

Pittsboro Christian Village, Inc.

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



DISCLOSURE STATEMENT

February 1, 2024

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, 2025;
- * Delivery of the Disclosure Statement to a contracting party before execution of a contract for continuing care is required;
- * This Disclosure Statement has not been reviewed or approved by a government agency or representative to ensure accuracy or completeness of the information set out.

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I. ORGANIZATION, INTRODUCTION, AND INFORMATION

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

Area Characteristics. Pittsboro is a small town of approximately 4,500 people, located in Chatham County in central Piedmont North Carolina. It is located near the intersection of US 15-501 and US 64 and is 17 miles south of Chapel Hill, home of the University of North Carolina.

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

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

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

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

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

II. FACILITY INTRODUCTION AND INFORMATION

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

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

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

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

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

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

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

Richard Caldwell
Secretary & Director

Retired
6118 Walden Pond Road
Pleasant Garden, NC 27313

Roy Arrowsmith
Director

Retired
1294 Easthaven Drive
Clarksville, TN 37043

James Gibbons
Director

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

Dave Hansen
Director

Associate University Librarian
3947 Russell Road
Graham, NC 27253

Wayne Jones
Director

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

Mark Schell
Director

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

Rod Sharp
Director

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

Angus Steinson
Director

Senior Insurance Claims Adjuster
3118 Seth Drive
Sanford, NC 27330

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

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

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

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

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

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

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

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

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

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

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

Angus Steinson has been a director of the corporation since September 2023. Angus is a Senior Property Catastrophe Claims Adjuster for Auto Owners Insurance Company. He and his family are in fellowship at Western Wake Bible Chapel in Moncure, NC.

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

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

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

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

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

The facilities of PCV are located on approximately twenty-nine (29) acres of land bordering NC Highway Business 64 on the north side of said highway and are one and one half (1.50) miles east of Pittsboro, North Carolina. The facilities are approximately thirty (30) miles west of Raleigh, North Carolina and thirty (30) miles south of Durham, North Carolina. Present facilities include twenty-five (25) single room studio apartments with private bath; three (3) two room studio apartments with private bath; six (6) one-bedroom apartments; two (2) two-bedroom apartments; and four (4) one-bedroom efficiency apartments. In addition, PCV also has thirteen (13) two-bedroom cottages, one (1) three-bedroom cottages, one (1) four-bedroom cottage, four (4) two-bedroom patio homes, four (4) three-bedroom heritage homes and four (4) three-bedroom legacy homes. A forty (40) bed adult care home provides for assisted living.

The estimated number of residents of PCV to be provided services in 2024 by PCV pursuant to contracts is 100.

III. POLICIES

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

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

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

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

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

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

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

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

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

IV. SERVICES

A. North Wing One (1) Room Studio Apartments

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

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

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

2. Extra Charge Services

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

B. North Wing One (1) Bedroom Apartments

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

1. Basic Services.

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

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

2. Extra Charge Services.

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

C. North Wing Two (2) Bedroom Apartments

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

1. Basic Services.

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

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

2. Extra Charge Services.

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

D. Northeast Wing One (1) Room Studio Apartments

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

1. Basic Services.

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

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

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

2. Extra Charge Services.

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

E. Northeast Wing Two (2) Room Studio Apartments

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

1. Basic Services

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

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

2. Extra Charge Services

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

F. Northeast Wing Two (2) Room Efficiency Apartments

1. Basic Services

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

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

2. Extra Charge Services

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

G. Cottages

The following services are provided in Cottages:

1. Basic Services

- a. Complete maintenance of the building (including painting and carpeting when needed) plumbing, wiring, heating and cooling systems, and appliances furnished by PCV. (Not including electric usage)

- b. Cablevision
- c. Water and sewer service
- d. Walkway, driveway and street maintenance
- e. Lawn Care
- f. Programmed and informal activities
- g. Mail service

2. Extra Charge Services

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

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

H. Patio Homes

The following services are provided in Patio Homes:

1. Basic Services

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

2. Extra Charge Services

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

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

I. Heritage Homes

The following services are provided in Heritage Homes:

1. Basic Services

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

2. Extra Charge Services

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

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

J. Legacy Homes

The following services are provided in Legacy Homes:

1. Basic Services

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

2. Extra Charge Services

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

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

K. Care Home (Assisted Living)

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

- a. Administer prescribed medication
- b. Three meals per day per person with miscellaneous snacks
- c. Personal laundry service
- d. Housekeeping
- e. Mail service
- f. Meals served in room when needed
- g. Programmed and informal activities
- h. Utilities except private telephone
- i. Cablevision
- j. Local telephone service
- k. Call bell system
- l. Assist residents, when necessary, on an individual basis with their personal hygiene, eating, walking, going up and down steps, corresponding, shopping and scheduling medical and business appointments
- m. Provide regular medical and therapeutic care approved by the resident's physician and within the limits of PCV's capability
- n. Provide quality nursing care 24 hours a day
- o. Evacuate all residents in an emergency situation
- p. Provide therapeutic diets
- q. Provide transportation and assistance for medical, shopping, business, and recreational needs
- r. Provide wheelchair and assistance with walking and transferring to semi - ambulatory residents.
- s. Provide for diaper changing, ostomy maintenance, and other hygienic needs of incontinent residents.

V. FEES

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

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

Payment Plan A:

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

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

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

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

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

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

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

Residency Credit Factor:

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

Resident Refundable Entry Fee (RREF):

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

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

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

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

Payment Plan B:

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

Effective January 1, 2024

Type of Home or Apartment		
North Wing (Manor)	Single Rate (per month)	Married Rate (per month)
“A” - Studio Apartment (approximately 460 to 490 square feet)	\$2,200	\$2,925
“B” - One Bedroom Apartment (kitchen, separate living area, approximately 700 square feet)	\$2,075	\$2,800
“C” - Two Bedroom Apartment (kitchen, separate living area, approximately 900 square feet)	\$2,175	\$2,900
Northeast Wing (Manor)	Single Rate (per month)	Married Rate (per month)
“D” - Studio Apartment (approximately 340 square feet)	\$2,100	\$2,825
“E” - Two Room Studio Apartment (approximately 680 square feet)	\$2,200	\$2,925
“F” - Efficiency Apartment (kitchenette, separate living area, approx. 515 square feet)	\$1,685	\$2,400
Homes (Valley)	Rate (per month)	
“G” - Cottage	\$1,900	
“H” - Patio Home	\$2,100	
“I” - Heritage Home	\$2,200	
“J” - Legacy Home	\$2,500	
Care Home (Assisted Living)	Private Rate (per month)	Semi-Private Rate (per month)
“K” - Assisted Living	\$4,935	\$4,835

C. **Fee Change Policy.** Charges for occupancy and services may be adjusted as required at the sole discretion of the directors of PCV by giving ninety (90) days prior written notice to the Resident.

D. **Changes in Fees for the Previous Five Years.** During the previous five years Pittsboro Christian Village has increased their monthly service fees as per below table. The increases were effective on January 1st of each year. Monthly service fee increases are expressed in average dollar amounts.

	2024	2023	2022	2021	2020
Care Home (Assisted Living)	\$200	\$275	\$135	\$75	\$75
North Wing Apartment (Independent Living)	\$100	\$130	\$65	\$50	\$40
Northeast Wing Apartment (Independent Living)	\$100	\$125	\$65	\$50	\$45
Cottage (Independent Living)	\$100	\$125	\$50	\$40	\$35
Patio Home (Independent Living)	\$100	\$125	\$50	\$40	\$35
Heritage Homes (Independent Living)	\$100	\$125	\$50	\$40	\$35
Legacy Homes (Independent Living)	\$100	\$125	\$50	\$40	\$35

VI. FINANCIAL INFORMATION

Our certified financial statement is attached, along with our five-year forecast prepared by C. DeWitt Foard & Company, P.A., Certified Public Accountants. Our income projections are based on annual increases in rates to cover inflationary increases. The five-year forecasts do allow for increases in cost modified by careful budgeting. The following is an assessment by management of the results of operations compared to the budget for fiscal year ended September 30, 2023.

Balance Sheet
September 30, 2023

Assets	Actual (Audit)	Budget (Forecast)	Variance	%	Note
Cash	1,610,008	949,413	660,595	69.58	1
Investments: Operating Reserve Requirement (asset limited as to use)	635,000	635,000	-	-	
Investments	352,026	337,891	14,135	4.18	
Refundable Sales and Use Tax	6,484	7,343	(859)	(11.70)	
Prepaid expenses	25,408	40,925	(15,517)	(37.92)	
Property, plant and equipment:	11,289,611	10,564,391	725,220	6.86	
Less accumulated depreciation	6,305,372	6,302,374	2,998	0.05	
Net Property, plant and equipment	4,984,239	4,262,017			
Total Assets	7,613,165	6,232,589	1,380,576	22.15	

Liabilities and Net Assets	Actual	Budget	Variance	%	Note
Accounts payable	10,004	9,080	924	10.18	
Accrued expenses	57,438	54,101	3,337	6.17	
Deferred revenue - deposit	-	-	-	-	
Current portion of long-term debt	73,848	72,767	1,081	1.49	
Withholdings from employees	-	-	-	-	
Long-term debt, net of current portion	386,429	406,669	(20,240)	(4.98)	
Deferred revenue - entrance fees	1,250,716	1,211,124	39,592	3.27	
Without donor restrictions - Undesignated	4,585,421	3,287,050	1,298,371	39.50	2
Without donor restrictions - Designated for operating reserve	635,000	635,000	-	-	
With donor restrictions	614,309	556,798	57,511	10.33	3
Total Liabilities and Net Assets	7,613,165	6,232,589	1,380,576	22.15	

1. Cash variance is primarily due to the sale of approximately 20 acres of land. Pittsboro Christian Village (PCV) was approached by a developer who needed additional property for a project and included a land swap which benefited the Organization.
2. Without donor restrictions - Undesignated variance is due to the sale of approximately 20 acres of land. Net income less the gain on sale of fixed assets was approximately \$44,000 which was materially consistent with budget.
3. With donor restrictions variance is due to receiving more donations than expected. PCV received approximately \$72,000 higher benevolent contributions than the prior year which will be utilized in future years. The additional amount was primarily due to a \$75,000 bequest from an estate.

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

Statement of Operations
For the year ended September 30, 2023

Support and Revenue:	Actual	(Audit)	Budget (Forecast)	Variance	%	Note
Resident fees, net	1,920,346		2,058,282	(137,936)	(6.70)	
Amortization of deferred entrance fees	197,936		192,528	5,408	2.81	
Contributions	484,717		432,000	52,717	12.20	4
Investment income	114,604		84,120	30,484	36.24	5
Other	16,992		12,300	4,692	38.15	
Gain (loss) on disposal of fixed assets	1,344,326		-	1,344,326	-	6
Total support and revenue	4,078,921		2,779,230	1,299,691	46.76	
Expenses:						
Salaries	1,380,005		1,510,850	(130,845)	(8.66)	
Payroll taxes	98,898		105,200	(6,302)	(5.99)	
Food and supplies	261,349		243,300	18,049	7.42	
Utilities	240,187		216,300	23,887	11.04	
Buildings and grounds	154,340		101,420	52,920	52.18	7
Insurance	133,233		131,860	1,373	1.04	
Interest	27,879		28,438	(559)	(1.97)	
Laundry	17,987		22,800	(4,813)	(21.11)	
Professional services	20,713		20,900	(187)	(0.89)	
Office expense	18,953		20,900	(1,947)	(9.32)	
Equipment leases	11,960		14,160	(2,200)	(15.54)	
Vehicle expense	12,230		10,500	1,730	16.48	
Advertising	3,193		14,460	(11,267)	(77.92)	
Dues and subscriptions	2,780		5,800	(3,020)	(52.07)	
Training and education	6,013		6,000	13	0.22	
Licenses	3,759		3,900	(141)	(3.62)	
Postage	2,911		3,900	(989)	(25.36)	
Property taxes	918		3,400	(2,482)	(73.00)	
Miscellaneous	3,302		4,500	(1,198)	(26.62)	
Computer	11,191		2,400	8,791	366.29	
Depreciation	278,530		275,532	2,998	1.09	
Total expenses	2,690,331		2,746,520	(56,189)	(2.05)	
Change in Net assets	1,388,590		32,710	1,355,880	48.81	

4. Contributions variance is due to receiving more donations than expected. PCV budgets conservatively for contributions annually as there is general fluctuations year over year that can be dependent on factors such as bequests, state of the economy and tax strategies of donors. FY23 included a bequest from an estate of \$75,000.
5. Investment income variance is due to market performance during our fiscal year. Budget included uncertainty as to when the market would recover and how quickly it would recover from the 2022 downturn.
6. Gain (loss) on disposal of fixed assets variance is primarily due to sale of approximately 20 acres of land. PCV was approached by a developer who needed additional property for a project and included a land swap which benefited the Organization.
7. Buildings and Grounds variance is due to expenses of turning over 8 units with significant flooring upgrades and other various modifications/renovations.

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

Statement of Cash Flows
For the year ended September 30, 2023

	Actual (Audit)	Budget (Forecast)	Variance	%	Note
Operating Activities:					
Change in net assets	1,388,590	32,710	1,355,880	48.81	
Adjustments to reconcile change in net assets to cash flows from operating activities:					
Depreciation	278,530	275,532	2,998	1.09	
Amortization of deferred entrance fees	(197,936)	(192,528)	(5,408)	2.81	
Entrance fees received net of refunds	145,000	100,000	45,000	45.00	8
Gain on disposal of property	(1,344,326)	-	(1,344,326)	-	9
Realized and unrealized (gains) losses on investments	(90,299)	-	(90,299)	-	10
Change in operating assets and liabilities:					
Receivables	786	(74)	860	(1,162.16)	
Prepaid expenses	15,112	(406)	15,518	(3,822.17)	
Accounts payable	1,145	221	924	418.10	
Accrued expenses	4,657	1,320	3,337	252.80	
Deferred revenue	(50,000)	(50,000)	-	-	
Cash Flows From Operating Activities:	151,259	166,775	(15,516)	(9.30)	
Investing Activities:					
Purchase of property and equipment	(768,362)	(35,000)	(733,362)	2,095.32	11
Proceeds from sale of property	1,352,468	-	1,352,468		12
Purchase of investments	(7,956)	(84,120)	76,164	(90.54)	13
Cash Flows From Investing Activities:	576,150	(119,120)	695,270	-	
Financing Activities:					
Payments on notes payable	(88,041)	(68,882)	(19,159)	27.81	
Repayment of entrance fees	-	-	-	-	
Cash Flows From Financing Activities:	(88,041)	(68,882)	(19,159)	27.81	
Change in Cash and Equivalents	639,368	(21,227)	660,595	(3,112.05)	

8. Entrance fees received net of refunds variance is due to receiving more Refundable Resident Entry Fees than expected. PCV budgeted to intake two residents each participating at \$50,000 in the RREF program. Instead PCV had one resident who participated in the RREF program at \$50,000 and one resident who participated in the RREF program at \$95,000.
9. Gain on disposal of property variance is primarily due to sale of approximately 20 acres of land, as previously noted.
10. Realized and unrealized (gains) losses on investments variance is due to market performance during our fiscal year. Budget included uncertainty as to when the market would recover and how quickly it would recover from the 2022 downturn.
11. Purchase of property and equipment variance is due to the land sale transaction. The transaction involved selling a parcel to the developer and simultaneously purchasing a parcel adjacent to the current property footprint of PCV. Purchases excluding the land transaction totaled approximately \$54,000 which is materially consistent with budget.
12. Proceeds from sale of property variance is due to sale of approximately 20 acres of land, as previously noted.
13. Purchase of investments variance is due to not purchasing new investments during the year and reinvesting dividends and interest at a slower rate than expected. At year-end there was a larger cash balance in the investment account than the previous year-end which will be reinvested in the next year.

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

VII. RESERVES, ESCROW AND TRUSTS

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

As of September 30, 2023, PCV had cash and investments of \$2,597,033. PCV maintains approximately \$800,000 as liquid working capital.

As of March 1997, G.S. 58-64-33 requires PCV to maintain cash reserve equal to three months operating expenses. At the close of the fiscal year on September 30, 2023, PCV had \$635,000 in the reserve account that meets this requirement based on the Five-Year Forecast.

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

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

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

VIII. FACILITY DEVELOPMENT AND EXPANSION

Pittsboro Christian Village began the process about eleven years ago of renovating our cottages. These renovations provided needed updates that allow residents to reside longer in a home before needing to migrate to an apartment. The Board of Directors has also been developing a Strategic Plan that will include replacement of homes not renovated and significant upgrades to the current Care Home facilities. As part of this strategic plan, we built four Legacy Homes from 2019 to 2021. Plans are underway to build additional Legacy Homes in the near future. Pittsboro Christian Village owns approximately 12 acres of undeveloped land for possible expansion.

IX. OTHER MATERIAL INFORMATION

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

Attachment 1

Pittsboro Christian Village

Audited Financial Statements

September 30, 2023

Pittsboro Christian Village, Inc.

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September 30, 2023

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Pittsboro Christian Village, Inc. (the "Organization" - a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pittsboro Christian Village, Inc. as of September 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pittsboro Christian Village, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pittsboro Christian Village, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards 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, including omissions, 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 financial statements.

Pittsboro Christian Village, Inc.
Pittsboro, North Carolina

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 purposes of expressing an opinion on the effectiveness of Pittsboro Christian Village, Inc.'s 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pittsboro Christian Village, Inc.'s 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Foard & Company, P.A.
December 13, 2023

Pittsboro Christian Village, Inc.**Statement of Financial Position****September 30, 2023, With Prior Year Comparative Totals**

	2023	2022
<u>Assets</u>		
Current Assets:		
Cash and equivalents	\$ 1,610,008	\$ 970,640
Investments	352,026	266,771
Sales tax receivable	6,484	7,270
Prepaid expenses	25,408	40,520
<i>Total Current Assets</i>	1,993,926	1,285,201
Non-Current Assets:		
Investments: Operating Reserve Requirement (asset limited as to use)	635,000	622,000
<i>Total Non-Current Assets</i>	635,000	622,000
Property and equipment, net	4,984,239	4,502,549
<i>TOTAL</i>	\$ 7,613,165	\$ 6,409,750
<u>Liabilities and Net Assets</u>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 10,004	\$ 8,859
Accrued expenses	57,438	52,781
Deferred revenue - deposit	-	50,000
Current portion of long-term debt	73,848	68,882
<i>Total Current Liabilities</i>	141,290	180,522
Long-Term Liabilities:		
Long-term debt, net of current portion	386,429	479,436
Deferred revenue - refundable entrance fees	290,903	409,085
Deferred revenue - nonrefundable entrance fees	959,813	894,567
<i>Total Liabilities</i>	1,778,435	1,963,610
Net Assets:		
Without Donor Restrictions:		
Undesignated	4,585,421	3,278,260
Designated for operating reserve	635,000	622,000
Total Without Donor Restrictions	5,220,421	3,900,260
With donor restrictions	614,309	545,880
<i>Total Net Assets</i>	5,834,730	4,446,140
<i>TOTAL</i>	\$ 7,613,165	\$ 6,409,750

Pittsboro Christian Village, Inc.**Statement of Activities****Year Ended September 30, 2023, With Prior Year Comparative Totals**

	Year Ended September 30, 2023			
	Without Donor Restrictions	With Donor Restrictions	TOTALS	2022
Support and Revenue:				
Resident fees, net	\$ 1,920,346	\$ -	\$ 1,920,346	\$ 1,928,082
Amortization of deferred entrance fees	197,936	-	197,936	214,136
Contributions	296,855	187,862	484,717	374,509
Investment income (loss)	81,011	33,593	114,604	(158,248)
Other	16,992	-	16,992	21,771
Gain (loss) on disposal of fixed assets	1,344,326	-	1,344,326	(3,815)
Net assets released from restriction	153,026	(153,026)	-	-
Total	4,010,492	68,429	4,078,921	2,376,435
Expenses:				
Program services	2,208,971	-	2,208,971	2,085,541
Management & general	481,360	-	481,360	466,953
Total	2,690,331	-	2,690,331	2,552,494
CHANGE IN NET ASSETS	1,320,161	68,429	1,388,590	(176,059)
NET ASSETS, BEGINNING	3,900,260	545,880	4,446,140	4,622,199
NET ASSETS, ENDING	\$ 5,220,421	\$ 614,309	\$ 5,834,730	\$ 4,446,140

Pittsboro Christian Village, Inc.**Statement of Functional Expense****Year Ended September 30, 2023, With Prior Year Comparative Totals**

	Year Ended September 30, 2023			
	<u>Program Services</u>	<u>Management & and General</u>	<u>Totals</u>	<u>2022</u>
Expenses:				
Salaries	\$ 1,059,171	\$ 320,834	\$ 1,380,005	\$ 1,298,935
Payroll taxes	85,970	12,928	98,898	98,948
Food and supplies	261,349	-	261,349	238,751
Utilities	224,834	15,353	240,187	200,443
Buildings and grounds	153,584	756	154,340	152,914
Insurance	79,228	54,005	133,233	120,273
Interest	27,879	-	27,879	34,552
Laundry	17,987	-	17,987	16,628
Professional services	2,530	18,183	20,713	18,896
Office expense	-	18,953	18,953	16,221
Equipment leases	4,838	7,122	11,960	13,418
Vehicle expense	12,230	-	12,230	10,983
Advertising	-	3,193	3,193	8,459
Dues and subscriptions	-	2,780	2,780	5,799
Training and education	5,227	786	6,013	4,797
Licenses	-	3,759	3,759	3,614
Postage	-	2,911	2,911	3,283
Property taxes	-	918	918	3,174
Miscellaneous	95	3,207	3,302	3,013
Computer	-	11,191	11,191	5,633
Depreciation	274,049	4,481	278,530	293,760
<i>TOTAL EXPENSES</i>	\$ 2,208,971	\$ 481,360	\$ 2,690,331	\$ 2,552,494

Pittsboro Christian Village, Inc.**Statement of Cash Flows****Year Ended September 30, 2023, With Prior Year Comparative Totals**

	<u>2023</u>	<u>2022</u>
<u>Operating Activities</u>		
Change in net assets	\$ 1,388,590	\$ (176,059)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	278,530	293,760
Contributions restricted for long-term purposes	(187,862)	(121,226)
Amortization of deferred entrance fees	(197,936)	(214,136)
Entrance fees received net of refunds	145,000	105,000
(Gain) Loss on disposal of property	(1,344,326)	3,815
Realized and unrealized (gains) losses on investments	(90,299)	186,794
Change in operating assets and liabilities:		
Receivables	786	16,688
Prepaid expenses	15,112	(2,737)
Accounts payable	1,145	(15,470)
Accrued expenses	4,657	4,247
Deferred revenue	(50,000)	50,000
<u>Cash Flows From Operating Activities</u>	<u>(36,603)</u>	<u>130,676</u>
<u>Investing Activities</u>		
Purchase of property and equipment	(768,362)	(10,550)
Proceeds from sale of property	1,352,468	-
Purchase of investments	(7,956)	(28,464)
<u>Cash Flows From Investing Activities</u>	<u>576,150</u>	<u>(39,014)</u>
<u>Financing Activities</u>		
Contributions restricted for long-term purposes	187,862	121,226
Principal payments on long-term debt	(88,041)	(149,768)
<u>Cash Flows From Financing Activities</u>	<u>99,821</u>	<u>(28,542)</u>
CHANGE IN CASH AND EQUIVALENTS	639,368	63,120
CASH AND EQUIVALENTS - BEGINNING	970,640	907,520
CASH AND EQUIVALENTS - ENDING	\$ 1,610,008	\$ 970,640

Pittsboro Christian Village, Inc.

Notes to Financial Statements

September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

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

Income tax status

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

Basis of presentation

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

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

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

Revenue recognition

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

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

Pittsboro Christian Village, Inc.

Notes to Financial Statements

September 30, 2023

Entrance agreements

The residency entrance fee is set by the Board of Directors and is due in full at the time residency is established. Under the agreement the Organization agrees to make a pro-rata refund of the entrance fee calculated to the nearest whole month, on a decreasing basis over the first three years of residency, up to 90 percent of the initial resident entry fee. At year-end the potential refundable amount is \$290,903, however, management believes the potential for refund is minimal based on historical information. For financial statement purposes, entrance fees are recorded as a liability on the accompanying balance sheet as "Deferred Revenue - Entrance Fees" and amortized to revenue over a period equal to 88 years less the age of the youngest spouse at entry. The board annually reviews the amortization calculation for appropriateness. At year-end the portions of entrance fees that have not been earned and that are in excess of the contingent refund listed above is \$959,813.

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

Donated services and goods

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

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

Cash and equivalents

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

Receivables

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

Investments

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

Pittsboro Christian Village, Inc.

Notes to Financial Statements

September 30, 2023

Property and equipment

Property is recorded at cost if purchased or fair value if donated, subject to a \$1,500 capitalization policy. Depreciation is provided by charges to operations using the straight-line method at rates designed to amortize the cost of the assets over their estimated useful lives, which range from 3 to 40 years. Major renewals and improvements are charged to the property accounts, while replacements, maintenance, and repairs, which do not improve or extend the life of the assets, are expensed currently.

New accounting pronouncement

The Organization adopted Accounting Standards Update (ASU) 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementation, the Organization did not recognize any ROU assets or operating lease liabilities as the leases were immaterial to the financial statements.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in the operating right of use (ROU) assets and operating lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its leases with a term of 12 months or less; rather they are reported as a lease expense on a straight-line basis over the lease term.

Functional expense

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

Use of estimates

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

Pittsboro Christian Village, Inc.
Notes to Financial Statements
September 30, 2023

Advertising costs

The Organization expenses advertising costs as incurred.

Prior-year comparative totals

The financial statements include certain prior-year summarized information, which is presented for comparative purposes only. Accordingly, such information should be read in conjunction with the Organization's 2022 financial statements, from which the summarized information was derived. Certain prior-year amounts have been reclassified to conform to the presentation in the current-year financial statements.

NOTE 2 - INVESTMENTS

At year-end, investments consist of the following:

Exchange Traded Funds	\$ 316,959
Mutual Funds	<u>670,067</u>
	<u>\$ 987,026</u>

Fair value measurements

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

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

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

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

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

Pittsboro Christian Village, Inc.
Notes to Financial Statements
September 30, 2023

NOTE 3 - PROPERTY AND EQUIPMENT

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

Land and land improvements	\$ 1,241,619
Buildings and improvements	8,698,864
Furniture, fixtures, and equipment	1,086,614
Vehicles	253,349
Construction in progress	<u>9,165</u>
	11,289,611
Less - accumulated depreciation	<u>6,305,372</u>
	<u><u>\$ 4,984,239</u></u>

NOTE 4 - STATUTORY OPERATING RESERVE REQUIREMENT

Under regulations of the North Carolina Insurance Commission, CCRC's are required to maintain an operating reserve equal to 25 percent of the total occupancy costs, as defined, projected for the 12-month period following the period covered by the most recent annual financial statement filed with the North Carolina Department of Insurance, if the occupancy levels are in excess of 90 percent. If the occupancy levels are less than 90 percent, the operating reserve requirement is 50 percent of total occupancy costs, as defined. The Organization has historically maintained an occupancy level in excess of 90 percent. As of year-end, the Organization had an occupancy level of 91 percent and an operating reserve of \$635,000, which represented 25 percent of total occupancy costs, as defined.

NOTE 5 – REVENUE FROM CONTRACTS WITH RESIDENTS

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

Deferred revenue – entrance fees:	
Beginning of year	\$ 1,303,652
Collected during the year	145,000
Recognized as revenue during the year	<u>197,936</u>
End of year	<u>\$ 1,250,716</u>

NOTE 6 - LONG-TERM DEBT

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

Pittsboro Christian Village, Inc.
Notes to Financial Statements
September 30, 2023

Maturities of the note are as follows:

Year ending September 30:		
2024	\$	73,848
2025		78,014
2026		82,415
2027		87,064
2028 & thereafter		138,936
	\$	<u>460,277</u>

Interest expense

During the year, the Organization incurred and paid interest expense of \$27,879.

NOTE 7 – NET ASSETS

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

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

Benevolent Assistance Fund	\$	249,357
Building Fund		169,244
Perpetual - Endowment		195,708
	\$	<u>614,309</u>

Endowment fund

In September 1991, the Organization received funds for an endowment. Ninety percent of any interest, dividends, or other income earned on the principal of the endowment fund is distributed to the benevolent fund. At year-end the balance in the endowment fund of \$195,708 is to be held in perpetuity.

Restricted activity by fund

	Benevolent Assistance Fund	Building Fund	Endowment Fund	Totals
Beginning balance	\$ 207,580	\$ 143,793	\$ 194,507	\$ 545,880
Contributions	171,362	16,500	-	187,862
Investment income	12,628	8,951	12,014	33,593
Expenditures – Residents	(153,026)	-	-	(153,026)
Transfer	10,813	-	(10,813)	-
	<u>\$ 249,357</u>	<u>\$ 169,244</u>	<u>\$ 195,708</u>	<u>\$ 614,309</u>

Pittsboro Christian Village, Inc.
Notes to Financial Statements
September 30, 2023

NOTE 8 - RETIREMENT PLAN

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

NOTE 9 - CHARITY CARE

Property tax status

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

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

Gross revenue for the year		\$	4,078,921
Less - other revenue:			
Contributions	\$	484,717	
Investment income		114,604	
Gain on disposal of assets		1,344,326	
Miscellaneous		16,992	
		<u>1,960,639</u>	
Net operating revenue			2,118,282
Charity care paid through benevolent assistance fund		\$	<u>153,026</u>

NOTE 10 - CONTINGENCIES

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

Pittsboro Christian Village, Inc.
Notes to Financial Statements
September 30, 2023

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

NOTE 11 - CONCENTRATION OF CREDIT RISK

Cash and equivalents

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

Investments

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

Revenue and receivables

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

NOTE 12 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$1,968,518 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash and equivalents of \$1,610,008, investments of \$352,026, and receivables of \$6,484. This amount does not include funds the Organization is required to maintain as an operating reserve of \$635,000 as described in Note 4 above. Financial assets of \$614,309 are subject to donor restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 13 - SUBSEQUENT EVENTS

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

Attachment 2

Pittsboro Christian Village

Forecasted Financial Statements

September 30, 2024, 2025, 2026, 2027, 2028

Pittsboro Christian Village, Inc.
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For the Five Years Ending September 30, 2028

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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

Management is responsible for the accompanying forecasted financial statements of Pittsboro Christian Village, Inc. (the Organization - a nonprofit organization), which comprises the statements of financial position, activities, and cash flows as of September 30, 2024, 2025, 2026, 2027 and 2028, and for the years then ending, and the related summaries of significant assumptions and accounting policies in accordance with guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards of Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the forecast nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these forecasted financial statements or the assumptions. The forecasted results may not be achieved, as there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and these differences may be material.

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

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

Foard & Company, P.A.

December 18, 2023

Pittsboro Christian Village, Inc.
Forecasted Statement of Financial Position
September 30, 2024, 2025, 2026, 2027 and 2028

	2024	2025	2026	2027	2028
<u>ASSETS</u>					
Current Assets:					
Cash and equivalents	\$ 1,593,330	\$ 1,569,740	\$ 1,544,516	\$ 1,517,999	\$ 1,490,566
Investments	410,146	507,260	608,508	714,035	822,990
Sales tax receivable	6,549	6,614	6,680	6,747	6,814
Prepaid expenses	25,662	25,919	26,178	26,440	26,704
Total Current Assets	2,035,687	2,109,533	2,185,882	2,265,221	2,347,074
Non-Current Assets:					
Investments: Operating Reserve					
Requirement (asset limited as to use)	691,000	712,000	733,000	754,000	776,000
Total Non-Current Assets	691,000	712,000	733,000	754,000	776,000
Property and Equipment:					
Land and improvements	1,241,619	1,241,619	1,241,619	1,241,619	1,241,619
Buildings and improvements	8,725,529	8,743,029	8,760,529	8,778,029	8,795,529
Furniture, fixtures, and equipment	1,104,114	1,121,614	1,139,114	1,156,614	1,174,114
Vehicles	253,349	253,349	253,349	253,349	253,349
Total	11,324,611	11,359,611	11,394,611	11,429,611	11,464,611
Less - accumulated depreciation	6,574,292	6,845,901	7,120,226	7,397,294	7,677,133
Property and Equipment (net)	4,750,319	4,513,710	4,274,385	4,032,317	3,787,478
TOTAL ASSETS	\$ 7,477,006	\$ 7,335,243	\$ 7,193,267	\$ 7,051,538	\$ 6,910,552
<u>LIABILITIES AND NET ASSETS</u>					
Current Liabilities:					
Accounts payable	\$ 10,254	\$ 10,510	\$ 10,773	\$ 11,042	\$ 11,318
Accrued expenses	58,874	60,346	61,855	63,401	64,986
Current portion of long-term debt	78,014	82,415	87,064	91,975	46,961
Total Current Liabilities	147,142	153,271	159,692	166,418	123,265
Long-Term Liabilities:					
Long-term debt, net of current portion	308,415	226,000	138,936	46,961	-
Deferred - refundable entrance fees	-	-	-	-	-
Deferred - nonrefundable entrance fees	1,164,342	1,067,968	961,594	845,220	718,846
Total Liabilities	1,619,899	1,447,239	1,260,222	1,058,599	842,111
Net Assets:					
Without donor restrictions					
Undesignated	4,539,512	4,536,877	4,548,135	4,573,991	4,614,194
Designated	691,000	712,000	733,000	754,000	776,000
Total Without donor restrictions	5,230,512	5,248,877	5,281,135	5,327,991	5,390,194
With donor restrictions	626,595	639,127	651,910	664,948	678,247
Total Net Assets	5,857,107	5,888,004	5,933,045	5,992,939	6,068,441
TOTAL LIABILITIES AND NET ASSETS	\$ 7,477,006	\$ 7,335,243	\$ 7,193,267	\$ 7,051,538	\$ 6,910,552

Pittsboro Christian Village, Inc.**Forecasted Statement of Activities****Years Ending September 30, 2024, 2025, 2026, 2027 and 2028**

	2024	2025	2026	2027	2028
<u>NET ASSETS WITHOUT DONOR RESTRICTIONS</u>					
Support and Revenue:					
Resident fees, net	\$ 2,219,317	\$ 2,296,993	\$ 2,377,388	\$ 2,460,597	\$ 2,546,718
Amortization of deferred entrance fees	186,374	196,374	206,374	216,374	226,374
Contributions	444,000	444,000	444,000	444,000	444,000
Investment income	114,120	118,114	122,248	126,527	130,955
Other	14,700	15,215	15,748	16,299	16,869
<u>Total Support and Revenue</u>	<u>2,978,511</u>	<u>3,070,696</u>	<u>3,165,758</u>	<u>3,263,797</u>	<u>3,364,916</u>
Expenses:					
Salaries	1,690,520	1,741,236	1,793,473	1,847,277	1,902,695
Payroll taxes	108,200	111,446	114,789	118,233	121,780
Food and supplies	258,720	266,482	274,476	282,710	291,191
Utilities	233,580	240,587	247,805	255,239	262,896
Buildings and grounds	109,180	112,455	115,829	119,304	122,883
Insurance	131,845	135,800	139,874	144,070	148,392
Interest	23,487	24,553	20,448	16,112	11,531
Laundry	19,560	20,147	20,751	21,374	22,015
Professional services	23,400	24,102	24,825	25,570	26,337
Office expense	19,100	19,673	20,263	20,871	21,497
Equipment leases	14,220	14,647	15,086	15,539	16,005
Vehicle expense	11,700	12,051	12,413	12,785	13,169
Advertising	7,800	8,034	8,275	8,523	8,779
Dues and subscriptions	5,800	5,974	6,153	6,338	6,528
Training and education	6,000	6,180	6,365	6,556	6,753
Licenses	4,500	4,635	4,774	4,917	5,065
Postage	3,300	3,399	3,501	3,606	3,714
Property taxes	7,000	7,210	7,426	7,649	7,878
Miscellaneous	4,500	4,635	4,774	4,917	5,065
Computer	4,800	4,944	5,092	5,245	5,402
Depreciation	268,920	271,609	274,325	277,068	279,839
<u>Total Expenses</u>	<u>2,956,132</u>	<u>3,039,799</u>	<u>3,120,717</u>	<u>3,203,903</u>	<u>3,289,414</u>
<u>Change in Net Assets</u>	<u>22,379</u>	<u>30,897</u>	<u>45,041</u>	<u>59,894</u>	<u>75,502</u>
<u>NET ASSETS, BEGINNING</u>	<u>5,834,728</u>	<u>5,857,107</u>	<u>5,888,004</u>	<u>5,933,045</u>	<u>5,992,939</u>
<u>NET ASSETS, ENDING</u>	<u>\$ 5,857,107</u>	<u>\$ 5,888,004</u>	<u>\$ 5,933,045</u>	<u>\$ 5,992,939</u>	<u>\$ 6,068,441</u>

Pittsboro Christian Village, Inc.**Forecasted Statement of Cash Flows****Years Ending September 30, 2024, 2025, 2026, 2027 and 2028**

	2024	2025	2026	2027	2028
<u>OPERATING ACTIVITIES</u>					
Change in net assets	\$ 22,379	\$ 30,897	\$ 45,041	\$ 59,894	\$ 75,502
Adjustments to reconcile change in net assets to cash flows from operating activities:					
Depreciation	268,920	271,609	274,325	277,068	279,839
Amortization of deferred entrance fees	(186,374)	(196,374)	(206,374)	(216,374)	(226,374)
Entrance fees received net of refunds	100,000	100,000	100,000	100,000	100,000
(Increase) decrease in operating assets:					
Receivables	(66)	(65)	(66)	(66)	(67)
Prepaid expenses	(255)	(257)	(259)	(261)	(264)
Increase (decrease) in operating liabilities:					
Accounts payable	250	256	263	268	276
Accrued expenses	1,436	1,472	1,509	1,545	1,585
<u>Net Cash Flows From Operating Activities</u>	<u>206,290</u>	<u>207,538</u>	<u>214,439</u>	<u>222,074</u>	<u>230,497</u>
<u>INVESTING ACTIVITIES</u>					
Purchase of property and equipment	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
Purchases of investments	(114,120)	(118,114)	(122,248)	(126,527)	(130,955)
<u>Net Cash Flows From investing Activities</u>	<u>(149,120)</u>	<u>(153,114)</u>	<u>(157,248)</u>	<u>(161,527)</u>	<u>(165,955)</u>
<u>FINANCING ACTIVITIES</u>					
Principal payments on long-term debt	(73,848)	(78,014)	(82,415)	(87,064)	(91,975)
<u>Net Cash Flows From Financing Activities</u>	<u>(73,848)</u>	<u>(78,014)</u>	<u>(82,415)</u>	<u>(87,064)</u>	<u>(91,975)</u>
<u>CHANGE IN CASH</u>	<u>(16,678)</u>	<u>(23,590)</u>	<u>(25,224)</u>	<u>(26,517)</u>	<u>(27,433)</u>
<u>CASH - BEGINNING</u>	<u>1,610,008</u>	<u>1,593,330</u>	<u>1,569,740</u>	<u>1,544,516</u>	<u>1,517,999</u>
<u>CASH - ENDING</u>	<u>\$ 1,593,330</u>	<u>\$ 1,569,740</u>	<u>\$ 1,544,516</u>	<u>\$ 1,517,999</u>	<u>\$ 1,490,566</u>

Pittsboro Christian Village, Inc.

Summary of Significant Forecast Assumptions and Accounting Policies For the Five Years Ending September 30, 2028

Note 1 - Nature of Activities and Projections

General

The accompanying financial forecast presents, to the best knowledge and belief of the management (“Management”) of Pittsboro Christian Village, Inc. (the “Organization”) the expected financial position, changes in net assets, and cash flows of the Organization as of and for each of the five years ending September 30, 2028. Accordingly, the accompanying forecast reflects Management’s judgment as of December 18, 2023, the date of completion of this forecast, of the expected conditions and its course of action.

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

Background of the Organization

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

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code with respect to its exempt function income and is classified as other than a private foundation. Management has concluded that as of September 30, 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

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

Note 2 - Significant Accounting Policies

Basis of presentation

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

Receivables

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

Investments

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

Pittsboro Christian Village, Inc.

Summary of Significant Forecast Assumptions and Accounting Policies For the Five Years Ending September 30, 2028

Property and equipment

Property is recorded at cost if purchased or fair value if donated, subject to a \$1,500 capitalization policy. Depreciation is provided by charges to operations using the straight-line method at rates designed to amortize the cost of the assets over their estimated useful lives, which range from 3 to 40 years. Major renewals and improvements are charged to the property accounts, while replacements, maintenance, and repairs, which do not improve or extend the life of the assets, are expensed currently.

Entrance agreements

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

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

Contributions

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

Resident fees

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

Use of estimates

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

Concentration of credit risk

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

Pittsboro Christian Village, Inc.

**Summary of Significant Forecast Assumptions and Accounting Policies
For the Five Years Ending September 30, 2028**

Note 3 - Summary of Significant Balance Sheet Assumptions

Property and equipment

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

Long-term debt

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

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

Maturities of the note are as follows:

Year ending September 30:	
2024	\$ 73,848
2025	78,014
2026	82,415
2027	87,064
2028 & thereafter	<u>138,936</u>
	<u>\$ 460,227</u>

Statutory operating reserve requirement

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

Contingencies

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

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

Pittsboro Christian Village, Inc.**Summary of Significant Forecast Assumptions and Accounting Policies
For the Five Years Ending September 30, 2028**

Obligation to provide future services

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

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

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

Contributions

Management assumes contributions to remain consistent during the forecast period.

Investment income

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

Operating expenses

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

Attachment 3

Pittsboro Christian Village

Resident Master Contract

RESIDENT MASTER CONTRACT

NORTH CAROLINA
CHATHAM COUNTY

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

WITNESSETH

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

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

SELECT ONE OF THE FOLLOWING:

A. North Wing One (1) Room Studio Apartments

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

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

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

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

2. Extra Charge Services

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

B. North Wing One (1) Bedroom Apartments

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

1. Basic Services.

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

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

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

2. Extra Charge Services.

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

C. North Wing Two (2) Bedroom Apartments

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

1. Basic Services.

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

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

2. Extra Charge Services.

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

D. Northeast Wing One (1) Room Studio Apartments

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

1. Basic Services.

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

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

2. Extra Charge Services.

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

E. Northeast Wing Two (2) Room Studio Apartments

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

1. Basic Services

- a. Three meals per day per person
- b. Utilities except telephone
- c. Cablevision
- d. Weekly housekeeping
- e. Complete maintenance of the building, plumbing, wiring, and heating & cooling systems

- f. Emergency call system
- g. Fire and smoke alarm system
- h. Personal laundry facilities
- i. Linen service
- j. Programmed and informal activities
- k. Mail service

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

2. Extra Charge Services

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

F. Northeast Wing Two (2) Room Efficiency Apartments

1. Basic Services

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

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

2. Extra Charge Services

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

G. Cottages

The following services are provided in Cottages:

1. Basic Services

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

2. Extra Charge Services

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

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

H. Patio Homes

The following services are provided in Patio Homes:

1. Basic Services

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

2. Extra Charge Services

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

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

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

1. Basic Services

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

2. Extra Charge Services

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

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

J. Legacy Homes

The following services are provided in Legacy Homes:

1. Basic Services

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

2. Extra Charge Services

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

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

K. Care Home (Assisted Living)

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

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

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

2. Fees. Resident agrees to pay a fee of _____ Dollars (\$_____) on the day Resident moves into his living quarters which fee is for occupancy of the living quarters here-in-below described and services to be received for the days remaining in the month of _____20____. Resident agrees to pay subsequent fees of _____Dollars (\$_____) per month on or before the fifth business day of each subsequent month for the term of this Contract.

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

SELECT ONE OF THE FOLLOWING:

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

- F. You are entitled to occupancy of an Efficiency Apartment, number _____, located in the Northeast Wing and the services specified under *Services section F*. Your apartment is a two-room apartment with a private full bath. The two rooms are (1) a bedroom and (2) a combined living area/dining area/kitchen area and closets. Air conditioning and heat is provided and controlled in your apartment. Your apartment opens to the outside to a walkway leading to a parking area or other areas of the Village. Laundry facilities are located in the East Basement.
- G. You are entitled to occupancy of a Cottage located at _____ on _____ Street and the services specified under *Services section G*. Your cottage has the following features: _____

- H. You are entitled to occupancy of a Patio Home located at _____ Love Street and the services specified under *Services Section H*. Your home has two bedrooms with closets, a full bath and a half bath, a large living/dining room, kitchen, dayroom, walk in storage room, and laundry area. There is a carport and a covered patio at the front door, and an open patio on the back of the home.
- I. You are entitled to occupancy of a Heritage Home located at _____ Love Street and the services specified under *Services section I*. Your Heritage Home has three bedrooms with walk-in closets, two full baths, laundry, kitchen and great room. There is an attached garage and covered front porch.
- J. You are entitled to occupancy of a Legacy Home located at _____ Love Street and the services specified under *Services section J*. Your home has three bedrooms with closets, two full baths, a large living/dining room, kitchen, walk in storage room, and laundry area. There is a garage and a patio at the front door, and a deck on the back of the home.
- K. You are entitled to occupancy of a room, number _____, located in the Care Home (Assisted Living) and the Assisted Living Services specified under *Services section K*. Your room is a room provided with your own private bath and closet. Your room opens on to a hallway that leads to the central parlor and dining area. Heating and air conditioning are provided and included.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PITTSBORO CHRISTIAN VILLAGE, INC

By: _____
Executive Director Date

Resident Signature Date

Resident Signature Date

Witness (Print)

Witness Signature Date

Attachment 4

Pittsboro Christian Village
Refundable Resident Entry Fee Agreement

REFUNDABLE RESIDENT ENTRY FEE AGREEMENT

NORTH CAROLINA
CHATHAM COUNTY

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

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

2. Fee Refunds Resident Entry.

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

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

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

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

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

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

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

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

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

PITTSBORO CHRISTIAN VILLAGE, INC

By: _____
Executive Director Date

Resident Signature Date

Resident Signature Date

Witness (Print)

Witness Signature Date