRYON, INC.,
WHITE OAK MANOR – BURLINGTON, INC., AND
WHITE OAK MANOR – CHARLOTTE, INC.
(SUBSIDIARIES OF WHITE OAK MANOR, INC.)
PROJECTED COMBINED STATEMENTS OF OPERATIONS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2023 THROUGH 2027**

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
REVENUES					
Patient Service Revenue	\$ 35,675,532	\$ 37,459,309	\$ 39,332,275	\$ 40,512,243	\$ 41,727,610
Apartment Rents	3,285,600	3,449,880	3,622,374	3,731,045	3,842,976
Deposit Amortization	278,400	238,447	311,824	384,351	412,998
Investment Income	56,962	71,013	72,516	74,096	75,082
Other Revenue	43,500	45,675	47,859	49,398	50,880
Total Revenues	<u>39,339,994</u>	<u>41,264,324</u>	<u>43,386,948</u>	<u>44,751,133</u>	<u>46,109,546</u>
EXPENSES					
Nursing Services	16,891,020	17,735,571	18,822,350	19,181,020	19,756,451
Ancillaries	3,017,460	3,168,333	3,326,750	3,426,552	3,529,350
Dietary Expenses	3,369,600	3,538,080	3,714,984	3,826,433	3,941,226
Social Services	565,080	593,334	623,001	641,691	660,942
Activities	438,420	460,341	483,358	497,859	512,795
Medical Records	136,500	143,325	150,492	155,006	159,656
Laundry and Linen	447,180	469,539	493,017	507,807	523,041
Housekeeping	1,227,780	1,289,169	1,353,827	1,394,236	1,436,062
Facility Operations and Maintenance	2,046,840	2,149,182	2,256,641	2,324,340	2,394,070
Depreciation	365,895	377,870	390,204	402,909	415,994
Taxes and Insurance	749,100	786,555	825,883	850,659	876,179
Employee Benefits	2,522,700	2,648,835	2,781,277	2,864,715	2,950,666
General and Administrative	5,905,197	6,200,458	6,510,481	6,705,796	6,906,970
Total Expenses	<u>37,682,772</u>	<u>39,560,592</u>	<u>41,532,065</u>	<u>42,779,023</u>	<u>44,063,392</u>
Net Income	<u>\$ 1,657,222</u>	<u>\$ 1,703,732</u>	<u>\$ 1,854,883</u>	<u>\$ 1,972,110</u>	<u>\$ 2,046,154</u>

See Independent Accountants' Compilation Report and
Summary of Significant Projection Assumptions and Accounting Policies
(4)

**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 ASSUMPTION ON PAGE 7
 FOR THE YEARS ENDING SEPTEMBER 30, 2023 THROUGH 2027**

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholder's Equity
BALANCE, SEPTEMBER 30, 2022				
Net Income	\$ 887,153	\$ 3,789,003	\$ -	\$ 4,676,156
Distributions to Shareholder	-	1,657,222	-	1,657,222
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, SEPTEMBER 30, 2023				
Net Income	887,153	5,446,225	-	6,333,378
Distributions to Shareholder	-	1,703,732	-	1,703,732
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, SEPTEMBER 30, 2024				
Net Income	887,153	7,149,957	-	8,037,110
Distributions to Shareholder	-	1,854,883	-	1,854,883
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, SEPTEMBER 30, 2025				
Net Income	887,153	9,004,840	-	9,891,993
Distributions to Shareholder	-	1,972,110	-	1,972,110
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, SEPTEMBER 30, 2026				
Net Income	887,153	10,976,950	-	11,864,103
Distributions to Shareholder	-	2,046,154	-	2,046,154
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, SEPTEMBER 30, 2027				
	<u>\$ 887,153</u>	<u>\$ 13,023,104</u>	<u>\$ -</u>	<u>\$ 13,910,257</u>

**WHITE OAK MANOR – TRYON, INC.,
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WHITE OAK MANOR – CHARLOTTE, INC.
(SUBSIDIARIES OF WHITE OAK MANOR, INC.)
PROJECTED COMBINED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2023 THROUGH 2027**

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income	\$ 1,657,222	\$ 1,703,732	\$ 1,854,883	\$ 1,972,110	\$ 2,046,154
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:					
Depreciation	365,895	377,870	390,204	402,909	415,994
Deposit Amortization	(278,400)	(238,447)	(311,824)	(384,351)	(412,998)
Deposit Receipts	344,200	361,410	379,481	390,866	402,592
Change in Current Assets:					
Accounts Receivable	(507,010)	(195,738)	(205,523)	(129,479)	(133,365)
Intercompany Accounts Receivable	(1,880,019)	(2,058,899)	(2,183,616)	(2,251,471)	(2,318,136)
Other Current Assets	(5,713)	(5,885)	(6,060)	(6,243)	(6,430)
Change in Current Liabilities:					
Accounts Payable	70,007	44,047	46,248	29,137	30,011
Intercompany Accounts Payable	490,083	254,356	265,840	235,534	242,961
Accrued Wages and Other Liabilities	44,222	55,281	58,043	36,569	37,665
Net Cash Provided by Operating Activities	<u>300,487</u>	<u>297,729</u>	<u>307,676</u>	<u>295,581</u>	<u>304,448</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(240,399)	(247,611)	(255,039)	(262,690)	(270,571)
Net Change in Assets Limited as to Use - Operating Reserve	(50,678)	(50,118)	(52,637)	(32,891)	(33,877)
Net Cash Used in Investing Activities	<u>(291,077)</u>	<u>(297,729)</u>	<u>(307,676)</u>	<u>(295,581)</u>	<u>(304,448)</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	9,410	-	-	-	-
Cash and Cash Equivalents - Beginning of Year	<u>1,365,590</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 ("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.) (collectively the "Combined Subsidiaries"), the expected financial position, results of operations and cash flows as of September 30, 2023, 2024, 2025, 2026, and 2027 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 Assumption is as follows:

- Management is able to achieve the projected operating revenue inflationary rate increases and operating expense inflationary increases as described hereinafter.

FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, in February 2016 pertaining to accounting for leases. The standard will be effective for the Combined Subsidiaries for the year ending September 30, 2023.

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.

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 March 8, 2023, 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 and cash equivalents, equity investments, and debt securities.

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 movable equipment during the Projection Period, based on historical experience.

	For the Years Ending September 30,				
	2023	2024	2025	2026	2027
White Oak Manor - Tryon	\$ 54,636	\$ 56,275	\$ 57,963	\$ 59,702	\$ 61,493
White Oak Manor - Burlington	87,418	90,041	92,742	95,524	98,390
White Oak Manor - Charlotte	98,345	101,295	104,334	107,464	110,688
Total Moveable Equipment Purchases	\$ 240,399	\$ 247,611	\$ 255,039	\$ 262,690	\$ 270,571

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 \$1,111,200 for the Combined Subsidiaries at September 30, 2023 and has been inflated five percent per annum in 2024 and 2025 and then 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.

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.

Summary of Significant Projection Assumptions and Accounting Policies

BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the 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.

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, assets limited as to use, accounts receivable, net, 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, if projected, 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					
	2023	2024	2025	2026	2027
Average Occupied Units:					
Independent Living	97	97	97	97	97
Assisted Living	13	13	13	13	13
Skilled Nursing	60	60	60	60	60
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	98.0%	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	85.7%	85.7%	85.7%	85.7%	85.7%
WHITE OAK MANOR - BURLINGTON					
	2023	2024	2025	2026	2027
Average Occupied Units:					
Independent Living	51	51	51	51	51
Skilled Nursing	120	120	120	120	120
Available Units:					
Independent Living	53	53	53	53	53
Skilled Nursing	160	160	160	160	160
Average Independent Living Occupancy Percentage	96.2%	96.2%	96.2%	96.2%	96.2%
Average Skilled Nursing Occupancy Percentage	75.0%	75.0%	75.0%	75.0%	75.0%
WHITE OAK MANOR - CHARLOTTE					
	2023	2024	2025	2026	2027
Average Occupied Units:					
Independent Living	32	32	32	32	32
Skilled Nursing	130	130	130	130	130
Available Units:					
Independent Living	33	33	33	33	33
Skilled Nursing	180	180	180	180	180
Average Independent Living Occupancy Percentage	97.0%	97.0%	97.0%	97.0%	97.0%
Average Skilled Nursing Occupancy Percentage	72.2%	72.2%	72.2%	72.2%	72.2%

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 5 percent per annum in 2024 and 2025 then 3 percent annually throughout the remainder of the Projection Period. 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 5 percent per annum in 2024 and 2025 then 3 percent annually throughout the remainder of the Projection Period.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF REVENUES

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

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

Other revenue is expected to grow by 5 percent per annum in 2024 and 2025 then 3 percent annually throughout the remainder of the Projection Period.

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 \$2,165,000 for the Combined Subsidiaries at September 30, 2023 and have been inflated 5 percent per annum in 2024 and 2025 then 3 percent annually throughout the remainder of the Projection Period. Management fees are included within General and Administrative expenses.

Other costs and expenses for the years ending September 30, 2023 are projected based upon historical operating expenses. Cost and expenses for subsequent years are being inflated 5 percent per annum in 2024 and 2025 then 3 percent annually throughout the remainder of the Projection Period.

Distribution to Shareholder

Distributions to shareholder for the payment of income taxes using tax rates in effect at February 2023 are projected based on projected taxable income. Taxable income to be recognized by the Combined Subsidiaries' shareholders on their individual tax returns is based on reported income from operations and expected differences in revenue and expenses for financial reporting purposes and tax purposes. No distribution to shareholders has been estimated during the Projected Period.

Summary of Significant Projection Assumptions and Accounting Policies

MANAGEMENT'S BASIS FOR PROJECTION OF OTHER ITEMS

Operating Reserve

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

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

<u>WHITE OAK MANOR - TRYON</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Total Projected Operating Expenses:					
Projected SNF Expense	\$ 8,031,319	\$ 8,428,416	\$ 8,845,315	\$ 9,109,061	\$ 9,380,721
Projected Apartment Expense	1,774,931	1,862,690	1,954,825	2,013,114	2,073,151
	<u>9,806,250</u>	<u>10,291,106</u>	<u>10,800,140</u>	<u>11,122,175</u>	<u>11,453,872</u>
Total Projected Depreciation Expense:					
Projected SNF Depreciation	80,408	81,912	83,462	85,058	86,703
Projected Apartment Depreciation	94,012	95,772	97,584	99,450	101,372
	<u>174,420</u>	<u>177,684</u>	<u>181,046</u>	<u>184,508</u>	<u>188,075</u>
Total Patient Days - SNF	21,900	21,900	21,900	21,900	21,900
Total Patient Days Attributable to Apartment Residents	745	745	745	745	745
% of SNF Patient Days Attributable to Apartment Residents	3.40%	3.40%	3.40%	3.40%	3.40%
% of SNF Days Attributable to SNF Only Residents	96.60%	96.60%	96.60%	96.60%	96.60%
Calculation of Excluded SNF Expenses	7,758,254	8,141,850	8,544,574	8,799,353	9,061,776
Calculation of Included SNF Expenses	273,065	286,566	300,741	309,708	318,945
Calculation of Included SNF Depreciation	2,734	2,785	2,838	2,892	2,948
Expenses Subject to DOI Approved Operating Reserve	1,951,250	2,050,699	2,155,144	2,220,480	2,287,776
Operating Reserve Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Projected Reserve Requirement	\$ 487,813	\$ 512,675	\$ 538,786	\$ 555,120	\$ 571,944
Projected Occupancy as of Year End	<u>98.0%</u>	<u>98.0%</u>	<u>98.0%</u>	<u>98.0%</u>	<u>98.0%</u>

Summary of Significant Projection Assumptions and Accounting Policies

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

Operating Reserve (continued)

WHITE OAK MANOR - BURLINGTON	2023	2024	2025	2026	2027
Total Projected Operating Expenses:					
Projected SNF Expense	\$ 13,534,659	\$ 14,210,711	\$ 14,920,492	\$ 15,369,192	\$ 15,831,353
Projected Apartment Expense	1,145,014	1,202,208	1,262,254	1,300,214	1,339,312
	<u>14,679,673</u>	<u>15,412,919</u>	<u>16,182,746</u>	<u>16,669,406</u>	<u>17,170,665</u>
Total Projected Depreciation Expense:					
Projected SNF Depreciation	68,878	71,791	74,792	77,883	81,066
Projected Apartment Depreciation	26,919	28,058	29,230	30,438	31,682
	<u>95,797</u>	<u>99,849</u>	<u>104,022</u>	<u>108,321</u>	<u>112,748</u>
Total Patient Days - SNF	43,824	43,824	43,824	43,824	43,824
Total Patient Days Attributable to Apartment Residents	188	188	188	188	188
% of SNF Patient Days Attributable to Apartment Residents	0.43%	0.43%	0.43%	0.43%	0.43%
% of SNF Days Attributable to SNF Only Residents	99.57%	99.57%	99.57%	99.57%	99.57%
Calculation of Excluded SNF Expenses	13,476,460	14,149,605	14,856,334	15,303,104	15,763,278
Calculation of Included SNF Expenses	58,199	61,106	64,158	66,088	68,075
Calculation of Included SNF Depreciation	296	309	322	335	349
Expenses Subject to DOI Approved Operating Reserve	1,175,998	1,234,947	1,296,860	1,335,529	1,375,356
Operating Reserve Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Projected Reserve Requirement	\$ 294,000	\$ 308,737	\$ 324,215	\$ 333,882	\$ 343,839
Projected Occupancy as of Year End	<u>96.2%</u>	<u>96.2%</u>	<u>96.2%</u>	<u>96.2%</u>	<u>96.2%</u>
	<u><u>96.2%</u></u>	<u><u>96.2%</u></u>	<u><u>96.2%</u></u>	<u><u>96.2%</u></u>	<u><u>96.2%</u></u>
WHITE OAK MANOR - CHARLOTTE	2023	2024	2025	2026	2027
Total Projected Operating Expenses:					
Projected SNF Expense	\$ 12,642,581	\$ 13,274,591	\$ 13,938,113	\$ 14,357,969	\$ 14,790,423
Projected Apartment Expense	554,268	581,976	611,066	629,473	648,432
	<u>13,196,849</u>	<u>13,856,567</u>	<u>14,549,179</u>	<u>14,987,442</u>	<u>15,438,855</u>
Total Projected Depreciation Expense:					
Projected SNF Depreciation	77,212	80,972	84,845	88,835	92,943
Projected Apartment Depreciation	18,466	19,365	20,291	21,245	22,228
	<u>95,678</u>	<u>100,337</u>	<u>105,136</u>	<u>110,080</u>	<u>115,171</u>
Total Patient Days - SNF	47,508	47,508	47,508	47,508	47,508
Total Patient Days Attributable to Apartment Residents	1,154	1,154	1,154	1,154	1,154
% of SNF Patient Days Attributable to Apartment Residents	2.43%	2.43%	2.43%	2.43%	2.43%
% of SNF Days Attributable to SNF Only Residents	97.57%	97.57%	97.57%	97.57%	97.57%
Calculation of Excluded SNF Expenses	12,335,366	12,952,018	13,599,417	14,009,070	14,431,016
Calculation of Included SNF Expenses	307,215	322,573	338,696	348,899	359,407
Calculation of Included SNF Depreciation	1,876	1,968	2,062	2,159	2,259
Expenses Subject to DOI Approved Operating Reserve	841,141	883,216	927,409	954,968	983,352
Operating Reserve Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Projected Reserve Requirement	\$ 210,285	\$ 220,804	\$ 231,852	\$ 238,742	\$ 245,838
Projected Occupancy as of Year End	<u>97.0%</u>	<u>97.0%</u>	<u>97.0%</u>	<u>97.0%</u>	<u>97.0%</u>
	<u><u>97.0%</u></u>	<u><u>97.0%</u></u>	<u><u>97.0%</u></u>	<u><u>97.0%</u></u>	<u><u>97.0%</u></u>

Summary of Significant Projection Assumptions and Accounting Policies

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

The total operating reserve is funded with cash and cash equivalents, 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, 2022 was \$877,616. 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.



**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, 2023 through 2027 appears on Page 1. The accompanying supplemental information on Pages 20-31 is presented for purposes of additional analysis and is not a required part of the basic projected combined financial statements. Such information is the responsibility of management. Such information has been subjected to the compilation procedures applied in the compilation of the projected combined financial statements. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
March 8, 2023

WHITE OAK MANOR – TRYON, INC.
PROJECTED BALANCE SHEETS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 7
SEPTEMBER 30, 2023 THROUGH 2027

ASSETS	2023	2024	2025	2026	2027
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000
Patent Accounts Receivable, Net	317,889	333,783	350,472	360,986	371,816
Intercompany Accounts Receivable	285,991	526,209	778,762	1,045,427	1,319,601
Other Current Assets	28,656	29,516	30,401	31,313	32,252
Total Current Assets	1,182,536	1,439,508	1,709,635	1,987,726	2,273,669
ASSETS LIMITED AS TO USE - OPERATING RESERVE	487,813	512,675	538,788	555,120	571,944
MOVEABLE EQUIPMENT	3,007,238	3,063,513	3,121,476	3,181,178	3,242,671
Less: Accumulated Depreciation	2,457,468	2,635,152	2,816,198	3,000,708	3,188,781
Moveable Equipment, Net	549,770	428,361	305,278	180,472	53,890
Total Assets	\$ 2,220,119	\$ 2,380,544	\$ 2,553,699	\$ 2,723,318	\$ 2,899,503
LIABILITIES AND SHAREHOLDER'S EQUITY					
CURRENT LIABILITIES					
Accounts Payable	\$ 158,331	\$ 166,248	\$ 174,560	\$ 179,797	\$ 185,191
Accrued Wages and Other Liabilities	343,051	380,204	378,214	389,561	401,248
Asset Retirement Obligation	38,460	38,460	38,460	38,460	38,460
Total Current Liabilities	539,842	584,912	591,234	607,818	624,899
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	416,785	481,804	510,843	500,813	485,329
Unearned Deposit Revenue - Refundable	-	-	-	-	-
Deposits on Apartments	100,782	100,782	100,782	100,782	100,782
Total Deferred Credits	517,567	582,586	611,625	601,595	586,111
LONG-TERM DEBT					
Total Liabilities	1,057,409	1,147,498	1,202,859	1,209,413	1,211,010
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	866,497	936,833	1,054,627	1,217,692	1,392,280
Other Comprehensive Income	-	-	-	-	-
Total Shareholder's Equity	1,162,710	1,233,046	1,350,840	1,513,905	1,688,493
Total Liabilities and Shareholder's Equity	\$ 2,220,119	\$ 2,380,544	\$ 2,553,699	\$ 2,723,318	\$ 2,899,503

WHITE OAK MANOR – TRYON, INC.
PROJECTED STATEMENTS OF OPERATIONS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2023 THROUGH 2027

REVENUES	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Net Patient Service Revenue					
Apartment Rents	\$ 7,881,411	\$ 8,275,482	\$ 8,689,266	\$ 8,949,934	\$ 9,218,432
Deposit Amortization	1,768,800	1,857,240	1,950,102	2,008,605	2,068,863
Investment Income	198,000	177,741	225,859	272,575	285,905
Other Revenue	21,000	31,134	31,880	32,684	33,154
Total Revenues	<u>9,888,111</u>	<u>10,361,442</u>	<u>10,917,934</u>	<u>11,285,240</u>	<u>11,628,460</u>
EXPENSES					
Nursing Services					
Ancillaries	3,690,300	3,874,815	4,068,556	4,190,613	4,316,331
Dietary Expenses	590,700	620,235	651,247	670,784	690,908
Social Services	1,072,020	1,125,621	1,181,902	1,217,359	1,253,880
Activities	135,960	142,758	149,896	154,393	159,025
Medical Records	137,340	144,207	151,417	155,960	160,639
Laundry and Linen	29,160	30,618	32,149	33,113	34,106
Housekeeping	144,660	151,893	159,488	164,273	169,201
Facility Operations and Maintenance	347,700	365,085	383,339	394,639	406,684
Depreciation	705,540	740,817	777,858	801,194	825,230
Taxes and Insurance	174,420	177,684	181,046	184,508	188,075
Employee Benefits	270,000	283,500	297,875	308,605	315,803
General and Administrative	815,100	855,855	898,648	925,607	953,375
Total Expenses	<u>1,693,350</u>	<u>1,778,018</u>	<u>1,866,919</u>	<u>1,922,927</u>	<u>1,980,615</u>
	<u>9,808,250</u>	<u>10,291,106</u>	<u>10,800,140</u>	<u>11,122,175</u>	<u>11,453,872</u>
Net Income	<u>\$ 81,861</u>	<u>\$ 70,336</u>	<u>\$ 117,794</u>	<u>\$ 163,065</u>	<u>\$ 174,588</u>

WHITE OAK MANOR – TRYON, INC.
PROJECTED STATEMENTS OF SHAREHOLDER'S EQUITY
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2023 THROUGH 2027

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholder's Equity
BALANCE, SEPTEMBER 30, 2022				
Net Income	\$ 296,213	\$ 784,636	\$ -	\$ 1,080,849
Distributions to Shareholder	-	81,861	-	81,861
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, SEPTEMBER 30, 2023				
Net Income	296,213	866,497	-	1,162,710
Distributions to Shareholder	-	70,336	-	70,336
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, SEPTEMBER 30, 2024				
Net Income	296,213	936,833	-	1,233,046
Distributions to Shareholder	-	117,794	-	117,794
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, SEPTEMBER 30, 2025				
Net Income	296,213	1,054,627	-	1,350,840
Distributions to Shareholder	-	163,065	-	163,065
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, SEPTEMBER 30, 2026				
Net Income	296,213	1,217,692	-	1,513,905
Distributions to Shareholder	-	174,588	-	174,588
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, SEPTEMBER 30, 2027				
	<u>\$ 296,213</u>	<u>\$ 1,392,280</u>	<u>\$ -</u>	<u>\$ 1,688,493</u>

WHITE OAK MANOR – TRYON, INC.
PROJECTED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2023 THROUGH 2027

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income	\$ 81,861	\$ 70,336	\$ 117,794	\$ 163,065	\$ 174,588
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:					
Depreciation	174,420	177,684	181,046	184,508	188,075
Deposit Amortization	(198,000)	(177,741)	(225,859)	(272,575)	(285,905)
Deposit Receipts	231,200	242,760	254,898	262,545	270,421
Change in Current Assets:					
Accounts Receivable	(35,436)	(15,894)	(16,689)	(10,514)	(10,830)
Other Current Assets	(835)	(860)	(885)	(912)	(939)
Intercompany Accounts Receivable	(285,991)	(240,218)	(252,553)	(266,665)	(274,174)
Change in Current Liabilities:					
Accounts Payable	(4,563)	7,917	8,312	5,237	5,394
Accrued Wages and Other Liabilities	21,517	17,153	18,010	11,347	11,667
Net Cash Provided (Used) by Operating Activities	<u>(15,827)</u>	<u>81,137</u>	<u>84,074</u>	<u>76,036</u>	<u>78,317</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(54,636)	(56,275)	(57,963)	(59,702)	(61,493)
Net Change in Assets Limited as to Use - Operating Reserve	73,539	(24,862)	(26,111)	(16,334)	(16,824)
Net Cash Used in Investing Activities	<u>18,903</u>	<u>(81,137)</u>	<u>(84,074)</u>	<u>(76,036)</u>	<u>(78,317)</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	3,076	-	-	-	-
Cash and Cash Equivalents - Beginning of Year	<u>546,924</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 ASSUMPTION ON PAGE 7
SEPTEMBER 30, 2023 THROUGH 2027

ASSETS	2023	2024	2025	2026	2027
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Patient Accounts Receivable, Net	2,371,404	2,489,974	2,614,473	2,692,907	2,773,694
Other Current Assets	58,785	60,549	62,365	64,236	66,163
Total Current Assets	<u>2,830,189</u>	<u>2,950,523</u>	<u>3,076,838</u>	<u>3,157,143</u>	<u>3,239,857</u>
ASSETS LIMITED AS TO USE - OPERATING RESERVE					
	294,000	308,737	324,215	333,882	343,839
MOVEABLE EQUIPMENT					
Less: Accumulated Depreciation	2,128,820	2,218,861	2,311,803	2,407,127	2,505,517
Moveable Equipment, Net	<u>1,772,713</u>	<u>1,872,582</u>	<u>1,976,584</u>	<u>2,084,905</u>	<u>2,197,653</u>
Total Assets	<u>\$ 3,480,296</u>	<u>\$ 3,605,559</u>	<u>\$ 3,736,072</u>	<u>\$ 3,813,247</u>	<u>\$ 3,891,560</u>
LIABILITIES AND SHAREHOLDER'S EQUITY					
CURRENT LIABILITIES					
Accounts Payable	\$ 399,558	\$ 419,536	\$ 440,513	\$ 453,728	\$ 467,340
Accrued Wages and Other Liabilities	439,514	481,490	484,564	499,101	514,074
Intercompany Accounts Payable	490,083	744,439	1,010,278	1,245,813	1,488,774
Asset Retirement Obligation	79,034	79,034	79,034	79,034	79,034
Total Current Liabilities	<u>1,408,189</u>	<u>1,704,499</u>	<u>2,014,390</u>	<u>2,277,676</u>	<u>2,549,222</u>
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	131,534	167,471	191,408	201,638	204,749
Unearned Deposit Revenue - Refundable	-	-	-	-	-
Deposits on Apartments	10,000	10,000	10,000	10,000	10,000
Total Deferred Credits	<u>141,534</u>	<u>177,471</u>	<u>201,408</u>	<u>211,638</u>	<u>214,749</u>
LONG-TERM DEBT					
Total Liabilities	<u>1,549,723</u>	<u>1,881,970</u>	<u>2,215,798</u>	<u>2,489,314</u>	<u>2,763,971</u>
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	1,621,083	1,414,099	1,210,784	1,014,443	818,099
Other Comprehensive Loss	-	-	-	-	-
Total Shareholder's Equity	<u>1,930,573</u>	<u>1,723,589</u>	<u>1,520,274</u>	<u>1,323,933</u>	<u>1,127,589</u>
Total Liabilities and Shareholder's Equity	<u>\$ 3,480,296</u>	<u>\$ 3,605,559</u>	<u>\$ 3,736,072</u>	<u>\$ 3,813,247</u>	<u>\$ 3,891,560</u>

WHITE OAK MANOR – BURLINGTON, INC.
PROJECTED STATEMENTS OF OPERATIONS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2023 THROUGH 2027

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
REVENUES					
Patient Service Revenue					
Apartment Rents	\$ 13,481,840	\$ 14,134,932	\$ 14,841,679	\$ 15,286,929	\$ 15,745,537
Deposit Amortization	963,600	1,011,780	1,082,369	1,094,240	1,127,067
Investment Income	60,000	37,773	53,459	69,488	78,999
Other Revenue	18,314	20,820	21,262	21,726	22,016
Total Revenues	<u>14,504,354</u>	<u>15,205,935</u>	<u>15,979,431</u>	<u>16,473,065</u>	<u>16,974,321</u>
EXPENSES					
Nursing Services	7,132,500	7,489,125	7,863,581	8,099,488	8,342,473
Ancillaries	1,274,640	1,338,372	1,405,291	1,447,450	1,490,874
Dietary Expenses	1,113,720	1,169,406	1,227,876	1,264,712	1,302,653
Social Services	171,600	180,180	189,189	194,665	200,711
Activities	138,000	144,900	152,145	156,709	161,410
Medical Records	58,260	61,173	64,232	66,159	68,144
Laundry and Linen	184,320	193,536	203,213	209,309	215,588
Housekeeping	435,240	457,002	479,852	494,248	509,075
Facility Operations and Maintenance	692,400	727,020	763,371	786,272	809,860
Depreciation	95,797	99,849	104,022	108,321	112,748
Taxes and Insurance	236,700	248,535	260,962	268,791	276,855
Employee Benefits	982,500	1,031,625	1,083,206	1,115,702	1,149,173
General and Administrative	2,163,996	2,272,196	2,385,806	2,457,380	2,531,101
Total Expenses	<u>14,679,673</u>	<u>15,412,919</u>	<u>16,192,746</u>	<u>16,669,406</u>	<u>17,170,665</u>
Net Loss	<u>\$ (175,319)</u>	<u>\$ (206,984)</u>	<u>\$ (203,315)</u>	<u>\$ (196,341)</u>	<u>\$ (196,344)</u>

**WHITE OAK MANOR – BURLINGTON, INC.
PROJECTED STATEMENTS OF SHAREHOLDER'S EQUITY
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2023 THROUGH 2027**

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholder's Equity
BALANCE, SEPTEMBER 30, 2022	\$ 309,490	\$ 1,796,402	\$ -	\$ 2,105,892
Net Loss	-	(175,319)	-	(175,319)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2023	309,490	1,621,083	-	1,930,573
Net Loss	-	(206,984)	-	(206,984)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2024	309,490	1,414,099	-	1,723,589
Net Loss	-	(203,315)	-	(203,315)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2025	309,490	1,210,784	-	1,520,274
Net Income	-	(196,341)	-	(196,341)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2026	309,490	1,014,443	-	1,323,933
Net Income	-	(196,344)	-	(196,344)
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2027	<u>\$ 309,490</u>	<u>\$ 818,099</u>	<u>\$ -</u>	<u>\$ 1,127,589</u>

WHITE OAK MANOR – BURLINGTON, INC.
PROJECTED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2023 THROUGH 2027

	2023	2024	2025	2026	2027
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income (Loss)	\$ (175,319)	\$ (208,984)	\$ (203,315)	\$ (196,341)	\$ (196,344)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:					
Depreciation	95,797	99,849	104,022	108,321	112,748
Deposit Amortization	(60,000)	(37,773)	(53,459)	(69,488)	(78,999)
Deposit Receipts	70,200	73,710	77,396	79,718	82,110
Change in Current Assets:					
Accounts Receivable	(338,676)	(118,570)	(124,499)	(78,434)	(80,787)
Other Current Assets	(1,712)	(1,764)	(1,816)	(1,871)	(1,927)
Change in Current Liabilities:					
Accounts Payable	51,238	19,978	20,977	13,215	13,612
Intercompany Accounts Payable	490,083	264,356	265,840	235,534	242,961
Accrued Wages and Other Liabilities	39,328	21,976	23,074	14,637	14,973
Net Cash Provided by Operating Activities	<u>170,939</u>	<u>104,778</u>	<u>108,220</u>	<u>105,191</u>	<u>108,347</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(87,418)	(90,041)	(82,742)	(95,524)	(98,390)
Net Change in Assets Limited as to Use - Operating Reserve	(84,983)	(14,737)	(15,478)	(9,667)	(9,957)
Net Cash Used in Investing Activities	<u>(172,401)</u>	<u>(104,778)</u>	<u>(108,220)</u>	<u>(105,191)</u>	<u>(108,347)</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>(1,462)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash Equivalents - Beginning of Year	<u>401,462</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 ASSUMPTION ON PAGE 7
SEPTEMBER 30, 2023 THROUGH 2027

ASSETS	2023	2024	2025	2026	2027
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000
Accounts Receivable, Net	1,225,437	1,286,709	1,351,044	1,391,575	1,433,323
Intercompany Accounts Receivable	1,594,028	3,412,709	5,323,772	7,308,578	9,352,540
Other Current Assets	108,710	111,971	116,330	118,790	122,354
Total Current Assets	<u>3,353,175</u>	<u>5,236,389</u>	<u>7,215,146</u>	<u>9,243,943</u>	<u>11,333,217</u>
ASSETS LIMITED AS TO USE - OPERATING RESERVE	210,285	220,804	231,852	238,742	245,838
MOVEABLE EQUIPMENT	2,079,946	2,181,241	2,285,575	2,393,039	2,503,727
Less: Accumulated Depreciation	1,673,791	1,774,128	1,879,264	1,989,344	2,104,515
Moveable Equipment, Net	<u>406,155</u>	<u>407,113</u>	<u>406,311</u>	<u>403,695</u>	<u>399,212</u>
Total Assets	<u>\$ 3,969,615</u>	<u>\$ 5,864,306</u>	<u>\$ 7,853,309</u>	<u>\$ 9,886,380</u>	<u>\$ 11,978,267</u>
LIABILITIES AND SHAREHOLDER'S EQUITY					
CURRENT LIABILITIES					
Accounts Payable	\$ 323,043	\$ 339,195	\$ 356,154	\$ 366,839	\$ 377,844
Accrued Wages and Other Liabilities	323,043	339,195	356,154	366,839	377,844
Total Current Liabilities	<u>646,086</u>	<u>678,390</u>	<u>712,308</u>	<u>733,678</u>	<u>755,688</u>
DEFERRED CREDITS					
Unearned Deposit Revenue - Nonrefundable	77,934	99,941	114,622	120,937	122,904
Unearned Deposit Revenue - Refundable	-	-	-	-	-
Deposits on Apartments	5,500	5,500	5,500	5,500	5,500
Total Deferred Credits	<u>83,434</u>	<u>105,441</u>	<u>120,122</u>	<u>126,437</u>	<u>128,404</u>
LONG-TERM DEBT	-	-	-	-	-
Total Liabilities	<u>729,520</u>	<u>783,831</u>	<u>832,430</u>	<u>860,115</u>	<u>884,092</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	2,958,645	4,799,025	6,739,429	8,744,815	10,812,725
Other Comprehensive Loss	-	-	-	-	-
Total Shareholder's Equity	<u>3,240,095</u>	<u>5,080,475</u>	<u>7,020,879</u>	<u>9,026,265</u>	<u>11,094,175</u>
Total Liabilities and Shareholder's Equity	<u>\$ 3,969,615</u>	<u>\$ 5,864,306</u>	<u>\$ 7,853,309</u>	<u>\$ 9,886,380</u>	<u>\$ 11,978,267</u>

WHITE OAK MANOR – CHARLOTTE, INC.
PROJECTED STATEMENTS OF OPERATIONS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2023 THROUGH 2027

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
REVENUES					
Patient Service Revenue					
Apartment Rents	\$ 14,332,281	\$ 15,048,895	\$ 15,801,340	\$ 16,275,380	\$ 16,763,641
Deposit Amortization	553,200	580,860	609,903	628,200	647,046
Investment Income	20,400	22,933	32,506	42,288	48,094
Other Revenue	17,648	19,059	19,374	19,706	19,912
Total Revenues	<u>14,947,529</u>	<u>15,696,947</u>	<u>16,489,583</u>	<u>16,992,828</u>	<u>17,506,765</u>
COST AND EXPENSES					
Nursing Services	6,068,220	6,371,631	6,690,213	6,890,919	7,097,647
Ancillaries	1,152,120	1,209,726	1,270,212	1,308,318	1,347,568
Dietary Expenses	1,183,860	1,243,053	1,305,206	1,344,362	1,384,693
Social Services	257,520	270,396	283,916	292,433	301,206
Activities	183,080	171,234	179,796	185,190	190,746
Medical Records	49,080	51,534	54,111	55,734	57,406
Laundry and Linen	118,200	124,110	130,316	134,225	138,252
Housekeeping	444,840	467,082	490,436	505,149	520,303
Facility Operations and Maintenance	648,900	681,345	715,412	736,874	758,980
Depreciation	95,678	100,337	105,136	110,080	115,171
Taxes and Insurance	242,400	254,520	267,246	275,263	283,521
Employee Benefits	725,100	781,355	799,423	823,406	848,108
General and Administrative	<u>2,047,851</u>	<u>2,150,244</u>	<u>2,257,756</u>	<u>2,325,489</u>	<u>2,395,254</u>
Total Expenses	<u>13,196,849</u>	<u>13,856,567</u>	<u>14,549,179</u>	<u>14,987,442</u>	<u>15,438,855</u>
Net Income	<u>\$ 1,750,680</u>	<u>\$ 1,840,380</u>	<u>\$ 1,940,404</u>	<u>\$ 2,005,386</u>	<u>\$ 2,067,910</u>

**WHITE OAK MANOR – CHARLOTTE, INC.
 PROJECTED STATEMENTS OF SHAREHOLDER'S EQUITY
 ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 7
 FOR THE YEARS ENDING SEPTEMBER 30, 2023 THROUGH 2027**

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholder's Equity
BALANCE, SEPTEMBER 30, 2022	\$ 281,450	\$ 1,207,965	\$ -	\$ 1,489,415
Net Income	-	1,750,680	-	1,750,680
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2023	281,450	2,958,645	-	3,240,095
Net Income	-	1,840,380	-	1,840,380
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2024	281,450	4,799,025	-	5,080,475
Net Income	-	1,940,404	-	1,940,404
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2025	281,450	6,739,429	-	7,020,879
Net Income	-	2,005,386	-	2,005,386
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2026	281,450	8,744,815	-	9,026,265
Net Income	-	2,067,910	-	2,067,910
Distributions to Shareholder	-	-	-	-
BALANCE, SEPTEMBER 30, 2027	<u>\$ 281,450</u>	<u>\$ 10,812,725</u>	<u>\$ -</u>	<u>\$ 11,094,175</u>

WHITE OAK MANOR – CHARLOTTE, INC.
PROJECTED STATEMENTS OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTION ON PAGE 7
FOR THE YEARS ENDING SEPTEMBER 30, 2023 THROUGH 2027

	2023	2024	2025	2026	2027
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income					
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	\$ 1,750,680	\$ 1,840,380	\$ 1,940,404	\$ 2,005,386	\$ 2,067,910
Depreciation	95,678	100,337	105,136	110,080	115,174
Deposit Amortization	(20,400)	(22,933)	(32,506)	(42,288)	(48,094)
Deposit Receipts	42,800	44,940	47,187	48,603	50,061
Change in Current Assets:					
Accounts Receivable	(132,898)	(61,272)	(64,335)	(40,531)	(41,748)
Intercompany Accounts Receivable	(1,594,028)	(1,818,681)	(1,911,063)	(1,984,806)	(2,043,962)
Other Current Assets	(3,166)	(3,261)	(3,359)	(3,460)	(3,564)
Change in Current Liabilities:					
Accounts Payable	23,332	16,152	16,959	10,685	11,005
Accrued Wages and Other Liabilities	(16,623)	16,152	16,959	10,685	11,005
Net Cash Provided by Operating Activities	<u>145,375</u>	<u>111,814</u>	<u>115,382</u>	<u>114,354</u>	<u>117,784</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property and Equipment	(98,345)	(101,295)	(104,334)	(107,464)	(110,688)
Net Change in Assets Limited as to Use - Operating Reserve	(39,234)	(10,519)	(11,048)	(6,890)	(7,096)
Net Cash Used in Investing Activities	<u>(137,579)</u>	<u>(111,814)</u>	<u>(115,382)</u>	<u>(114,354)</u>	<u>(117,784)</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	7,796	-	-	-	-
Cash and Cash Equivalents - Beginning of Year	<u>417,204</u>	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ 425,000</u>

Attachment 3

Consolidated Statement of Operations

Charlotte Consolidated (CHCO)

12/1/22 to 12/31/22

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
4,646	4,920	274 *			5010 Resident Revenue	14,036	14,760	724 *		
36,045	33,720	2,325	37.16	370.55	5100 Private Pay	83,226	101,160	17,934 *	29.49	370.55
19,887	85,900	66,013 *	641.52	565.13	5200 Medicare Part A	153,512	257,700	104,188 *	590.43	565.13
766,168	777,800	11,632 *	345.28	309.26	5300 Medicaid	2,100,886	2,240,900	140,014 *	305.81	297.00
35,090		35,090	369.37		5400 Medicaid Pending	41,133		41,133	384.42	
1,353	6,080	4,727 *	270.52	405.33	5500 Insurance	27,229	18,240	8,989	324.15	405.33
127,794	132,500	4,706 *	249.11	272.63	5600 Managed Care	473,599	397,500	76,099	290.91	272.63
35,043	24,550	10,493	7.54	4.99	5700 Medicare Part B	107,147	73,650	33,497	7.63	4.99
42,763	37,600	5,163	344.86	308.20	5800 Hospice	109,266	108,300	966	295.31	295.90
(12,721)	188,110	200,831 *	(18.46)	325.45	5850 Veterans Admin	499,917	564,330	64,413 *	263.81	325.45
44,812	49,600	4,788 *	46.20	47.15	5900 Apartment Revenues	136,640	148,800	12,160 *	48.42	47.15
1,096,233	1,335,860	239,627 *	235.95	271.52	Total Resident Revenue	3,732,554	3,910,580	178,026 *	265.93	264.94
1,184	1,700	516 *	0.25	0.35	6000 Other Revenues	5,150	5,100	50	0.37	0.35
1,097,418	1,337,560	240,142 *	236.21	271.86	Total Revenue	3,737,704	3,915,680	177,976 *	266.29	265.29
					7000 Operating Costs					
30,874	30,060	814 *	6.65	6.11	7101 Nursing Administration	81,466	90,180	8,714	5.80	6.11
474,777	550,625	75,848	102.19	111.92	7200 Nursing Service	1,432,648	1,651,875	219,227	102.07	111.92
49,205	96,010	46,805	10.59	19.51	7300 Ancillaries	274,323	288,030	13,707	19.54	19.51
102,434	98,655	3,779 *	22.05	20.05	7400 Dietary	304,652	295,965	8,687 *	21.71	20.05
16,666	21,460	4,794	3.59	4.36	7500 Social Services	47,881	64,380	16,499	3.41	4.36
10,867	13,590	2,723	2.34	2.76	7600 Activities	31,845	40,770	8,925	2.27	2.76
(1,041)	4,090	5,131	(0.22)	0.83	7700 Medical Records	8,130	12,270	4,140	0.58	0.83
8,975	9,850	875	1.93	2.00	7800 Laundry	24,324	29,550	5,226	1.73	2.00
33,042	37,070	4,028	7.11	7.53	7900 Housekeeping	101,685	111,210	9,525	7.24	7.53
62,294	54,075	8,219 *	13.41	10.99	8000 Plant Operations and Maint.	180,096	162,225	17,871 *	12.83	10.99
2,572	3,240	668	0.55	0.66	8100 Transportation	7,285	9,720	2,435	0.52	0.66
8,250	8,250		1.78	1.68	8200 Depreciation	24,750	24,750		1.76	1.68
30,219	30,100	119 *	6.50	6.12	8300 Interest, Amortization & Lease	90,637	90,300	337 *	6.46	6.12
17,450	20,200	2,750	3.76	4.11	8400 Taxes and Insurance	57,650	60,600	2,950	4.11	4.11
(1,852)	60,425	62,277	(0.40)	12.28	8500 Employee Benefits	130,981	181,275	50,294	9.33	12.28
173,595	142,430	31,165 *	37.36	28.95	8600 General and Administration	425,584	419,450	6,134 *	30.32	28.42
4,297	3,600	697 *	0.92	0.73	8800 Other Costs	15,055	10,800	4,255 *	1.07	0.73
1,022,623	1,183,730	161,107	220.11	240.60	Total Operating Costs	3,238,992	3,543,350	304,358	230.76	240.06
74,794	153,830	79,036 *	16.10	31.27	Total Income/Loss from Operations	498,712	372,330	126,382	35.53	25.23
74,794	153,830	79,036 *	16.10	31.27	Total Net Income Before Taxes	498,712	372,330	126,382	35.53	25.23

* Unfavorable Differences

Consolidated Statement of Operations

Charlotte Consolidated (CHCO)

12/1/22 to 12/31/22

<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>
74,794	153,830	79,036*	16.10	31.27	Total Net Income/Loss	498,712	372,330	126,382	35.53	25.23

* Unfavorable Differences

Consolidated Statement of Operations

Charlotte Consolidated (CHCO)

12/1/22 to 12/31/22

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
4,646	4,920	274 *			5010 Resident Revenue	14,036	14,760	724 *		
970	91	879			5100 Private Pay	2,822	273	2,549		
34,680	33,500	1,180	35.75	368.13	5101 Routine Services - PVT	80,541	100,500	19,959 *	28.54	368.13
1,468	50	1,418	1.51	0.55	5102 Medical Supplies- PVT	2,787	150	2,637	0.99	0.55
17	30	13 *	0.02	0.33	5104 Oxygen - PVT	17	90	73 *	0.01	0.33
	30	30 *		0.33	5105 Laboratory - PVT		90	90 *		0.33
	90	90 *		0.99	5110 Fluidized Bed - PVT		270	270 *		0.99
	20	20 *		0.22	5113 Transportation - PVT		60	60 *		0.22
(120)		120 *	(0.12)		5120 Contractual Adjustment - PVT	(120)		120 *	(0.04)	
36,045	33,720	2,325	37.16	370.55	Total Private Pay	83,226	101,160	17,934 *	29.49	370.55
31	152	121 *			5200 Medicare Part A	260	456	196 *		
16,076	85,900	69,824 *	518.59	565.13	5201 Routine Services-MCR A	156,858	257,700	100,842 *	603.30	565.13
	350	350 *		2.30	5202 Medical Supplies-MCR A	1,510	1,050	460	5.81	2.30
1,600	8,820	7,220 *	51.61	58.03	5203 Drugs-MCR A	12,464	26,460	13,996 *	47.94	58.03
	550	550 *		3.62	5204 Oxygen-MCR A	155	1,650	1,495 *	0.60	3.62
75	490	415 *	2.42	3.22	5205 Laboratory-MCR A	928	1,470	542 *	3.57	3.22
128	8,970	8,842 *	4.13	59.01	5206 Physical Therapy-MCR A	8,932	26,910	17,978 *	34.35	59.01
	3,980	3,980 *		26.18	5207 Speech Therapy-MCR A	1,089	11,940	10,851 *	4.19	26.18
	8,060	8,060 *		53.03	5208 Occupational Therapy-MCR A	12,529	24,180	11,651 *	48.19	53.03
581	40	541	18.73	0.26	5209 PEN Therapy-MCR A	1,597	120	1,477	6.14	0.26
	420	420 *		2.76	5210 Fluid Bed-MCR A	940	1,260	320 *	3.62	2.76
	550	550 *		3.62	5211 Ambulance-MCR A		1,650	1,650 *		3.62
	30	30 *		0.20	5212 Wound Care-MCR A	1,066	90	976	4.10	0.20
	230	230 *		1.51	5213 Transportation-MCR A	395	690	295 *	1.52	1.51
	90	90 *		0.59	5214 X-Rays-MCR A	1,288	270	1,018	4.96	0.59
	40	40 *		0.26	5215 Misc-MCR A		120	120 *		0.26
3,823		3,823	123.31		5220 Contract Adj-Room MCR A	(3,338)		3,338 *	(12.84)	
(2,395)	(32,620)	30,225	(77.27)	(214.61)	5221 Contract Adj-Ancillaries MCR A	(42,901)	(97,860)	54,959	(165.01)	(214.61)
19,887	85,900	66,013 *	641.52	565.13	Total Medicare Part A	153,512	257,700	104,188 *	590.43	565.13
2,219	2,515	296 *			5300 Medicaid	6,870	7,545	675 *		
765,751	777,800	12,049 *	345.09	309.26	5301 Routine Services-MCD	2,102,899	2,240,900	138,001 *	306.10	297.00
5,549	3,700	1,849	2.50	1.47	5302 Medical Supplies-MCD	12,083	11,100	983	1.76	1.47
4,899	5,760	861 *	2.21	2.29	5303 Oxygen- MCD	15,629	17,280	1,652 *	2.27	2.29
79	80	1 *	0.04	0.03	5304 Laboratory-MCD	341	240	101	0.05	0.03
	200	200 *		0.08	5306 Physical Therapy-MCD Other		600	600 *		0.08
					5307 Speech Therapy-MCD Non-Covered	1,005		1,005	0.15	
	130	130 *		0.05	5310 Occup. Therapy - MCD Other		390	390 *		0.05

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397	830	433 *	0.18	0.33	5311 PEN Therapy-MCD Non-Covered	1,265	2,490	1,225 *	0.18	0.33
4,900	4,330	570	2.21	1.72	5313 Fluidized Bed -MCD	14,800	12,990	1,810	2.15	1.72
	830	830 *		0.33	5316 Transportation -MCD	968	2,490	1,522 *	0.14	0.33
	30	30 *		0.01	5317 X-Rays -MCD		90	90 *		0.01
	30	30 *		0.01	5321 Flu/Pnemounia Vacc - MCD		90	90 *		0.01
(15,407)	(15,920)	513	(6.94)	(6.33)	5324 Contract Adj-Ancillaries MCD	(48,104)	(47,760)	344 *	(7.00)	(6.33)
766,168	777,800	11,632 *	345.28	309.26	Total Medicaid	2,100,886	2,240,900	140,014 *	305.81	297.00
95		95			5400 Medicaid Pending					
		95			Days	107		107		
35,090		35,090	369.37		5401 Routine Services - MCD Pend	41,133		41,133	384.42	
761		761	8.01		5402 Medical Supplies - MCD Pend	3,109		3,109	29.05	
449		449	4.72		5404 Oxygen - MCD Pend	1,026		1,026	9.59	
580		580	6.11		5410 Fluidized Bed - MCD Pend	1,120		1,120	10.47	
					5413 Transportation - MCD Pend	(299)		299 *	(2.79)	
(1,790)		1,790 *	(18.84)		5421 Contract Adj-Ancillaries MCD Pend	(4,956)		4,956 *	(46.32)	
35,090	0	35,090	369.37	0.00	Total Medicaid Pending	41,133	0	41,133	384.42	0.00
5	15	10 *			5500 Insurance					
		10 *			Days	84	45	39		
1,750	6,080	4,330 *	350.00	405.33	5501 Routine Services - INS	28,505	18,240	10,265	339.35	405.33
2,829	1,030	1,799	565.71	68.67	5502 Medical Supplies - INS	6,021	3,090	2,931	71.68	68.67
373	1,220	847 *	74.51	81.33	5503 Drugs - INS	3,611	3,660	49 *	42.99	81.33
	1,000	1,000 *		66.67	5504 Oxygen - INS	207	3,000	2,793 *	2.46	66.67
267	740	473 *	53.36	49.33	5505 Laboratory - INS	1,099	2,220	1,121 *	13.08	49.33
268	1,140	872 *	53.57	76.00	5506 Physical Therapy - INS	5,505	3,420	2,085	65.53	76.00
251	340	89 *	50.26	22.67	5507 Speech Therapy - INS	2,719	1,020	1,699	32.37	22.67
238	1,030	792 *	47.57	68.67	5508 Occupational Therapy - INS	5,611	3,090	2,521	66.80	68.67
	80	80 *		5.33	5509 PEN Therapy - INS		240	240 *		5.33
					5513 Wound Care - INS	745		745	8.86	
	70	70 *		4.67	5514 Transportation - INS		210	210 *		4.67
	120	120 *		8.00	5515 X-Rays - INS	300	360	60 *	3.57	8.00
(4,622)	(6,770)	2,148	(924.45)	(451.33)	5522 Contract Adj-Ancillaries - INS	(27,093)	(20,310)	6,783 *	(322.54)	(451.33)
1,353	6,080	4,727 *	270.52	405.33	Total Insurance	27,229	18,240	8,989	324.15	405.33
513	486	27			5600 Managed Care					
		27			Days	1,628	1,458	170		
137,129	132,500	4,629	267.31	272.63	5601 Routine Services - MGC	489,879	397,500	92,379	300.91	272.63
413	50	363	0.80	0.10	5602 Medical Supplies - MGC	710	150	560	0.44	0.10
2,149	490	1,659	4.19	1.01	5603 Drugs - MGC	7,967	1,470	6,497	4.89	1.01
	20	20 *		0.04	5604 Oxygen - MGC	52	60	8 *	0.03	0.04
34	10	24	0.07	0.02	5605 Laboratory - MGC	669	30	639	0.41	0.02
2,997	4,380	1,383 *	5.84	9.01	5606 Physical Therapy - MGC	15,621	13,140	2,481	9.60	9.01

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151	970	819 *	0.29	2.00	5607 Speech Therapy - MGC	5,368	2,910	2,458	3.30	2.00
3,397	4,380	983 *	6.62	9.01	5608 Occupational Therapy - MGC	16,456	13,140	3,316	10.11	9.01
620		620	1.21		5610 Fluidized Bed - MGC	1,840		1,840	1.13	
140	760	620 *	0.27	1.56	5611 Flu/Pneumonia - MGC	2,394	2,280	114	1.47	1.56
500	140	360	0.97	0.29	5614 Transportation - MGC	733	420	313	0.45	0.29
469	630	161 *	0.91	1.30	5615 X-Rays- MGC	682	1,890	1,208 *	0.42	1.30
(20)		20 *	(0.04)		5616 Therapy Screenings - MGC	100		100	0.06	
16		16	0.03		5621 Contract Adj-Room MGC	(1,300)		1,300 *	(0.80)	
(20,201)	(11,830)	8,371 *	(39.38)	(24.34)	5622 Contract Adj-Ancillaries MGC	(67,572)	(35,490)	32,082 *	(41.51)	(24.34)
127,794	132,500	4,706 *	249.11	272.63	Total Managed Care	473,599	397,500	76,099	290.91	272.63
4,646	4,920	274 *			5700 Medicare Part B	Days				
12,923	11,880	1,043	2.78	2.41	5703 Physical Therapy - MCR B	14,036	14,760	724 *		
12,089	7,920	4,169	2.60	1.61	5704 Speech Therapy - MCR B	44,868	35,640	9,228	3.20	2.41
17,775	11,880	5,895	3.83	2.41	5705 Occupational Therapy - MCR B	25,945	23,760	2,185	1.85	1.61
420	870	450 *	0.09	0.18	5707 Flu/Pneumonia - MCR B	60,879	35,640	25,239	4.34	2.41
(8,164)	(8,000)	164 *	(1.76)	(1.63)	5720 Contractual Adjustment - MRB	3,075	2,610	465	0.22	0.18
35,043	24,550	10,493	7.54	4.99	Total Medicare Part B	107,147	73,650	33,497	7.63	4.99
124	122	2			5800 Hospice	Days				
42,763	37,600	5,163	344.86	308.20	5801 Routine Services - HSP	370	366	4		
494	290	204	3.98	2.38	5802 Medical Supplies- HSP	109,791	108,300	1,491	296.73	295.90
	10	10 *		0.08	5804 Oxygen - HSP	511	870	359 *	1.38	2.38
	30	30 *		0.25	5805 Laboratory - HSP		30	30 *		0.08
	120	120 *		0.98	5810 Fluidized Bed - HSP		90	90 *		0.25
	20	20 *		0.16	5811 Flu/Pneumonia - HSP		360	360 *		0.98
	100	100 *		0.82	5813 Wound Care - HSP		60	60 *		0.16
	10	10 *		0.08	5814 Transportation - HSP		300	300 *		0.82
(494)	(580)	86	(3.98)	(4.75)	5822 Contract Adj-Ancillaries HSP	(1,036)	(1,740)	704	(2.80)	(4.75)
42,763	37,600	5,163	344.86	308.20	Total Hospice	109,266	108,300	966	295.31	295.90
689	578	111			5850 Veterans Admin	Days				
(12,721)	187,720	200,441 *	(18.46)	324.78	5851 Routine Services - VA	1,895	1,734	161		
475	890	415 *	0.69	1.54	5852 Medical Supplies - VA	499,917	563,160	63,243 *	263.81	324.78
25,242	21,370	3,872	36.64	36.97	5853 Drugs - VA	2,333	2,670	337 *	1.23	1.54
1,070	1,160	91 *	1.55	2.01	5854 Oxygen - VA	79,118	64,110	15,008	41.75	36.97
1,069	1,160	91 *	1.55	2.01	5855 Laboratory - VA	4,140	3,480	660	2.18	2.01
10,130	5,780	4,350	14.70	10.00	5856 Physical Therapy - VA	3,774	3,480	294	1.99	2.01
1,257	2,110	853 *	1.82	3.65	5857 Speech Therapy - VA	28,169	17,340	10,829	14.87	10.00
10,291	4,330	5,961	14.94	7.49	5858 Occupational Therapy - VA	8,874	6,330	2,544	4.68	3.65
						30,379	12,990	17,389	16.03	7.49

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	390	390 *		0.67	5859 PEN Therapy - VA	365	1,170	805 *	0.19	0.67
540	880	340 *	0.78	1.52	5860 Fluidized Bed - VA	3,960	2,640	1,320	2.09	1.52
	340	340 *		0.59	5863 Transportation - VA		1,020	1,020 *		0.59
677	760	83 *	0.98	1.31	5864 X-rays - VA	1,356	2,280	924 *	0.72	1.31
140	240	100 *	0.20	0.42	5865 Flu/Pneumonia - VA	980	720	260	0.52	0.42
	4,750	4,750 *		8.22	5866 Misc - VA		14,250	14,250 *		8.22
(50,890)	(43,770)	7,120 *	(73.86)	(75.73)	5868 Contract Adj Ancil - VA	(163,448)	(131,310)	32,138 *	(86.25)	(75.73)
(12,721)	188,110	200,831 *	(18.46)	325.45	Total Veterans Admin	499,917	564,330	64,413 *	263.81	325.45
	970	82 *			5900 Apartment Revenues					
	1,052	82 *			Days	2,822	3,156	334 *		
40,025	46,100	6,075 *	41.26	43.82	5901 Apartment Rental Income	122,600	138,300	15,700 *	43.44	43.82
1,667	1,700	33 *			5902 Apartment Deposit Income	5,000	5,100	100 *		
3,000	1,500	1,500	0.65	0.30	5903 Interest Income-Investments	7,500	4,500	3,000	0.53	0.30
120	300	180 *	0.03	0.06	5904 Apartment Income-Misc	1,540	900	640	0.11	0.06
44,812	49,600	4,788 *	46.20	47.15	Total Apartment Revenues	136,640	148,800	12,160 *	48.42	47.15
1,096,233	1,335,860	239,627 *	235.95	271.52	Total Resident Revenue	3,732,554	3,910,580	178,026 *	265.93	264.94
	4,646	274 *			6000 Other Revenues					
	4,920	274 *			Days	14,036	14,760	724 *		
1,600	2,300	700 *	0.34	0.47	6002 Property Lease Income	7,000	6,900	100	0.50	0.47
(427)	(600)	173	(0.09)	(0.12)	6003 Barber and Beauty	(1,862)	(1,800)	62 *	(0.13)	(0.12)
12		12	0.00		6006 Interest Income-Misc	12		12	0.00	
1,184	1,700	516 *	0.25	0.35	Total Other Revenues	5,150	5,100	50	0.37	0.35
1,097,418	1,337,560	240,142 *	236.21	271.86	Total Revenue	3,737,704	3,915,680	177,976 *	266.29	265.29
					7000 Operating Costs					
					7101 Nursing Administration					
8,528	9,000	472	1.84	1.83	7102 Nurs Admin DON Salaries	27,035	27,000	35 *	1.93	1.83
14,800	8,500	6,300 *	3.19	1.73	7103 Nurs Admin ADON Salaries	26,297	25,500	797 *	1.87	1.73
1,750	2,000	250	0.38	0.41	7104 Nurs Admin PTO	6,985	6,000	985 *	0.50	0.41
1,796	1,560	236 *	0.39	0.32	7106 Nurs Admin PR Taxes	4,258	4,680	422	0.30	0.32
	5,000	5,000		1.02	7108 Nurs Admin Consultants	4,892	15,000	10,108	0.35	1.02
4,000	4,000		0.86	0.81	7109 Nurs Admin Medical Director Expense	12,000	12,000		0.85	0.81
30,874	30,060	814 *	6.65	6.11	Total Nursing Administration	81,466	90,180	8,714	5.80	6.11
					7200 Nursing Service					
34,991	37,000	2,009	7.53	7.52	7201 Nursing RN Salaries	109,536	111,000	1,464	7.80	7.52
92,556	105,000	12,444	19.92	21.34	7202 Nursing LPN Salaries	272,039	315,000	42,961	19.38	21.34
84,671	128,000	43,329	18.22	26.02	7203 Nursing CNA Salaries	296,371	384,000	87,629	21.12	26.02

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16,188	10,000	6,188 *	3.48	2.03	7206 Nursing PTO	27,805	30,000	2,195	1.98	2.03
26,944	28,000	1,056	5.80	5.69	7207 Nursing Overtime	92,334	84,000	8,334 *	6.58	5.69
19,220	23,100	3,880	4.14	4.70	7208 Nursing PR Taxes	60,626	69,300	8,674	4.32	4.70
420	600	180	0.09	0.12	7209 Nursing Clinical Software	1,448	1,800	352	0.10	0.12
16,322	18,000	1,678	3.51	3.66	7210 Nursing Supplies	56,650	54,000	2,650 *	4.04	3.66
83	450	367	0.02	0.09	7211 Nursing Travel and Meetings	202	1,350	1,148	0.01	0.09
183,381	200,000	16,619	39.47	40.65	7213 Nursing Contract Services	515,636	600,000	84,364	36.74	40.65
	475	475		0.10	7215 Nursing CNA Training-Other		1,425	1,425		0.10
474,777	550,625	75,848	102.19	111.92	Total Nursing Service	1,432,648	1,651,875	219,227	102.07	111.92
					7300 Ancillaries					
	17,420	17,420		3.54	7301 Physical Therapy - Contract	39,364	52,260	12,896	2.80	3.54
377	510	133	0.08	0.10	7302 Physical Therapy - Supplies	1,130	1,530	400	0.08	0.10
	7,920	7,920		1.61	7303 Speech Therapy - Contract	17,287	23,760	6,473	1.23	1.61
	16,230	16,230		3.30	7304 Occupational Therapy - Contract	49,348	48,690	658 *	3.52	3.30
905	630	275 *	0.19	0.13	7305 PEN Therapy Nutrient	1,590	1,890	300	0.11	0.13
229	160	69 *	0.05	0.03	7306 PEN Therapy Supplies	609	480	129 *	0.04	0.03
	100	100		0.02	7307 Wound Care Expense - Non Part B	1,862	300	1,562 *	0.13	0.02
1,446	1,980	534	0.31	0.40	7308 Laboratory Expense	5,899	5,940	41	0.42	0.40
2,536	710	1,826 *	0.55	0.14	7309 Oxygen Expense	4,352	2,130	2,222 *	0.31	0.14
2,134	40	2,094 *	0.46	0.01	7310 Fluidized Bed Expense	2,134	120	2,014 *	0.15	0.01
1,114	910	204 *	0.24	0.18	7312 X-Ray Expense	4,538	2,730	1,808 *	0.32	0.18
	1,430	1,430		0.29	7313 Flu/Pneumonia Expense	(2,088)	4,290	6,378	(0.15)	0.29
32,512	31,900	612 *	7.00	6.48	7314 Prescription Drug Expense	112,592	95,700	16,892 *	8.02	6.48
2,675	3,560	885	0.58	0.72	7315 OTC/Stock Drug Expense	10,235	10,680	445	0.73	0.72
	4,750	4,750		0.97	7316 Pharmacy Consultant Expense	6,419	14,250	7,831	0.46	0.97
5,276	2,970	2,306 *	1.14	0.60	7317 Medical Supplies	16,681	8,910	7,771 *	1.19	0.60
	40	40		0.01	7319 Misc Ancillary Expense - MCR A		120	120		0.01
	4,750	4,750		0.97	7327 Misc Ancillary Expense-VA	2,371	14,250	11,879	0.17	0.97
49,205	96,010	46,805	10.59	19.51	Total Ancillaries	274,323	288,030	13,707	19.54	19.51
					7400 Dietary					
11,975	9,000	2,975 *	2.58	1.83	7401 Dietary Director Salaries	34,840	27,000	7,840 *	2.48	1.83
36,001	36,000	1 *	7.75	7.32	7402 Dietary Other Salaries	110,235	108,000	2,235 *	7.85	7.32
1,825	3,400	1,575	0.39	0.69	7404 Dietary PTO	6,403	10,200	3,797	0.46	0.69
677	750	73	0.15	0.15	7405 Dietary Overtime	2,065	2,250	185	0.15	0.15
3,799	3,930	131	0.82	0.80	7406 Dietary PR Taxes	11,799	11,790	9 *	0.84	0.80
	1,200	1,200		0.24	7407 Dietary Consultants	1,586	3,600	2,014	0.11	0.24
42,909	48,300	5,391	9.24	9.82	7408 Dietary Raw Food	134,327	144,900	10,573	9.57	9.82
5,384	5,575	191	1.16	1.13	7409 Dietary Supplies	19,749	16,725	3,024 *	1.41	1.13

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Charlotte Consolidated (CHCO)

12/1/22 to 12/31/22

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
(135)	(9,500)	9,365 *	(0.03)	(1.93)	7412 Dietary Emp/Guest Meal Income	(16,351)	(28,500)	12,149 *	(1.16)	(1.93)
102,434	98,655	3,779 *	22.05	20.05	Total Dietary	304,652	295,965	8,687 *	21.71	20.05
7500 Social Services										
3,061	3,600	539	0.66	0.73	7501 Social Services Director Salaries	12,123	10,800	1,323 *	0.86	0.73
9,888	12,500	2,612	2.13	2.54	7502 Social Services Other Salaries	24,647	37,500	12,853	1.76	2.54
1,843	1,800	43 *	0.40	0.37	7504 Social Services PTO	2,373	5,400	3,027	0.17	0.37
44	350	306	0.01	0.07	7505 Social Services Overtime	1,207	1,050	157 *	0.09	0.07
1,130	1,460	330	0.24	0.30	7506 Social Services PR Taxes	3,262	4,380	1,118	0.23	0.30
	1,000	1,000		0.20	7507 Social Services Consultants	2,168	3,000	832	0.15	0.20
700	750	50	0.15	0.15	7508 Social Services Supplies	2,100	2,250	150	0.15	0.15
16,666	21,460	4,794	3.59	4.36	Total Social Services	47,881	64,380	16,499	3.41	4.36
7600 Activities										
3,024	3,600	576	0.65	0.73	7601 Activities Director Salaries	9,738	10,800	1,062	0.69	0.73
5,072	6,300	1,228	1.09	1.28	7602 Activities Other Salaries	13,665	18,900	5,235	0.97	1.28
696	1,200	504	0.15	0.24	7604 Activities PTO	1,518	3,600	2,082	0.11	0.24
276		276 *	0.06		7605 Activities Overtime	970		970 *	0.07	
697	890	193	0.15	0.18	7606 Activities PR Taxes	1,983	2,670	687	0.14	0.18
727	1,300	573	0.16	0.26	7608 Activities Supplies	3,272	3,900	628	0.23	0.26
375	300	75 *	0.08	0.06	7609 Activities Purchased Services	700	900	200	0.05	0.06
10,867	13,590	2,723	2.34	2.76	Total Activities	31,845	40,770	8,925	2.27	2.76
7700 Medical Records										
(1,594)	3,100	4,694	(0.34)	0.63	7701 Medical Records Salaries	6,281	9,300	3,019	0.45	0.63
385	300	85 *	0.08	0.06	7703 Medical Records PTO	917	900	17 *	0.07	0.06
	200	200		0.04	7704 Medical Records Overtime	9	600	591	0.00	0.04
(95)	290	385	(0.02)	0.06	7705 Medical Records PR Taxes	446	870	424	0.03	0.06
160	200	40	0.03	0.04	7707 Medical Records Supplies	376	600	224	0.03	0.04
103		103 *	0.02		7709 Medical Records Travel and Meetings	103		103 *	0.01	
(1,041)	4,090	5,131	(0.22)	0.83	Total Medical Records	8,130	12,270	4,140	0.58	0.83
7800 Laundry										
4,637	5,800	1,163	1.00	1.18	7802 Laundry Other Salaries	14,651	17,400	2,749	1.04	1.18
156	250	94	0.03	0.05	7804 Laundry PTO	514	750	236	0.04	0.05
610	200	410 *	0.13	0.04	7805 Laundry Overtime	1,209	600	609 *	0.09	0.04
413	500	87	0.09	0.10	7806 Laundry PR Taxes	1,250	1,500	250	0.09	0.10
1,447	1,250	197 *	0.31	0.25	7807 Laundry Supplies	4,989	3,750	1,239 *	0.36	0.25
1,712	1,300	412 *	0.37	0.26	7808 Laundry Linen and Bedding	1,712	3,900	2,188	0.12	0.26
	550	550		0.11	7809 Laundry Underpads		1,650	1,650		0.11

* Unfavorable Differences

Consolidated Statement of Operations

Charlotte Consolidated (CHCO)

12/1/22 to 12/31/22

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
8,975	9,850	875	1.93	2.00	Total Laundry	24,324	29,550	5,226	1.73	2.00
7900 Housekeeping										
2,792	3,400	608	0.60	0.69	7901 Housekeeping Director Salaries	8,611	10,200	1,589	0.61	0.69
19,873	23,000	3,127	4.28	4.67	7902 Housekeeping Other Salaries	60,091	69,000	8,909	4.28	4.67
2,450	2,000	450 *	0.53	0.41	7904 Housekeeping PTO	5,671	6,000	329	0.40	0.41
2,818	1,000	1,818 *	0.61	0.20	7905 Housekeeping Overtime	8,118	3,000	5,118 *	0.58	0.20
2,116	2,340	224	0.46	0.48	7906 Housekeeping PR Taxes	6,266	7,020	754	0.45	0.48
2,751	5,100	2,349	0.59	1.04	7908 Housekeeping Supplies	12,104	15,300	3,196	0.86	1.04
242	230	12 *	0.05	0.05	7909 Housekeeping Purch Services	824	690	134 *	0.06	0.05
33,042	37,070	4,028	7.11	7.53	Total Housekeeping	101,685	111,210	9,525	7.24	7.53
8000 Plant Operations and Maint.										
10,930	7,500	3,430 *	2.35	1.52	8002 POM Other Salaries	28,421	22,500	5,921 *	2.02	1.52
819	1,030	211	0.18	0.21	8004 POM PTO	2,179	3,090	911	0.16	0.21
136	450	314	0.03	0.09	8005 POM Overtime	255	1,350	1,095	0.02	0.09
885	720	165 *	0.19	0.15	8006 POM PR Taxes	2,474	2,160	314 *	0.18	0.15
	1,575	1,575		0.32	8007 POM Consultants	2,596	4,725	2,129	0.18	0.32
8,398	7,200	1,198 *	1.81	1.46	8008 POM Supplies	21,458	21,600	142	1.53	1.46
16,401	11,000	5,401 *	3.53	2.24	8009 POM Purchased Services	47,335	33,000	14,335 *	3.37	2.24
21,039	20,600	439 *	4.53	4.19	8010 POM Utilities	62,777	61,800	977 *	4.47	4.19
3,572	4,000	428	0.77	0.81	8011 POM Cable/TV Expense	10,715	12,000	1,285	0.76	0.81
114		114 *	0.02		8014 POM Minor Equipment	1,884		1,884 *	0.13	
62,294	54,075	8,219 *	13.41	10.99	Total Plant Operations and Maint.	180,096	162,225	17,871 *	12.83	10.99
8100 Transportation										
	500	500		0.10	8101 Transportation Salaries		1,500	1,500		0.10
	40	40		0.01	8105 Transportation PR Taxes		120	120		0.01
400	1,200	800	0.09	0.24	8106 Transportation Vehicle Expense	1,264	3,600	2,336	0.09	0.24
2,172	1,500	672 *	0.47	0.30	8107 Transportation NEMT Contr Veh-Mcaid	6,021	4,500	1,521 *	0.43	0.30
2,572	3,240	668	0.55	0.66	Total Transportation	7,285	9,720	2,435	0.52	0.66
8200 Depreciation										
8,250	8,250		1.78	1.68	8205 Depr Expense - Moveable Equipment	24,750	24,750		1.76	1.68
8,250	8,250	0	1.78	1.68	Total Depreciation	24,750	24,750	0	1.76	1.68
8300 Interest, Amortization & Lease										
119		119 *	0.03		8302 Interest Expense - Other	337		337 *	0.02	
30,100	30,100		6.48	6.12	8303 Building Lease Expense	90,300	90,300		6.43	6.12

* Unfavorable Differences

Consolidated Statement of Operations

Charlotte Consolidated (CHCO)

12/1/22 to 12/31/22

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
30,219	30,100	119 *	6.50	6.12	Total Interest, Amortization & Lease	90,637	90,300	337 *	6.46	6.12
					8400 Taxes and Insurance					
7,050	7,300	250	1.52	1.48	8401 Property Tax Expense	21,650	21,900	250	1.54	1.48
	100	100		0.02	8402 Misc Tax Expense		300	300		0.02
3,400	4,500	1,100	0.73	0.91	8403 Insurance Expense- Property	12,400	13,500	1,100	0.88	0.91
7,000	8,300	1,300	1.51	1.69	8404 Insurance Expense- Liability	23,600	24,900	1,300	1.68	1.69
17,450	20,200	2,750	3.76	4.11	Total Taxes and Insurance	57,650	60,600	2,950	4.11	4.11
					8500 Employee Benefits					
(9,073)	49,000	58,073	(1.95)	9.96	8501 Employee Group Insurance	106,995	147,000	40,005	7.62	9.96
6,200	7,050	850	1.33	1.43	8502 Workers Compensation Expense	20,300	21,150	850	1.45	1.43
	350	350		0.07	8504 Retirement Plan Expense		1,050	1,050		0.07
1,021	4,025	3,004	0.22	0.82	8505 Employee Benefits Misc Expense	3,687	12,075	8,388	0.26	0.82
(1,852)	60,425	62,277	(0.40)	12.28	Total Employee Benefits	130,981	181,275	50,294	9.33	12.28
					8600 General and Administration					
51,186	17,100	34,086 *	11.02	3.48	8601 Administrative Administrator Salaries	85,540	51,300	34,240 *	6.09	3.48
1,511	2,500	989	0.33	0.51	8602 Administrative Asst Administr Salaries	1,511	5,000	3,489	0.11	0.34
29,278	23,500	5,778 *	6.30	4.78	8603 Administrative Other Salaries	69,571	70,500	929	4.96	4.78
2,308	1,600	708 *	0.50	0.33	8605 Administrative PTO	2,693	4,800	2,107	0.19	0.33
	550	550		0.11	8606 Administrative Overtime	641	1,650	1,009	0.05	0.11
3,379	3,420	41	0.73	0.70	8607 Administrative PR Taxes	7,013	10,260	3,247	0.50	0.70
68,200	73,540	5,340	14.68	14.95	8608 Management Fee Expense	204,600	215,280	10,680	14.58	14.59
1,162	1,075	87 *	0.25	0.22	8609 Telephone Expense	3,535	3,225	310 *	0.25	0.22
930	1,900	970	0.20	0.39	8610 Auto Expense	4,742	5,700	958	0.34	0.39
5,103	1,800	3,303 *	1.10	0.37	8612 Dues and Subscriptions	11,471	5,400	6,071 *	0.82	0.37
603	800	197	0.13	0.16	8613 Office Supplies	2,226	2,400	174	0.16	0.16
1,668	2,100	432	0.36	0.43	8614 Copier Expense	4,225	6,300	2,075	0.30	0.43
2	310	308	0.00	0.06	8615 Postage Expense	362	930	568	0.03	0.06
	750	750		0.15	8616 Professional Fees - Legal	100	2,250	2,150	0.01	0.15
	450	450		0.09	8617 Professional Fees - Other	197	1,350	1,153	0.01	0.09
748	750	2	0.16	0.15	8619 Admin - Travel and Meetings	2,599	2,250	349 *	0.19	0.15
428	400	28 *	0.09	0.08	8620 Help Wanted Advertising Expense	851	1,200	349	0.06	0.08
	2,000	2,000		0.41	8621 General Advertising Expense	86	6,000	5,914	0.01	0.41
527	1,300	774	0.11	0.26	8622 Bank Charge Expense	2,936	3,900	964	0.21	0.26
364	310	54 *	0.08	0.06	8623 Printing Expense	1,389	930	459 *	0.10	0.06
6,200	6,250	50	1.33	1.27	8624 Data Processing Expense	19,297	18,750	547 *	1.37	1.27
	25	25		0.01	8626 Meals & Entertainment		75	75		0.01

* Unfavorable Differences

Consolidated Statement of Operations

Charlotte Consolidated (CHCO)

12/1/22 to 12/31/22

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
173,595	142,430	31,165 *	37.36	28.95	Total General and Administration	425,584	419,450	6,134 *	30.32	28.42
					8800 Other Costs					
1,297	1,100	197 *	0.28	0.22	8801 Non-Allowable Expense	2,315	3,300	985	0.16	0.22
3,000	1,500	1,500 *	0.65	0.30	8804 Bad Debt Expense	6,000	4,500	1,500 *	0.43	0.30
	1,000	1,000		0.20	8808 Mcare Co-Ins Bad Debt	6,739	3,000	3,739 *	0.48	0.20
4,297	3,600	697 *	0.92	0.73	Total Other Costs	15,055	10,800	4,255 *	1.07	0.73
1,022,623	1,183,730	161,107	220.11	240.60	Total Operating Costs	3,238,992	3,543,350	304,358	230.76	240.06
74,794	153,830	79,036 *	16.10	31.27	Total Income/Loss from Operations	498,712	372,330	126,382	35.53	25.23
74,794	153,830	79,036 *	16.10	31.27	Total Net Income Before Taxes	498,712	372,330	126,382	35.53	25.23
74,794	153,830	79,036 *	16.10	31.27	Total Net Income/Loss	498,712	372,330	126,382	35.53	25.23

* Unfavorable Differences

Consolidated Balance Sheet
as of 12/31/22
 Charlotte Consolidated (CHCO)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	305,914.56
1100	Accounts Receivable	2,044,575.38
1200	Inventory	63,365.85
1300	Prepaid Expenses	22,156.53
1400	Other Current Assets	178,490.51
	Total Current Assets	2,614,502.83
1500	Non-Current Assets	
1501	Other Assets	(404,991.66)
1800	Property, Plant and Equipment	388,311.50
	Total Non-Current Assets	(16,680.16)
	Total Assets	<u>\$2,597,822.67</u>
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	
3004	Notes and Accounts Payable	152,156.07
3200	Accrued Liabilities	403,693.14
3300	Other Current Liabilities	(22.57)
		<u>555,826.64</u>
3003	Long Term Liabilities	
3500	Deferred Revenue	54,034.08
		<u>54,034.08</u>
	Total Total Liabilities	609,860.72
4000	Equity	
	Total Equity	1,987,961.95
	Total Liabilities & Equity	<u>\$2,597,822.67</u>

Consolidated Balance Sheet
as of 12/31/22
 Charlotte Consolidated (CHCO)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	
1003	Operating Bank Account	302,980.57
1005	Petty Cash	1,150.00
1006	Deposit in Transit	983.99
1008	Resident Trust Funds Petty Cash	800.00
		305,914.56
1100	Accounts Receivable	
1101	Accts Receivable-Private	14,567.25
1102	Accts Receivable-Medicaid SNF	386,227.07
1104	Accts Receivable-Hospice	34,967.04
1105	Accts Receivable-Medicare Pt A	6,101.99
1106	Accts Receivable-Mcare Crossover Part A	10,754.00
1107	Accts Receivable-3rd Party Ins Part A	(2,139.50)
1108	Accts Receivable-Medicare Pt B	13,204.27
1109	Accts Receivable-Mcare Crossover Pt B	9,648.87
1110	Accts Receivable-Medicaid Pending	102,365.30
1111	Accts Receivable-Insurance	1,750.00
1112	Accts Receivable-Managed Care	410,885.06
1113	Accts Receivable-VA	1,112,501.55
1115	Accts Receivable Other	(52,614.38)
1120	Allowance For Doubtful Accounts	(27,419.80)
1122	Accts Rec - 3rd Party Clearing Account	6,392.10
1124	Resident Judgments	17,414.36
1125	Activities Fund	(29.80)
		2,044,575.38
1200	Inventory	
1201	Inventory-Food	23,471.69
1202	Inventory-Medical Supplies	3,277.21
1203	Inventory-Nursing Supplies	5,824.67
1204	Inventory-PEN	1,001.22
1205	Inventory-Laundry	18,131.93
1206	Inventory-Housekeeping	1,059.13
1207	Inventory-Other	10,600.00
		63,365.85

Consolidated Balance Sheet
as of 12/31/22
 Charlotte Consolidated (CHCO)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>	
1300	Prepaid Expenses		
1301	Prepaid Insurance	22,156.53	
		<u>22,156.53</u>	
1400	Other Current Assets		
1403	Accrued Interest	7,439.32	
1504	Assets Limited to Use	171,051.19	
		<u>178,490.51</u>	
	Total Current Assets		2,614,502.83
1500	Non-Current Assets		
1501	Other Assets		
1610	Intercompany Account-Charleston	(900.00)	
1611	Intercompany Account-Charlotte	(384,944.99)	
1612	Intercompany Account-SV Apartments	(19,146.67)	
1623	Intercompany Account-SA with CR		
		<u>(404,991.66)</u>	
1800	Property, Plant and Equipment		
1810	Moveable Equipment	1,895,693.81	
1811	Accm Depn-Moveable Equipment	(1,507,382.31)	
		<u>388,311.50</u>	
	Total Non-Current Assets		(16,680.16)
	Total Assets		<u><u>\$2,597,822.67</u></u>
3000	Liabilities & Equity		
3001	Total Liabilities		
3002	Current Liabilities		
3004	Notes and Accounts Payable		
3100	Accounts Payable	146,945.31	
3109	Employee Deductions-Cancer	5,210.76	
		<u>152,156.07</u>	
3200	Accrued Liabilities		
3201	Accrued Salaries and Wages	253,446.74	
3202	Accrued Vacation/PTO Payable	150,246.40	

Consolidated Balance Sheet
as of 12/31/22
 Charlotte Consolidated (CHCO)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>	
		<u>403,693.14</u>	
3300	Other Current Liabilities		
3301	Property Taxes Payable	(22.57)	
		<u>(22.57)</u>	
		<u>555,826.64</u>	
3003	Long Term Liabilities		
3500	Deferred Revenue		
3501	Deposits for Apartments Waiting List	1,500.00	
3502	Deposits on Apartments	50,534.08	
3503	Misc Deposits Account	2,000.00	
		<u>54,034.08</u>	
		<u>54,034.08</u>	
	Total Total Liabilities		609,860.72
4000	Equity		
4001	Common Stock	281,450.00	
4003	Retained Earnings	2,105,625.82	
4004	Current Earnings	498,712.01	
4006	Interdivision Equity	(873,681.96)	
4007	Unrealized (Gain)Loss on Investments	(24,143.92)	
	Total Equity		1,987,961.95
	Total Liabilities & Equity		<u><u>\$2,597,822.67</u></u>

Statement of Operations
 Sharon Village Apartments Inc (SA)
 12/1/22 to 12/31/22

<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>
868	961	93 *			5010 Resident Revenue					
44,812	49,600	4,788 *	51.63	51.61	5900 Apartment Revenues	2,607	2,883	276 *	52.41	51.61
44,812	49,600	4,788 *	51.63	51.61	Total Resident Revenue	136,640	148,800	12,160 *	52.41	51.61
19		19	0.02		6000 Other Revenues	72		72	0.03	
44,830	49,600	4,770 *	51.65	51.61	Total Revenue	136,712	148,800	12,088 *	52.44	51.61
					7000 Operating Costs					
	9,375	9,375		9.76	7400 Dietary	17,352	28,125	10,773	6.66	9.76
85	500	415	0.10	0.52	7600 Activities	589	1,500	911	0.23	0.52
242	2,480	2,239	0.28	2.58	7900 Housekeeping	1,087	7,440	6,353	0.42	2.58
12,168	8,045	4,123 *	14.02	8.37	8000 Plant Operations and Maint.	34,450	24,135	10,315 *	13.21	8.37
					8100 Transportation	36		36 *	0.01	
1,250	1,250		1.44	1.30	8200 Depreciation	3,750	3,750		1.44	1.30
3,000	3,000		3.46	3.12	8300 Interest, Amortization & Lease	9,000	9,000		3.45	3.12
3,900	4,300	400	4.49	4.47	8400 Taxes and Insurance	12,500	12,900	400	4.79	4.47
(187)	4,125	4,312	(0.22)	4.29	8500 Employee Benefits	7,198	12,375	5,177	2.76	4.29
28,391	13,575	14,816 *	32.71	14.13	8600 General and Administration	54,777	40,725	14,052 *	21.01	14.13
48,848	46,650	2,198 *	56.28	48.54	Total Operating Costs	140,740	139,950	790 *	53.99	48.54
(4,017)	2,950	6,967 *	(4.63)	3.07	Total Income/Loss from Operations	(4,028)	8,850	12,878 *	(1.55)	3.07
(4,017)	2,950	6,967 *	(4.63)	3.07	Total Net Income Before Taxes	(4,028)	8,850	12,878 *	(1.55)	3.07
(4,017)	2,950	6,967 *	(4.63)	3.07	Total Net Income/Loss	(4,028)	8,850	12,878 *	(1.55)	3.07

* Unfavorable Differences

Statement of Operations
 Sharon Village Apartments Inc (SA)
 12/1/22 to 12/31/22

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
868	961	93 *			5010 Resident Revenue	Days	2,607	2,883		
868	961	93 *			5900 Apartment Revenues	Days	2,607	2,883		
40,025	46,100	6,075 *	46.11	47.97	5901 Apartment Rental Income		122,600	138,300	15,700 *	47.03
1,667	1,700	33 *			5902 Apartment Deposit Income		5,000	5,100	100 *	
3,000	1,500	1,500	3.46	1.56	5903 Interest Income-Investments		7,500	4,500	3,000	2.88
120	300	180 *	0.14	0.31	5904 Apartment Income-Misc		1,540	900	640	0.59
44,812	49,600	4,788 *	51.63	51.61	Total Apartment Revenues		136,640	148,800	12,160 *	52.41
44,812	49,600	4,788 *	51.63	51.61	Total Resident Revenue		136,640	148,800	12,160 *	52.41
868	961	93 *			6000 Other Revenues	Days	2,607	2,883		
19		19	0.02		6003 Barber and Beauty		72		72	0.03
19	0	19	0.02	0.00	Total Other Revenues		72	0	72	0.03
44,830	49,600	4,770 *	51.65	51.61	Total Revenue		136,712	148,800	12,088 *	52.44
					7000 Operating Costs					
					7400 Dietary					
	9,300	9,300		9.68	7408 Dietary Raw Food		17,145	27,900	10,755	6.58
	75	75		0.08	7409 Dietary Supplies		207	225	18	0.08
0	9,375	9,375	0.00	9.76	Total Dietary		17,352	28,125	10,773	6.66
					7600 Activities					
85	500	415	0.10	0.52	7608 Activities Supplies		589	1,500	911	0.23
85	500	415	0.10	0.52	Total Activities		589	1,500	911	0.23
					7900 Housekeeping					
	2,000	2,000		2.08	7902 Housekeeping Other Salaries			6,000	6,000	
	150	150		0.16	7906 Housekeeping PR Taxes			450	450	
	100	100		0.10	7908 Housekeeping Supplies		263	300	37	0.10
242	230	12 *	0.28	0.24	7909 Housekeeping Purch Services		824	690	134 *	0.32
242	2,480	2,239	0.28	2.58	Total Housekeeping		1,087	7,440	6,353	0.42
					8000 Plant Operations and Maint.					
1,882	500	1,382 *	2.17	0.52	8002 POM Other Salaries		4,657	1,500	3,157 *	1.79
194	30	164 *	0.22	0.03	8004 POM PTO		531	90	441 *	0.20
					8005 POM Overtime		3		3 *	0.00
155	40	115 *	0.18	0.04	8006 POM PR Taxes		423	120	303 *	0.16
	275	275		0.29	8007 POM Consultants		498	825	327	0.19

* Unfavorable Differences

Statement of Operations
 Sharon Village Apartments Inc (SA)
 12/1/22 to 12/31/22

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
4,481	1,600	2,881*	5.16	1.66	8008 POM Supplies	7,955	4,800	3,155 *	3.05	1.66
1,899	2,000	101	2.19	2.08	8009 POM Purchased Services	10,394	6,000	4,394 *	3.99	2.08
2,789	2,400	389 *	3.21	2.50	8010 POM Utilities	7,687	7,200	487 *	2.95	2.50
767	1,200	433	0.88	1.25	8011 POM Cable/TV Expense	2,302	3,600	1,298	0.88	1.25
12,168	8,045	4,123 *	14.02	8.37	Total Plant Operations and Maint.	34,450	24,135	10,315 *	13.21	8.37
					8100 Transportation					
					8106 Transportation Vehicle Expense	36		36 *	0.01	
0	0	0	0.00	0.00	Total Transportation	36	0	36 *	0.01	0.00
					8200 Depreciation					
1,250	1,250		1.44	1.30	8205 Depr Expense - Moveable Equipment	3,750	3,750		1.44	1.30
1,250	1,250	0	1.44	1.30	Total Depreciation	3,750	3,750	0	1.44	1.30
					8300 Interest, Amortization & Lease					
3,000	3,000		3.46	3.12	8303 Building Lease Expense	9,000	9,000		3.45	3.12
3,000	3,000	0	3.46	3.12	Total Interest, Amortization & Lease	9,000	9,000	0	3.45	3.12
					8400 Taxes and Insurance					
2,800	2,800		3.23	2.91	8401 Property Tax Expense	8,400	8,400		3.22	2.91
1,100	1,500	400	1.27	1.56	8403 Insurance Expense- Property	4,100	4,500	400	1.57	1.56
3,900	4,300	400	4.49	4.47	Total Taxes and Insurance	12,500	12,900	400	4.79	4.47
					8500 Employee Benefits					
(387)	4,000	4,387	(0.45)	4.16	8501 Employee Group Insurance	6,898	12,000	5,102	2.65	4.16
200	50	150 *	0.23	0.05	8502 Workers Compensation Expense	300	150	150 *	0.12	0.05
	50	50		0.05	8504 Retirement Plan Expense		150	150		0.05
	25	25		0.03	8505 Employee Benefits Misc Expense		75	75		0.03
(187)	4,125	4,312	(0.22)	4.29	Total Employee Benefits	7,198	12,375	5,177	2.76	4.29
					8600 General and Administration					
22,944	6,500	16,444 *	26.43	6.76	8603 Administrative Other Salaries	39,061	19,500	19,561 *	14.98	6.76
	100	100		0.10	8605 Administrative PTO	438	300	138 *	0.17	0.10
1,834	530	1,304 *	2.11	0.55	8607 Administrative PR Taxes	3,064	1,590	1,474 *	1.18	0.55
2,700	2,700		3.11	2.81	8608 Management Fee Expense	8,100	8,100		3.11	2.81
264	275	11	0.30	0.29	8609 Telephone Expense	792	825	33	0.30	0.29
385	800	415	0.44	0.83	8610 Auto Expense	1,563	2,400	837	0.60	0.83
	100	100		0.10	8612 Dues and Subscriptions		300	300		0.10
	150	150		0.16	8613 Office Supplies	886	450	436 *	0.34	0.16
	100	100		0.10	8614 Copier Expense	233	300	67	0.09	0.10

* Unfavorable Differences

Statement of Operations
 Sharon Village Apartments Inc (SA)
 12/1/22 to 12/31/22

<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>
	10	10		0.01	8615 Postage Expense		30	30		0.01
	50	50		0.05	8619 Admin - Travel and Meetings	55	150	95	0.02	0.05
	2,000	2,000		2.08	8621 General Advertising Expense		6,000	6,000		2.08
	10	10		0.01	8623 Printing Expense		30	30		0.01
264	250	14 *	0.30	0.26	8624 Data Processing Expense	587	750	163	0.22	0.26
28,391	13,575	14,816 *	32.71	14.13	Total General and Administration	54,777	40,725	14,052 *	21.01	14.13
48,848	46,650	2,198 *	56.28	48.54	Total Operating Costs	140,740	139,950	790 *	53.99	48.54
(4,017)	2,950	6,967 *	(4.63)	3.07	Total Income/Loss from Operations	(4,028)	8,850	12,878 *	(1.55)	3.07
(4,017)	2,950	6,967 *	(4.63)	3.07	Total Net Income Before Taxes	(4,028)	8,850	12,878 *	(1.55)	3.07
(4,017)	2,950	6,967 *	(4.63)	3.07	Total Net Income/Loss	(4,028)	8,850	12,878 *	(1.55)	3.07

* Unfavorable Differences

Balance Sheet*as of 12/31/22*

White Oak Manor - Shelby Inc (SH)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>	
1000	Assets		
1001	Current Assets		
1002	Cash	1,398,123.17	
1100	Accounts Receivable	1,688,834.11	
1200	Inventory	58,677.44	
	Total Current Assets		3,145,634.72
1500	Non-Current Assets		
1501	Other Assets	(6,029,028.86)	
1800	Property, Plant and Equipment	465,582.10	
	Total Non-Current Assets		(5,563,446.76)
	Total Assets		<u><u>(\$2,417,812.04)</u></u>
3000	Liabilities & Equity		
3001	Total Liabilities		
3002	Current Liabilities		
3004	Notes and Accounts Payable	288,199.77	
3200	Accrued Liabilities	246,936.07	
3300	Other Current Liabilities	125,072.66	
		660,208.50	
	Total Total Liabilities		660,208.50
4000	Equity		
	Total Equity		(3,078,020.54)
	Total Liabilities & Equity		<u><u>(\$2,417,812.04)</u></u>

Balance Sheet

as of 12/31/22

White Oak Manor - Shelby Inc (SH)

<i>Account</i>	<i>Description</i>	<i>Amount</i>	
1000	Assets		
1001	Current Assets		
1002	Cash		
1003	Operating Bank Account	1,371,442.60	
1005	Petty Cash	600.00	
1006	Deposit in Transit	25,580.57	
1008	Resident Trust Funds Petty Cash	500.00	
		<hr/>	
		1,398,123.17	
1100	Accounts Receivable		
1101	Accts Receivable-Private	151,802.40	
1102	Accts Receivable-Medicaid SNF	451,612.76	
1104	Accts Receivable-Hospice	20,439.46	
1105	Accts Receivable-Medicare Pt A	133,169.98	
1106	Accts Receivable-Mcare Crossover Part A	11,864.50	
1107	Accts Receivable-3rd Party Ins Part A	24,432.18	
1108	Accts Receivable-Medicare Pt B	14,821.25	
1109	Accts Receivable-Mcare Crossover Pt B	4,750.70	
1110	Accts Receivable-Medicaid Pending	424,470.77	
1111	Accts Receivable-Insurance	87,804.87	
1112	Accts Receivable-Managed Care	285,752.65	
1115	Accts Receivable Other	66,311.76	
1120	Allowance For Doubtful Accounts	(108,883.75)	
1122	Accts Rec - 3rd Party Clearing Account	75,428.64	
1124	Resident Judgments	46,251.52	
1125	Activities Fund	(1,195.58)	
		<hr/>	
		1,688,834.11	
1200	Inventory		
1201	Inventory-Food	14,818.96	
1202	Inventory-Medical Supplies	5,271.33	
1203	Inventory-Nursing Supplies	20,927.96	
1204	Inventory-PEN	415.36	
1206	Inventory-Housekeeping	1,243.83	
1207	Inventory-Other	16,000.00	
		<hr/>	
		58,677.44	
	Total Current Assets		3,145,634.72
1500	Non-Current Assets		

Balance Sheet
as of 12/31/22

White Oak Manor - Shelby Inc (SH)

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GLBalShtLandscape

<i>Account</i>	<i>Description</i>	<i>Amount</i>	
1501	Other Assets		
1605	Intercompany Account-Shelby	(3,678,963.64)	
1686	Intercompany Account-Payroll-Ultimate	(1,098,548.88)	
1687	Interdivision-Purchase Acct	(1,251,516.34)	
		<u>(6,029,028.86)</u>	
1800	Property, Plant and Equipment		
1810	Moveable Equipment	2,213,214.23	
1811	Accm Depn-Moveable Equipment	(1,747,632.13)	
		<u>465,582.10</u>	
	Total Non-Current Assets		(5,563,446.76)
	Total Assets		<u><u>(\$2,417,812.04)</u></u>
3000	Liabilities & Equity		
3001	Total Liabilities		
3002	Current Liabilities		
3004	Notes and Accounts Payable		
3100	Accounts Payable	281,115.88	
3109	Employee Deductions-Cancer	7,083.89	
		<u>288,199.77</u>	
3200	Accrued Liabilities		
3201	Accrued Salaries and Wages	188,124.85	
3202	Accrued Vacation/PTO Payable	58,811.22	
		<u>246,936.07</u>	
3300	Other Current Liabilities		
3301	Property Taxes Payable	312.66	
3303	Asset Retirement Obligation	124,760.00	
		<u>125,072.66</u>	
		<u>660,208.50</u>	
	Total Total Liabilities		660,208.50
4000	Equity		
4001	Common Stock	206,031.00	
4003	Retained Earnings	(5,886,101.89)	
4004	Current Earnings	909,333.62	

Balance Sheet

as of 12/31/22

White Oak Manor - Shelby Inc (SH)

<i>Account</i>	<i>Description</i>	<i>Amount</i>
4006	Interdivision Equity	1,692,716.73
	Total Equity	(3,078,020.54)
	Total Liabilities & Equity	<u>(\$2,417,812.04)</u>

Statement of Operations
 White Oak Manor - Charlotte Inc (CR)
 12/1/22 to 12/31/22

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
3,778	3,959	181 *			5010 Resident Revenue					
					Days	11,429	11,877	448 *		
36,045	33,720	2,325	353.39	370.55	5100 Private Pay	83,226	101,160	17,934 *	387.10	370.55
19,887	85,900	66,013 *	641.52	565.13	5200 Medicare Part A	153,512	257,700	104,188 *	590.43	565.13
766,168	777,800	11,632 *	345.28	309.26	5300 Medicaid	2,100,886	2,240,900	140,014 *	305.81	297.00
35,090		35,090	369.37		5400 Medicaid Pending	41,133		41,133	384.42	
1,353	6,080	4,727 *	270.52	405.33	5500 Insurance	27,229	18,240	8,989	324.15	405.33
127,794	132,500	4,706 *	249.11	272.63	5600 Managed Care	473,599	397,500	76,099	290.91	272.63
35,043	24,550	10,493	9.28	6.20	5700 Medicare Part B	107,147	73,650	33,497	9.38	6.20
42,763	37,600	5,163	344.86	308.20	5800 Hospice	109,266	108,300	966	295.31	295.90
(12,721)	188,110	200,831 *	(18.46)	325.45	5850 Veterans Admin	499,917	564,330	64,413 *	263.81	325.45
1,051,422	1,286,260	234,838 *	278.30	324.90	Total Resident Revenue	3,595,914	3,761,780	165,866 *	314.63	316.73
1,166	1,700	534 *	0.31	0.43	6000 Other Revenues	5,078	5,100	22 *	0.44	0.43
1,052,587	1,287,960	235,373 *	278.61	325.32	Total Revenue	3,600,992	3,766,880	165,888 *	315.07	317.16
					7000 Operating Costs					
30,874	30,060	814 *	8.17	7.59	7101 Nursing Administration	81,466	90,180	8,714	7.13	7.59
474,777	550,625	75,848	125.67	139.08	7200 Nursing Service	1,432,648	1,651,875	219,227	125.35	139.08
49,205	96,010	46,805	13.02	24.25	7300 Ancillaries	274,323	288,030	13,707	24.00	24.25
102,434	89,280	13,154 *	27.11	22.55	7400 Dietary	287,300	267,840	19,460 *	25.14	22.55
16,666	21,460	4,794	4.41	5.42	7500 Social Services	47,881	64,380	16,499	4.19	5.42
10,782	13,090	2,308	2.85	3.31	7600 Activities	31,256	39,270	8,014	2.73	3.31
(1,041)	4,090	5,131	(0.28)	1.03	7700 Medical Records	8,130	12,270	4,140	0.71	1.03
8,975	9,850	875	2.38	2.49	7800 Laundry	24,324	29,550	5,226	2.13	2.49
32,801	34,590	1,789	8.68	8.74	7900 Housekeeping	100,598	103,770	3,172	8.80	8.74
50,126	46,030	4,096 *	13.27	11.63	8000 Plant Operations and Maint.	145,646	138,090	7,556 *	12.74	11.63
2,572	3,240	668	0.68	0.82	8100 Transportation	7,249	9,720	2,471	0.63	0.82
7,000	7,000		1.85	1.77	8200 Depreciation	21,000	21,000		1.84	1.77
27,219	27,100	119 *	7.20	6.85	8300 Interest, Amortization & Lease	81,637	81,300	337 *	7.14	6.85
13,550	15,900	2,350	3.59	4.02	8400 Taxes and Insurance	45,150	47,700	2,550	3.95	4.02
(1,664)	56,300	57,964	(0.44)	14.22	8500 Employee Benefits	123,783	168,900	45,117	10.83	14.22
145,205	128,855	16,350 *	38.43	32.55	8600 General and Administration	370,806	378,725	7,919	32.44	31.89
4,297	3,600	697 *	1.14	0.91	8800 Other Costs	15,055	10,800	4,255 *	1.32	0.91
973,776	1,137,080	163,304	257.75	287.21	Total Operating Costs	3,098,252	3,403,400	305,148	271.09	286.55
78,811	150,880	72,069 *	20.86	38.11	Total Income/Loss from Operations	502,740	363,480	139,260	43.99	30.60
78,811	150,880	72,069 *	20.86	38.11	Total Net Income Before Taxes	502,740	363,480	139,260	43.99	30.60
78,811	150,880	72,069 *	20.86	38.11	Total Net Income/Loss	502,740	363,480	139,260	43.99	30.60

* Unfavorable Differences

Statement of Operations
 White Oak Manor - Charlotte Inc (CR)
 12/1/22 to 12/31/22

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
3,778	3,959	181 *			5010 Resident Revenue	Days	11,429	11,877		
102	91	11			5100 Private Pay	Days	215	273		
34,680	33,500	1,180	340.00	368.13	5101 Routine Services - PVT		80,541	100,500	374.61	368.13
1,468	50	1,418	14.39	0.55	5102 Medical Supplies- PVT		2,787	150	12.96	0.55
17	30	13 *	0.17	0.33	5104 Oxygen - PVT		17	90	0.08	0.33
	30	30 *		0.33	5105 Laboratory - PVT			90		0.33
	90	90 *		0.99	5110 Fluidized Bed - PVT			270		0.99
	20	20 *		0.22	5113 Transportation - PVT			60		0.22
(120)		120 *	(1.17)		5120 Contractual Adjustment - PVT		(120)		(0.56)	
36,045	33,720	2,325	353.39	370.55	Total Private Pay		83,226	101,160	387.10	370.55
31	152	121 *			5200 Medicare Part A	Days	260	456		
16,076	85,900	69,824 *	518.59	565.13	5201 Routine Services-MCR A		156,858	257,700	603.30	565.13
	350	350 *		2.30	5202 Medical Supplies-MCR A		1,510	1,050	5.81	2.30
1,600	8,820	7,220 *	51.61	58.03	5203 Drugs-MCR A		12,464	26,460	47.94	58.03
	550	550 *		3.62	5204 Oxygen-MCR A		155	1,650	0.60	3.62
75	490	415 *	2.42	3.22	5205 Laboratory-MCR A		928	1,470	3.57	3.22
128	8,970	8,842 *	4.13	59.01	5206 Physical Therapy-MCR A		8,932	26,910	34.35	59.01
	3,980	3,980 *		26.18	5207 Speech Therapy-MCR A		1,089	11,940	4.19	26.18
	8,060	8,060 *		53.03	5208 Occupational Therapy-MCR A		12,529	24,180	48.19	53.03
581	40	541	18.73	0.26	5209 PEN Therapy-MCR A		1,597	120	6.14	0.26
	420	420 *		2.76	5210 Fluid Bed-MCR A		940	1,260	3.62	2.76
	550	550 *		3.62	5211 Ambulance-MCR A			1,650		3.62
	30	30 *		0.20	5212 Wound Care-MCR A		1,066	90	4.10	0.20
	230	230 *		1.51	5213 Transportation-MCR A		395	690	1.52	1.51
	90	90 *		0.59	5214 X-Rays-MCR A		1,288	270	4.96	0.59
	40	40 *		0.26	5215 Misc-MCR A			120		0.26
3,823		3,823	123.31		5220 Contract Adj-Room MCR A		(3,338)		(12.84)	
(2,395)	(32,620)	30,225	(77.27)	(214.61)	5221 Contract Adj-Ancillaries MCR A		(42,901)	(97,860)	(165.01)	(214.61)
19,887	85,900	66,013 *	641.52	565.13	Total Medicare Part A		153,512	257,700	590.43	565.13
2,219	2,515	296 *			5300 Medicaid	Days	6,870	7,545		
765,751	777,800	12,049 *	345.09	309.26	5301 Routine Services-MCD		2,102,899	2,240,900	306.10	297.00
5,549	3,700	1,849	2.50	1.47	5302 Medical Supplies-MCD		12,083	11,100	1.76	1.47
4,899	5,760	861 *	2.21	2.29	5303 Oxygen- MCD		15,629	17,280	2.27	2.29
79	80	1 *	0.04	0.03	5304 Laboratory-MCD		341	240	0.05	0.03
	200	200 *		0.08	5306 Physical Therapy-MCD Other			600		0.08
					5307 Speech Therapy-MCD Non-Covered		1,005		0.15	
	130	130 *		0.05	5310 Occup. Therapy - MCD Other			390		0.05

* Unfavorable Differences

Statement of Operations
 White Oak Manor - Charlotte Inc (CR)
 12/1/22 to 12/31/22

<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>
397	830	433 *	0.18	0.33	5311 PEN Therapy-MCD Non-Covered	1,265	2,490	1,225 *	0.18	0.33
4,900	4,330	570	2.21	1.72	5313 Fluidized Bed -MCD	14,800	12,990	1,810	2.15	1.72
	830	830 *		0.33	5316 Transportation -MCD	968	2,490	1,522 *	0.14	0.33
	30	30 *		0.01	5317 X-Rays -MCD		90	90 *		0.01
	30	30 *		0.01	5321 Flu/Pnemounia Vacc - MCD		90	90 *		0.01
(15,407)	(15,920)	513	(6.94)	(6.33)	5324 Contract Adj-Ancillaries MCD	(48,104)	(47,760)	344 *	(7.00)	(6.33)
<u>766,168</u>	<u>777,800</u>	<u>11,632 *</u>	<u>345.28</u>	<u>309.26</u>	Total Medicaid	<u>2,100,886</u>	<u>2,240,900</u>	<u>140,014 *</u>	<u>305.81</u>	<u>297.00</u>
95		95			5400 Medicaid Pending					
35,090		35,090	369.37		Days	107		107		
761		761	8.01		5401 Routine Services - MCD Pend	41,133		41,133	384.42	
449		449	4.72		5402 Medical Supplies - MCD Pend	3,109		3,109	29.05	
580		580	6.11		5404 Oxygen - MCD Pend	1,026		1,026	9.59	
					5410 Fluidized Bed - MCD Pend	1,120		1,120	10.47	
					5413 Transportation - MCD Pend	(299)		299 *	(2.79)	
(1,790)		1,790 *	(18.84)		5421 Contract Adj-Ancillaries MCD Pend	(4,956)		4,956 *	(46.32)	
<u>35,090</u>	<u>0</u>	<u>35,090</u>	<u>369.37</u>	<u>0.00</u>	Total Medicaid Pending	<u>41,133</u>	<u>0</u>	<u>41,133</u>	<u>384.42</u>	<u>0.00</u>
5	15	10 *			5500 Insurance					
1,750	6,080	4,330 *	350.00	405.33	Days	84	45	39		
2,829	1,030	1,799	565.71	68.67	5501 Routine Services - INS	28,505	18,240	10,265	339.35	405.33
373	1,220	847 *	74.51	81.33	5502 Medical Supplies - INS	6,021	3,090	2,931	71.68	68.67
	1,000	1,000 *		66.67	5503 Drugs - INS	3,611	3,660	49 *	42.99	81.33
267	740	473 *	53.36	49.33	5504 Oxygen - INS	207	3,000	2,793 *	2.46	66.67
268	1,140	872 *	53.57	76.00	5505 Laboratory - INS	1,099	2,220	1,121 *	13.08	49.33
251	340	89 *	50.26	22.67	5506 Physical Therapy - INS	5,505	3,420	2,085	65.53	76.00
238	1,030	792 *	47.57	68.67	5507 Speech Therapy - INS	2,719	1,020	1,699	32.37	22.67
	80	80 *		5.33	5508 Occupational Therapy - INS	5,611	3,090	2,521	66.80	68.67
					5509 PEN Therapy - INS		240	240 *		5.33
					5513 Wound Care - INS	745		745	8.86	
	70	70 *		4.67	5514 Transportation - INS		210	210 *		4.67
	120	120 *		8.00	5515 X-Rays - INS	300	360	60 *	3.57	8.00
(4,622)	(6,770)	2,148	(924.45)	(451.33)	5522 Contract Adj-Ancillaries - INS	(27,093)	(20,310)	6,783 *	(322.54)	(451.33)
<u>1,353</u>	<u>6,080</u>	<u>4,727 *</u>	<u>270.52</u>	<u>405.33</u>	Total Insurance	<u>27,229</u>	<u>18,240</u>	<u>8,989</u>	<u>324.15</u>	<u>405.33</u>
513	486	27			5600 Managed Care					
137,129	132,500	4,629	267.31	272.63	Days	1,628	1,458	170		
413	50	363	0.80	0.10	5601 Routine Services - MGC	489,879	397,500	92,379	300.91	272.63
2,149	490	1,659	4.19	1.01	5602 Medical Supplies - MGC	710	150	560	0.44	0.10
	20	20 *		0.04	5603 Drugs - MGC	7,967	1,470	6,497	4.89	1.01
34	10	24	0.07	0.02	5604 Oxygen - MGC	52	60	8 *	0.03	0.04
2,997	4,380	1,383 *	5.84	9.01	5605 Laboratory - MGC	669	30	639	0.41	0.02
					5606 Physical Therapy - MGC	15,621	13,140	2,481	9.60	9.01

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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>
151	970	819 *	0.29	2.00	5607 Speech Therapy - MGC	5,368	2,910	2,458	3.30	2.00
3,397	4,380	983 *	6.62	9.01	5608 Occupational Therapy - MGC	16,456	13,140	3,316	10.11	9.01
620		620	1.21		5610 Fluidized Bed - MGC	1,840		1,840	1.13	
140	760	620 *	0.27	1.56	5611 Flu/Pneumonia - MGC	2,394	2,280	114	1.47	1.56
500	140	360	0.97	0.29	5614 Transportation - MGC	733	420	313	0.45	0.29
469	630	161 *	0.91	1.30	5615 X-Rays- MGC	682	1,890	1,208 *	0.42	1.30
(20)		20 *	(0.04)		5616 Therapy Screenings - MGC	100		100	0.06	
16		16	0.03		5621 Contract Adj-Room MGC	(1,300)		1,300 *	(0.80)	
(20,201)	(11,830)	8,371 *	(39.38)	(24.34)	5622 Contract Adj-Ancillaries MGC	(67,572)	(35,490)	32,082 *	(41.51)	(24.34)
127,794	132,500	4,706 *	249.11	272.63	Total Managed Care	473,599	397,500	76,099	290.91	272.63
3,778	3,959	181 *			5700 Medicare Part B	11,429	11,877	448 *		
12,923	11,880	1,043	3.42	3.00	5703 Physical Therapy - MCR B	44,868	35,640	9,228	3.93	3.00
12,089	7,920	4,169	3.20	2.00	5704 Speech Therapy - MCR B	25,945	23,760	2,185	2.27	2.00
17,775	11,880	5,895	4.70	3.00	5705 Occupational Therapy - MCR B	60,879	35,640	25,239	5.33	3.00
420	870	450 *	0.11	0.22	5707 Flu/Pneumonia - MCR B	3,075	2,610	465	0.27	0.22
(8,164)	(8,000)	164 *	(2.16)	(2.02)	5720 Contractual Adjustment - MRB	(27,619)	(24,000)	3,619 *	(2.42)	(2.02)
35,043	24,550	10,493	9.28	6.20	Total Medicare Part B	107,147	73,650	33,497	9.38	6.20
124	122	2			5800 Hospice	370	366	4		
42,763	37,600	5,163	344.86	308.20	5801 Routine Services - HSP	109,791	108,300	1,491	296.73	295.90
494	290	204	3.98	2.38	5802 Medical Supplies- HSP	511	870	359 *	1.38	2.38
	10	10 *		0.08	5804 Oxygen - HSP		30	30 *		0.08
	30	30 *		0.25	5805 Laboratory - HSP		90	90 *		0.25
	120	120 *		0.98	5810 Fluidized Bed - HSP		360	360 *		0.98
	20	20 *		0.16	5811 Flu/Pneumonia - HSP		60	60 *		0.16
	100	100 *		0.82	5813 Wound Care - HSP		300	300 *		0.82
	10	10 *		0.08	5814 Transportation - HSP		30	30 *		0.08
(494)	(580)	86	(3.98)	(4.75)	5822 Contract Adj-Ancillaries HSP	(1,036)	(1,740)	704	(2.80)	(4.75)
42,763	37,600	5,163	344.86	308.20	Total Hospice	109,266	108,300	966	295.31	295.90
689	578	111			5850 Veterans Admin	1,895	1,734	161		
(12,721)	187,720	200,441 *	(18.46)	324.78	5851 Routine Services - VA	499,917	563,160	63,243 *	263.81	324.78
475	890	415 *	0.69	1.54	5852 Medical Supplies - VA	2,333	2,670	337 *	1.23	1.54
25,242	21,370	3,872	36.64	36.97	5853 Drugs - VA	79,118	64,110	15,008	41.75	36.97
1,070	1,160	91 *	1.55	2.01	5854 Oxygen - VA	4,140	3,480	660	2.18	2.01
1,069	1,160	91 *	1.55	2.01	5855 Laboratory - VA	3,774	3,480	294	1.99	2.01
10,130	5,780	4,350	14.70	10.00	5856 Physical Therapy - VA	28,169	17,340	10,829	14.87	10.00
1,257	2,110	853 *	1.82	3.65	5857 Speech Therapy - VA	8,874	6,330	2,544	4.68	3.65
10,291	4,330	5,961	14.94	7.49	5858 Occupational Therapy - VA	30,379	12,990	17,389	16.03	7.49

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	390	390 *		0.67	5859 PEN Therapy - VA	365	1,170	805 *	0.19	0.67
540	880	340 *	0.78	1.52	5860 Fluidized Bed - VA	3,960	2,640	1,320	2.09	1.52
	340	340 *		0.59	5863 Transportation - VA		1,020	1,020 *		0.59
677	760	83 *	0.98	1.31	5864 X-rays - VA	1,356	2,280	924 *	0.72	1.31
140	240	100 *	0.20	0.42	5865 Flu/Pneumonia - VA	980	720	260	0.52	0.42
	4,750	4,750 *		8.22	5866 Misc - VA		14,250	14,250 *		8.22
(50,890)	(43,770)	7,120 *	(73.86)	(75.73)	5868 Contract Adj Ancil - VA	(163,448)	(131,310)	32,138 *	(86.25)	(75.73)
(12,721)	188,110	200,831 *	(18.46)	325.45	Total Veterans Admin	499,917	564,330	64,413 *	263.81	325.45
1,051,422	1,286,260	234,838 *	278.30	324.90	Total Resident Revenue	3,595,914	3,761,780	165,866 *	314.63	316.73
					6000 Other Revenues					
3,778	3,959	181 *			Days	11,429	11,877	448 *		
1,600	2,300	700 *	0.42	0.58	6002 Property Lease Income	7,000	6,900	100	0.61	0.58
(446)	(600)	154	(0.12)	(0.15)	6003 Barber and Beauty	(1,934)	(1,800)	134 *	(0.17)	(0.15)
12		12	0.00		6006 Interest Income-Misc	12		12	0.00	
1,166	1,700	534 *	0.31	0.43	Total Other Revenues	5,078	5,100	22 *	0.44	0.43
1,052,587	1,287,960	235,373 *	278.61	325.32	Total Revenue	3,600,992	3,766,880	165,888 *	315.07	317.16
					7000 Operating Costs					
					7101 Nursing Administration					
8,528	9,000	472	2.26	2.27	7102 Nurs Admin DON Salaries	27,035	27,000	35 *	2.37	2.27
14,800	8,500	6,300 *	3.92	2.15	7103 Nurs Admin ADON Salaries	26,297	25,500	797 *	2.30	2.15
1,750	2,000	250	0.46	0.51	7104 Nurs Admin PTO	6,985	6,000	985 *	0.61	0.51
1,796	1,560	236 *	0.48	0.39	7106 Nurs Admin PR Taxes	4,258	4,680	422	0.37	0.39
	5,000	5,000		1.26	7108 Nurs Admin Consultants	4,892	15,000	10,108	0.43	1.26
4,000	4,000		1.06	1.01	7109 Nurs Admin Medical Director Expense	12,000	12,000		1.05	1.01
30,874	30,060	814 *	8.17	7.59	Total Nursing Administration	81,466	90,180	8,714	7.13	7.59
					7200 Nursing Service					
34,991	37,000	2,009	9.26	9.35	7201 Nursing RN Salaries	109,536	111,000	1,464	9.58	9.35
92,556	105,000	12,444	24.50	26.52	7202 Nursing LPN Salaries	272,039	315,000	42,961	23.80	26.52
84,671	128,000	43,329	22.41	32.33	7203 Nursing CNA Salaries	296,371	384,000	87,629	25.93	32.33
16,188	10,000	6,188 *	4.28	2.53	7206 Nursing PTO	27,805	30,000	2,195	2.43	2.53
26,944	28,000	1,056	7.13	7.07	7207 Nursing Overtime	92,334	84,000	8,334 *	8.08	7.07
19,220	23,100	3,880	5.09	5.83	7208 Nursing PR Taxes	60,626	69,300	8,674	5.30	5.83
420	600	180	0.11	0.15	7209 Nursing Clinical Software	1,448	1,800	352	0.13	0.15
16,322	18,000	1,678	4.32	4.55	7210 Nursing Supplies	56,650	54,000	2,650 *	4.96	4.55
83	450	367	0.02	0.11	7211 Nursing Travel and Meetings	202	1,350	1,148	0.02	0.11
183,381	200,000	16,619	48.54	50.52	7213 Nursing Contract Services	515,636	600,000	84,364	45.12	50.52

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Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
	475	475		0.12	7215 Nursing CNA Training-Other		1,425	1,425		0.12
474,777	550,625	75,848	125.67	139.08	Total Nursing Service	1,432,648	1,651,875	219,227	125.35	139.08
					7300 Ancillaries					
	17,420	17,420		4.40	7301 Physical Therapy - Contract	39,364	52,260	12,896	3.44	4.40
377	510	133	0.10	0.13	7302 Physical Therapy - Supplies	1,130	1,530	400	0.10	0.13
	7,920	7,920		2.00	7303 Speech Therapy - Contract	17,287	23,760	6,473	1.51	2.00
	16,230	16,230		4.10	7304 Occupational Therapy - Contract	49,348	48,690	658 *	4.32	4.10
905	630	275 *	0.24	0.16	7305 PEN Therapy Nutrient	1,590	1,890	300	0.14	0.16
229	160	69 *	0.06	0.04	7306 PEN Therapy Supplies	609	480	129 *	0.05	0.04
	100	100		0.03	7307 Wound Care Expense - Non Part B	1,862	300	1,562 *	0.16	0.03
1,446	1,980	534	0.38	0.50	7308 Laboratory Expense	5,899	5,940	41	0.52	0.50
2,536	710	1,826 *	0.67	0.18	7309 Oxygen Expense	4,352	2,130	2,222 *	0.38	0.18
2,134	40	2,094 *	0.56	0.01	7310 Fluidized Bed Expense	2,134	120	2,014 *	0.19	0.01
1,114	910	204 *	0.29	0.23	7312 X-Ray Expense	4,538	2,730	1,808 *	0.40	0.23
	1,430	1,430		0.36	7313 Flu/Pneumonia Expense	(2,088)	4,290	6,378	(0.18)	0.36
32,512	31,900	612 *	8.61	8.06	7314 Prescription Drug Expense	112,592	95,700	16,892 *	9.85	8.06
2,675	3,560	885	0.71	0.90	7315 OTC/Stock Drug Expense	10,235	10,680	445	0.90	0.90
	4,750	4,750		1.20	7316 Pharmacy Consultant Expense	6,419	14,250	7,831	0.56	1.20
5,276	2,970	2,306 *	1.40	0.75	7317 Medical Supplies	16,681	8,910	7,771 *	1.46	0.75
	40	40		0.01	7319 Misc Ancillary Expense - MCR A		120	120		0.01
	4,750	4,750		1.20	7327 Misc Ancillary Expense-VA	2,371	14,250	11,879	0.21	1.20
49,205	96,010	46,805	13.02	24.25	Total Ancillaries	274,323	288,030	13,707	24.00	24.25
					7400 Dietary					
11,975	9,000	2,975 *	3.17	2.27	7401 Dietary Director Salaries	34,840	27,000	7,840 *	3.05	2.27
36,001	36,000	1 *	9.53	9.09	7402 Dietary Other Salaries	110,235	108,000	2,235 *	9.65	9.09
1,825	3,400	1,575	0.48	0.86	7404 Dietary PTO	6,403	10,200	3,797	0.56	0.86
677	750	73	0.18	0.19	7405 Dietary Overtime	2,065	2,250	185	0.18	0.19
3,799	3,930	131	1.01	0.99	7406 Dietary PR Taxes	11,799	11,790	9 *	1.03	0.99
	1,200	1,200		0.30	7407 Dietary Consultants	1,586	3,600	2,014	0.14	0.30
42,909	39,000	3,909 *	11.36	9.85	7408 Dietary Raw Food	117,182	117,000	182 *	10.25	9.85
5,384	5,500	116	1.43	1.39	7409 Dietary Supplies	19,542	16,500	3,042 *	1.71	1.39
(135)	(9,500)	9,365 *	(0.04)	(2.40)	7412 Dietary Emp/Guest Meal Income	(16,351)	(28,500)	12,149 *	(1.43)	(2.40)
102,434	89,280	13,154 *	27.11	22.55	Total Dietary	287,300	267,840	19,460 *	25.14	22.55
					7500 Social Services					
3,061	3,600	539	0.81	0.91	7501 Social Services Director Salaries	12,123	10,800	1,323 *	1.06	0.91
9,888	12,500	2,612	2.62	3.16	7502 Social Services Other Salaries	24,647	37,500	12,853	2.16	3.16
1,843	1,800	43 *	0.49	0.45	7504 Social Services PTO	2,373	5,400	3,027	0.21	0.45

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44	350	306	0.01	0.09	7505 Social Services Overtime	1,207	1,050	157 *	0.11	0.09
1,130	1,460	330	0.30	0.37	7506 Social Services PR Taxes	3,262	4,380	1,118	0.29	0.37
	1,000	1,000		0.25	7507 Social Services Consultants	2,168	3,000	832	0.19	0.25
700	750	50	0.19	0.19	7508 Social Services Supplies	2,100	2,250	150	0.18	0.19
16,666	21,460	4,794	4.41	5.42	Total Social Services	47,881	64,380	16,499	4.19	5.42
					7600 Activities					
3,024	3,600	576	0.80	0.91	7601 Activities Director Salaries	9,738	10,800	1,062	0.85	0.91
5,072	6,300	1,228	1.34	1.59	7602 Activities Other Salaries	13,665	18,900	5,235	1.20	1.59
696	1,200	504	0.18	0.30	7604 Activities PTO	1,518	3,600	2,082	0.13	0.30
276		276 *	0.07		7605 Activities Overtime	970		970 *	0.08	
697	890	193	0.18	0.22	7606 Activities PR Taxes	1,983	2,670	687	0.17	0.22
642	800	158	0.17	0.20	7608 Activities Supplies	2,683	2,400	283 *	0.23	0.20
375	300	75 *	0.10	0.08	7609 Activities Purchased Services	700	900	200	0.06	0.08
10,782	13,090	2,308	2.85	3.31	Total Activities	31,256	39,270	8,014	2.73	3.31
					7700 Medical Records					
(1,594)	3,100	4,694	(0.42)	0.78	7701 Medical Records Salaries	6,281	9,300	3,019	0.55	0.78
385	300	85 *	0.10	0.08	7703 Medical Records PTO	917	900	17 *	0.08	0.08
	200	200		0.05	7704 Medical Records Overtime	9	600	591	0.00	0.05
(95)	290	385	(0.03)	0.07	7705 Medical Records PR Taxes	446	870	424	0.04	0.07
160	200	40	0.04	0.05	7707 Medical Records Supplies	376	600	224	0.03	0.05
103		103 *	0.03		7709 Medical Records Travel and Meetings	103		103 *	0.01	
(1,041)	4,090	5,131	(0.28)	1.03	Total Medical Records	8,130	12,270	4,140	0.71	1.03
					7800 Laundry					
4,637	5,800	1,163	1.23	1.47	7802 Laundry Other Salaries	14,651	17,400	2,749	1.28	1.47
156	250	94	0.04	0.06	7804 Laundry PTO	514	750	236	0.04	0.06
610	200	410 *	0.16	0.05	7805 Laundry Overtime	1,209	600	609 *	0.11	0.05
413	500	87	0.11	0.13	7806 Laundry PR Taxes	1,250	1,500	250	0.11	0.13
1,447	1,250	197 *	0.38	0.32	7807 Laundry Supplies	4,989	3,750	1,239 *	0.44	0.32
1,712	1,300	412 *	0.45	0.33	7808 Laundry Linen and Bedding	1,712	3,900	2,188	0.15	0.33
	550	550		0.14	7809 Laundry Underpads		1,650	1,650		0.14
8,975	9,850	875	2.38	2.49	Total Laundry	24,324	29,550	5,226	2.13	2.49
					7900 Housekeeping					
2,792	3,400	608	0.74	0.86	7901 Housekeeping Director Salaries	8,611	10,200	1,589	0.75	0.86
19,873	21,000	1,127	5.26	5.30	7902 Housekeeping Other Salaries	60,091	63,000	2,909	5.26	5.30
2,450	2,000	450 *	0.65	0.51	7904 Housekeeping PTO	5,671	6,000	329	0.50	0.51
2,818	1,000	1,818 *	0.75	0.25	7905 Housekeeping Overtime	8,118	3,000	5,118 *	0.71	0.25

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Statement of Operations
 White Oak Manor - Charlotte Inc (CR)
 12/1/22 to 12/31/22

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
2,116	2,190	74	0.56	0.55	7906 Housekeeping PR Taxes	6,266	6,570	304	0.55	0.55
2,751	5,000	2,249	0.73	1.26	7908 Housekeeping Supplies	11,841	15,000	3,159	1.04	1.26
32,801	34,590	1,789	8.68	8.74	Total Housekeeping	100,598	103,770	3,172	8.80	8.74
8000 Plant Operations and Maint.										
9,048	7,000	2,048 *	2.39	1.77	8002 POM Other Salaries	23,764	21,000	2,764 *	2.08	1.77
625	1,000	375	0.17	0.25	8004 POM PTO	1,648	3,000	1,352	0.14	0.25
136	450	314	0.04	0.11	8005 POM Overtime	252	1,350	1,098	0.02	0.11
730	680	50 *	0.19	0.17	8006 POM PR Taxes	2,052	2,040	12 *	0.18	0.17
	1,300	1,300		0.33	8007 POM Consultants	2,098	3,900	1,802	0.18	0.33
3,917	5,600	1,683	1.04	1.41	8008 POM Supplies	13,503	16,800	3,297	1.18	1.41
14,502	9,000	5,502 *	3.84	2.27	8009 POM Purchased Services	36,941	27,000	9,941 *	3.23	2.27
18,250	18,200	50 *	4.83	4.60	8010 POM Utilities	55,090	54,600	490 *	4.82	4.60
2,804	2,800	4 *	0.74	0.71	8011 POM Cable/TV Expense	8,412	8,400	12 *	0.74	0.71
114		114 *	0.03		8014 POM Minor Equipment	1,884		1,884 *	0.16	
50,126	46,030	4,096 *	13.27	11.63	Total Plant Operations and Maint.	145,646	138,090	7,556 *	12.74	11.63
8100 Transportation										
	500	500		0.13	8101 Transportation Salaries		1,500	1,500		0.13
	40	40		0.01	8105 Transportation PR Taxes		120	120		0.01
400	1,200	800	0.11	0.30	8106 Transportation Vehicle Expense	1,228	3,600	2,372	0.11	0.30
2,172	1,500	672 *	0.57	0.38	8107 Transportation NEMT Contr Veh-Mcaid	6,021	4,500	1,521 *	0.53	0.38
2,572	3,240	668	0.68	0.82	Total Transportation	7,249	9,720	2,471	0.63	0.82
8200 Depreciation										
7,000	7,000		1.85	1.77	8205 Depr Expense - Moveable Equipment	21,000	21,000		1.84	1.77
7,000	7,000	0	1.85	1.77	Total Depreciation	21,000	21,000	0	1.84	1.77
8300 Interest, Amortization & Lease										
119		119 *	0.03		8302 Interest Expense - Other	337		337 *	0.03	
27,100	27,100		7.17	6.85	8303 Building Lease Expense	81,300	81,300		7.11	6.85
27,219	27,100	119 *	7.20	6.85	Total Interest, Amortization & Lease	81,637	81,300	337 *	7.14	6.85
8400 Taxes and Insurance										
4,250	4,500	250	1.12	1.14	8401 Property Tax Expense	13,250	13,500	250	1.16	1.14
	100	100		0.03	8402 Misc Tax Expense		300	300		0.03
2,300	3,000	700	0.61	0.76	8403 Insurance Expense- Property	8,300	9,000	700	0.73	0.76
7,000	8,300	1,300	1.85	2.10	8404 Insurance Expense- Liability	23,600	24,900	1,300	2.06	2.10
13,550	15,900	2,350	3.59	4.02	Total Taxes and Insurance	45,150	47,700	2,550	3.95	4.02

* Unfavorable Differences

Statement of Operations
 White Oak Manor - Charlotte Inc (CR)
 12/1/22 to 12/31/22

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
8500 Employee Benefits										
(8,685)	45,000	53,685	(2.30)	11.37	8501 Employee Group Insurance	100,096	135,000	34,904	8.76	11.37
6,000	7,000	1,000	1.59	1.77	8502 Workers Compensation Expense	20,000	21,000	1,000	1.75	1.77
	300	300		0.08	8504 Retirement Plan Expense		900	900		0.08
1,021	4,000	2,979	0.27	1.01	8505 Employee Benefits Misc Expense	3,687	12,000	8,313	0.32	1.01
(1,664)	56,300	57,964	(0.44)	14.22	Total Employee Benefits	123,783	168,900	45,117	10.83	14.22
8600 General and Administration										
51,186	17,100	34,086 *	13.55	4.32	8601 Administrative Administrator Salaries	85,540	51,300	34,240 *	7.48	4.32
1,511	2,500	989	0.40	0.63	8602 Administrative Asst Administr Salaries	1,511	5,000	3,489	0.13	0.42
6,334	17,000	10,666	1.68	4.29	8603 Administrative Other Salaries	30,510	51,000	20,490	2.67	4.29
2,308	1,500	808 *	0.61	0.38	8605 Administrative PTO	2,256	4,500	2,244	0.20	0.38
	550	550		0.14	8606 Administrative Overtime	641	1,650	1,009	0.06	0.14
1,545	2,890	1,345	0.41	0.73	8607 Administrative PR Taxes	3,949	8,670	4,721	0.35	0.73
65,500	70,840	5,340	17.34	17.89	8608 Management Fee Expense	196,500	207,180	10,680	17.19	17.44
898	800	98 *	0.24	0.20	8609 Telephone Expense	2,744	2,400	344 *	0.24	0.20
545	1,100	555	0.14	0.28	8610 Auto Expense	3,179	3,300	121	0.28	0.28
5,103	1,700	3,403 *	1.35	0.43	8612 Dues and Subscriptions	11,471	5,100	6,371 *	1.00	0.43
603	650	47	0.16	0.16	8613 Office Supplies	1,341	1,950	609	0.12	0.16
1,668	2,000	332	0.44	0.51	8614 Copier Expense	3,992	6,000	2,008	0.35	0.51
2	300	298	0.00	0.08	8615 Postage Expense	362	900	538	0.03	0.08
	750	750		0.19	8616 Professional Fees - Legal	100	2,250	2,150	0.01	0.19
	450	450		0.11	8617 Professional Fees - Other	197	1,350	1,153	0.02	0.11
748	700	48 *	0.20	0.18	8619 Admin - Travel and Meetings	2,544	2,100	444 *	0.22	0.18
428	400	28 *	0.11	0.10	8620 Help Wanted Advertising Expense	851	1,200	349	0.07	0.10
					8621 General Advertising Expense	86		86 *	0.01	
527	1,300	774	0.14	0.33	8622 Bank Charge Expense	2,936	3,900	964	0.26	0.33
364	300	64 *	0.10	0.08	8623 Printing Expense	1,389	900	489 *	0.12	0.08
5,936	6,000	64	1.57	1.52	8624 Data Processing Expense	18,710	18,000	710 *	1.64	1.52
	25	25		0.01	8626 Meals & Entertainment		75	75		0.01
145,205	128,855	16,350 *	38.43	32.55	Total General and Administration	370,806	378,725	7,919	32.44	31.89
8800 Other Costs										
1,297	1,100	197 *	0.34	0.28	8801 Non-Allowable Expense	2,315	3,300	985	0.20	0.28
3,000	1,500	1,500 *	0.79	0.38	8804 Bad Debt Expense	6,000	4,500	1,500 *	0.52	0.38
	1,000	1,000		0.25	8808 Mcare Co-Ins Bad Debt	6,739	3,000	3,739 *	0.59	0.25
4,297	3,600	697 *	1.14	0.91	Total Other Costs	15,055	10,800	4,255 *	1.32	0.91
973,776	1,137,080	163,304	257.75	287.21	Total Operating Costs	3,098,252	3,403,400	305,148	271.09	286.55

* Unfavorable Differences

Statement of Operations
 White Oak Manor - Charlotte Inc (CR)
 12/1/22 to 12/31/22

<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>
78,811	150,880	72,069 *	20.86	38.11	Total Income/Loss from Operations	502,740	363,480	139,260	43.99	30.60
78,811	150,880	72,069 *	20.86	38.11	Total Net Income Before Taxes	502,740	363,480	139,260	43.99	30.60
78,811	150,880	72,069 *	20.86	38.11	Total Net Income/Loss	502,740	363,480	139,260	43.99	30.60

* Unfavorable Differences

Balance Sheet*as of 12/31/22*

White Oak Manor - Charlotte Inc (CR)

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GLBalShtLandscape

<i>Account</i>	<i>Description</i>	<i>Amount</i>	
1000	Assets		
1001	Current Assets		
1002	Cash	(54,405.49)	
1100	Accounts Receivable	2,044,559.23	
1200	Inventory	63,365.85	
1300	Prepaid Expenses	22,156.53	
	Total Current Assets		2,075,676.12
1500	Non-Current Assets		
1501	Other Assets	(361,946.95)	
1800	Property, Plant and Equipment	255,228.07	
	Total Non-Current Assets		(106,718.88)
	Total Assets		\$1,968,957.24
3000	Liabilities & Equity		
3001	Total Liabilities		
3002	Current Liabilities		
3004	Notes and Accounts Payable	148,860.80	
3200	Accrued Liabilities	386,526.14	
3300	Other Current Liabilities	(33,778.79)	
		<u>501,608.15</u>	
	Total Total Liabilities		501,608.15
4000	Equity		
	Total Equity		1,467,349.09
	Total Liabilities & Equity		\$1,968,957.24

Balance Sheet
as of 12/31/22

White Oak Manor - Charlotte Inc (CR)

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GLBalShtLandscape

<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	
1003	Operating Bank Account	(56,989.48)
1005	Petty Cash	800.00
1006	Deposit in Transit	983.99
1008	Resident Trust Funds Petty Cash	800.00
		<hr/>
		(54,405.49)
1100	Accounts Receivable	
1101	Accts Receivable-Private	14,567.25
1102	Accts Receivable-Medicaid SNF	386,227.07
1104	Accts Receivable-Hospice	34,967.04
1105	Accts Receivable-Medicare Pt A	6,101.99
1106	Accts Receivable-Mcare Crossover Part A	10,754.00
1107	Accts Receivable-3rd Party Ins Part A	(2,139.50)
1108	Accts Receivable-Medicare Pt B	13,204.27
1109	Accts Receivable-Mcare Crossover Pt B	9,648.87
1110	Accts Receivable-Medicaid Pending	102,365.30
1111	Accts Receivable-Insurance	1,750.00
1112	Accts Receivable-Managed Care	410,885.06
1113	Accts Receivable-VA	1,112,501.55
1115	Accts Receivable Other	(52,630.53)
1120	Allowance For Doubtful Accounts	(27,419.80)
1122	Accts Rec - 3rd Party Clearing Account	6,392.10
1124	Resident Judgments	17,414.36
1125	Activities Fund	(29.80)
		<hr/>
		2,044,559.23
1200	Inventory	
1201	Inventory-Food	23,471.69
1202	Inventory-Medical Supplies	3,277.21
1203	Inventory-Nursing Supplies	5,824.67
1204	Inventory-PEN	1,001.22
1205	Inventory-Laundry	18,131.93
1206	Inventory-Housekeeping	1,059.13
1207	Inventory-Other	10,600.00
		<hr/>
		63,365.85

Balance Sheet
as of 12/31/22

White Oak Manor - Charlotte Inc (CR)

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GLBalShtLandscape

<i>Account</i>	<i>Description</i>	<i>Amount</i>	
1300	Prepaid Expenses		
1301	Prepaid Insurance	22,156.53	
		22,156.53	
	Total Current Assets		2,075,676.12
1500	Non-Current Assets		
1501	Other Assets		
1610	Intercompany Account-Charleston	(900.00)	
1611	Intercompany Account-Charlotte	(384,944.99)	
1623	Intercompany Account-SA with CR	23,898.04	
		(361,946.95)	
1800	Property, Plant and Equipment		
1810	Moveable Equipment	1,574,590.99	
1811	Accm Depn-Moveable Equipment	(1,319,362.92)	
		255,228.07	
	Total Non-Current Assets		(106,718.88)
	Total Assets		\$1,968,957.24
3000	Liabilities & Equity		
3001	Total Liabilities		
3002	Current Liabilities		
3004	Notes and Accounts Payable		
3100	Accounts Payable	143,854.11	
3109	Employee Deductions-Cancer	5,006.69	
		148,860.80	
3200	Accrued Liabilities		
3201	Accrued Salaries and Wages	239,398.96	
3202	Accrued Vacation/PTO Payable	147,127.18	
		386,526.14	
3300	Other Current Liabilities		
3301	Property Taxes Payable	(33,778.79)	
		(33,778.79)	
		501,608.15	

Balance Sheet
as of 12/31/22

White Oak Manor - Charlotte Inc (CR)

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GLBalShtLandscape

<i>Account</i>	<i>Description</i>	<i>Amount</i>
	Total Total Liabilities	501,608.15
4000	Equity	
4001	Common Stock	186,832.00
4003	Retained Earnings	1,526,444.72
4004	Current Earnings	502,739.83
4006	Interdivision Equity	(748,667.46)
	Total Equity	1,467,349.09
	Total Liabilities & Equity	<u>\$1,968,957.24</u>

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/22 to 12/31/22

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
58,683	58,609	74			5010 Resident Revenue	Days	175,591	175,827		
2,319,165	2,053,420	265,745	130.21	256.97	5100 Private Pay	6,791,173	6,160,260	630,913	129.03	256.97
2,037,926	2,180,600	142,674 *	584.27	558.41	5200 Medicare Part A	5,969,894	6,541,800	571,906 *	567.43	558.41
53,068	67,600	14,532 *	461.46	558.68	5250 Dual Medicare	175,651	202,800	27,149 *	478.61	558.68
7,727,043	8,499,900	772,857 *	296.77	280.29	5300 Medicaid	22,247,133	25,063,300	2,816,167 *	280.96	275.50
200,036	227,600	27,564 *	242.47	239.08	5350 Dual Medicaid	772,277	682,800	89,477	237.62	239.08
807,842		807,842	274.31		5400 Medicaid Pending	1,749,351		1,749,351	269.38	
629,568	668,250	38,682 *	369.25	372.91	5500 Insurance	1,893,714	2,004,750	111,036 *	368.64	372.91
523,607	474,600	49,007	304.78	315.56	5600 Managed Care	1,905,748	1,423,800	481,948	346.56	315.56
481,979	538,350	56,371 *	8.21	9.19	5700 Medicare Part B	1,518,574	1,615,050	96,476 *	8.65	9.19
533,437	361,000	172,437	294.07	329.68	5800 Hospice	1,583,418	1,061,600	521,818	271.92	323.17
(120,495)	701,540	822,035 *	(54.55)	329.67	5850 Veterans Admin	1,763,693	2,104,620	340,927 *	264.42	329.67
523,819	514,050	9,769	29.50	30.62	5900 Apartment Revenues	1,558,687	1,542,150	16,537	29.72	30.62
(332)	4,000	4,332 *	(0.01)	0.07	5925 Wellness Center Income	7,999	12,000	4,001 *	0.05	0.07
15,716,664	16,290,910	574,246 *	267.82	277.96	Total Resident Revenue	47,937,311	48,414,930	477,619 *	273.01	275.36
193	1,641,445	1,641,252 *	0.00	28.01	6000 Other Revenues	3,326,828	4,924,335	1,597,507 *	18.95	28.01
15,716,857	17,932,355	2,215,498 *	267.83	305.97	Total Revenue	51,264,139	53,339,265	2,075,126 *	291.95	303.36
					7000 Operating Costs					
256,945	352,015	95,070	4.38	6.01	7101 Nursing Administration	926,801	1,056,045	129,244	5.28	6.01
6,704,982	6,768,200	63,218	114.26	115.48	7200 Nursing Service	19,545,768	20,304,600	758,832	111.31	115.48
72,081	76,550	4,469	1.23	1.31	7240 Personal Care Service	231,619	229,650	1,969 *	1.32	1.31
2,400	2,550	150	0.04	0.04	7250 COVID-19	19,202	7,650	11,552 *	0.11	0.04
608,904	1,445,265	836,361	10.38	24.66	7300 Ancillaries	3,442,260	4,335,795	893,535	19.60	24.66
1,342,668	1,262,465	80,203 *	22.88	21.54	7400 Dietary	3,879,184	3,787,395	91,789 *	22.09	21.54
281,648	295,450	13,802	4.80	5.04	7500 Social Services	811,210	886,350	75,140	4.62	5.04
161,507	166,960	5,453	2.75	2.85	7600 Activities	476,184	500,880	24,696	2.71	2.85
67,625	64,935	2,690 *	1.15	1.11	7700 Medical Records	194,223	194,805	582	1.11	1.11
169,929	185,475	15,546	2.90	3.16	7800 Laundry	528,982	556,425	27,443	3.01	3.16
472,649	431,115	41,534 *	8.05	7.36	7900 Housekeeping	1,329,275	1,293,345	35,930 *	7.57	7.36
726,272	709,635	16,637 *	12.38	12.11	8000 Plant Operations and Maint.	2,078,849	2,128,905	50,056	11.84	12.11
616	1,170	554	0.01	0.02	8030 Wellness Pool	1,689	3,510	1,821	0.01	0.02
90,230	117,420	27,190	1.54	2.00	8100 Transportation	306,011	352,260	46,249	1.74	2.00
486,500	523,500	37,000	8.29	8.93	8200 Depreciation	1,533,500	1,570,500	37,000	8.73	8.93
586,636	748,438	161,802	10.00	12.77	8300 Interest, Amortization & Lease	2,099,398	2,245,314	145,916	11.96	12.77
319,874	483,210	163,336	5.45	8.24	8400 Taxes and Insurance	1,250,826	1,439,790	188,964	7.12	8.19
(37,963)	1,101,150	1,139,113	(0.65)	18.79	8500 Employee Benefits	2,262,956	3,303,450	1,040,494	12.89	18.79
2,910,734	2,385,418	525,316 *	49.60	40.70	8600 General and Administration	7,499,636	7,126,466	373,170 *	42.71	40.53
302,664	158,285	144,379 *	5.16	2.70	8800 Other Costs	693,172	474,855	218,317 *	3.95	2.70

* Unfavorable Differences

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/22 to 12/31/22

<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>
15,526,901	17,279,206	1,752,305	264.59	294.82	Total Operating Costs	49,110,744	51,797,990	2,687,246	279.69	294.60
189,956	653,149	463,193 *	3.24	11.14	Total Income/Loss from Operations	2,153,396	1,541,275	612,121	12.26	8.77
189,956	653,149	463,193 *	3.24	11.14	Total Net Income Before Taxes	2,153,396	1,541,275	612,121	12.26	8.77
189,956	653,149	463,193 *	3.24	11.14	Total Net Income/Loss	2,153,396	1,541,275	612,121	12.26	8.77

* Unfavorable Differences

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/22 to 12/31/22

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
58,683	58,609	74			5010 Resident Revenue	175,591	175,827	236 *		
17,811	7,991	9,820			5100 Private Pay	52,632	23,973	28,659		
2,288,736	2,026,800	261,936	128.50	253.64	5101 Routine Services - PVT	6,717,910	6,080,400	637,510	127.64	253.64
14,141	8,980	5,161	0.79	1.12	5102 Medical Supplies- PVT	31,662	26,940	4,722	0.60	1.12
9,143	9,250	108 *	0.51	1.16	5104 Oxygen - PVT	23,978	27,750	3,773 *	0.46	1.16
25	170	145 *	0.00	0.02	5105 Laboratory - PVT	125	510	385 *	0.00	0.02
833	880	47 *	0.05	0.11	5106 Physical Therapy - PVT	1,564	2,640	1,076 *	0.03	0.11
	440	440 *		0.06	5107 Speech Therapy - PVT		1,320	1,320 *		0.06
	750	750 *		0.09	5108 Occupational Therapy - PVT	830	2,250	1,420 *	0.02	0.09
3,620	2,570	1,050	0.20	0.32	5110 Fluidized Bed - PVT	8,300	7,710	590	0.16	0.32
	800	800 *		0.10	5111 Ambulance - PVT		2,400	2,400 *		0.10
					5112 Wound Care - PVT	38		38	0.00	
3,258	2,670	588	0.18	0.33	5113 Transportation - PVT	7,059	8,010	951 *	0.13	0.33
	110	110 *		0.01	5114 X-Rays - PVT		330	330 *		0.01
					5115 Misc - PVT	105		105	0.00	
(590)		590 *	(0.03)		5120 Contractual Adjustment - PVT	(397)		397 *	(0.01)	
2,319,165	2,053,420	265,745	130.21	256.97	Total Private Pay	6,791,173	6,160,260	630,913	129.03	256.97
3,488	3,905	417 *			5200 Medicare Part A	10,521	11,715	1,194 *		
2,003,857	2,180,600	176,743 *	574.50	558.41	5201 Routine Services-MCR A	5,946,560	6,541,800	595,240 *	565.21	558.41
19,062	16,230	2,832	5.46	4.16	5202 Medical Supplies-MCR A	49,770	48,690	1,080	4.73	4.16
152,487	171,330	18,843 *	43.72	43.87	5203 Drugs-MCR A	480,704	513,990	33,286 *	45.69	43.87
10,264	9,870	394	2.94	2.53	5204 Oxygen-MCR A	29,446	29,610	164 *	2.80	2.53
12,260	14,360	2,100 *	3.51	3.68	5205 Laboratory-MCR A	34,412	43,080	8,668 *	3.27	3.68
203,949	241,260	37,311 *	58.47	61.78	5206 Physical Therapy-MCR A	644,396	723,780	79,384 *	61.25	61.78
70,181	84,380	14,199 *	20.12	21.61	5207 Speech Therapy-MCR A	215,061	253,140	38,079 *	20.44	21.61
200,932	247,700	46,768 *	57.61	63.43	5208 Occupational Therapy-MCR A	640,743	743,100	102,357 *	60.90	63.43
2,140	740	1,400	0.61	0.19	5209 PEN Therapy-MCR A	5,692	2,220	3,472	0.54	0.19
3,180	3,370	190 *	0.91	0.86	5210 Fluid Bed-MCR A	9,920	10,110	190 *	0.94	0.86
13,414	13,070	344	3.85	3.35	5211 Ambulance-MCR A	36,181	39,210	3,029 *	3.44	3.35
4,760	790	3,970	1.36	0.20	5212 Wound Care-MCR A	11,723	2,370	9,353	1.11	0.20
4,197	6,520	2,323 *	1.20	1.67	5213 Transportation-MCR A	17,149	19,560	2,411 *	1.63	1.67
6,491	6,840	349 *	1.86	1.75	5214 X-Rays-MCR A	20,826	20,520	306	1.98	1.75
591	5,230	4,639 *	0.17	1.34	5215 Misc-MCR A	1,784	15,690	13,906 *	0.17	1.34
34,048		34,048	9.76		5220 Contract Adj-Room MCR A	24,683		24,683	2.35	
(703,886)	(821,690)	117,804	(201.80)	(210.42)	5221 Contract Adj-Ancillaries MCR A	(2,199,154)	(2,465,070)	265,916	(209.03)	(210.42)
2,037,926	2,180,600	142,674 *	584.27	558.41	Total Medicare Part A	5,969,894	6,541,800	571,906 *	567.43	558.41
115	121	6 *			5250 Dual Medicare	367	363	4		

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62,571	67,600	5,029 *	544.10	558.68	5251 Routine Services-Dual Medicare	196,742	202,800	6,058 *	536.08	558.68
148	140	8	1.29	1.16	5252 Medical Supplies-Dual Medicare	796	420	376	2.17	1.16
8,019	5,290	2,729	69.73	43.72	5253 Drugs-Dual Medicare	13,790	15,870	2,080 *	37.89	43.72
207	130	77	1.80	1.07	5254 Oxygen-Dual Medicare	224	390	166 *	0.62	1.07
201	260	59 *	1.75	2.15	5255 Laboratory-Dual Medicare	705	780	75 *	1.94	2.15
8,057	6,500	1,557	70.06	53.72	5256 Physical Therapy-Dual Medicare	24,974	19,500	5,474	68.05	53.72
1,516	2,490	974 *	13.18	20.58	5257 Speech Therapy-Dual Medicare	9,450	7,470	1,980	25.75	20.58
7,581	7,680	99 *	65.92	63.47	5258 Occupational Therapy-Dual Medicare	24,579	23,040	1,539	66.97	63.47
	180	180 *		1.49	5261 Ambulance-Dual Medicare		540	540 *		1.49
	10	10 *		0.08	5263 Transportation-Dual Medicare	792	30	762	2.17	0.08
66	120	54 *	0.58	0.99	5264 X-Rays-Dual Medicare	473	360	113	1.30	0.99
(35,300)	(22,800)	12,500 *	(306.96)	(188.43)	5271 Contract Adj-Dual Medicare	(96,875)	(68,400)	28,475 *	(263.96)	(188.43)
53,068	67,600	14,532 *	461.46	558.68	Total Dual Medicare	175,651	202,800	27,149 *	478.61	558.68
26,037	30,325	4,288 *			5300 Medicaid					
					Days					
7,754,191	8,499,900	745,709 *	297.81	280.29	5301 Routine Services-MCD	22,329,597	25,063,300	2,733,703 *	282.00	275.50
38,711	44,420	5,709 *	1.49	1.46	5302 Medical Supplies-MCD	122,564	133,260	10,696 *	1.55	1.46
52,785	57,390	4,605 *	2.03	1.89	5303 Oxygen- MCD	154,612	172,170	17,558 *	1.95	1.89
683	460	223	0.03	0.02	5304 Laboratory-MCD	1,566	1,380	186	0.02	0.02
1,463		1,463	0.06		5305 Physical Therapy-MCD Non-Covered	4,133		4,133	0.05	
	1,620	1,620 *		0.05	5306 Physical Therapy-MCD Other		4,860	4,860 *		0.05
975		975	0.04		5307 Speech Therapy-MCD Non-Covered	3,773		3,773	0.05	
(68)	1,320	1,388 *	0.00	0.04	5308 Speech Therapy-MCD Other		3,960	3,960 *		0.04
613		613	0.02		5309 Occup. Therapy - MCD Non-Covered	3,792		3,792	0.05	
	970	970 *		0.03	5310 Occup. Therapy - MCD Other		2,910	2,910 *		0.03
8,168	6,460	1,708	0.31	0.21	5311 PEN Therapy-MCD Non-Covered	24,578	19,380	5,198	0.31	0.21
35,400	43,990	8,590 *	1.36	1.45	5313 Fluidized Bed -MCD	115,920	131,970	16,050 *	1.46	1.45
18,393	25,690	7,297 *	0.71	0.85	5314 Ambulance - MCD	60,760	77,070	16,310 *	0.77	0.85
	8,650	8,650 *		0.29	5315 Wound Care- MCD	1,152	25,950	24,798 *	0.01	0.29
19,463	25,280	5,817 *	0.75	0.83	5316 Transportation -MCD	64,480	75,840	11,360 *	0.81	0.83
	750	750 *		0.02	5317 X-Rays -MCD	893	2,250	1,357 *	0.01	0.02
138		138	0.01		5319 Misc -MCD	849		849	0.01	
	150	150 *		0.00	5321 Flu/Pnemounia Vacc - MCD	1,790	450	1,340	0.02	0.00
19		19	0.00		5323 Contract Adj-Room MCD	85		85	0.00	
(203,891)	(217,150)	13,259	(7.83)	(7.16)	5324 Contract Adj-Ancillaries MCD	(643,408)	(651,450)	8,042	(8.13)	(7.16)
7,727,043	8,499,900	772,857 *	296.77	280.29	Total Medicaid	22,247,133	25,063,300	2,816,167 *	280.96	275.50
825	952	127 *			5350 Dual Medicaid					
					Days					
200,036	227,600	27,564 *	242.47	239.08	5351 Routine Services-Dual Medicaid	772,277	682,800	89,477	237.62	239.08
	2,310	2,310 *		2.43	5352 Medical Supplies-Dual Medicaid		6,930	6,930 *		2.43

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	3,030	3,030 *		3.18	5354 Oxygen-Dual Medicaid		9,090	9,090 *		3.18
	10	10 *		0.01	5355 Laboratory-Dual Medicaid		30	30 *		0.01
	3,950	3,950 *		4.15	5360 Fluid Bed-Dual Medicaid	140	11,850	11,710 *	0.04	4.15
1,059	3,850	2,791 *	1.28	4.04	5361 Ambulance-Dual Medicaid	6,110	11,550	5,440 *	1.88	4.04
	370	370 *		0.39	5362 Wound Care-Dual Medicaid		1,110	1,110 *		0.39
129	1,560	1,431 *	0.16	1.64	5363 Transportation-Dual Medicaid	401	4,680	4,280 *	0.12	1.64
	60	60 *		0.06	5364 X-Rays-Dual Medicaid		180	180 *		0.06
(1,189)	(15,140)	13,951	(1.44)	(15.90)	5371 Contract Adj-Dual Medicaid	(6,650)	(45,420)	38,770	(2.05)	(15.90)
200,036	227,600	27,564 *	242.47	239.08	Total Dual Medicaid	772,277	682,800	89,477	237.62	239.08
	2,945	2,945			5400 Medicaid Pending					
					Days	6,494		6,494		
808,753		808,753	274.62		5401 Routine Services - MCD Pend	1,751,069		1,751,069	269.64	
11,528		11,528	3.91		5402 Medical Supplies - MCD Pend	20,840		20,840	3.21	
3,968		3,968	1.35		5404 Oxygen - MCD Pend	17,362		17,362	2.67	
90		90	0.03		5405 Laboratory - MCD Pend	85		85	0.01	
202		202	0.07		5406 Physical Therapy - MCD Pend	202		202	0.03	
					5407 Speech Therapy - MCD Pend	838		838	0.13	
					5408 Occupational Therapy - MCD Pend	(519)		519 *	(0.08)	
3,120		3,120	1.06		5410 Fluidized Bed - MCD Pend	4,360		4,360	0.67	
(743)		743 *	(0.25)		5411 Ambulance -MCD Pend	1,076		1,076	0.17	
2,723		2,723	0.92		5413 Transportation - MCD Pend	3,809		3,809	0.59	
					5415 Misc - MCD Pend	420		420	0.06	
(816)		816 *	(0.28)		5420 Contract Adj-Room MCD Pend	(1,606)		1,606 *	(0.25)	
(20,982)		20,982 *	(7.12)		5421 Contract Adj-Ancillaries MCD Pend	(48,584)		48,584 *	(7.48)	
807,842	0	807,842	274.31	0.00	Total Medicaid Pending	1,749,351	0	1,749,351	269.38	0.00
	1,705	1,792			5500 Insurance					
		87 *			Days	5,137	5,376	239 *		
631,826	668,250	36,424 *	370.57	372.91	5501 Routine Services - INS	1,906,008	2,004,750	98,742 *	371.04	372.91
16,318	10,950	5,368	9.57	6.11	5502 Medical Supplies - INS	41,279	32,850	8,429	8.04	6.11
114,481	94,670	19,811	67.14	52.83	5503 Drugs - INS	297,334	284,010	13,324	57.88	52.83
6,555	5,510	1,045	3.84	3.07	5504 Oxygen - INS	17,854	16,530	1,324	3.48	3.07
4,312	6,780	2,468 *	2.53	3.78	5505 Laboratory - INS	105,322	20,340	84,982	20.50	3.78
115,506	111,820	3,686	67.75	62.40	5506 Physical Therapy - INS	348,878	335,460	13,418	67.91	62.40
30,188	36,920	6,732 *	17.71	20.60	5507 Speech Therapy - INS	90,611	110,760	20,150 *	17.64	20.60
108,856	113,240	4,384 *	63.85	63.19	5508 Occupational Therapy - INS	337,650	339,720	2,070 *	65.73	63.19
107	1,340	1,233 *	0.06	0.75	5509 PEN Therapy - INS	424	4,020	3,596 *	0.08	0.75
1,120	490	630	0.66	0.27	5510 Fluidized Bed - INS	2,380	1,470	910	0.46	0.27
(104)	150	254 *	(0.06)	0.08	5511 Flu/Pneumonia - INS	(1,015)	450	1,465 *	(0.20)	0.08
366	4,090	3,724 *	0.21	2.28	5512 Ambulance - INS	7,857	12,270	4,413 *	1.53	2.28
1,911	820	1,091	1.12	0.46	5513 Wound Care - INS	2,656	2,460	196	0.52	0.46

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3,982	5,180	1,198 *	2.34	2.89	5514 Transportation - INS	14,417	15,540	1,123 *	2.81	2.89
2,757	3,810	1,053 *	1.62	2.13	5515 X-Rays - INS	6,493	11,430	4,937 *	1.26	2.13
55		55	0.03		5516 Misc - INS	255		255	0.05	
(408,669)	(395,770)	12,899 *	(239.69)	(220.85)	5522 Contract Adj-Ancillaries - INS	(1,284,687)	(1,187,310)	97,377 *	(250.09)	(220.85)
629,568	668,250	38,682 *	369.25	372.91	Total Insurance	1,893,714	2,004,750	111,036 *	368.64	372.91
					5600 Managed Care					
					Days					
1,718	1,504	214			5601 Routine Services - MGC	5,499	4,512	987		
595,588	474,600	120,988	346.68	315.56	5602 Medical Supplies - MGC	2,004,376	1,423,800	580,576	364.50	315.56
1,947	1,300	647	1.13	0.86	5603 Drugs - MGC	9,443	3,900	5,543	1.72	0.86
13,823	11,460	2,363	8.05	7.62	5604 Oxygen - MGC	69,715	34,380	35,335	12.68	7.62
397	620	223 *	0.23	0.41	5605 Laboratory - MGC	2,036	1,860	176	0.37	0.41
878	800	78	0.51	0.53	5606 Physical Therapy - MGC	5,636	2,400	3,236	1.02	0.53
26,885	21,260	5,625	15.65	14.14	5607 Speech Therapy - MGC	109,907	63,780	46,127	19.99	14.14
7,788	7,760	28	4.53	5.16	5608 Occupational Therapy - MGC	29,969	23,280	6,689	5.45	5.16
22,142	20,400	1,742	12.89	13.56	5610 Fluidized Bed - MGC	98,784	61,200	37,584	17.96	13.56
2,020	1,210	810	1.18	0.80	5611 Flu/Pneumonia - MGC	4,900	3,630	1,270	0.89	0.80
4,590	5,300	710 *	2.67	3.52	5612 Ambulance - MGC	77,670	15,900	61,770	14.12	3.52
334	890	556 *	0.19	0.59	5613 Wound Care - MGC	3,563	2,670	893	0.65	0.59
	140	140 *			5614 Transportation - MGC		420	420 *		0.09
3,447	1,760	1,687	2.01	1.17	5615 X-Rays- MGC	9,138	5,280	3,858	1.66	1.17
751	1,180	429 *	0.44	0.78	5616 Therapy Screenings - MGC	3,114	3,540	426 *	0.57	0.78
(20)		20 *	(0.01)		5621 Contract Adj-Room MGC	483		483	0.09	
(1,776)		1,776 *	(1.03)		5622 Contract Adj-Ancillaries MGC	(8,974)		8,974 *	(1.63)	
(155,186)	(74,080)	81,106 *	(90.33)	(49.26)	Total Managed Care	(514,011)	(222,240)	291,771 *	(93.47)	(49.26)
523,607	474,600	49,007	304.78	315.56	5700 Medicare Part B	1,905,748	1,423,800	481,948	346.56	315.56
					Days					
58,683	58,609	74			5703 Physical Therapy - MCR B	175,591	175,827	236 *		
284,471	280,010	4,461	4.85	4.78	5704 Speech Therapy - MCR B	855,517	840,030	15,487	4.87	4.78
81,586	90,690	9,104 *	1.39	1.55	5705 Occupational Therapy - MCR B	230,797	272,070	41,273 *	1.31	1.55
241,855	257,890	16,035 *	4.12	4.40	5707 Flu/Pneumonia - MCR B	731,255	773,670	42,415 *	4.16	4.40
9,332	10,950	1,618 *	0.16	0.19	5720 Contractual Adjustment - MRB	104,540	32,850	71,690	0.60	0.19
(135,264)	(101,190)	34,074 *	(2.30)	(1.73)	Total Medicare Part B	(403,536)	(303,570)	99,966 *	(2.30)	(1.73)
481,979	538,350	56,371 *	8.21	9.19	5800 Hospice	1,518,574	1,615,050	96,476 *	8.65	9.19
					Days					
1,814	1,095	719			5801 Routine Services - HSP	5,823	3,285	2,538		
525,190	361,000	164,190	289.52	329.68	5802 Medical Supplies- HSP	1,571,988	1,061,600	510,388	269.96	323.17
1,338	2,130	792 *	0.74	1.95	5804 Oxygen - HSP	5,931	6,390	460 *	1.02	1.95
2,501	1,750	751	1.38	1.60	5805 Laboratory - HSP	9,436	5,250	4,186	1.64	1.60
60	30	30	0.03	0.03	5806 Physical Therapy - HSP	78	90	12 *	0.01	0.03
	110	110 *					330	330 *		0.10

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	90	90 *		0.08	5807 Speech Therapy- HSP		270	270 *		0.08
	10	10 *		0.01	5808 Occupational Therapy- HSP		30	30 *		0.01
36		36	0.02		5809 PEN Therapy - HSP	108		108	0.02	
	210	210 *		0.19	5810 Fluidized Bed - HSP		630	630 *		0.19
	20	20 *		0.02	5811 Flu/Pneumonia - HSP	140	60	80	0.02	0.02
	2,630	2,630 *		2.40	5812 Ambulance - HSP	1,067	7,890	6,823 *	0.19	2.40
	100	100 *		0.09	5813 Wound Care - HSP		300	300 *		0.09
150	100	50	0.08	0.09	5814 Transportation - HSP	450	300	150	0.08	0.09
4,162	(7,180)	11,342	2.29	(6.56)	5822 Contract Adj-Ancillaries HSP	(5,780)	(21,540)	15,760	(0.99)	(6.56)
533,437	361,000	172,437	294.07	329.68	Total Hospice	1,583,418	1,061,600	521,818	271.92	323.17
					5850 Veterans Admin					
					Days	6,670	6,384	286		
2,209	2,128	81		328.78	5851 Routine Services - VA	1,757,010	2,098,950	341,940 *	263.42	328.78
(121,364)	699,650	821,014 *	(54.94)	4.84	5852 Medical Supplies - VA	27,318	30,900	3,582 *	4.10	4.84
10,892	10,300	592	4.93	37.73	5853 Drugs - VA	255,466	240,870	14,596	38.30	37.73
92,213	80,290	11,923	41.74	2.93	5854 Oxygen - VA	19,786	18,720	1,066	2.97	2.93
7,073	6,240	833	3.20	1.36	5855 Laboratory - VA	7,364	8,670	1,306 *	1.10	1.36
2,190	2,890	700 *	0.99	6.70	5856 Physical Therapy - VA	49,360	42,780	6,580	7.40	6.70
15,600	14,260	1,340	7.06	2.06	5857 Speech Therapy - VA	16,492	13,140	3,352	2.47	2.06
4,234	4,380	146 *	1.92	5.04	5858 Occupational Therapy - VA	49,174	32,190	16,984	7.37	5.04
17,546	10,730	6,816	7.94	0.89	5859 PEN Therapy - VA	1,963	5,670	3,707 *	0.29	0.89
484	1,890	1,406 *	0.22	1.73	5860 Fluidized Bed - VA	9,060	11,040	1,980 *	1.36	1.73
2,540	3,680	1,140 *	1.15	0.10	5861 Ambulance - VA	1,122	630	492	0.17	0.10
1,122	210	912	0.51	0.22	5863 Transportation - VA	150	1,410	1,260 *	0.02	0.22
	470	470 *		0.99	5864 X-rays - VA	2,915	6,330	3,415 *	0.44	0.99
1,287	2,110	823 *	0.58	0.35	5865 Flu/Pneumonia - VA	7,174	2,250	4,924	1.08	0.35
280	750	470 *	0.13	2.52	5866 Misc - VA		16,110	16,110 *		2.52
	5,370	5,370 *		0.39	5867 Contract Adj Room - VA	6,683		6,683	1.00	
869	(141,680)	13,780 *	(70.38)	(66.58)	5868 Contract Adj Ancil - VA	(447,344)	(425,040)	22,304 *	(67.07)	(66.58)
(155,460)	(141,680)	13,780 *	(70.38)	(66.58)						
(120,495)	701,540	822,035 *	(54.55)	329.67	Total Veterans Admin	1,763,693	2,104,620	340,927 *	264.42	329.67
					5900 Apartment Revenues					
					Days	52,441	50,361	2,080		
17,758	16,787	971		27.21	5901 Apartment Rental Income	1,376,924	1,370,400	6,524	26.26	27.21
458,636	456,800	1,836	25.83	0.30	5902 Apartment Deposit Income	113,087	114,600	1,513 *	0.35	0.30
40,668	38,200	2,468	0.38	0.02	5904 Apartment Income-Misc	7,425	3,900	3,525	0.04	0.02
22,500	17,750	4,750	0.03							
2,015	1,300	715	0.03							
523,819	514,050	9,769	29.50	30.62	Total Apartment Revenues	1,558,687	1,542,150	16,537	29.72	30.62
(332)	4,000	4,332 *	(0.01)	0.07	5926 Wellness Center Memberships	7,999	12,000	4,001 *	0.05	0.07
(332)	4,000	4,332 *	(0.01)	0.07	Total Wellness Center Income	7,999	12,000	4,001 *	0.05	0.07

* Unfavorable Differences

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Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
15,716,664	16,290,910	574,246 *	267.82	277.96	Total Resident Revenue	47,937,311	48,414,930	477,619 *	273.01	275.36
58,683	58,609	74			6000 Other Revenues Days	175,591	175,827	236 *		
	910,000	910,000 *		15.53	6001 Management Fee Income	1,860,136	2,730,000	869,864 *	10.59	15.53
1,600	487,695	486,095 *	0.03	8.32	6002 Property Lease Income	977,040	1,463,085	486,045 *	5.56	8.32
(4,785)	(5,475)	690	(0.08)	(0.09)	6003 Barber and Beauty	(14,978)	(16,425)	1,447	(0.09)	(0.09)
1,840	2,042	202 *	0.03	0.03	6004 Vending Income	5,585	6,126	541 *	0.03	0.03
255	250	5	0.00	0.00	6005 Cable TV	795	750	45	0.00	0.00
46		46	0.00		6006 Interest Income-Misc	1,739		1,739	0.01	
597	620	23 *	0.01	0.01	6007 Resident Laundry Income	1,869	1,860	9	0.01	0.01
60		60	0.00		6009 Small Claims Fees - Revenue	270		270	0.00	
580		580	0.01		6010 Misc Operating Income	1,746		1,746	0.01	
	246,313	246,313 *		4.20	6013 SC Medicaid Emergency Funds	492,625	738,939	246,314 *	2.81	4.20
193	1,641,445	1,641,252 *	0.00	28.01	Total Other Revenues	3,326,828	4,924,335	1,597,507 *	18.95	28.01
15,716,857	17,932,355	2,215,498 *	267.83	305.97	Total Revenue	51,264,139	53,339,265	2,075,126 *	291.95	303.36
					7000 Operating Costs					
					7101 Nursing Administration					
112,694	129,100	16,406	1.92	2.20	7102 Nurs Admin DON Salaries	345,653	387,300	41,647	1.97	2.20
52,329	63,800	11,471	0.89	1.09	7103 Nurs Admin ADON Salaries	162,451	191,400	28,949	0.93	1.09
32,030	24,400	7,630 *	0.55	0.42	7104 Nurs Admin PTO	104,533	73,200	31,333 *	0.60	0.42
13,149	17,330	4,181	0.22	0.30	7106 Nurs Admin PR Taxes	41,885	51,990	10,105	0.24	0.30
	70,600	70,600		1.20	7108 Nurs Admin Consultants	131,102	211,800	80,698	0.75	1.20
46,400	46,400		0.79	0.79	7109 Nurs Admin Medical Director Expense	139,200	139,200		0.79	0.79
344	385	41	0.01	0.01	7111 Nurs Admin Supplies	1,977	1,155	822 *	0.01	0.01
256,945	352,015	95,070	4.38	6.01	Total Nursing Administration	926,801	1,056,045	129,244	5.28	6.01
					7200 Nursing Service					
820,734	807,800	12,934 *	13.99	13.78	7201 Nursing RN Salaries	2,223,088	2,423,400	200,312	12.66	13.78
1,349,429	1,327,000	22,429 *	23.00	22.64	7202 Nursing LPN Salaries	3,892,058	3,981,000	88,942	22.17	22.64
1,999,745	1,985,000	14,745 *	34.08	33.87	7203 Nursing CNA Salaries	5,846,984	5,955,000	108,016	33.30	33.87
16,998	6,000	10,998 *	0.29	0.10	7204 Nursing CNA Training Salaries	43,267	18,000	25,267 *	0.25	0.10
222,479	167,500	54,979 *	3.79	2.86	7206 Nursing PTO	568,704	502,500	66,204 *	3.24	2.86
397,504	327,500	70,004 *	6.77	5.59	7207 Nursing Overtime	1,242,488	982,500	259,988 *	7.08	5.59
365,085	346,100	18,985 *	6.22	5.91	7208 Nursing PR Taxes	1,056,457	1,038,300	18,157 *	6.02	5.91
6,581	9,000	2,419	0.11	0.15	7209 Nursing Clinical Software	22,293	27,000	4,707	0.13	0.15
271,457	243,000	28,457 *	4.63	4.15	7210 Nursing Supplies	730,305	729,000	1,305 *	4.16	4.15
1,028	2,175	1,147	0.02	0.04	7211 Nursing Travel and Meetings	3,403	6,525	3,122	0.02	0.04
5,136		5,136 *	0.09		7212 Nursing Minor Equipment	25,462		25,462 *	0.15	

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1,245,083	1,535,000	289,917	21.22	26.19	7213 Nursing Contract Services	3,880,229	4,605,000	724,771	22.10	26.19
1,600	9,500	7,900	0.03	0.16	7214 Nursing CNA Training	1,600	28,500	26,900	0.01	0.16
2,122	2,625	503	0.04	0.04	7215 Nursing CNA Training-Other	9,430	7,875	1,555 *	0.05	0.04
6,704,982	6,768,200	63,218	114.26	115.48	Total Nursing Service	19,545,768	20,304,600	758,832	111.31	115.48
					7240 Personal Care Service					
53,833	62,000	8,167	0.92	1.06	7241 Personal Care Salaries	181,030	186,000	4,970	1.03	1.06
6,972	3,000	3,972 *	0.12	0.05	7243 Personal Care PTO	17,034	9,000	8,034 *	0.10	0.05
6,301	5,500	801 *	0.11	0.09	7244 Personal Care Overtime	16,194	16,500	306	0.09	0.09
4,912	5,600	688	0.08	0.10	7245 Personal Care PR Taxes	16,026	16,800	774	0.09	0.10
64	450	386	0.00	0.01	7246 Personal Care Supplies	1,334	1,350	16	0.01	0.01
72,081	76,550	4,469	1.23	1.31	Total Personal Care Service	231,619	229,650	1,969 *	1.32	1.31
					7250 COVID-19					
					7262 COVID-19 Nursing Supplies/PPE	317		317 *	0.00	
2,400	2,450	50	0.04	0.04	7266 COVID-19 Med Supp-Test Kits-Residen	18,445	7,350	11,095 *	0.11	0.04
	100	100		0.00	7267 COVID-19 Med Supp-Test Kits Vis/Emp	440	300	140 *	0.00	0.00
2,400	2,550	150	0.04	0.04	Total COVID-19	19,202	7,650	11,552 *	0.11	0.04
					7300 Ancillaries					
	381,280	381,280		6.51	7301 Physical Therapy - Contract	764,996	1,143,840	378,844	4.36	6.51
13,283	12,130	1,153 *	0.23	0.21	7302 Physical Therapy - Supplies	35,779	36,390	611	0.20	0.21
1,110	92,760	91,650	0.02	1.58	7303 Speech Therapy - Contract	172,276	278,280	106,004	0.98	1.58
	364,690	364,690		6.22	7304 Occupational Therapy - Contract	704,618	1,094,070	389,452	4.01	6.22
12,066	4,440	7,626 *	0.21	0.08	7305 PEN Therapy Nutrient	23,563	13,320	10,243 *	0.13	0.08
3,977	2,720	1,257 *	0.07	0.05	7306 PEN Therapy Supplies	9,653	8,160	1,493 *	0.05	0.05
6,073	1,900	4,173 *	0.10	0.03	7307 Wound Care Expense - Non Part B	17,356	5,700	11,656 *	0.10	0.03
17,035	21,410	4,375	0.29	0.37	7308 Laboratory Expense	53,255	64,230	10,975	0.30	0.37
16,288	15,170	1,118 *	0.28	0.26	7309 Oxygen Expense	46,979	45,510	1,469 *	0.27	0.26
6,400	1,510	4,890 *	0.11	0.03	7310 Fluidized Bed Expense	8,489	4,530	3,959 *	0.05	0.03
					7311 Ambulance Expense	1,661		1,661 *	0.01	
11,137	12,490	1,353	0.19	0.21	7312 X-Ray Expense	34,513	37,470	2,957	0.20	0.21
9,785	12,760	2,975	0.17	0.22	7313 Flu/Pneumonia Expense	(20,476)	38,280	58,756	(0.12)	0.22
413,237	371,310	41,927 *	7.04	6.34	7314 Prescription Drug Expense	1,193,949	1,113,930	80,019 *	6.80	6.34
39,001	38,850	151 *	0.66	0.66	7315 OTC/Stock Drug Expense	119,186	116,550	2,636 *	0.68	0.66
	58,135	58,135		0.99	7316 Pharmacy Consultant Expense	100,433	174,405	73,973	0.57	0.99
57,171	43,220	13,951 *	0.97	0.74	7317 Medical Supplies	164,847	129,660	35,187 *	0.94	0.74
315	5,120	4,805	0.01	0.09	7319 Misc Ancillary Expense - MCR A	3,691	15,360	11,669	0.02	0.09
54		54 *	0.00		7320 Misc Ancillary Expense - MCD	95		95 *	0.00	
					7325 Misc Ancillary Expense	460		460 *	0.00	

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1,972	5,370	3,398	0.03	0.09	7327 Misc Ancillary Expense-VA	6,938	16,110	9,172	0.04	0.09
608,904	1,445,265	836,361	10.38	24.66	Total Ancillaries	3,442,260	4,335,795	893,535	19.60	24.66
7400 Dietary										
140,454	126,150	14,304 *	2.39	2.15	7401 Dietary Director Salaries	400,681	378,450	22,231 *	2.28	2.15
452,610	450,100	2,510 *	7.71	7.68	7402 Dietary Other Salaries	1,318,873	1,350,300	31,427	7.51	7.68
35,537	37,750	2,213	0.61	0.64	7404 Dietary PTO	98,889	113,250	14,361	0.56	0.64
26,617	19,925	6,692 *	0.45	0.34	7405 Dietary Overtime	72,867	59,775	13,092 *	0.41	0.34
49,061	50,720	1,659	0.84	0.87	7406 Dietary PR Taxes	144,814	152,160	7,346	0.82	0.87
	17,975	17,975		0.31	7407 Dietary Consultants	33,855	53,925	20,070	0.19	0.31
563,685	615,040	51,355	9.61	10.49	7408 Dietary Raw Food	1,843,449	1,845,120	1,671	10.50	10.49
72,245	63,310	8,935 *	1.23	1.08	7409 Dietary Supplies	210,260	189,930	20,330 *	1.20	1.08
158	25	133 *	0.00	0.00	7411 Dietary Travel and Meetings	2,062	75	1,987 *	0.01	0.00
(5,238)	(118,530)	113,292 *	(0.09)	(2.02)	7412 Dietary Emp/Guest Meal Income	(254,695)	(355,590)	100,895 *	(1.45)	(2.02)
					7413 Dietary Misc Expense	589		589 *	0.00	
7,540		7,540 *	0.13		7414 Dietary Minor Equipment	7,540		7,540 *	0.04	
1,342,668	1,262,465	80,203 *	22.88	21.54	Total Dietary	3,879,184	3,787,395	91,789 *	22.09	21.54
7500 Social Services										
62,255	68,850	6,595	1.06	1.17	7501 Social Services Director Salaries	188,548	206,550	18,002	1.07	1.17
156,112	163,800	7,688	2.66	2.79	7502 Social Services Other Salaries	438,976	491,400	52,424	2.50	2.79
31,087	20,400	10,687 *	0.53	0.35	7504 Social Services PTO	69,471	61,200	8,271 *	0.40	0.35
6,302	5,495	807 *	0.11	0.09	7505 Social Services Overtime	23,206	16,485	6,721 *	0.13	0.09
18,907	20,630	1,723	0.32	0.35	7506 Social Services PR Taxes	54,414	61,890	7,476	0.31	0.35
	7,700	7,700		0.13	7507 Social Services Consultants	15,115	23,100	7,985	0.09	0.13
6,322	8,400	2,078	0.11	0.14	7508 Social Services Supplies	18,838	25,200	6,362	0.11	0.14
600		600 *	0.01		7509 Social Services Purchased Services	1,800		1,800 *	0.01	
64	50	14 *	0.00	0.00	7510 Social Services Travel and Meetings	841	150	691 *	0.00	0.00
	125	125		0.00	7511 Social Services Misc Expense		375	375		0.00
281,648	295,450	13,802	4.80	5.04	Total Social Services	811,210	886,350	75,140	4.62	5.04
7600 Activities										
50,395	53,600	3,205	0.86	0.91	7601 Activities Director Salaries	154,340	160,800	6,460	0.88	0.91
60,973	70,200	9,227	1.04	1.20	7602 Activities Other Salaries	194,513	210,600	16,087	1.11	1.20
11,840	10,045	1,795 *	0.20	0.17	7604 Activities PTO	24,736	30,135	5,399	0.14	0.17
2,051	1,850	201 *	0.03	0.03	7605 Activities Overtime	8,300	5,550	2,750 *	0.05	0.03
9,212	10,840	1,628	0.16	0.18	7606 Activities PR Taxes	28,084	32,520	4,436	0.16	0.18
24,653	18,030	6,623 *	0.42	0.31	7608 Activities Supplies	58,058	54,090	3,968 *	0.33	0.31
2,270	1,970	300 *	0.04	0.03	7609 Activities Purchased Services	6,079	5,910	169 *	0.03	0.03
114	425	311	0.00	0.01	7610 Activities Travel and Meetings	2,075	1,275	800 *	0.01	0.01

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161,507	166,960	5,453	2.75	2.85	Total Activities	476,184	500,880	24,696	2.71	2.85
					7700 Medical Records					
43,388	48,600	5,212	0.74	0.83	7701 Medical Records Salaries	138,246	145,800	7,554	0.79	0.83
4,754	4,190	564 *	0.08	0.07	7703 Medical Records PTO	10,761	12,570	1,809	0.06	0.07
3,407	2,305	1,102 *	0.06	0.04	7704 Medical Records Overtime	9,451	6,915	2,536 *	0.05	0.04
3,793	4,400	607	0.06	0.08	7705 Medical Records PR Taxes	11,634	13,200	1,566	0.07	0.08
10,718	5,280	5,438 *	0.18	0.09	7707 Medical Records Supplies	20,850	15,840	5,010 *	0.12	0.09
1,560	160	1,400 *	0.03	0.00	7708 Medical Records Purchased Services	3,119	480	2,639 *	0.02	0.00
103		103 *	0.00		7709 Medical Records Travel and Meetings	362		362 *	0.00	
(97)		97	0.00		7710 Medical Records Misc Expense	(200)		200	0.00	
67,625	64,935	2,690 *	1.15	1.11	Total Medical Records	194,223	194,805	582	1.11	1.11
					7800 Laundry					
118,004	122,550	4,546	2.01	2.09	7802 Laundry Other Salaries	350,559	367,650	17,091	2.00	2.09
7,675	8,060	385	0.13	0.14	7804 Laundry PTO	20,690	24,180	3,490	0.12	0.14
5,197	3,605	1,592 *	0.09	0.06	7805 Laundry Overtime	13,554	10,815	2,739 *	0.08	0.06
9,620	10,760	1,140	0.16	0.18	7806 Laundry PR Taxes	28,391	32,280	3,889	0.16	0.18
17,359	16,665	694 *	0.30	0.28	7807 Laundry Supplies	53,236	49,995	3,241 *	0.30	0.28
9,789	19,010	9,221	0.17	0.32	7808 Laundry Linen and Bedding	42,227	57,030	14,803	0.24	0.32
1,327	4,825	3,498	0.02	0.08	7809 Laundry Underpads	12,213	14,475	2,262	0.07	0.08
958		958 *	0.02		7812 Laundry Uniforms SC Locations	8,113		8,113 *	0.05	
169,929	185,475	15,546	2.90	3.16	Total Laundry	528,982	556,425	27,443	3.01	3.16
					7900 Housekeeping					
43,274	44,600	1,326	0.74	0.76	7901 Housekeeping Director Salaries	126,559	133,800	7,241	0.72	0.76
300,814	276,800	24,014 *	5.13	4.72	7902 Housekeeping Other Salaries	833,615	830,400	3,215 *	4.75	4.72
24,601	21,825	2,776 *	0.42	0.37	7904 Housekeeping PTO	75,831	65,475	10,356 *	0.43	0.37
15,071	7,875	7,196 *	0.26	0.13	7905 Housekeeping Overtime	34,008	23,625	10,383 *	0.19	0.13
28,667	27,510	1,157 *	0.49	0.47	7906 Housekeeping PR Taxes	79,947	82,530	2,583	0.46	0.47
					7907 Housekeeping Consultants	144		144 *	0.00	
55,840	50,225	5,615 *	0.95	0.86	7908 Housekeeping Supplies	169,018	150,675	18,343 *	0.96	0.86
4,382	2,280	2,102 *	0.07	0.04	7909 Housekeeping Purch Services	10,005	6,840	3,165 *	0.06	0.04
					7911 Housekeeping Misc Expense	148		148 *	0.00	
472,649	431,115	41,534 *	8.05	7.36	Total Housekeeping	1,329,275	1,293,345	35,930 *	7.57	7.36
					8000 Plant Operations and Maint.					
19,895		19,895 *	0.34		8001 POM Director Salaries	19,895		19,895 *	0.11	
126,818	119,350	7,468 *	2.16	2.04	8002 POM Other Salaries	352,107	358,050	5,943	2.01	2.04
21,191	10,900	10,291 *	0.36	0.19	8004 POM PTO	42,353	32,700	9,653 *	0.24	0.19

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3,097	5,675	2,578	0.05	0.10	8005 POM Overtime	13,780	17,025	3,245	0.08	0.10
12,683	10,850	1,833 *	0.22	0.19	8006 POM PR Taxes	34,167	32,550	1,617 *	0.19	0.19
	17,275	17,275		0.29	8007 POM Consultants	33,165	51,825	18,660	0.19	0.29
45,245	72,425	27,180	0.77	1.24	8008 POM Supplies	179,887	217,275	37,388	1.02	1.24
138,161	128,375	9,786 *	2.35	2.19	8009 POM Purchased Services	409,767	385,125	24,642 *	2.33	2.19
320,215	306,900	13,315 *	5.46	5.24	8010 POM Utilities	881,917	920,700	38,783	5.02	5.24
32,098	35,300	3,202	0.55	0.60	8011 POM Cable/TV Expense	91,181	105,900	14,719	0.52	0.60
58	510	452	0.00	0.01	8012 POM Travel and Meetings	502	1,530	1,028	0.00	0.01
5,951		5,951 *	0.10		8014 POM Minor Equipment	8,301		8,301 *	0.05	
860	2,075	1,215	0.01	0.04	8015 POM Vehicle Expense	11,827	6,225	5,602 *	0.07	0.04
726,272	709,635	16,637 *	12.38	12.11	Total Plant Operations and Maint.	2,078,849	2,128,905	50,056	11.84	12.11
					8030 Wellness Pool					
16	250	234	0.00	0.00	8035 Pool Supplies	71	750	679	0.00	0.00
600	900	300	0.01	0.02	8036 Pool Contract Services	1,618	2,700	1,082	0.01	0.02
	20	20		0.00	8039 Pool Misc Expenses		60	60		0.00
616	1,170	554	0.01	0.02	Total Wellness Pool	1,689	3,510	1,821	0.01	0.02
					8100 Transportation					
33,224	41,800	8,576	0.57	0.71	8101 Transportation Salaries	101,214	125,400	24,186	0.58	0.71
1,927	2,505	578	0.03	0.04	8103 Transportation PTO	6,994	7,515	521	0.04	0.04
2,358	2,475	117	0.04	0.04	8104 Transportation Overtime	10,728	7,425	3,303 *	0.06	0.04
2,732	3,740	1,008	0.05	0.06	8105 Transportation PR Taxes	8,647	11,220	2,573	0.05	0.06
7,231	16,425	9,194	0.12	0.28	8106 Transportation Vehicle Expense	26,350	49,275	22,925	0.15	0.28
27,411	36,450	9,039	0.47	0.62	8107 Transportation NEMT Contr Veh-Mcaid	110,530	109,350	1,180 *	0.63	0.62
15,346	14,025	1,321 *	0.26	0.24	8108 Transportation Contr Vehicles-non Mcai	41,548	42,075	527	0.24	0.24
90,230	117,420	27,190	1.54	2.00	Total Transportation	306,011	352,260	46,249	1.74	2.00
					8200 Depreciation					
	42,000	42,000		0.72	8201 Depreciation Expense - Land Improvem	84,000	126,000	42,000	0.48	0.72
2,000	2,000		0.03	0.03	8202 Depreciation Expense - Leasehold Impr	6,000	6,000		0.03	0.03
265,000	260,000	5,000 *	4.52	4.44	8203 Depreciation Expense - Buildings	785,000	780,000	5,000 *	4.47	4.44
117,000	117,000		1.99	2.00	8204 Depreciation Expense - Fixed Equipmei	351,000	351,000		2.00	2.00
102,500	102,500		1.75	1.75	8205 Depr Expense - Moveable Equipment	307,500	307,500		1.75	1.75
486,500	523,500	37,000	8.29	8.93	Total Depreciation	1,533,500	1,570,500	37,000	8.73	8.93
					8300 Interest, Amortization & Lease					
	160,000	160,000		2.73	8301 Interest Expense - Mortgage	331,270	480,000	148,730	1.89	2.73
858	8,250	7,392	0.01	0.14	8302 Interest Expense - Other	21,973	24,750	2,777	0.13	0.14
573,205	573,205		9.77	9.78	8303 Building Lease Expense	1,719,615	1,719,615		9.79	9.78

* Unfavorable Differences

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/22 to 12/31/22

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
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		8305 Amort Expense - Pre-Operating	5,590		5,590 *	0.03	
5,663	5,663	0 *	0.10	0.10	8308 Amort Expense - Goodwill	16,990	16,989	1 *	0.10	0.10
586,636	748,438	161,802	10.00	12.77	Total Interest, Amortization & Lease	2,099,398	2,245,314	145,916	11.96	12.77
8400 Taxes and Insurance										
191,192	196,350	5,158	3.26	3.35	8401 Property Tax Expense	584,175	589,050	4,875	3.33	3.35
13,532	151,060	137,528	0.23	2.58	8402 Misc Tax Expense	279,776	443,340	163,564	1.59	2.52
46,550	65,100	18,550	0.79	1.11	8403 Insurance Expense- Property	176,650	195,300	18,650	1.01	1.11
68,600	70,700	2,100	1.17	1.21	8404 Insurance Expense- Liability	210,225	212,100	1,875	1.20	1.21
319,874	483,210	163,336	5.45	8.24	Total Taxes and Insurance	1,250,826	1,439,790	188,964	7.12	8.19
8500 Employee Benefits										
(196,053)	943,600	1,139,653	(3.34)	16.10	8501 Employee Group Insurance	1,832,634	2,830,800	998,166	10.44	16.10
96,300	86,300	10,000 *	1.64	1.47	8502 Workers Compensation Expense	269,164	258,900	10,264 *	1.53	1.47
(190)		190	0.00		8503 Uniform Expense - NC Locations	2,431		2,431 *	0.01	
2,735	15,900	13,165	0.05	0.27	8504 Retirement Plan Expense	11,597	47,700	36,103	0.07	0.27
59,245	55,350	3,895 *	1.01	0.94	8505 Employee Benefits Misc Expense	147,131	166,050	18,919	0.84	0.94
(37,963)	1,101,150	1,139,113	(0.65)	18.79	Total Employee Benefits	2,262,956	3,303,450	1,040,494	12.89	18.79
8600 General and Administration										
367,155	169,400	197,755 *	6.26	2.89	8601 Administrative Administrator Salaries	702,752	508,200	194,552 *	4.00	2.89
3,022	4,600	1,578	0.05	0.08	8602 Administrative Asst Administr Salaries	3,022	9,200	6,178	0.02	0.05
1,075,115	734,000	341,115 *	18.32	12.52	8603 Administrative Other Salaries	2,481,167	2,202,000	279,167 *	14.13	12.52
38,781	36,600	2,181 *	0.66	0.62	8605 Administrative PTO	121,336	109,800	11,536 *	0.69	0.62
14,925	14,850	75 *	0.25	0.25	8606 Administrative Overtime	52,521	44,550	7,971 *	0.30	0.25
85,468	74,100	11,368 *	1.46	1.26	8607 Administrative PR Taxes	199,312	222,300	22,988	1.14	1.26
884,000	908,988	24,988	15.06	15.51	8608 Management Fee Expense	2,652,000	2,701,776	49,776	15.10	15.37
11,027	17,285	6,258	0.19	0.29	8609 Telephone Expense	51,472	51,855	383	0.29	0.29
33,320	48,130	14,810	0.57	0.82	8610 Auto Expense	111,862	144,390	32,528	0.64	0.82
80,000	20,000	60,000 *	1.36	0.34	8611 Directors Fee Expense	120,000	60,000	60,000 *	0.68	0.34
53,711	26,585	27,126 *	0.92	0.45	8612 Dues and Subscriptions	105,597	79,755	25,842 *	0.60	0.45
20,124	14,460	5,664 *	0.34	0.25	8613 Office Supplies	43,117	43,380	263	0.25	0.25
12,208	21,640	9,432	0.21	0.37	8614 Copier Expense	45,852	64,920	19,068	0.26	0.37
10,430	9,030	1,400 *	0.18	0.15	8615 Postage Expense	26,021	27,090	1,069	0.15	0.15
12,750	17,600	4,850	0.22	0.30	8616 Professional Fees - Legal	29,975	52,800	22,825	0.17	0.30
7,230	14,125	6,895	0.12	0.24	8617 Professional Fees - Other	35,682	42,375	6,693	0.20	0.24
14,531	25,800	11,269	0.25	0.44	8619 Admin - Travel and Meetings	125,949	77,400	48,549 *	0.72	0.44
7,965	6,800	1,165 *	0.14	0.12	8620 Help Wanted Advertising Expense	16,691	20,400	3,709	0.10	0.12
6,637	11,775	5,138	0.11	0.20	8621 General Advertising Expense	16,275	35,325	19,050	0.09	0.20

* Unfavorable Differences

Consolidated Statement of Operations

White Oak Management, Inc. (ALL)

12/1/22 to 12/31/22

Month Actual	Month Budget	Month Diff	PPD Actual	PPD Budget	Account	YTD Actual	YTD Budget	YTD Diff	PPD Actual	PPD Budget
6,867	25,925	19,058	0.12	0.44	8622 Bank Charge Expense	72,827	77,775	4,948	0.41	0.44
9,079	8,530	549 *	0.15	0.15	8623 Printing Expense	24,278	25,590	1,312	0.14	0.15
130,746	166,200	35,454	2.23	2.84	8624 Data Processing Expense	414,623	498,600	83,977	2.36	2.84
25,041	4,000	21,041 *	0.43	0.07	8625 Administrative Misc Expense	32,769	12,000	20,769 *	0.19	0.07
601	4,995	4,394	0.01	0.09	8626 Meals & Entertainment	14,535	14,985	450	0.08	0.09
2,910,734	2,385,418	525,316 *	49.60	40.70	Total General and Administration	7,499,636	7,126,466	373,170 *	42.71	40.53
8800 Other Costs										
248,053	83,275	164,778 *	4.23	1.42	8801 Non-Allowable Expense	476,281	249,825	226,456 *	2.71	1.42
2,000	2,000		0.03	0.03	8802 Office Rental Expense	6,000	6,000		0.03	0.03
1,112	240	872 *	0.02	0.00	8803 Promotional Expense	1,701	720	981 *	0.01	0.00
49,000	46,500	2,500 *	0.83	0.79	8804 Bad Debt Expense	142,000	139,500	2,500 *	0.81	0.79
500	5,250	4,750	0.01	0.09	8805 Contribution Expense	10,447	15,750	5,303	0.06	0.09
	1,000	1,000		0.02	8806 Insurance - Officers Life	10,000	3,000	7,000 *	0.06	0.02
2,000	1,500	500 *	0.03	0.03	8807 Wellness Instructor Fees	4,131	4,500	369	0.02	0.03
	18,520	18,520		0.32	8808 Mcare Co-Ins Bad Debt	42,612	55,560	12,948	0.24	0.32
302,664	158,285	144,379 *	5.16	2.70	Total Other Costs	693,172	474,855	218,317 *	3.95	2.70
15,526,901	17,279,206	1,752,305	264.59	294.82	Total Operating Costs	49,110,744	51,797,990	2,687,246	279.69	294.60
189,956	653,149	463,193 *	3.24	11.14	Total Income/Loss from Operations	2,153,396	1,541,275	612,121	12.26	8.77
189,956	653,149	463,193 *	3.24	11.14	Total Net Income Before Taxes	2,153,396	1,541,275	612,121	12.26	8.77
189,956	653,149	463,193 *	3.24	11.14	Total Net Income/Loss	2,153,396	1,541,275	612,121	12.26	8.77

* Unfavorable Differences

Consolidated Balance Sheet
as of 12/31/22
 White Oak Management, Inc. (ALL)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>
1000	Assets	
1001	Current Assets	
1002	Cash	(5,979,234.29)
1100	Accounts Receivable	22,386,583.90
1200	Inventory	851,350.40
1300	Prepaid Expenses	729,513.75
1400	Other Current Assets	8,419,493.77
	Total Current Assets	26,407,707.53
1500	Non-Current Assets	
1501	Other Assets	3,391,945.84
1800	Property, Plant and Equipment	57,454,195.54
	Total Non-Current Assets	60,846,141.38
	Total Assets	\$87,253,848.91
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	
3004	Notes and Accounts Payable	3,871,794.35
3200	Accrued Liabilities	9,610,165.67
3300	Other Current Liabilities	1,943,054.79
		<u>15,425,014.81</u>
3003	Long Term Liabilities	
3400	Long Term Liabilities	45,052,704.52
3500	Deferred Revenue	1,103,151.89
		<u>46,155,856.41</u>
	Total Total Liabilities	61,580,871.22
4000	Equity	
	Total Equity	25,672,977.69
	Total Liabilities & Equity	\$87,253,848.91

Consolidated Balance Sheet
as of 12/31/22
 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	(6,238,077.31)
1005	Petty Cash	13,375.00
1006	Deposit in Transit	237,368.02
1008	Resident Trust Funds Petty Cash	8,100.00
		(5,979,234.29)
1100	Accounts Receivable	
1101	Accts Receivable-Private	2,124,089.48
1102	Accts Receivable-Medicaid SNF	5,235,628.25
1103	Accts Receivable-Medicaid ICF	269,984.20
1104	Accts Receivable-Hospice	959,603.67
1105	Accts Receivable-Medicare Pt A	1,617,941.00
1106	Accts Receivable-Mcare Crossover Part A	85,970.99
1107	Accts Receivable-3rd Party Ins Part A	538,543.68
1108	Accts Receivable-Medicare Pt B	265,500.43
1109	Accts Receivable-Mcare Crossover Pt B	92,059.60
1110	Accts Receivable-Medicaid Pending	3,817,406.09
1111	Accts Receivable-Insurance	674,575.65
1112	Accts Receivable-Managed Care	2,158,852.66
1113	Accts Receivable-VA	3,415,225.39
1114	Accts Receivable-Other	294,145.14
1115	Accts Receivable Other	740,213.10
1118	Due from Karesh	32,460.40
1120	Allowance For Doubtful Accounts	(898,708.88)
1122	Accts Rec - 3rd Party Clearing Account	351,942.90
1123	Resident Refund Clearing Acct	9,284.00
1124	Resident Judgments	624,843.47
1125	Activities Fund	(22,977.32)
		22,386,583.90
1200	Inventory	
1201	Inventory-Food	208,788.47
1202	Inventory-Medical Supplies	69,200.44
1203	Inventory-Nursing Supplies	300,537.82
1204	Inventory-PEN	10,184.48
1205	Inventory-Laundry	45,499.90

Consolidated Balance Sheet
as of 12/31/22
 White Oak Management, Inc. (ALL)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>	
1206	Inventory-Housekeeping	34,893.02	
1207	Inventory-Other	182,246.27	
		<u>851,350.40</u>	
1300	Prepaid Expenses		
1301	Prepaid Insurance	795,650.42	
1304	Prepaid Ins-W Comp	(66,136.67)	
		<u>729,513.75</u>	
1400	Other Current Assets		
1401	Estimated Income Tax Paid	715,565.00	
1402	Health Insurance Claims Account	75.99	
1403	Accrued Interest	57,510.30	
1504	Assets Limited to Use	7,646,342.48	
		<u>8,419,493.77</u>	
	Total Current Assets		26,407,707.53
1500	Non-Current Assets		
1501	Other Assets		
1507	Deferred Start Up Costs	417,919.56	
1508	Accum Amort Def Start Up Costs	(406,447.02)	
1509	Deferred Loan Costs	420,296.00	
1510	Accm Amort Def Loan Costs	(404,168.44)	
1601	Intercompany Account-Spartanburg		
1602	Intercompany Account-Columbia	758.72	
1603	Intercompany Account-Newberry		
1604	Intercompany Account-Rock Hill		
1605	Intercompany Account-Shelby		
1606	Intercompany Account-Kings Mountain	(205.97)	
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	112.58	
1614	Intercompany Account-Benson Hall		
1615	Intercompany Account-White Oak Estates	3.77	
1616	Intercompany Account-WOE Assisted Living		
1617	Intercompany Account-WOE Apartments	(200.00)	
1618	Intercompany Account-Lancaster		

Consolidated Balance Sheet
as of 12/31/22

White Oak Management, Inc. (ALL)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>
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	(94.03)
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	(492,704.77)
		3,391,945.84
1800	Property, Plant and Equipment	
1801	Land	5,279,816.36
1802	Land Improvements	11,868,629.00
1803	Accm Depn-Land Improvements	(8,438,239.47)
1804	Building	99,865,155.55
1805	Accm Depn-Buildings	(68,998,698.90)
1806	Leasehold Improvements	338,462.26
1807	Accm Depn-Leasehold Improvements	(186,133.53)
1808	Fixed Equipment	21,291,972.73
1809	Accm Depn-Fixed Equipment	(14,060,728.54)
1810	Moveable Equipment	19,120,145.17
1811	Accm Depn-Moveable Equipment	(16,897,447.72)
1812	Accm Depn-Purchase Accounting	7,234,861.00
1817	Construction in Progress - AM	1,035,166.63
1825	Asset Retirement Cost	10,150.00
1826	Accm Depn Asset Retirement Cost	(8,915.00)
		57,454,195.54
	Total Non-Current Assets	60,846,141.38

Consolidated Balance Sheet
as of 12/31/22
 White Oak Management, Inc. (ALL)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>
	Total Assets	\$87,253,648.91
3000	Liabilities & Equity	
3001	Total Liabilities	
3002	Current Liabilities	
3004	Notes and Accounts Payable	
3100	Accounts Payable	3,733,665.24
3104	Medicare Covid Advance	
3109	Employee Deductions-Cancer	138,129.02
3110	Covid SS Tax Payable	0.09
		3,871,794.35
3200	Accrued Liabilities	
3201	Accrued Salaries and Wages	4,180,115.90
3202	Accrued Vacation/PTO Payable	2,231,846.70
3209	401K Payable	100,000.00
3210	Accrued Interest Payable	27,352.07
3211	Accrued Audit Fees	87,225.00
3212	Accrued Insurance Liabilities	537,537.00
3213	Accrued Liabilities-Bonus	530,000.00
3214	Accrued Liabilities-Other	1,916,089.00
		9,610,165.67
3300	Other Current Liabilities	
3301	Property Taxes Payable	1,813,574.02
3303	Asset Retirement Obligation	876,656.00
3305	Deferred Rev - HHS Tranche	246,312.66
3306	Derivatives	(1,016,840.00)
3350	Unearned Revenue	23,352.11
		1,943,054.79
		15,425,014.81
3003	Long Term Liabilities	
3400	Long Term Liabilities	
3401	Mortgage Payable 1	16,405,877.23
3402	Mortgage Payable 2	8,450,000.00
3403	Mortgage Payable 3	19,417,006.19
3404	Mortgage Payable 4	779,821.10

Consolidated Balance Sheet
as of 12/31/22
 White Oak Management, Inc. (ALL)

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<i>Account</i>	<i>Description</i>	<i>Amount</i>	
		45,052,704.52	
3500	Deferred Revenue		
3501	Deposits for Apartments Waiting List	154,045.86	
3502	Deposits on Apartments	847,279.03	
3503	Misc Deposits Account	101,827.00	
		1,103,151.89	
		46,155,856.41	
	Total Total Liabilities		61,580,871.22
4000	Equity		
4001	Common Stock	3,223,944.00	
4003	Retained Earnings	(4,519,936.40)	
4004	Current Earnings	2,153,395.58	
4006	Interdivision Equity	23,320,815.55	
4007	Unrealized (Gain)Loss on Investments	1,494,758.96	
	Total Equity		25,672,977.69
	Total Liabilities & Equity		\$87,253,848.91

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>RETAINED</u>	<u>AMOUNT</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, calculated on a pro rata daily basis, 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.

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.

Facility Use Only:
Apt. & Bldg. _____



Sharon Village

INDEPENDENT LIVING RETIREMENT COMMUNITY WELLNESS EVALUATION FORM

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

PLEASE PRINT NEATLY

Name: _____ Birthdate: ____/____/____
Social Security Number: _____ Male Female
Address: _____

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

Reason for Review: Pre-Residency
 Change in Condition
 Other

MEDICAL REVIEW FINDINGS:

Date of Exam: _____

Wt: _____ Ht: _____ BP: _____ Pulse: _____ Rhythms: _____
Resp: _____ Temp: _____

General Appearance: _____

Skin: _____

Equilibrium: _____ Tremor: _____ Reflexes: _____

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

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

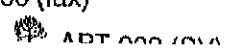
Do you recommend an audiology consult? _____

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

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

Heart: _____ Extremities: _____

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



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

Results: _____

Is patient ambulatory? Yes No

Does patient require use of the following?

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

MEDICAL HISTORY:

Primary Diagnoses(s): _____

Secondary Diagnoses(s): _____

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

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

Present Illnesses not listed above and date of onset: _____

Past Illnesses not listed above and dates: _____

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

Operation(s) and date(s): _____

Allergies:

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

Alcohol Use: _____ Socially
_____ Weekly
_____ Daily

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

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

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

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

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

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

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

(If no, please explain): _____

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

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

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

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

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

Any additional information: _____

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

Date: _____ Signature of Physician _____

Printed Name of Physician: _____

Physician Phone Number: _____ Fax Number: _____

Examining Physician -- Return this form via:

MAIL:

SHARON VILLAGE
INDEPENDENT LIVING APARTMENTS
ATTN: SHERI CONRAD
4009 CRAIG AVE.
CHARLOTTE, NC 28211-2561

FAX: 704-365-5466
ATTN: SHERI CONRAD

I hereby give permission for my physician to release my medical information to: SHARON VILLAGE APARTMENTS Patient's Signature: _____ Patient's Printed Name: _____ Date: _____
--

Facility Use Only:
Apt. & Bldg. # _____



Sharon Village

APPLICATION FOR ADMISSION

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

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

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

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

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

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

14. Special Needs (or Handicaps): _____

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

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

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

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

18. Physician who will prepare your medical evaluation form certificate:

Physician's Name: _____
Telephone #: _____
Office Address: _____

Do you authorize SHARON VILLAGE to discuss your health with the above physician?
YES NO

List all currently prescribed medications: _____

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

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

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

YES NO

(If your answer is Yes, explain) _____

Emergency Contact Person: _____

Address: _____

Telephone #: _____ Email Address: _____

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

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

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

Signature of Applicant

Date