



DISCLOSURE STATEMENT

Dated: May 30, 2023

Name of Facility: GIVENS HIGHLAND FARMS

Location: 200 Tabernacle Road
Black Mountain, North Carolina 28711

Telephone No.: (828) 669-6473

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 October 27, 2024 .
- Delivery of this Disclosure Statement to a contracting party before execution of a contract for continuing care is required.
- This Disclosure Statement has not been reviewed or approved by any government agency or representative to ensure accuracy or completeness of the information set out.



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THIS DISCLOSURE STATEMENT IS FURNISHED TO COMPLY WITH THE REQUIREMENTS OF ARTICLE 64, CHAPTER 58, OF THE GENERAL STATUTES OF NORTH CAROLINA AND SUPERSEDES DISCLOSURE STATEMENT DATED MAY 30th, 2020.

I. ORGANIZATION INTRODUCTION AND INFORMATION

ORGANIZATION AND AFFILIATION

Givens Estates, Inc. is a North Carolina non-profit corporation chartered in 1975. The Company owns and operates two Continuing Care Retirement Communities licensed by the North Carolina Department of Insurance, which includes Givens Estates and Givens Highland Farms. The Company also owns and operates Givens Gerber Park II, LLC, which consists of 82 apartments with supportive services for seniors with modest incomes and is not a continuing care retirement community. The address for The Givens Estates, Inc. and is 2360 Sweeten Creek Road, Asheville, North Carolina, 28803 and the address for Givens Highland Farms (the facility) is 200 Tabernacle Road, Black Mountain, NC 28711. The Givens Estates, Inc. is affiliated with the Western North Carolina Conference of the United Methodist Church ("the Conference"). The Conference elects all members of The Givens Estates, Inc. Board of Directors. The Conference is not responsible for any financial or contractual obligations of The Givens Estates, Inc. The affiliation between The Givens Estates, Inc. and the Conference is set forth in the Statement of Relationship (Attachment 1).

The Company is affiliated with The Great Laurels, Inc., the General Partner of The Senior Residences at Lake Junaluska, LP, which consists of 64 Tax Credit and 36 HUD apartments.

The Company is a member of Gerber Park of Asheville, LLC, the managing member of Gerber Park of Asheville, LLC, which consists of 42 Tax Credit and 78 HUD apartments.

The Company is a managing member of Gerber Park of Asheville III LLC, the managing member of Givens Gerber Park III LLC, which consists of 60 Tax Credit apartments.

Givens Affordable Communities, Inc., an affiliate of Givens Estates, manages and provides on-site employees for the Givens Gerber Park and Great Laurels Communities.

Givens Choice, LLC is a wholly owned subsidiary of the Company and is a continuing care at home program for seniors living in Western North Carolina.

LifeMinistries, LLC is a wholly owned subsidiary of the Company and is a community-based, health focused outreach ministry.

None of the affiliated organizations of The Givens Estates, Inc. are responsible for any financial or contractual obligations of Givens Estates or Givens Highland Farms.

Non-profit Status: As a non-profit corporation, Givens Highland Farms has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and comparable provisions of North Carolina law. All of its real and personal property is anticipated to be exempt from ad valorem property taxation by Buncombe County and the City of Black Mountain.

ACCREDITATION AND PROFESSIONAL ASSOCIATIONS

Givens Highland Farms became accreditation in November 2018 from The Commission on Accreditation of Rehabilitation Facilities (CARF). Givens Highland Farms will complete the reaccreditation process at the end of 2023 for another five years. In addition, Givens Highland Farms is an active member of LeadingAge, LeadingAge NC, AHCA (American Health Care Association), and NCHCFA (NC Health Care Facilities Association).

Licensure: Givens Highland Farms is licensed to provide continuing care in North Carolina in accordance with State law. The license is issued by the North Carolina Department of Insurance. Givens Highland Farms is licensed by the North Carolina Division of Health Service Regulation to operate 60 skilled nursing beds. All of the 60 skilled beds are Medicare and Medicaid certified. Further, Givens Highland Farms is licensed by the North Carolina Division of Health Service Regulation to operate Givens Highland Farms Home Care agency.

Fitch Rating: The parent corporation, The Givens Estates, Inc., has received a “A-” rating by Fitch Ratings, a global investment rating agency. This rating is based on The Givens Estates, Inc. high occupancy levels, strong operating performance, and sufficient liquidity.

VISION STATEMENT

Expanding the possibilities for aging

MISSION STATEMENT

Improving lives through communities, services, and outreach

CORE VALUES

Our core values are *Commitment, Caring, Courage and Collaboration*

CARING

To demonstrate respect, compassion, and selflessness

To act at the highest levels of ethical behavior, financial responsibility, and fair dealing

To provide charitable care and affordable housing with support services

COMMITMENT

To deliver quality care and services

To provide professional leadership

To embrace the highest values and practices of the Christian faith

To develop communities and services for economically diverse populations

COLLABORATION

To faithfully partner with the United Methodist Church

To forge partnerships which enhance our ability to achieve the organization's mission and to share knowledge, skills and resources

COURAGE

To be inclusive and a place where people feel welcomed, valued and respected

To be creative and innovative

To take risks and overcome obstacles

To do what is right and take action

February 15, 2017

WELLNESS PHILOSOPHY

Givens believes an individual's quality of life is enhanced through a healthy and balanced lifestyle. Wellness is a continual process and includes taking personal responsibility for one's mind, body and spirit. Givens supports purposeful living by providing opportunities in the following dimensions of wellness:

- Social: Fostering meaningful interactions within a diverse community
- Physical: Promoting personal fitness and health goals
- Spiritual: Inspiring a life of meaning, value and purpose
- Emotional: Facilitating an awareness and acceptance of one's feelings
- Intellectual: Stimulating the use of one's mind
- Environmental: Exercising stewardship to our environment
- Recreational/Avocational: Encouraging self-expression and personal development

Givens provides quality resident-centered care in a Christian environment and supports residents during major life changes. Furthermore:

- Givens affirms and practices the preservation of personal dignity, individuality and the blending of support with independence.
- Givens provides a multi-disciplinary, holistic approach to meeting residents' dynamically changing needs.
- Residents are empowered to make individual choices and decisions regarding their living environment, services they receive, medical treatment and advance directives.
- Givens assists residents in making decisions by ensuring they are fully informed about their options in a respectful and sensitive manner.

II. FACILITY INTRODUCTION AND INFORMATION

Campus Location and Capacity: Givens Highland Farms is a continuing care retirement community located on a 80-acre campus in Black Mountain, North Carolina. Living accommodations include 4 single-family cottages, 38 cluster homes, 32 condominium homes, 64 Meadowmont homes, 16 Cottages and 107 apartments; and 60 skilled nursing beds. Givens Highland Farms offers primarily fee-for-service and some rental contracts. The 60 skilled nursing beds have Medicare and Medicaid certification.

Occupancy: As of December 31, 2022, Givens Highland Farms had 346 residents occupying independent living residences, and 51 residents in skilled nursing for a total of 399 residents.

Community amenities: exercise room; spa; multi-purpose auditorium; two dining rooms; a deli/café; living rooms; kitchen and staff break areas; library; arts and crafts room; woodworking shop; health clinic space; meeting rooms; and office space.

SENIOR MANAGEMENT TEAM: Givens Highland Farms management consists of the Executive Director and 6 Department Directors primarily responsible for the daily operations. The business address for the Senior Management Team is 200 Tabernacle Road, Black Mountain, NC 28711. The Senior Management Team of Givens Highland Farms:

Kenneth W. Kramer, Executive Director

Mr. Kramer is a graduate of the Miami University of Ohio. He has over 25 years' experience working in the retirement community industry. He began his career with Maple Knoll Village in Cincinnati, Ohio. From there he spent seven years with Immanuel Health Systems in Omaha, Nebraska. As Wellness Director, he managed the Wellness Center and program for their Lakeside Community and led the development of Wellness Centers for three of their six communities. In 2005 Ken joined Givens Estates as their Wellness Director and led the development of their new Wellness Center and continued to build their wellness program. In July of 2014, Ken took the role of Associate Director of Givens Highland Farms and in March 2015 became Executive Director after the retirement of the previous Executive Director. Ken has led Givens Highland Farms through operational changes relative to the acquisition of Highland Farms in December 2012. Ken has also been instrumental in renovation and expansion projects since 2014 totaling nearly \$80 million dollars. Ken currently serves on the Montreat College President's Advisory Council, Swannanoa Valley Christian Ministry Endowment Committee, Black Mountain Swannanoa Chamber Board and the Mission Hospital Board of Trustees and Credentialing Committee.

Kris Hoke NHA, Health Services Director

Ms. Hoke has been in the Long Term Care sector since 1992. She has been a Licensed Nursing Home Administrator since 1998 with several different organizations. Her responsibilities include supervising the clinical and administrative affairs of the GHF Skilled Nursing Facility to maintain long-term goals and uphold our mission. Ms. Hoke is currently a Preceptor for the NC Board of Examiners for Nursing Home Administrators. She has a B.S. in Business Administration, a minor in Economics, and a Master's in Business Administration from Seton Hill University.

Michael Willis, CPA, Controller

Mr. Willis is responsible for financial operations, including financial reporting, budgeting, and forecasting. Michael comes from Southwest Florida, where he attended Florida Gulf Coast University and received his B.S. in Accounting and Master's in Accounting and Taxation. He is a Florida CPA with over 20 years of accounting experience, including 10+ years in public accounting. Most of his career has been spent working with Governmental and Nonprofit organizations, including United Way of Lee County, FL and Henderson County Habitat for Humanity. He has also taught college accounting and taxation as an adjunct professor.

SENIOR MANAGEMENT TEAM OF THE GIVENS ESTATES, INC.

Kevin Schwab, President and Chief Executive Officer

Kevin C. Schwab, President and Chief Executive Officer

Kevin Schwab has more than twenty-seven years of finance, accounting, investment and operations experience in various industries. Mr. Schwab joined Givens Communities in 2021. Supported by a senior management team and department managers, Mr. Schwab is responsible for the overall organization, which serves approximately 1,550 residents and currently employs more than 500 full and part-time staff. Along with the senior management team, he is responsible for Givens Estates, a Life Plan Community in Asheville; Great Laurels, an affordable community for seniors in Waynesville; Highland Farms, a Life Plan Community in Black Mountain; Gerber Park, an affordable and middle-income community for seniors in Asheville; Givens Choice, a continuing care at home program for seniors living in Western North Carolina; Givens Home Care, a program to provide in-home services to Givens Life Plan communities residents; and LifeMinistries, a community-based, health-focused outreach program. Before joining Givens Communities, Mr. Schwab was most recently the CEO of St. Camillus (Milwaukee, WI) since 2016 and has worked at St. Camillus for over twenty years in multiple capacities, previously as CFO and COO. He is a Certified Public Accountant and a licensed Nursing Home Administrator in the State of Wisconsin. Kevin earned a Bachelor's degree in Accounting from Marquette University and a Master's in Business Administration from the University of Wisconsin Milwaukee.

Allen D. Squires, CPA, FHFMA, Chief Financial Officer

Mr. Squires has been Chief Financial Officer since 1995. He is responsible for the financial operations of the Corporation, including the annual operating budget, financial reporting, forecasts, third party reimbursement, etc. He is a Certified Public Accountant. He serves on the Investment Committee of the United Methodist Foundation of Western North Carolina, Inc.; and the Finance Committee of LeadingAge North Carolina. Prior to coming to Givens, Mr. Squires was Assistant Controller for a hospital in Grundy, Virginia; Chief Financial Officer for a psychiatric hospital in Hickory, North Carolina; and Senior Auditor for Deloitte and Touche. He is a graduate of Appalachian State University with a BA in Business Administration.

BOARD OF DIRECTORS

Givens Estates, Inc. is governed by a volunteer Board of Directors, which meets quarterly. Board committees provide leadership throughout the year in support of the community's mission and vision. The Board consists of twenty-four (24) persons who are approved by the Western North Carolina Annual Conference of the United Methodist Church. The terms of these Directors are staggered so that each Class has eight (8) persons elected for a term of three (3) years and serving no more than six (6) successive years. Ten (10) ex-officio Directors from the Western North Carolina Annual Conference of the United Methodist Church, clergy from United Methodist Churches in the Blue Ridge and Smoky Mountain Districts, and current and recent past Presidents of Resident Council also serve as Board members.

EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS

Mr. Joseph P. McGuire, Chairperson

PO Box 3180 Asheville, NC 28802

Mr. McGuire is an attorney who is President of McGuire, Wood & Bissette, P.A. The law firm serves as general counsel for Givens Estates. Legal services are performed when requested. No retainer agreement is in effect with reference to such legal services. During 2022, the law firm billed Givens Estates a total of \$41,774.00. Mr. McGuire's community service includes: Board Member of Leadership Asheville Forum, Lenoir-Rhyne University and the Martin Luther King, Jr. Association of Asheville and Buncombe County. Mr. McGuire is a member of Central United Methodist Church, where he is an usher and a Sunday school teacher. He has been a Givens board member since 2015, is on the Executive Committee, and served on the Audit Committee.

Mr. Horace S. Jennings, Vice Chairperson

27 Forest Rd., Asheville, NC 28803

Mr. Jennings is the retired Chief Administrative Officer at Stony Point Group. He is the former Vice President for Wells Fargo Corporate Bank. Mr. Jennings has served on the Finance Committee for Biltmore Forest Country Club and was previously on the Central United Methodist Church Administrative Council. He is a member of Central United Methodist Church, Asheville. He has been a board member since 2014, is on the Executive Committee and Chair of the Finance, Human Resource and Group Health Plan Committee.

Mrs. Kathryn R. Durity, Secretary

3 Fen Way Court, Asheville, NC 28803

Mrs. Durity is involved with development for Pisgah Legal Services. She is general manager of Beaverdam Investment One, a real estate development company. She is a member at Central United Methodist Church. She is also a member of the Ramble Community Association Board. She has been a board member since 2013, is on the Executive Committee and is the Chair of the Resident and Health Services Committee.

Mrs. Donna A. Broadwell, Assistant Secretary

392 Vanderbilt Rd., Asheville, NC 28803

Mrs. Broadwell was previously employed by Givens Estates as a Marketing Associate and is currently a community volunteer. She is a member of Central United Methodist Church, Asheville and a lay

delegate to the Western North Carolina Conference of the United Methodist Church. She has served previously on the Board and been a board member most recently since 2010 and is serving on the Executive Committee, the Nominating Committee and is Chair of the Nominating Committee.

Mr. Kenneth W. Swayze, Jr., Treasurer

111 Finley Street, Hendersonville, NC 28739

Mr. Swayze is the retired Senior Vice President and the Director of Fiduciary Services of First Citizens Bank, Hendersonville. Community service includes: Treasurer of the Henderson County Salvation Army Advisory Board; serves on the Investment Committee of the Henderson County Community Foundation; board member of the Trust Education Foundation; Faculty of The Southeastern Trust School at Campbell University; and Kiwanis Club of Hendersonville. Mr. Swayze is a member of First United Methodist Church, Hendersonville and is the Treasurer of the church's Endowment Committee. He has served previously on the Board and has been a board member most recently since 2011. He is currently serving on the Executive Committee and the Investment Committee.

Mr. Charles L. Frederick – Co -Assistant Treasurer

24 Powder Creek Trail., Arden, NC, 28704

Mr. Frederick is the TD Bank, North Carolina Market President. He is the past Chair of the Board of the YMCA of Western North Carolina, the Vice Chair of the AB Tech Foundation, and Vice Chair of the N.C. Bankers Association. He is a member of Skyland United Methodist Church where he is the Chair of the Finance Committee, the Vice Chair of the Administrative Board as well as a member of the Planning Committee. He joined the board in 2019 and currently serves on the Executive Committee and is Chair of the Investment Committee.

Mrs. Rebekah M. Lowe – Co -Assistant Treasurer

12 Trafalgar Circle. Asheville, NC 28805

Mrs. Rebekah Lowe is the Chief Executive of FizzyWork Executive Coaching and the former Regional President of Wachovia Bank. She is the Vice President of the MemoryCare Board and a volunteer at the Room In The Inn. A former Board Member of the Chamber of Commerce, the YMCA, Brevard College, United Way Leadership in Asheville and Palm Beach Atlantic University. She is a member of the International Coach Federation and the Western Carolinas Coaches. She is a member of the First Baptist Church of Asheville, an Ordained Deacon and is a former finance committee member there. She joined the board in 2020 and currently serves on the Executive Committee and the Investment Committee.

Mr. G. Edward Towson, II, Immediate Past Chair

7 Brookwood Road, Asheville, NC 28804

Mr. Towson is a Certified Public Accountant (CPA). Community service includes: Board Treasurer of the Asheville Symphony Society; Chair of the Asheville Civitan Club Foundation Board; Board Treasurer of the Community Foundation of Western North Carolina; past board member of WCQS Public Radio; and UNCA Foundation. Mr. Towson is on the Administrative Board of Central United Methodist Church, Asheville. He has served on the Board at various times since 1999 and has been on the Executive Committee since 2010.

Mr. Kevin C. Schwab, President and Chief Executive Officer, (see Administrative staff above).

BOARD OF DIRECTORS AND CONTACT INFORMATION

Mrs. Kathryn M. Atkinson – 395 S. Garden Street, Marion, NC 28752

Mrs. Atkinson is a certified public accountant retired from Johnson, Price, Sprinkle, PA. She is a member of the First United Methodist Church, Marion. She joined the board in 2017 and is on the Audit Committee.

The Reverend Robert M. Blackburn, Jr. – 27 Church Street, Asheville, NC 28801

Reverend Blackburn is Senior Minister of Central United Methodist Church, Asheville and a member of the Western North Carolina Conference. He has been an Ex-officio board member since 1993.

Ms. Alisa J. Brown – 385 N. Haywood Street, Suite 3. Waynesville, NC 28786

Ms. Brown is a CPA at a Ray, Bumgarner, Kingshill & Assoc., P.A. She performs tax work and governmental and nonprofit audit work. She is an active volunteer and Board Member at Wilderness Trail, a backpacking ministry. She is a member of the NC Association of CPA's and also a member of the FUMC Waynesville where she is on the Membership Team and Finance and Stewardship Committees. She joined the board in 2020 and serves as Chair of the Audit Committee.

The Reverend Karen Easter-Bayne – 204 6th Avenue West, Hendersonville, NC 28739

The Reverend Easter-Bayne is the Senior Minister at First United Methodist Church Hendersonville, and is a member of the Western North Carolina Conference. She earned a BA degree and Master of Regional Planning degree from UNC-Chapel Hill, and her Master of Divinity degree from Candler School of Theology at Emory University. She has been an Ex-officio board member since 2021. She serves on the Resident and Health Services Committee.

Mr. Adam K. Ennis – 658 N. Country Club., Brevard, NC, 28712

Mr. Ennis is the Chief Financial Officer of the National Development Council. Prior to joining the National Development Council, he was a Senior Associate at Dixon Hughes PLLC (now DHG). He received his bachelor's degree in Finance and Banking from Appalachian State University and has a Master of Science in Accountancy from the University of North Carolina at Wilmington. Adam is a member of the Brevard First Methodist Church where he serves on the Foundation Board. He joined the board in 2019 and serves on the Finance, Human Resource and Group Health Plan Committee.

Ms. Murphy H. Fletcher – P.O. Box 3180. Asheville, NC 28802

Ms. Fletcher is an associate with McGuire, Wood & Bisette Law Firm in Asheville helping businesses and individuals navigate local, state, and federal tax issues. She also works in the area of employment law. Her community involvement includes participation in the Litigation Section of the North Carolina Bar Association, the North Carolina Association of Women Attorneys and Pisgah Legal Services. She joined the board in 2020 and serves on the Finance, Human Resource and Group Health Plan Committee.

Mr. Larry B. Harris – 101 Richard Lane, Black Mountain, NC 28711

Mr. Harris is a retired certified public accountant with background in financial and tax planning, with PARSEC Financial. His community involvement includes former Mayor of Black Mountain, board member of Mission Hospital (HCA), French Broad River Metropolitan Planning

Organization, past chair of the Land of Sky Regional Council, and he is active with CarePartners, and Buncombe County Audit Committee. He served on the executive committee of Deerfield Retirement Community and is active in Rotary. He is a member of Christ Community Church Montreat. He joined the board in 2022 and serves on the Nominating Committee.

Mr. Miles K. Hoffman – 56 Wagon Trail, Black Mountain, NC 28711

Mr. Hoffman is retired from the College of Occupational Medicine and the American Medical Association and, before that, several private sector companies. He has consulted in marketing research and needs assessment for multiple social service agencies. He taught Political Science and Constitutional Law at Indiana University at South Bend. He is a member of Black Mountain UMC. He joined the board in 2018, is a Givens Highland Farms resident, has served as the President of Givens Highland Farms' Residents Corporation and serves on the Resident and Health Services Committee.

Dr. Margaret Kuhn – 550 1 Warren Wilson College Road, Swannanoa, NC 28778

Dr. Kuhn co-owns two veterinary clinics in Asheville, Animal Hospital East and Animal Hospital South. She is a longtime member of Groce United Methodist Church. She joined the board in 2021 and serves on the Nominating Committee.

Dr. Suzanne E. Landis – 10 W. Kensington Rd. Asheville, NC 28804

Dr. Landis is a retired MAHEC Physician who has served Givens Estates residents. She is a Gerontologist as well as a professor. She started Project Access, one of the most innovative, successful community health programs in the country. She serves on the Medical Society Foundation Board, the Health Partners Board and the American Project Access Board. Dr. Landis is a member of the Grace Covenant Presbyterian Church. She joined the board in July 2018 and serves on the Resident and Health Services Committee.

Mr. William Mance – 105 Poppy Lane, Asheville, NC 28752

Mr. Mance is a retired Vice President for Human Resources for Mission Hospitals. Prior to joining the health system, he was Western Region Manager for WCI, a human resources consulting organization, located in Asheville. He is a retired U.S. Army colonel, officer in the Army Medical Service Corps. His service to the community includes UNC-TV, Asheville Self Help Credit Union, SCORE, The Community Foundation of WNC, American Hospital Association Board, MAHEC, and more. Mr. Mance is a member of St. Matthias Episcopal Church. He joined the board in 2022 and serves on the Finance, Human Resource and Group Health Plan Committee.

Mrs. Connie B. Martin – 350 Holly Hill Drive. Marion, NC 28752

Mrs. Connie B. Martin is a retired Elementary Education Teacher and has served on the McDowell County Volunteer Board, as well as the Hospice of McDowell County and Marion City Planning Boards. She is a member of the McDowell County NAACP, YMCA and TOPS. Mrs. Martin is a member of Addie's Chapel UMC. She joined the board in 2018 and serves on the Resident and Health Services Committee.

Mr. F. Patrick McGuire – 645 Si Knob Road. Cullowhee NC, 28723

Mr. McGuire is a retired Dentist and has been a member of the Sylva Rotary Club since 1980 where he served as the president from 2004-2005. He is a Jackson County chapter of North Carolina Community Foundation Board Member as well as a Volunteer for Meals on Wheels. He is a former

member of the American Dental Association, North Carolina Dental Society, American College of Dentists, and the American Academy of Dental Practice where he served as the President from 2005-2006. He is a lifelong member of the Sylva First United Methodist Church. He joined the board in 2020 and is on the Audit Committee.

Mr. Rob M. McKown – 40 Hallett Ct., Asheville, NC, 28803

Mr. McKown is a Commercial Realtor and MAI Appraiser. Previously, he was President/CEO of Pedro Bay Corporation (real estate investment and development), and Sr. VP of First Union National Bank in Brevard, NC. Rob is active in the community and has served on numerous non-profit boards. Rob is a long-time member of 1st UMC in Brevard. He joined the board in 2019 and serves on the Finance, Human Resource and Group Health Plan Committee.

Mr. Russell Moxley – 400 Wesley Drive, Apt. 374, Asheville, NC 28803

Mr. Moxley is a resident of Givens Estates and is President of the Givens Estates Resident Council. He is a retired leadership and organization development professional. His community service includes Appalachian Voices and Kirkridge Retreat and Study Center board of directors. He is an associate member of New Hope Presbyterian Church. He joined the board in 2022 and is on the Resident and Health Services Committee.

Dr. Judy L. Phillips – 54 Blue Heron Drive, Fletcher, NC 28732

Dr. Phillips received her PHD and John Hopkins and is a nurse practitioner with the Messino Cancer Center in Asheville and is an Assistant Professor of Nursing at Lenoir Rhyne University. Her community service includes Oncology Nursing Society, Chair of Education for MASCC, Chair of Lymphema DNS, and Doctorate and Masters Nursing Committees. She is an international speaker, member of Biltmore Church. She joined the board in 2022 and is on the Resident and Health Services Committee.

Mr. Charlie Pine – 137 Spring View Drive., Black Mountain, NC, 28711

Mr. Pine is a resident of Givens Highland Farms and a retired Senior Vice President and General Manager of Belk department stores. His community service includes the WCU Board of Trustees, the Asheville Merchants Board and Foundation, the BBB, Salvation Army, the Chamber of Commerce, Care Partners, Industries for the Blind Asheville and main Board Winston Salem, Meals on Wheels, Mars Hill Foundation Board as well as various United Way Committees. He is also on the Employee Appreciation Committee at Givens Highland Farms, the Covenant Community United Methodist Church Finance Committee and the Chair of the Building and Construction Committee. He is a member of the Covenant Community United Methodist Church. He joined as an Ex-officio board member in 2019 and is on the Nominating Committee.

The Reverend W. Mark Ralls – 204 Sixth Ave., West, Hendersonville, NC 28739

The Reverend Ralls is the Superintendent of the Blue Ridge District of the Western North Carolina Conference of the United Methodist Church. He has been an Ex-officio board member since 2015.

Mr. Robby Russell – 47 Treetop Drive, Arden, NC 28704

Mr. Russell is with First National Bank of Pennsylvania. He is the Vice Chair of the UNCA Board of Trustees and Chair of the WNC Rescue Mission and serves on the YMCA and MAHEC Boards. He joined the board in 2021 and serves on the Investment Committee.

Mr. Robert E. Shepherd – 214 Valley Ridge Lane, Black Mountain, NC 28711

Mr. Shepherd is the Executive Director Emeritus of Land of Sky Regional Council. He is a member of Acton United Methodist Church, Asheville. He has served on the General Council on the Status and Role of Women and the General Board of Global Ministries. He also served for over a decade on the WNC conference council of ministries (now connectional table) as chairman and vice-chairman. He has been a board member since 1983, is an honorary life member of the Board, and is on the Audit Committee, and the Investment Committee.

Ms. Sarah-Ann Smith – 60 Wagon Trail, Black Mountain, NC 28711

Mrs. Smith is a resident of Givens Highland Farms and is the President of Givens Highland Farms' Residents Corporation. Mrs. Smith is a retired Foreign Service Officer, previously served on the PCUSA Commission on Ecumenical Mission and Relations, and was an adjunct professor at Johns Hopkins University, University of Baltimore, and UNC Asheville. She holds a Ph.D. in International Studies and East Asian Studies from American University, and a Master of Arts degree from Presbyterian School of Christian Education. Her community service included World Affairs Council of WNC board member and president, community member of Asheville Citizen-Times editorial board and column contributor, board and committee chair for Ballet Spartanburg, and board member of the League of Women Voters. She joined the board in 2022 as an Ex-officio board member and serves on the Resident and Health Services Committee.

Mr. Hal F. Starnes – 100 Wesley Drive, Apartment 405, Asheville, NC 28803

Mr. Starnes was formerly Assistant Vice President of Imperial Life Insurance Company, Vice President of Wachovia Bank, and President of the Blue Ridge Savings Bank. He is a Givens Estates resident and member of Trinity United Methodist Church, Asheville. He joined the board in 1979 and is an honorary life member of the Board.

Mr. Chris Taylor (Retired in 2022) – 5009 Swift Ridge Road., Raleigh, NC, 27606

Mr. Taylor is a retired Assistant Secretary of the North Carolina Medical Care Commission. He is a Certified Public Accountant. He is on the Board of Directors of Leading Age North Carolina Foundation as well as the Governors Presbyterian Homes of NC. Chris is a volunteer at the Osher Lifelong Learning Institute, NCSU and is a member of the Kirk of Kildaire Presbyterian Church in Cary, NC. He joined the board in 2019 and served on the Finance, Human Resource and Group Health Plan Committee.

Mrs. Marjorie Tucker (Retired in 2022) – 6080 80th Street North, Apt 403, St. Petersburg, FL 33709

Marjorie Tucker is a former Resident of Givens Estates and served as President of the Givens Estates Resident Council. She is a retired business owner and was Vice President of Tri-County Community College in Murphy, NC. She was an Elder in the Presbyterian Church. She joined the board in 2021 and served on the Resident and Health Services Committee.

The Reverend Doctor R. Keith Turman – 37 Country Club Drive, Waynesville, NC 28786

Dr. Turman is the Senior Minister at First United Methodist Church in Waynesville, NC and a member of the Western North Carolina Conference. He has been a board member since 2008 and is on the Nominating Committee.

Mr. Alfred J. Whitesides, Jr. – 17 West Haith Dr., Asheville, NC 28801

Mr. Whitesides is the retired Vice President of Mountain 1st Bank and Trust. He has been on the

Buncombe County Board of Commissioners since 2016. He is a member of Hopkins Chapel AME Zion Church, Asheville. He joined the board in 1979 and is an honorary life member of the Board.

None of the Board of Directors, staff, or consulting professionals, has a financial interest in The Givens Estates, Inc. None of said officers, directors or management personnel (i) have been convicted of a felony or pleaded nolo contendere to a felony charge, or been held liable or enjoined in a civil action by final judgment, if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property; or (ii) are subject to a currently effective injunctive or restrictive court order, or within the past five years, had any State or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, if the order or action arose out of or related to business activity of health care, including actions affecting a license to operate a foster care facility, nursing home, retirement home, home for aged, or facility subject to Article 64, Chapter 58, of the General Statutes of North Carolina or a similar law in another state. All Board members sign a Conflict of Interest Policy and Ethical Code of Conduct annually (Attachment 2).

RESIDENTS CORPORATION

The Highland Farms Residents Corporation, Inc. ("HFRC" is a 501(c)3 corporation. As such it promotes and protects the interests and welfare of the residents of Givens Highland Farms. All residents are members of the HFRC, which normally meets monthly. The HFRC has a Board composed of nine residents duly elected by the residents. The Board handles the regular business of the HFRC and recommends major decisions to the residents for approval. Board meetings are open to all residents. The HFRC coordinates numerous volunteer committees and activity groups. HFRC representatives promote outreach beyond the Givens Highland Farms community, act as liaison to departments of Givens Highland Farms, and to provide assistance to Resident Services and Programming. HFRC also provides limited financial assistance to residents upon confidential resident request.

GIVENS HIGHLAND FARMS STRATEGIC PLAN

Givens Highland Farms prepares for the future through a long range strategic planning process, which is conducted every 7 to 8 years. The strategic plan is integrated into the annual plan for implementation. The organization believes the best way to remain relevant and financially strong for the future is to constantly evolve and improve. In January 2018, the Board of Directors approved a new campus master plan for Givens Highland Farms that will be further refined and implemented in phases over the next 10 years.

Givens Highland Farms continues to update the community based upon identification and prioritization of need. An expansion project has been planned and developed on campus. We are currently in Phase 2 of the Master Plan which includes a new Lobby area, Assembly Room, Dining/Kitchen venue and 66 new apartments. In later phases we will begin planning for additional new apartments and a new Health Care Center to serve our need for higher levels of care. This will serve the community well into the future as it grows. This plan will enable the community to remain financially strong and attractive in the marketplace.

Givens Highland Farms will finance the entire Phase 2 project (including interest of \$2,700,000) for 27 months with tax-exempt fixed rate bonds. Bonds were issued in late 2021 with a principal amount of \$48,620,000, 4% interest rate and a maturity of 30 years. Total construction costs are anticipated to be approximately \$47,000,000, funded interest and cost of issuance of approx. \$804,000. When the project opens and is occupied, GHF expects to receive entrance fees that will total \$21,800,000. The occupancy rate is expected to be at the historic rate of 95% and there should be no effect on health services with this project.

III. POLICIES

A copy of the Guidelines for Living and the Policy and Procedures Manual is provided to all residents and is available upon request. These resources are updated from time to time. The following information summarizes certain important aspects of current policies in the Residence and Services Agreement.

Admissions

Age. Prospective residents shall be fifty-five (55) years of age or older to be eligible for admission. If the prospective residents are a couple, at least one member of the couple must be fifty-five (55) years of age or older at the time of occupancy.

Application Form. Applicants will provide an Application for Admission, a Personal Health History and a Confidential Financial Statement, all on forms furnished by Givens Highland Farms. Applicants may be requested to update such forms at the time of admission.

Personal Interview. Applicants must have an interview with a Givens Highland Farms Marketing Representative prior to occupancy. Upon review of all information, additional interviews may be requested by the applicant of Givens Highland Farms.

Health Requirements. Applicants must be able to live independently in the living option for which they/he/she is applying. The applicant's physician must complete a form which states that the applicant(s) is able to live independently and undertake ongoing activities of daily living.

Financial Requirements. Applicants must have assets and income sufficient to pay their financial obligations under this Agreement and to meet their ordinary living expenses.

Marketing and Admissions. Givens Highland Farms determines the admission criteria for the Marketing Department to implement. The Marketing Director reviews all applications. If the Marketing Director is satisfied the applicant meets the criteria for admission, then the health and financial information is reviewed by the Executive Director to ensure the applicant meets the health and financial criteria.

Termination and Refund Provisions

Termination by Resident Prior to Occupancy.

Termination During First 30 Days: The Residence and Services Agreement may be terminated by the resident for any reason within thirty (30) days following the later of the execution of this contract or the receipt of a disclosure statement and the resident is not required to move into the facility during this period. Any monies paid by the resident shall be refunded in full less any non-standard costs incurred at the residents' request. Any such

refund shall be paid by Givens Highland Farms within ten (10) business days following receipt of written notification of such termination by the resident to:

**Director of Marketing
Givens Highland Farms
200 Tabernacle Road
Black Mountain, NC 28711**

Termination After First 30 days and Before Occupancy: The Residence and Services Agreement may be terminated by the resident for any reason after thirty (30) Days from entering into this Agreement and prior to Occupancy by giving written notice to Givens Highland Farms. In the event of such termination, the resident will receive a refund of the resident's ten percent (10%) Deposit, less a nonrefundable fee equal to two percent (2%) of the total amount of the Entrance Fee chosen for the residence, and any non-standard costs requested by the resident. The nonrefundable fee will not be charged to the resident if such termination is due to death, death of the resident's spouse, or because the resident's physical, mental or financial condition makes the resident ineligible for admission to Givens Highland Farms. Any such refund shall be paid by Givens Highland Farms within ten (10) business days following receipt of written notification of such termination.

Termination by Resident During the First 30 Days After Occupancy. Within the first 30 days after occupancy, the resident may terminate this Agreement by giving Givens Estates written notice of such termination. For rescinded or cancelled agreements the resident or resident's legal representative shall receive a refund of all money or property transferred to Givens Estates, less (i) periodic charges specified in the agreement and applicable only to the period the residence was actually occupied by the resident; (ii) those nonstandard costs specifically incurred by Givens Estates at the request of the resident and described in the agreement or any agreement amendment signed by the resident; (iii) nonrefundable fees as set out in paragraph VII. E of the agreement; and (iv) a reasonable service charge, as set out in the agreement, not to exceed the greater of one thousand dollars (\$1,000) or two percent (2%) of the entrance fee.

Termination Upon Death After Occupancy. In the event of death of a single resident, or the survivor of two residents, at any time after occupancy, the Residence and Services Agreement shall terminate and the refund of the Entrance Fee shall be determined according to Paragraph VII. E. of the Agreement.

Termination by Givens Highland Farms After Occupancy. Givens Highland Farms may terminate the Residence and Services Agreement at any time if there has been a material misrepresentation or omission made by the resident in their Application for Admission, Personal Health History, Confidential Financial Statement, or Physician's Examination Report; if the resident fails to make payment to Givens Highland Farms of any fees or charges due within sixty (60) days of the date; or if the resident does not abide by the rules and regulations adopted by Givens Highland Farms, or breach any of the terms and conditions of the Agreement. In the event of termination due to any of such causes, the refund of the Entrance Fee paid shall be determined according to Paragraph VII. E. of the Agreement.

Amortization of the Entrance Fee. If an Entrance Fee Option is chosen, the Entrance Fee may be partially refundable. The portion of the Entrance Fee that is refundable to the resident will decline over time at a rate of six percent (6%) upon the date of Occupancy of the Residence and two percent (2%) on the first (1st) day of each calendar month thereafter until Your selected refund percentage remains at zero percent (0%), fifty percent (50%), or ninety percent (90%). For the initial Cottages contracts, the portion of the Entrance Fee that is refundable to the resident will decline over time at a rate of five percent (5%) upon the date of Occupancy of the Residence and two percent (2%) on the first (1st) day of each calendar month thereafter until the refund percentage remains at seventy-five percent (75%). Regardless of the reason for termination, the resident is entitled to the Entrance Fee refund, less any non-standard costs requested by the resident, except as otherwise provided in the Residence and Services Agreement.

Payment of Refunds. Entrance Fee refunds, if due, will be paid upon the resident vacating the residence or in case of dual occupancy both vacating the residence; the removal of all personal property; and upon the receipt by Givens Highland Farms of a replacement resident for the residence or the expiration of twenty-four (24) months after termination of the Residence and Services Agreement by the resident (whichever occurs first).

Condition of Residence. Upon vacating the residence, the resident shall leave it in good condition except for normal wear and tear. The resident or their estate shall be liable to Givens Highland Farms, LLC for costs required to restore the residence to good condition, except for normal wear and tear, and for the removal and disposition of abandoned personal belongings. Such costs will be deducted from the refundable portion of the Entrance Fee (if due), or added to the final statement of charges for the resident.

Changes to Residence. After the date of occupancy, any structural or physical changes to the residence directed by the resident (including alterations such as construction of bookshelves or redecoration such as painting or wallpapering) will require the prior approval of Givens Highland Farms and will be made only under Givens Highland Farms' supervision and direction. The cost of any change requested shall be at the resident's expense. Givens Highland Farms may require, as a condition of approval of a requested change, that the resident either (i) agree to bear the cost of restoring the residence to its original condition upon termination of occupancy, or (ii) prepay the estimated cost of restoring the residence to its original condition. All structural improvements shall belong to Givens Highland Farms.

Transfers or Changes in Levels of Care

Transfer to a Health Care Residence. Givens Highland Farms recognizes the right of self-determination of the resident and will attempt to involve the resident or the resident's representative in all decisions related to transfers and changes in level of care. Givens Highland Farms shall have authority to determine whether the resident should be transferred from their residence to a Health Care Residence, or from one level of care to

another within Givens Highland Farms, in cases of potential harm to the resident or others, to assure the health and wellbeing of the resident and others, or to provide for the highest quality of life possible. Such determination shall be based on the opinion of the Givens Highland Farms administration and/or the Givens Highland Farms Medical Director and shall be made after consultation with the resident and/or their representative and their attending physician. Such decisions shall be made only in the resident's best interest and in the best interest of the larger community as determined by Givens Highland Farms.

Transfer to Other Facility. If it is determined by Givens Highland Farms that the resident needs care beyond that which can be provided by Givens Highland Farms, the resident may be transferred to a hospital or institution equipped to give such care at the resident's expense. Such transfer will be made only after consultation with the resident and/or their representative and attending physician.

Surrender of Residence. If a reasonable determination is made by Givens Highland Farms that any transfer for a change in level of care is or is highly likely to be permanent, the resident agrees to surrender the residence. The resident will have priority to move to such Health Care Residences, determined to best meet their needs, as soon as such is available.

Terms of Residency

Policies and Procedures. All residents shall abide by Givens Highland Farms policies and procedures, including such amendments, modifications and changes to the resident handbook (Guidelines For Living) as may be adopted by Givens Highland Farms. Such handbook shall be made readily available to all residents.

Changes in the Residence and the Agreement. Givens Highland Farms has the right to change the residence and/or the Residence and Services Agreement when and to the limited extent required to comply with the requirements of any applicable statutes, laws or regulations. The residence may not be used in any manner in violation of any zoning ordinances or other governmental law or regulation.

Visitors. Short-term visitors and guests may stay in a residence for limited stays. No person other than the resident(s) may reside in the residence without the approval of Givens Highland Farms.

Occupancy by Two Residents. When two (2) residents occupy a residence and one of them no longer resides in the residence, whether as a result of death or otherwise, or in the event of the termination of the Agreement with respect to one of the residents, the Residence and Services Agreement shall continue in effect for the remaining resident. The remaining resident will thereafter pay the single person monthly fee associated with the residence. No Entrance Fee refunds, if due, shall be paid to the remaining resident until the residence is vacated as described in the Residence and Services Agreement.

Request by a Resident for Change in Residence. A resident may request a change in residence at any time. Givens Highland Farms carefully considers such requests, including but not limited to such factors as resident's health and finances, availability of requested type of residence, and waiting lists. The resident must agree to pay the difference in the Entrance Fee and Monthly Fee between the requested residence and the current residence. Givens Highland Farms may require the resident to enter into a new or amended Residence and Services Agreement for the new residence.

Move to Another Residence. Should a move to a subsequent residence be approved by Givens Highland Farms, the resident will pay the Monthly Fee associated with the subsequent residence. Even if the Entrance Fee for the original residence, at initial occupancy, was greater than the current Entrance Fee for the subsequent residence, the resident will not be entitled to a refund as a result of the difference between such Entrance Fees. If, however, the Entrance Fee for the original residence, at initial occupancy, was less than the current Entrance Fee for the subsequent residence, the resident will pay an amount equal to the difference between the Entrance Fee of the original residence that they paid and the current Entrance Fee of the subsequent residence.

Change in Residence at Option of Givens Highland Farms. If Givens Highland Farms reasonably determines that a residence needs to be vacated to permit repairs or renovations thereto, or needs to be modified or reconfigured to accommodate a new or different use of the residence, or as a result of any other circumstances reasonably determined by Givens Highland Farms to justify such transfer, Givens Highland Farms may move the resident to a new residence of a similar size provided that Givens Highland Farms (i) advises the resident prior to undertaking any such move, (ii) gives the resident reasonable notice of and time to prepare for such move, (iii) incurs all the costs of such move, (iv) arranges for the prompt and convenient moving of the residents' personal furnishings, and (v) provides in such new Residence optional custom improvements comparable to those provided in Your original Residence.

Loss of Property. Givens Highland Farms shall not be responsible for the loss of any property belonging to residents due to theft, mysterious disappearance, fire or any other cause. All residents are responsible for securing personal property insurance.

Medical Insurance. If 65 years of age or older residents are required to maintain Medicare Part A, Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage (e.g. Federal Government employees who subscribe to Federal Blue Cross Blue Shield). If a resident is not eligible for Medicare they are required to maintain full medical and hospitalization insurance coverage. Insurance must be acceptable to Givens Highland Farms and residents must furnish Givens Highland Farms with evidence of such coverage and notify Givens Highland Farms of changes in medical insurance.

Right of Entry. The Residence and Services Agreement authorizes employees or agents of Givens Highland Farms to enter the residence for the purposes of housekeeping, repairs, maintenance, inspection, and in the event of an emergency. Givens Highland Farms will always endeavor to maintain the privacy of the residence. Residents are not allowed to

replace or add any locks to the residence.

Residents' Organizations. Residents of Givens Highland Farms are free to join a Residents' Corporation that is open to all residents. Such organization elects representatives, officers, and other positions to engage in activities of interest to all residents.

Smoke-free Campus. The Givens Highland Farms campus and residences are tobacco-free.

Marriage During Occupancy. Should a resident marry a person who is also a resident of Givens Highland Farms, the two may occupy either residence and shall surrender the unoccupied residence. They will pay the Double Person Monthly Fee upon occupancy by both residents in the chosen residence. No Entrance Fee refunds, if due, shall be paid until Givens Highland Farms receives a replacement Entrance Fee for the vacated residence or twenty-four (24) months after termination by the resident (whichever occurs first), and removal of all personal belongings. Refunds are made in accordance with Paragraph VII. E. of the Residence and Services Agreement.

If a resident should marry a person who is not a resident of Givens Highland Farms, their spouse may become a resident if they (i) meet all the requirements for admission, (ii) enter into a Residence and Services Agreement with Givens Highland Farms, and (iii) pay an Entrance Fee equal to the then-current double person Entrance Fee. The resident and their spouse shall pay the Double Person Monthly Fee. If the spouse does not meet the requirements of Givens Highland Farms for admission as a resident, the resident may terminate the Agreement by giving Givens Highland Farms written notice of such voluntary termination as outlined in the Residence and Services Agreement or the spouse may be approved for admission under special circumstances as agreed to in writing by Givens Highland Farms and the resident and spouse. Refunds are made in accordance with Paragraph VII. E. of the Residence and Services Agreement.

IV. SERVICES

Furnishings in Residences. Givens Highland Farms will provide in most residences wall-to-wall carpeting, vinyl flooring in kitchen and bath(s), refrigerator with ice maker, stove, oven, microwave, hood vent, washer and dryer, garbage disposal, rewiring for telephone and cable services, basic cable television, and other features and fixtures as described in Givens Highland Farms' current literature. All other furniture, furnishings, decorations, bed and bath linens, and other personal property will be provided by the resident. Garden Apartments may not include hood vent or washer and dryer. Prentice Lodge apartments may not include stove, oven, hood vent or washer and dryer.

Options and Custom Features in Your Residence. Residents may select certain options and custom features in the residence for an additional charge. Givens Highland Farms will present you with a written quote specific to your options and custom feature request detailing the prices. The cost of options and custom features selected will be paid by the resident at the time of selection and will become part of the residence and the property of Givens Highland Farms. The value of such

improvements will not be considered in computing Entrance Fee refunds, unless specifically agreed to in an Addendum to the Residence and Services Agreement. All options and custom features must be approved by Givens Highland Farms administration in advance of the changes made.

Common Areas and Amenities. Givens Highland Farms common areas and amenities are for the use and benefit of all residents and include a central dining room, café/deli, library, mail boxes, multi-purpose room, lounges, activity areas, arts and crafts room, woodworking shop, beauty/barber shop, walking areas, exercise areas, community garden, on-site assisted living center, and health center for nursing care.

Parking. Givens Highland Farms will provide lighted parking areas for the residents' personal vehicle (a minimum of one space for each residence).

Services and Programs.

Utilities. The monthly fee includes the cost of heating, air conditioning, electricity, water, sewer, trash removal, basic cable TV, telephone and internet. Residents are responsible for any costs related to telephone, internet and cable television service beyond that provided by Givens Highland Farms.

Meals. Givens Highland Farms will make available to each resident a monthly declining dining amount as stated in the Residence and Services Agreement Schedule II. The amount is determined by the residence chosen and may change the same as in **Adjustments in the Monthly Fee** (below). A maximum carryover of one (1) month's dining dollars per person is allowed from month to month; any dining dollar amount in excess of the maximum allowed will expire at the month's end. Any additional charged amounts above the monthly allowance will be added to your monthly fee.

2023 Declining Dollar Amounts (monthly – per person)

Garden Apartments	\$ 285.00
Cluster, Condos, Meadowmont, Cottages and Twin Oaks	\$ 167.00

Meal Pricing (Residents & Guests)

All food and drink is a la carte and residents & guest only pay for what they order. If a resident uses their meal allowance in full, they may charge additional items to their account.

Housekeeping Services. The Monthly Fee includes weekly housekeeping services. Services include vacuuming, light dusting, dusting and damp mopping hard surface flooring, wipe-down of kitchen countertops, cleaning of bathrooms, changing of bed linens provided by you. Additional housekeeping may be available for an extra fee.

Groundskeeping. Givens Highland Farms will furnish basic grounds keeping service, including lawn, tree and shrubbery care. Subject to prior approval by Givens Highland Farms, residents may plant and maintain certain garden areas adjacent to their residence and elsewhere as designated by Givens Highland Farms.

Maintenance and Repairs. Givens Highland Farms will maintain and repair improvements, furnishings, appliances, and equipment owned by Givens Highland Farms. Residents will be responsible for the cost of repairing damage to property of Givens Highland Farms caused by the resident or their guests, ordinary wear and tear excepted.

Transportation. The monthly service fee will include local group transportation for residents on a regular, scheduled basis for shopping and activities. Transportation for medical, personal or special group trips is available for an extra fee.

Security. Givens Highland Farms provides 24-hour security, emergency response by trained Givens Highland Farms staff, smoke detectors in each Residence, a fire alarm system, and an emergency call system.

Activities. Givens Highland Farms provides scheduled social, recreational, spiritual, educational and cultural activities; arts and crafts; exercise and health programs; and other activities designed to meet residents' interests. Some activities may require an extra fee.

Other Services and Programs at Additional Charge. Other services and programs are available to residents at their own expense, including, but not limited to: guest rooms, beauty and barber services, home care services, personal laundry, special transportation, repairs of personal property, and other special services performed for the resident beyond the normal scope of services offered by Givens Highland Farms.

Notice of Change in Scope of Services. Except for changes required by law, Givens Highland Farms will notify residents of any proposed change in the scope of services provided in the Residence and Services Agreement at least thirty (30) days before such change is effective. No change relating to a service included in the monthly fee under the terms of this Agreement shall be effective unless (a) consented to by the resident or (b) a reasonable adjustment is made in the monthly fee.

Health Care Accommodations and Services. Givens Highland Farms will make available health care accommodations and services as follows:

Home Care and Health Care Center Residences. Home Care can help a resident with activities of daily living (ADLs) like remembering to take medications, preparing meals, transferring from a chair, toilet or bed, bathing, getting dressed, light housekeeping or transportation to and from doctors appointments. They can also support a resident with a disability - engaging in a favorite hobby, watching movies or simply conversing about their past or events of the day.

Givens Highland Farms will have accommodations, equipment, staffing, programs, services and supervision necessary for licensed skilled nursing care. This level of health care and services are available to residents either temporarily or permanently on a space available basis, if needed, as determined by Givens Highland Farms. Residents of Givens Highland Farms have priority access to all health care residences and services before non-residents. Givens Highland Farms residents have access to licensed Assisted Living on the campus of Givens Estates located at 2360 Sweeten Creek Road, Asheville, NC.

Wellness Clinic. A wellness clinic for certain consultations, screenings, and appointments is available to residents as scheduled and provided by Givens Highland Farms.

Staffing. Twenty-four (24)-hour licensed nursing staff will be provided by Givens Highland Farms to respond to emergencies.

Medical Director. The overall coordination and supervision of health care services within Givens Highland Farms will be provided by a Medical Director, who will be a licensed physician selected by Givens Highland Farms.

Health Care Services for an Additional Fee. Other health services may be available to residents at their expense, including but not limited to pharmacy services, home care services, laboratory tests, physical therapy, occupational therapy, speech therapy, therapeutic activities, rehabilitative treatments, and wheelchairs and other medical equipment and supplies. The costs of such services are in addition to the Monthly Service Fee.

Personal Physician. Residents choose a personal physician who has admission privileges at a local hospital, in the event that they need to be hospitalized. Residents are responsible for the cost of physician services and all related medical and non-medical expenses.

V. FEES – All Fees shown are effective as of January 1, 2023

The Residence and Services Agreement of this Disclosure Statement makes the following provisions:

Entrance Fee. Residents agree to pay to Givens Highland Farms an Entrance Fee for the residence as set forth in Schedule I of the Residence and Services Agreement (unless they have chosen the No Entrance Fee Option.

Terms of Payment of the Entrance Fee - If an Entrance Fee is chosen, the terms of payment of the Entrance Fee shall be as follows:

- a. 10 Percent Deposit.** To reserve a residence, applicants make application, pay a deposit equal to ten percent (10%) of the total Entrance Fee for their residence, less any Application Fee if previously paid, of one thousand dollars (\$1,000.00), and enter into the Agreement. The applicant will receive notice of their approval within fourteen (14) days of submitting their application.
- b. Balance of the Entrance Fee.** The balance of the total Entrance Fee for the residence will be due and payable prior to or on the date of occupancy, unless otherwise agreed to in writing by Givens Highland Farms.

Monthly Fee. In addition to the Entrance Fee, residents agree to pay a monthly fee upon occupancy for the term of the Agreement. The monthly fee is payable in advance by the tenth (10th) day of each month. The monthly fee is set forth in Schedule I of the Residence and Services Agreement.

The Monthly Fee covers:

- Monthly meal allowance (effective Jan. 1, 2023):
 - \$285.00 per person per month for Apartments
 - \$167.00 per person per month for Homes
 - 3 meals per day per person for Prentice Lodge
- Weekly housekeeping
- All utilities including cable, telephone and internet
- Maintenance
- 24 hour campus security and urgent call response by trained personnel
- Scheduled transportation
- Use of all common areas and amenities
- Social, recreational, spiritual, educational and cultural activities



2023 ENTRANCE FEES & MONTHLY FEES

0% Refund Plan

- 0% refund after 48th month of occupancy.
- Amortized to Givens Highland Farms at 6% the first month of occupancy and 2% a month for the next 47 months.
- Partial refund prior to 47 months and upon home vacancy.

50% Refund Plan

- 50% refund after 23rd month of occupancy.
- Amortized to Givens Highland Farms at 6% the first month of occupancy and 2% a month for the next 22 months.
- Refund upon home vacancy.

90% Refund Plan

- 90% refund after 3rd month of occupancy.
- Offers peace of mind and the highest level of security for your investment.
- Refund upon home vacancy.

Monthly service fees include:

Lawn care • Interior/exterior home maintenance • Weekly housekeeping • Trash and recycling pick up
Flexible meal plan • Private high speed internet • Expanded basic cable • Land line telephone
Electric • Heating/Air Conditioning • Urgent call system • Activities

CLUSTER HOMES

	0% refund		50% refund		90% refund		Monthly Fees	
	Single	Double	Single	Double	Single	Double	Single	Double
1BR, 1BA, 960 SF	\$187,000	\$202,000	\$275,000	\$290,000	\$446,000	\$461,000	\$3,056	\$3,893
2BR, 2BA, 1,174 SF	\$232,000	\$247,000	\$342,000	\$357,000	\$553,000	\$568,000	\$3,386	\$4,223
3BR, 2BA, 1,320 SF	\$270,000	\$285,000	\$397,000	\$412,000	\$643,000	\$658,000	\$3,665	\$4,502

CONDOMINIUMS

	0% refund		50% refund		90% refund		Monthly Fees	
	Single	Double	Single	Double	Single	Double	Single	Double
Approximate Sq Ft								
2BR, 2BA, 1,354 SF	\$261,000	\$276,000	\$384,000	\$399,000	\$622,000	\$637,000	\$3,452	\$4,289
3BR, 2BA, 1,545 SF	\$293,000	\$308,000	\$431,000	\$446,000	\$698,000	\$713,000	\$3,791	\$4,628

MEADOWMONT

	0% refund		50% refund		90% refund		Monthly Fees	
	Single	Double	Single	Double	Single	Double	Single	Double
1BR, Den, Fourplex, 1,120 SF	\$266,000	\$281,000	\$392,000	\$407,000	\$634,000	\$649,000	\$3,472	\$4,309
2BR, Terrace, Sixplex, 1,270 SF	\$302,000	\$317,000	\$444,000	\$459,000	\$719,000	\$734,000	\$3,646	\$4,483
2BR, Duplex, 1,400 SF	\$338,000	\$353,000	\$497,000	\$512,000	\$805,000	\$820,000	\$3,870	\$4,707
2BR, Den, rplex, 1,539 SF	\$375,000	\$390,000	\$552,000	\$567,000	\$893,000	\$908,000	\$4,088	\$4,925

Square footage is approximate and may vary



givenshighlandfarms.org

828-357-3621

marketing@givenshighlandfarms.org

200 Tabernacle Road, Black Mountain, NC



LeadingAge



Fitch

2023 ENTRANCE FEES & MONTHLY FEES

GARDEN APARTMENTS

	0% refund		50% refund		90% refund		Monthly Fees	
	Single	Double	Single	Double	Single	Double	Single	Double
Efficiency, 457 SF	\$98,000	\$113,000	\$145,000	\$160,000	\$234,000	\$249,000	\$2,474	\$3,311
1BR, 1BA, 644 SF	\$137,000	\$152,000	\$202,000	\$217,000	\$327,000	\$342,000	\$3,032	\$3,869
1BR, 2BA, 914 SF	\$198,000	\$213,000	\$292,000	\$307,000	\$472,000	\$487,000	\$3,438	\$4,275
2BR, 2BA, 851 SF	\$189,000	\$204,000	\$278,000	\$293,000	\$450,000	\$465,000	\$3,622	\$4,459
2BR, 2BA, 1,100 SF	\$242,000	\$257,000	\$356,000	\$371,000	\$576,000	\$591,000	\$3,706	\$4,543
2BR, 2BA, 1,288 SF	\$288,000	\$303,000	\$424,000	\$439,000	\$686,000	\$701,000	\$3,903	\$4,740

No Entrance Fee	Non-refundable Occupancy Fee		Monthly Fees	
	Single	Double	Single	Double
Efficiency, 457 SF	\$10,000	\$20,000	\$3,806	\$4,643
1BR, 1BA, 644 SF	\$10,000	\$20,000	\$4,857	\$5,694
1BR, 2BA, 914 SF	\$10,000	\$20,000	\$5,834	\$6,671
2BR, 2BA, 851 SF	\$10,000	\$20,000	\$5,951	\$6,788
2BR, 2BA, 1,100 SF	\$10,000	\$20,000	\$6,640	\$7,477
2BR, 2BA, 1,288 SF	\$10,000	\$20,000	\$7,411	\$8,248

PRENTICE LODGE

Lower Entrance Fee	0% refund		50% refund		90% refund		Monthly Fees	
	Single	Double	Single	Double	Single	Double	Single	Double
Single, 1BA, 301 SF	\$60,000	\$75,000	\$89,000	\$104,000	\$143,000	\$158,000	\$2,998	\$4,333
Expanded Studio, 1BA, 458 SF	\$98,000	\$113,000	\$145,000	\$160,000	\$234,000	\$249,000	\$3,548	\$4,883
1BR, 1BA, 600 SF	\$137,000	\$152,000	\$202,000	\$217,000	\$327,000	\$342,000	\$4,050	\$5,385

Lower Monthly Fee	0% refund		50% refund		90% refund		Monthly Fees	
	Single	Double	Single	Double	Single	Double	Single	Double
Single, 1BA, 301 SF	\$82,000	\$97,000	\$121,000	\$136,000	\$196,000	\$211,000	\$2,549	\$3,884
Expanded Studio, 1BA, 458 SF	\$124,000	\$139,000	\$183,000	\$198,000	\$296,000	\$311,000	\$3,015	\$4,350
1BR, 1BA, 600 SF	\$166,000	\$181,000	\$245,000	\$260,000	\$396,000	\$411,000	\$3,444	\$4,779

No Entrance Fee	Non-refundable Occupancy Fee		Monthly Fees	
	Single	Double	Single	Double
Studio, 1BA, 301 SF	\$10,000	\$20,000	\$4,072	\$5,731
Expanded Studio, 1BA, 458 SF	\$10,000	\$20,000	\$5,542	\$7,201
1BR, 1BA, 600 SF	\$10,000	\$20,000	\$6,899	\$8,558

Square footage is approximate and may vary

2023 ENTRANCE FEES & MONTHLY FEES

TWIN OAKS HOMES

	0% refund		50% refund		90% refund		Monthly Fees	
	Single	Double	Single	Double	Single	Double	Single	Double
	\$371,000	\$386,000	\$546,000	\$561,000	\$883,000	\$898,000	\$4,177	\$5,014

THE COTTAGES

	0% refund		50% refund		90% refund		Monthly Fees	
	Single	Double	Single	Double	Single	Double	Single	Double
1BR, 2BA, Den, 1,300 SF	\$311,000	\$326,000	\$458,000	\$473,000	\$741,000	\$756,000	\$3,713	\$4,550
2BR, 2BA, 1500 SF	\$364,000	\$379,000	\$536,000	\$551,000	\$867,000	\$882,000	\$3,995	\$4,832
2BR, 2.5BA, Den, 1700 SF	\$418,000	\$433,000	\$615,000	\$630,000	\$995,000	\$1,010,000	\$4,252	\$5,089

BROOKSIDE

	0% refund		50% refund		90% refund		Monthly Fees	
	Single	Double	Single	Double	Single	Double	Single	Double
1 BR, 1BA - 753 sf	\$255,000	\$270,000	\$375,000	\$390,000	\$607,000	\$622,000	\$3,371	\$4,208
1 BR, 1BA Plus - 843 sf	\$286,000	\$301,000	\$421,000	\$436,000	\$681,000	\$696,000	\$3,528	\$4,365
1 BR, 1BA Expanded - 877 sf	\$298,000	\$313,000	\$439,000	\$454,000	\$710,000	\$725,000	\$3,591	\$4,428
1 BR, 1 BA Den - 933 sf	\$323,000	\$338,000	\$475,000	\$490,000	\$769,000	\$784,000	\$3,717	\$4,554
1 BR, 1BA Den, Expanded - 1,024 sf	\$356,000	\$371,000	\$524,000	\$539,000	\$848,000	\$863,000	\$3,905	\$4,742
2 BR, 2 BA - 1,186 sf	\$414,000	\$429,000	\$609,000	\$624,000	\$986,000	\$1,001,000	\$4,094	\$4,931
2 Br, 2 BA Expanded - 1,270 sf	\$447,000	\$462,000	\$658,000	\$673,000	\$1,064,000	\$1,079,000	\$4,189	\$5,026
2 BR, 2 BA, Den - 1,380 sf	\$494,000	\$509,000	\$727,000	\$742,000	\$1,176,000	\$1,191,000	\$4,283	\$5,120

VISTA RIDGE

	0% refund		50% refund		90% refund		Monthly Fees	
	Single	Double	Single	Double	Single	Double	Single	Double
1 BR, 1BA Expanded - 843 sf	\$264,000	\$279,000	\$389,000	\$404,000	\$629,000	\$644,000	\$3,528	\$4,365
1 BR, 1 BA Den - 933 sf	\$297,000	\$312,000	\$437,000	\$452,000	\$707,000	\$722,000	\$3,717	\$4,554
1 BR, 1BA Den, Expanded - 1,024 sf	\$328,000	\$343,000	\$483,000	\$498,000	\$781,000	\$796,000	\$3,905	\$4,742
2 BR, 2 BA - 1,186 sf	\$381,000	\$396,000	\$561,000	\$576,000	\$907,000	\$922,000	\$4,094	\$4,931
2 BR, 2 BA Split Suite - 1,270 sf	\$411,000	\$426,000	\$605,000	\$620,000	\$979,000	\$994,000	\$4,189	\$5,026
2 BR, 2BA Den Expanded - 1,464 sf	\$482,000	\$497,000	\$709,000	\$724,000	\$1,148,000	\$1,163,000	\$4,378	\$5,215

Square footage is approximate and may vary

Adjustments in the Monthly Fee. The Monthly Fee provides facilities, programs, and services described in the Residence and Services Agreement and is intended to cover costs of the expenses associated with the operation and management of Givens Highland Farms. Givens Highland Farms, with the approval of the Board of Directors, may increase the monthly fee from time to time during the term of the Agreement. Monthly fees will be adjusted as required, consistent with operating on a sound financial basis and maintaining quality service. Residents receive a thirty (30) day advance notice of increases in the monthly fee or other charges.

Application Deposit. The Independent Living Application Deposit of \$1,000 is submitted with an Application to establish a chronological waitlist date by which future residents are offered various types of residences at Givens Highland Farms. The Application Deposit and Application are optional. The Application Deposit is a non-interest bearing deposit associated with a chronological waitlist and will be credited toward the Entrance Fee due at the time of occupancy. The Wait List Deposit does not lock-in the Entrance Fee amount for a residence.

Financial Assistance. Givens Highland Farms has established a Supplemental Assistance Fund to allow a limited number of residents to continue to live at Givens Highland Farms after their assets may have been depleted. The policies relating to financial assistance are determined by the Board of Directors. The amount of assistance is determined on an individual basis and there is no guarantee of assistance to any individual Resident.

The following table shows average changes in the monthly service fees and health center daily charges over time. Note that it is the average dollar amount of the CHANGE in fees from year to year that is shown - NOT the fees themselves. All changes during this period occurred once per year on January 1.

Average Monthly Service Fee Changes	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
One Occupant (\$'s per month)	90	101	83	147	241
Two Occupants (\$'s per month)	104	95	96	150	254
Approximate Percentage Increase	3.8%	3.5%	2.2%	4.8%	7.9%

Health Care Room Charges					
skilled nursing care (\$'s per day & approx. % increase)	18 6.0%	11 3.7%	6 2.6%	9 5.5%	27 8.0%

Monthly Statements. Givens Highland Farms will furnish residents a monthly statement showing the monthly fee payable for the month in advance, and any additional charges from the previous month, payable by the tenth (10th) day of the current month. Givens Highland Farms may charge, and residents must pay promptly, interest at a rate of one and one-half percent per month on any unpaid balance owed thirty 30 days after the monthly statement is dated.

Health Care Charges

- a. **Fee for Services.** Upon permanently occupying a Health Care Residence, a resident will surrender their independent living residence and will no longer pay the monthly fee for that residence. Instead the resident will pay the published current per diem fee for such health care residence. Upon temporarily occupying a health care residence, the resident will continue to pay the monthly fee for the independent living residence and they will pay the published current per diem fee for such health care residence for the period of time that they occupy same.
- b. **Use of Refundable Portion of the Entrance Fee.** Should a resident move permanently to a Health Care Residence, the remaining refundable portion of their Entrance Fee (if any) can be applied to the cost of care in the health care residence. Entrance Fee refunds will not be paid directly to any other health care facility besides Givens Highland Farms.
- c. **Additional Charges for Ancillary Health Care Services.** The resident is responsible for prompt payment of all additional charges for ancillary health care services provided at Givens Highland Farms. Ancillary services will include all services not provided by the staff of Givens Highland Farms and not included in the per diem fee. Examples of additional charges include, but are not limited to, the cost of prescription and non-prescription medications, physical examinations, laboratory tests, physical therapy, home health care, occupational therapy, rehabilitative treatments, wheelchairs and other medical equipment and supplies.
- d. **Care in Another Facility.** Should a resident need a level of care or health services beyond that provided at Givens Highland Farms, as determined by Givens Highland Farms, and require transfer to another facility, the resident will be responsible for all expenses of such transfer and services.

Health Center

Givens Highland Farms Health Center provides continuous and professional long term, skilled nursing care by Registered Nurses, Licensed Practical Nurses, Medication Aides, and Certified Nursing Assistants in a comfortable, residential and choice-driven environment. The Health Center provides residents with privacy and residential comforts along with the choice of long term care services and short term rehabilitation services.

Skilled Nursing Daily Room Rates	2023 Rates
Semi-Private Room	\$330
Private Room	\$380

HOME CARE PRICE LIST – Effective January 1, 2023

INDEPENDENT CARE – NON-CHARGED SERVICES:

- Wellness Clinic – Tue/Thu 1:00-2:00 p.m.
- Emergency Pendant Response (Security will respond at night, Nurse only if required)
- Pendant Battery Change in clinic

HOME CARE SCOPE OF SERVICES

(Services do not include the cost of supplies. Medical supplies are billed separately.)

LICENSED NURSING SERVICES

Home Care Initial Assessment and/or Development of Initial Care Plan	\$80.00
Quarterly Reassessment and Review/Changes to Current Care Plan	\$60.00
Clinical Assistance by a Licensed Nurse - (may be billed in 30-minute increments)	\$52.50/hour
Assistance with Pre-Operative Paperwork/Diagnostic Paperwork - (may be billed in 30-minute increments)	\$52.50/hour
Wound Care – Simple Dressing Change	\$20.00 per dressing
Wound Care – Complex Dressing Change	\$40.00 per dressing
Injections w/no follow up required	\$23.00 each
Injections with follow up required	\$30.00 each
Ear Wax Removal, w/o irrigation	\$23.00 per service
Ear Wax Removal, with irrigation	\$30.00 per service
Nail Clipping	\$26.00 per service
Venipuncture for laboratory testing	\$21.00 per service
Blood Glucose (Finger Stick) for blood draw	\$20.00 per service
PT/INR Check	\$25.00 per service
Specimen Collection	\$15.00 per service
Pacemaker Checks	\$20.00 per service
Medication Reminder Calls	\$7.00 per service
Suture Removal	\$25.00 per site
Pulse Oximetry Reading	\$15.00 per service
Post-Hospitalization Wellness Visit	FREE

MEDICATION MANAGEMENT SERVICES (BY LICENSED NURSE or MEDICATION TECHNICIAN)

Medication Consultation (Med List Reconciliation/Coordination of Care)	\$52.50/hour
Weekly Medication Set-up (Does not include administration)	\$25.00 per week
Medication Administration – Lodge Residents (1-5x daily)	\$180.00 - \$270.00
Medication Administration – Apartments/Homes (1-5x daily)	\$255.00 - \$375.00
PRN Medication Administration	\$20.00 per service
Chronic Disease Management Education	\$52.50/hour

SERVICES PROVIDED BY A NURSING ASSISTANT or PERSONAL CARE AIDE

ADL Assistance (Shower, Transfer, Grooming, etc.) - (may be billed in 30-minute increments)	\$36.50/hour
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HOME CARE PRICE LIST – Effective January 1, 2023

Daily Weights	\$15.00 per service
Companion/Sitter Service - (may be billed in 30 minute increments)	\$32.00/hour

ANCILLARY SERVICES AVAILABLE BY ARRANGEMENT:

Pet Care/Pet Companion (may be billed in 30 minute increments)	\$30.00/hour
Dog Washing	\$22.00 per service
Light Housekeeping (may be billed in 30 minute increments)	\$32.00/hour
Closet Organization/Holiday Decorating (may be billed in 30 minute increments)	\$32.00/hour
Meal Delivery	\$7.00 per meal
Laundry Service	\$23.00 per load
On Campus Transportation	\$10.00 per service
Safety Check	\$10.00 per check
Repeated non-emergency pendant response calls	\$7.00 per check
Shopping – Local (1 hour minimum)	\$30.00/hour

All cancelled appointments without 24-hours prior notification will incur a \$10.00 fee.

VI. OTHER MATERIAL INFORMATION

Givens Highland Farms has no past or current litigation, bankruptcy filings, receivership, liquidation, anticipated actions or perils of any manner significant enough to be reported herein.

Givens Highland Farms maintains an operating statutory operating reserve fund. It is the provider's obligation to provide reserve funding or security to enable the Provider to perform its obligations fully under contracts to provide continuing care at the facility. Funds are restricted and may only be released by the Commissioner of the Department of Insurance. Investments for the funds are overseen by Givens Investment Committee (comprised of Givens Board members) and managed by Morgan Stanley. Givens Board of Directors has adopted an investment policy that provides the framework for the management and investment of the operating reserve fund.

VII. SCHEDULE OF ATTACHMENTS

Attachment 1 – Statement of Relationship

Attachment 2 – Conflict of Interest Policy & Ethical Code of Conduct

Attachment 3 – Resident and Services Agreement – Independent Living; Skilled Care & Adult Care

Attachment 4 – Miscellaneous Service Fees

Attachment 5 – Audited Balance Sheets, Income Statements and Statement of Cash Flows,
and Unaudited Balance Sheet, Income Statement and
Statement of Cash Flows

Attachment 6 – 5-Year Financial Projections of Revenues, Expenses, Cash
Flows and Assumptions for the Years Ending December 31, 2027

Attachment 7 – Comparison of the 2022 Audited Financial Statements to the 2022 Forecasted
Statements for any variances greater than 5% and \$524,000.

Attachment 1

STATEMENT OF RELATIONSHIP

THIS STATEMENT OF RELATIONSHIP is made and entered into as of the 21st day of January, 1995 by and between the Western North Carolina Annual Conference of the United Methodist Church (the "Conference") and The Givens Estates, Inc. a nonprofit corporation organized and existing under the laws of the State of North Carolina (the "Affiliated Organization").

PRELIMINARY STATEMENT

The Conference is one of the annual conferences of The United Methodist Church. The term "The United Methodist Church" refers to the overall denomination and connectional relation and identity between its many local churches, the various conferences and their respective councils, boards and agencies, and other church units, which collectively constitute the religious system known as United Methodism. Under the Constitution and disciplinary procedures set forth in *The Book of Discipline of The United Methodist Church* (the "*Discipline*"), "The United Methodist Church" as a denominational whole is not an entity, nor does it possess legal capacities and attributes. It does not and cannot hold title to property, nor does it have any officer, agent, employee, office or location. Conferences, councils, boards, agencies, local churches and other units bearing the name "United Methodist" are, for the most part, legal entities capable of suing and being sued and possessed of legal capacities.

The connectional structure of the Church is maintained through the conferences. Each of the Annual Conferences (of which the Conference is one) is composed of an equal number of ministers and lay members elected by the local churches. In turn, there is one General Conference, composed of an equal number of ministers and lay members elected by the Annual Conferences. The *Discipline* is the book of law of the Church. The *Discipline* is the product of more than 200 years of the General Conferences of the denominations which now form the Church. Each General Conference amends, perfects, clarifies, and adds its own contribution to the *Discipline*. The *Discipline* reflects what is expected of its laity and clergy as they seek to be effective witnesses in the world as a part of the whole Body of Christ. (See paragraph 114 of the 1992 *Discipline*). The relationship set forth in this Statement of Relationship is solely and

exclusively between the Conference and the Affiliated Organization.

United Methodists give high priority to helping and healing ministries as a vital part of their Christian mission. In the United States alone, there are hundreds of helping and healing programs related to local churches, and there are also hundreds of institutional ministries of which the Affiliated Organization is one. United Methodists recognize the importance of operating, maintaining and protecting those institutional ministries as a vital means of carrying out the Christian mission of United Methodism. The health and welfare ministries embraced within this mission include services in the areas of child care, aging, health care and handicapping conditions.

United Methodists, the Conference and the various institutional ministries share a common interest that health and welfare ministries bearing the name United Methodist shall be demonstrably caring, quality missions of Christian service that operate in a manner consistent with the Social Principles and other pertinent provisions of the *Discipline*.

The Affiliated Organization is one of the health and welfare ministries of United Methodism within the boundaries of and affiliated with the Conference. The Affiliated organization was organized with the encouragement and approval of the Conference by individual members of the Church who were committed to the belief that the Affiliated Organization was needed to perform the ministry set forth in its charter (the "Ministry"). The Conference and the Affiliated Organization continue in that belief. The Ministry is among the Christian missions of United Methodism and of the Conference.

The purpose of this Statement of Relationship is to set forth an accurate statement of the relationship between the Conference and the Affiliated Organization.

NOW, THEREFORE, the Conference covenants and agrees with the Affiliated Organization and the Affiliated Organization covenants and agrees with the Conference that this Statement of Relationship, including the foregoing Preliminary Statement, is an accurate statement of the relationship between the Conference and the Affiliated Organization.

COVENANTS

1. Although the Conference and the Affiliated Organization share a common interest in carrying out the Christian mission of United Methodism and in the purposes of the Ministry of the Affiliated Organization, the Conference and the Affiliated Organization are separate, self-governing and independent. Neither is owned by the other nor is either the partner or agent of the other. The sole purpose of each of the parties in affiliating with the other as herein set out is that each believes this affiliation with the other is mutually beneficial to parties in the performance of their respective missions of Christian service. The parties hereto agree that under this affiliation:

a. The members of the governing board of the Affiliated Organization shall be confirmed, elected, and/or selected by the Conference in accordance with the charter and bylaws, present and future, of the Affiliated Organization. The governing board of the Affiliated Organization includes among its members both United Methodist Ministers and laity within the Conference, and may include other persons as provided in its charter or bylaws.

b. The Conference provides: (i) encouragement and support, including financial support to the extent deemed appropriate and feasible by the Conference; (ii) opportunities for the interchange of information and ideas among persons and institutions performing similar work and for the development of the Ministry goals and criteria; (iii) authorization for the Affiliated Organization to identify itself as an organization affiliated with the Conference; and (iv) an opportunity for the Affiliated Organization to report on the Ministry to each regular session of the Conference.

c. The Affiliated Organization undertakes: (i) to fulfill its mission of Christian service in a manner that is consistent with the Social Principles and other pertinent provisions of the *Discipline*, and acceptable to those whom it would serve and to members of the Church in the Conference; and (ii) to the extent it deems appropriate, to utilize services of the Conference and the Church available to the Affiliated Organization in performing its Ministry.

d. The Affiliated Organization, desirous of gaining maximum benefit from its affiliation with the Conference and to satisfy the Conference that it continues to operate

in a manner worthy of a United Methodist ministry, will continue to provide to the Conference such of the following as may be requested or desired by the Conference: (i) information that may be of interest to other similar ministries; (ii) copies of regular operational and financial reports; and (iii) other information regarding plans, services and ministries of the Affiliated Organization.

2. The Conference is not contractually or legally committed to provide any particular level or amount of financial support to the Affiliated Organization. Any support that the Conference does or may provide to the Affiliated Organization is, and shall be, voluntary, as determined, from time to time, solely by the Conference. The Conference has no authority to require the Affiliated Organization to assume any contractual, financial or other obligation; nor may the Conference accept or assume any such obligation in the name of the Affiliated Organization. Similarly, the Affiliated Organization has no authority to accept or assume any such obligation in the name of the Conference. Both agree that the Conference shall have no obligation or responsibility for or with respect to any contract, commitment or liability of the Affiliated Organization.

3. Church-wide solicitation (that is, solicitations addressed to the general membership of a local church) within or through local United Methodist churches of the Conference are not to be made by the Affiliated Organization except as heretofore or hereafter approved by the Conference or the resident bishop. Other solicitations, such as solicitations of individuals and entities, whether or not church members or church-related, are matters between the Affiliated Organization and the parties solicited and do not require the approval of the Conference.

4. If the affiliation between the Conference and the Affiliated Organization should at any time become unacceptable to them, or to one of them, they or either of them may sever the affiliation between them and thereafter operate entirely independently of the other. If action to sever the relationship is taken by one party only, that party shall give prompt written notice of the severance of the relationship to the other party.

5. In the event of the dissolution of the Affiliated Organization, its assets may be conveyed to the Conference or as otherwise provided in the charter of the Affiliated Organization.

6. This Statement of Relationship shall be subject to review and amendment as such times and in such manner as may be mutually agreeable to the Conference and the Affiliated Organization.

This Statement of Relationship supersedes the Statement of Relationship between the parties that was executed by the Conference on the 15th day of August, 1986 and by the Affiliated Organization on the 25th day of July, 1986.

IN WITNESS WHEREOF, each of the parties hereto has caused this Statement of Relationship to be executed in its name on the date set opposite its name below.

WESTERN NORTH CAROLINA ANNUAL CONFERENCE
OF THE UNITED METHODIST CHURCH

Date: 4/27/95

By: [Signature]
Its: CFA President

By: [Signature]
Its: Bishop

CONFERENCE

ATTEST:

By: [Signature]
Its: Treasurer

THE GIVENS ESTATES, INC.

Date: January 21, 1995

By: [Signature]
Its: President and Chairperson

AFFILIATED ORGANIZATION

ATTEST:

By: [Signature]
Its: Secretary

(Corporate Seal)

Attachment 2



Conflict of Interest Policy and Ethical Code of Conduct

Conflict of Interest Policy

The Board of Directors (the “Board”) of The Givens Estates, Inc., Givens Housing Corporation, and Givens Affordable Communities, Inc. (“Givens” or “Corporations”) are entrusted with responsibilities which require integrity, competence and caring concern in supervising the affairs of the Corporations. The Board has the duty to place the interest of the Corporations before anything else when acting in their fiduciary capacity. This undivided loyalty means Board members are to be objective in decision making, unbiased in their approach to issues, free from ulterior motives or external control, and lack any conflict of interest when choosing between options. Pursuant to the Internal Revenue Code of 1986 as amended (the “Code”), and with conflict of interest policies recommended by the Internal Revenue Service for 501(c)(3) tax exempt organizations, the Board establishes the policy that service on the Board of Givens or as an officer or employee of these Corporations, shall not be used as a means for securing excessive private benefit or inurement to the detriment of the mission of the Corporations.

Section 1 Procedure for Directors. No Director who is a vendor of goods or services to the Corporations or is affiliated (as defined below) with any vendor of goods or services to the Corporations shall vote on, or participate in the administration of, any contract or other arrangement with such vendor. No Director who is a recipient of goods or services from the Corporations or is affiliated (as defined below) with a recipient of goods or services from the Corporations shall vote on, or participate in the administration of, any contract or other arrangement with such recipient. A Director shall, upon request of any other Director, leave any meeting for the period of time the Board is discussing any arrangement with which he or she has a financial interest or affiliation. Nothing herein shall prevent a Director who has a financial interest or is affiliated with a recipient of goods or services from the Corporations from participating in discussions or decisions relating to the scope or quality of goods or services provided generally to such recipient and other clients similarly situated.

Section 2 Disclosure. A Director shall disclose to the Board any financial interest or affiliation with an existing or proposed vendor or recipient of goods or services at any time when such Director becomes aware of a financial interest or affiliation that has not previously been disclosed. Where a Director is unsure whether a financial interest or affiliation exists, he or she shall disclose the relevant facts to the Board, and shall abide by the decision of the Board as to the existence or non-existence of an interest or affiliation and any conflict of interest.

Section 3 Procedure for Officers and Employees. No officer or employee of the Corporations shall, without previous approval of the Board, be, or be affiliated with, either a vendor of goods or services to, or recipient of goods or services from the Corporations.

Section 4 Definitions.

(a) A person shall be deemed to be affiliated with an entity if the person

- (i) serves as a member of a governing body of the entity,
- (ii) serves as an officer or employee of the entity,
- (iii) has a financial interest in the entity, or
- (iv) has a spouse, parent, sibling, child, or member of the immediate household who holds such a position or has such an interest. However, no person shall be deemed to be affiliated with the Director or officer or any other affiliate of the Corporations so long as his or her interest with the Director or officer or affiliate is known to the Board.

(b) A person shall be deemed to be affiliated with an individual if such individual is a spouse, parent, sibling, child, or member of the immediate household of such individual or has a financial interest with such individual.

(c) If a person is an interested person or affiliated with an interested person with respect to any entity in which the Corporations are a part, he or she is an interested person with respect to all entities in the Corporations.

(d) An interested person is any Director, officer, or member of a committee with Board delegated powers, who has a direct or indirect financial interest, as defined below in Section 4e.

(e) A person has a financial interest if the person has, directly or indirectly, through business, investment or family, or through an affiliated person:

- (i) An ownership or investment interest in any entity with which the Corporations have a transaction or arrangement;
- (ii) A compensation arrangement with the Corporations or with any entity or individual with which the Corporations have a transaction or arrangement; or
- (iii) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporations are negotiating a transaction or arrangement.

Compensation includes direct or indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board decides that a conflict exists under the procedures set forth in Sections 2, 3 or 4 above.

Code of Conduct

All Board Members:

- Shall perform their duties in good faith and to the best of their ability, refrain from any illegal conduct and seek guidance from the Board Chair, Chief Executive Officer or the Compliance Officer when uncertain of the meaning or application of a statute, regulation, or policy, or the legality of a certain practice or activity.
- No Director should accept any gift, gratuity, or service of any special favor from any person or persons, agents, or businesses which provide or receive goods and services or which seek to provide or receive goods and services to or from Givens organizations. However, minor courtesies such as luncheons, dinners or similar arrangements in connection with business discussions may be received.
- Shall not destroy or alter Givens information or documents in anticipation of, or in response to, a request for documents by any applicable government agency or from a court of competent jurisdiction;
- Shall not engage in any business practice intended to unlawfully obtain favorable treatment or business from any government entity, physician, resident, vendor, or any other party in a position to provide such treatment or business;
- Shall not enter into loans or other matters of personal financial interest with Givens.
- Shall not use confidential or proprietary information of Givens, for their own personal benefit or for the benefit of any other person or entity; except Givens, during or after serving as a Board Member for Givens;
- Shall not disclose confidential or personal information pertaining to a resident, without the express written consent of the resident or appropriate legal representative, and in accordance with applicable law and Givens' policies and procedures;
- Shall not participate in any agreement or understanding (including agreements based on a course of conduct) with a competitor of Givens, to illegally fix prices, agree on labor costs, allocate markets, or engage in group boycotts. Before considering any agreements or entering into discussions with competitor concerning any of these issues, all Board Members shall first speak with the Board Chair, Chief Executive Officer or the Compliance Officer, regarding the matter, and obtain the advice of the Compliance Officer concerning anti-trust issues;
- Shall participate in scheduled training regarding Givens compliance program and applicable state and federal laws and standards;
- Shall comply with all Givens policies governing the workplace. These include, among others, Givens policies governing:
 - Sexual harassment; drug and alcohol use and testing; confidentiality of medical, personnel, and similar information; political contributions; personal use of company equipment, products, and/or services; conflicts of interest; trading in securities (where applicable); and/or compliance with specific federal laws;
- Shall promptly report all violations of this Code of Conduct to Givens' Compliance Officer through a written report, telephone call to the hotline at 828-771-2220, or via email to

corporatecompliance@givensestates.org. The caller or author may report such information anonymously;

- Shall notify the Board Chair, Chief Executive Officer, or the Compliance Officer, immediately upon receipt (at work or home) of an inquiry, subpoena, or other agency or government request for information regarding Givens;
- Shall not fail to report an accident involving a resident, visitor, or employee;
- Shall not, engage in any action, activity or enterprise, that is inconsistent, incompatible, or in moral, legal, or practical conflict with duties, functions and responsibilities as a Givens Board Member; and
- Shall not violate a resident's rights as granted in the "Resident's Bill of Rights".

Attachment 3



Contract for Admission

Resident Name: _____

Health Insurance: _____

Medicare Number: _____

Admission Date: _____

Level of Care at Admission: _____

_____, is herein referred to as the "Resident."

Givens Highland Farms, LLC is herein referred to as the "Facility".

Givens Highland Farms, (the "Facility"), agrees to provide Skilled Nursing and ancillary services to Resident at Givens Highland Farms' standard charges. A list of the current charges is incorporated into this Agreement by reference.

Resident or, in the event Resident is unable to execute this Agreement, Resident's responsible party and Givens Highland Farms agree that the following terms, conditions, and policies shall apply with regard to the care provided to the resident during resident's stay at Givens Highland Farms:

I. Consent to Treatment

I hereby authorize my attending physician, Dr. Rabi Kutob, or his designee, or in the absence of both, an on call emergency physician to prescribe and administer medical treatment while I am a Resident of this facility. I certify that I and/or my responsible party have been made aware of my medical condition and authorize this facility to perform necessary nursing and medical care. I understand that I may refuse any medication, treatment or therapy in entirety or partially at any time and release the facility and its employees or agents from any and all responsibility of consequences, which may result from my refusal.



II. Release of Information

Givens Highland Farms is authorized to release medical or other information concerning the Resident named above to Medicare/Medicaid agencies, private insurance companies and other sources from which payment of services is to be provided. Information may be released to hospitals and other treatment facilities to which the Resident may be transferred for health care services. Independent health care professionals treating the Resident outside of Givens Highland Farms will be provided with medical and financial information necessary for treatment and billing purposes. Medical information will be transmitted to the state and federally approved data bank, which is required for care of Residents within a certified nursing facility.

Information released may be submitted verbally, by mail, fax, or electronic transmission. I release Givens Highland Farms from any liability, which may arise from the release of such information. I request the payment of authorized benefits on my behalf be made to Givens Highland Farms.

III. Charges and Fees

The Resident agrees to pay the facility promptly when billed for all fees and charges imposed by the Facility hereunder which are not covered under the Medicare or Medicaid program.

If part or all of the Resident's stay in skilled care is not covered under the Medicare or Medicaid program, then in consideration of the Facility furnishing adult care or SNF nursing care to the Resident, the Resident shall pay, promptly when billed, for each day during the period set forth in the following sentence, an amount equal to the standard daily rate for such care as shown on the Facility Rate Schedule in effect. Charges and fees are subject to change with (30) days' notice. The period referred to in the preceding sentence shall commence on the date of the Resident's admission to the Facility if no part of the Resident's stay at the Facility is covered under the Medicare or Medicaid program (the "Admission Date"), or the date on which coverage for such stay terminates (the "Coverage Termination Date"), whichever is applicable, and shall conclude on the day on which the Resident is discharged. The monthly equivalent of the aforesaid daily rate shall be included in the following month's statement. Payment is expected by the 25th day of each month thereafter. Givens Highland Farms, LLC may charge interest on outstanding accounts not received by the 30th of each month thereafter. The current charge for such care, as shown on the presently effective Facility Rate Schedule (a copy of which is attached hereto), is \$_____ per day.

The Resident also shall pay, promptly when billed, the daily co-insurance under the Medicare program, or monthly co-pay under the Medicaid program, if applicable and all charges for additional items and services furnished to the Resident which are not covered under the Medicare or Medicaid program. Such additional items and services include but are not limited to clothing, personal dry cleaning, or services furnished while the Resident's stay at the Facility is not covered under the Medicare and Medicaid program. The charges therefore shall be only those which are permitted pursuant to section 1866 (a) of the Social Security Act and applicable regulations there under, and (b) no such additional item or service shall be furnished hereunder except at specific request of the Resident.

Facility will advise the Resident of the amount of the Charge for Requested Services prior to furnishing those services. Refunds of any amounts paid in excess of the charges under Paragraph 3 above and this Paragraph shall be made by Facility as expeditiously as possible and in no event more than thirty (30) days after all Medicare program and Medicaid program payments as well as co-insurance payments have been collected.

As a courtesy, the resident may request assistance from the Facility in filing long-term care insurance for reimbursement of covered charges. However, these charges are billed and treated as private charges. The Resident agrees to pay the Facility promptly when billed. In addition, the resident may arrange for reimbursement from a long-term care insurance policy to be paid directly to the Facility.

In the event the Resident fails to or refuses to pay any fees and charges due the Facility in accordance with this Agreement and it becomes necessary to place the account in the hands of a collection agency or an attorney for collection, the Resident shall pay all collection agency charges and other expenses for collection incurred by the Facility, including reasonable attorney's fees (not exceeding 15% of the amount due to Facility) and court costs. In accordance with state regulations a 30 day discharge notice will be issued for nonpayment.

Medicare coverage is determined by a Resident's diagnosis, medication, and/or treatment ordered by the physician. If at any time during the stay it is determined that a Resident's condition does not qualify for covered care under Medicare regulations, notification will be made in writing to the Resident or responsible party that Medicare coverage has been terminated. At this time, the Resident or responsible person must make satisfactory financial arrangements for continued care at the Facility. Default in payment for one (1) month will result in termination of agreement to provide care.

If the resident meets the Medicare criteria for coverage, Medicare pays all charges for the first 20 days of "covered care". Beginning with the 21st to 100th day of covered care, Medicare pays all charges except the co-insurance, (see Charge List for Medicare Co-insurance rate), this is billed to the Resident/responsible party. No discount is allowed on co-insurance.

For Private Pay Residents; if you are admitted after the first day of the month, the first month bill will include the prorated amount for the month of admission and the full amount for first full month stay,

Subsequent months will reflect a one month stay.

Ancillary charges will be billed at the end of each month.

Medicaid residents will be billed the monthly liability determined by Medicaid on a monthly basis.

Medicaid covered residents are allowed 60 days per year for therapeutic leave for which the program will pay to hold their beds.

Therapeutic leaves are arranged on the following basis:

- The leave must be approved by the attending physician.
- Departure and return dates must be pre-arranged.
- The facility staff must coordinate the leave with the family.
- Resident must return at the pre-determined time.
- The maximum number of days for a therapeutic leave without prior approval from Medicaid is two (2) weeks.

Initial: _____ The medical needs of the above-named Resident do not meet the criteria for Medicare Part A coverage; therefore, Medicare will not cover any portion of the care. Some services, however, may be covered under Medicare Part B.

Initial: _____ The medical needs of the above-named Resident do meet the criteria for Medicare Part A coverage. I also understand if the Resident's condition changes and the medical criteria are no longer met, Medicare Part A coverage will cease.

IV. Trust Fund

Givens Highland Farms, LLC will establish, upon written request, a trust fund that will allow a Resident to maintain a source of personal cash within the facility. The resident will receive a statement each month listing all transactions of the fund, bank service charges and interest paid to the account.

Examples of items purchased from the Trust Fund would be beautician and barber services, and sundry items. It is necessary for each resident to maintain a balance in the account of at least as much funds as will be used by that resident in any given month.

Givens Highland Farms is authorized to maintain and disburse personal funds on resident's behalf.

Yes _____ No _____

Residents that choose to maintain a trust fund account at Givens Highland Farms may access their money Monday through Sunday 8:30 AM-4:30 PM at the Health Care Center Reception Desk.

Upon discharge trust fund monies will be refunded within 30 days as required.

V. Personal Belongings

While Givens Highland Farms encourages the use of personal belongings in the resident's room, Givens Highland Farms is not responsible for the safekeeping or replacement of such personal belongings. Items of monetary value or those items to which there is a high sentimental value should not be maintained in the resident's room. Because of close living arrangements, memory issues for many residents, the large number of individuals daily in and out of the resident's living

area, items such as valuable jewelry, (including wedding rings), checkbooks, credit cards, antiques, cash, etc. should not be brought to the skilled care unit or to the Adult Care unit.

A small safe is available in the administrative area to safeguard a billfold, checkbook, credit cards, etc. for safe keeping temporarily until it can be picked up by a family member. The resident may also request a lock on your drawer in your room or a lock box. Maintaining key security is the resident's responsibility. Givens Highland Farms is not responsible for any money, valuables or personal effects brought into the Facility by the Resident, relatives or friends of the Resident. Residents are encouraged to obtain personal insurance on hearing aids and eyeglasses. Cash is best deposited into the Trust Fund.

Personal items, including limited furniture items, are allowed based on space available. Assisted Living Residents are encouraged to provide their own furnishings if desired, however consideration must be given to roommates and safety requirements. Please discuss any questions regarding items with the Admissions Coordinator or Health Services Director.

Personal storage space outside of the resident room is not provided in the skilled and assisted living units.

VI. Discharge Notice

The Resident shall give the Health Services Director of the Facility seven (7) days prior written notice of his/her intention to terminate their stay at the Facility, unless such notice would be due when such stay is covered under the Medicare and Medicaid program. All accrued charges shall be paid prior to such termination.

VII. Resident Photographs and Published Directory

Givens Highland Farms uses photographs of each resident for identification purposes. A photograph of the resident will be taken and will be placed in the resident's medical record. This allows staff to identify the resident for treatment and in emergency situations.

Photographs may be taken on special occasions, activities or therapy. These photographs may be placed on bulletin boards or in facility publications.

Yes ____ I consent to the be photographed on special occasions and have that photo posted

No ____ I declined to be photographed for special occasions.



A list of residents and their location will be published on a wall directory as well as in a hard copy directory. Additionally, resident names may be listed on special occasions, activities, or therapy. These lists may be placed on bulletin boards or in facility publications.

Please indicate your wishes regarding the Resident Directory and Resident Listings.

Yes ☐ I consent to having my name and location published in the Givens Highland Farms Resident Directory and listed for special occasions as described above,

No ☐ I decline to be listed in the Givens Highland Farms Directory or listed for special events.

Residents, family members, and visitors are prohibited from taking photographs or videos of other residents, staff members or visitors at any time.

VIII. Laundry Services

Laundry service is available for personal clothing at an extra charge. Families are requested to provide clothing that is easily cleaned. Givens Highland Farms, LLC will place labels on clothing for identification. Residents should have sufficient quantity of clothing to allow time for laundering. Bed linens, towels, washcloths, etc. are included in the daily room rate.

Resident's laundry is to be done by the Facility. ☐ Yes ☐ No

IX. Restrictions and Liabilities

The Resident hereby agrees to indemnify and hold the Facility and its officers, directors, employees and agents harmless from and against any liability for personal injuries, death or property damage caused by the Resident, except in the case of negligence of the Facility or its officers, directors, employees or agents.



X. Documents Received

The undersigned has received a copy of the following material and accepts responsibility for cooperation with Givens Highland Farms in these respects:

- a) Policies Governing Resident Care
- b) List of Charges
- c) Contract for Health Care Center
- d) NC DMA Advance Directives information
- e) Notice of Privacy Practices
- f) Notice of Entitlement Benefits (Information regarding Medicare/Medicaid coverage)
- h) Givens Highland Farms, LLC Bed Hold Policy
- l) Givens Highland Farms, LLC Nondiscrimination Policy
- j) Floor plan of the facility
- k) CDC Information on Influenza and Pneumonia Vaccines
- l) Resident Rights document
- m) Bundle Payment Notification Letter
- n) Bed Hold Policy and Agreement
- o) Administrator letter regarding realities

Resident agrees to abide by all rules and regulations established by Facility for the operation and maintenance of Facility. This will include family members and visitors of the Resident being respectful to all residents and staff members of Givens Highland Farms, LLC.

This Agreement shall be binding upon Givens Highland Farms, LLC., operating as Givens Highland Farms Health Care Center, and upon resident and/or responsible party, their respective heirs, successors and assigns.

Resident or Responsible Party

Date

Givens Highland Farms Admissions Director

Date

RESIDENCE AND SERVICES AGREEMENT

Givens Highland Farms

Black Mountain, North Carolina

This Residence and Services Agreement (hereinafter called the "Agreement") is made this _____ day of _____, 2023, by and between Givens Highland Farms, LLC, a North Carolina non-profit corporation (hereinafter called "Givens Highland Farms"), a subsidiary of The Givens Estates, Inc. "Provider", and _____ (hereinafter called "Resident", "You". or "Your") for occupancy of the residence located at _____ (hereinafter called the "Residence").

Residences in Givens Highland Farms consist of Garden Apartments, Brookside Apartments and Vista Ridge Apartments, Prentice Lodge Apartments, Cluster Homes, Condominium Homes, Twin Oaks Homes, Meadowmont Homes and The Cottages. Community amenities include dining rooms, deli/cafe, multi-purpose room, craft room, exercise room, library, living rooms and administrative space.

You and Givens Highland Farms agree as follows:

I. RESIDENCE, COMMON AREAS AND AMENITIES, PROGRAMS AND SERVICES

- A. **Your Residence.** You shall have the exclusive right to occupy, use, and enjoy the Residence described above and in Schedule I, attached.
- B. **Furnishings in Your Residence.** Givens Highland Farms will provide in most Residences wall-to-wall carpeting, vinyl flooring in kitchen and bath(s), refrigerator with ice maker, stove, oven, microwave, hood vent, dishwasher, washer and dryer, garbage disposal, rewiring for telephone and cable services, and other features and fixtures as described in Givens Highland Farms' current literature. All other furniture, furnishings, decorations, bed and bath linens, and other personal property will be provided by You.

Garden Apartments may not include dishwasher, hood vent or washer and dryer. Prentice Lodge apartments may not include stove, oven, dishwasher, hood vent or washer and dryer.

- C. **Options and Custom Features in Your Residence.** You may select certain options and custom features in Your Residence for an additional charge. Givens Highland Farms will present you with a written quote specific to your options and custom feature request detailing the prices. The cost of options and custom features selected will be paid by You at the time of selection and will become part of the Residence and the property of Givens Highland Farms. The value of such improvements will not be considered in computing Entrance Fee refunds, unless specifically agreed to in an Addendum to this Agreement. All options and custom features must be approved by Givens Highland Farms administration in advance of the changes made. Options and custom features must be selected and agreed upon within fourteen (14) days of the date of this agreement or once

all quotes have been received, whichever is later. If changes to options and custom features occur after that time, Your obligation to take Occupancy of the Residence and begin paying the Monthly Fee as of the Date of Occupancy (in Paragraph II.A) do not change, even if the options and custom features are not completed at the Date of Occupancy.

- D. Common Areas and Amenities.** Givens Highland Farms common areas and amenities are for the use and benefit of all residents and include a central dining room, café/deli, library, mail boxes, multi-purpose room, lounges, activity areas, arts and crafts room, woodworking shop, beauty/barber shop, walking areas, exercise areas and community garden.
- E. Parking.** Givens Highland Farms will provide parking areas for Your personal vehicle (a minimum of one space for each Residence). There is no “reserved” parking for apartments.
- F. Services and Programs.**
- 1. Utilities.** The monthly fee includes the cost of heating, air conditioning, electricity, water, sewer, trash removal, basic cable TV, internet, phone and standard municipal services. You are responsible for any costs related to telephone, internet and cable television service beyond that provided by Givens Highland Farms.
 - 2. Meals.** Givens Highland Farms will make available to each resident a monthly declining dining amount as stated in Schedule II. A maximum carryover of one (1) month’s dining dollars per person is allowed from month to month (except in Prentice Lodge); any dining dollar amount in excess of the maximum allowed will expire at the month’s end. Any additional charged amounts above the monthly allowance will be added to your monthly fee.
 - 3. Housekeeping Services.** The Monthly Fee includes housekeeping services. Services that include vacuuming, light dusting, dusting and mopping hard surface flooring, wipe-down of kitchen counter tops, cleaning of bathrooms and changing of bed linens provided by you. The amount of time allotted for each residence is determined by the size of residence. Additional housekeeping is available for an extra fee.
 - 4. Groundskeeping.** Givens Highland Farms will furnish basic grounds keeping service, including lawn, tree and shrubbery care as part of the Monthly Fee. Subject to prior approval by Givens Highland Farms, You may plant and maintain certain garden areas adjacent to Your Residence and elsewhere as designated by Givens Highland Farms.
 - 5. Maintenance and Repairs.** Givens Highland Farms will maintain and repair improvements, furnishings, appliances, and equipment owned by Givens Highland Farms as part of the Monthly Fee. You will be responsible for the cost of repairing

damage to property of Givens Highland Farms caused by You or any of Your guests, ordinary wear and tear excepted.

6. **Transportation.** The Monthly Fee will include local group transportation for residents on a regular, scheduled basis for shopping and activities. Transportation for medical, personal or special group trips is available for an extra fee.
7. **Security.** Givens Highland Farms will provide security, emergency response by trained Givens Highland Farms staff, smoke detectors in each Residence, a fire alarm system (Apartments Only), and an emergency call system.
8. **Activities.** Givens Highland Farms will provide scheduled social, recreational, spiritual, educational and cultural activities; arts and crafts; exercise and health programs; and other activities designed to meet residents' interests. Some activities may require an extra fee.
9. **Other Services and Programs at Additional Charge.** Other services and programs will be available to You at Your expense, including, but not limited to those previously mentioned, beauty and barber services, home care services, personal laundry, special transportation, repairs of personal property, and other special services performed for You beyond the normal scope of services offered by Givens Highland Farms. The availability and charges for some additional services are itemized in Givens Highland Farms' current literature.
10. **Notice of Change in Scope of Services.** Except for changes required by law, Givens Highland Farms will notify You of any proposed change in the scope of services provided in this Agreement at least thirty (30) days before such change is effective. No change relating to a service included in the Monthly Fee under the terms of this Agreement shall be effective unless (a) consented to by Resident or (b) a reasonable adjustment is made in the Monthly Fee.

G. Health Services

1. **Health Care Accommodations and Services.** Givens Highland Farms may choose to provide accommodations, equipment, staffing, programs, services and supervision necessary for licensed nursing care (collectively, the "Health Care Residences"). The Health Care Residences and services, if and when provided by Givens Highland Farms, are available to You either temporarily or permanently on a space available basis, if needed, as determined by Givens Highland Farms. Charges will be in accordance with Paragraph III.F.1. Residents of Givens Highland Farms have priority access to all Health Care Residences and services before non-residents.
2. **Wellness Clinic.** A wellness clinic for certain consultations, screenings, and appointments is available to You as scheduled and provided by Givens Highland Farms.

3. **Staffing.** Nursing care appropriate to your needs may be provided by Givens Highland Farms for an additional fee.
4. **Medical Director.** The overall coordination and supervision of health care services within Givens Highland Farms will be provided by a Medical Director, who will be a licensed physician selected by Givens Highland Farms.
5. **Charges.** Charges for the Health Care Residences and services described above in this Paragraph shall be as set forth in Paragraph III. F. 1. of this Agreement.
6. **Health Care Services for an Additional Fee.** Other health services may be available to You at Your expense, including but not limited to pharmacy services, home care services, laboratory tests, physical therapy, occupational therapy, speech therapy, therapeutic activities, rehabilitative treatments, and wheelchairs and other medical equipment and supplies. The costs of such services are in addition to the charges described in Paragraph III. F. 1.
7. **Personal Physician.** You will choose a personal physician who has admission privileges at a local hospital, in the event that You need to be hospitalized. You are responsible for the cost of physician services and all related medical and non-medical expenses.

II. DATE OF OCCUPANCY AND OCCUPANCY

- A. **Date of Occupancy.** The Date of Occupancy will be the date established by Givens Highland Farms based on when the Residence chosen by You is available for occupancy and You make Your ten percent (10%) reservation and sign this Agreement. The Date of Occupancy will be no later than sixty (60) days from the date of this agreement unless otherwise noted. You will be expected to take Occupancy of the Residence and begin paying the Monthly Fee as of the Date of Occupancy. The Balance of the Entrance Fee is due on or prior to the Date of Occupancy.
- B. **Occupancy.** As used in this Agreement, "Occupancy" will have occurred when You have signed the Residence and Services Agreement and have paid the Entrance Fee in full as described in Paragraph III.B.2. Upon Occupancy, Givens Highland Farms will be obligated to provide You with the services outlined in this Agreement.

III. FINANCIAL ARRANGEMENTS

- A. **Entrance Fee.** As a condition of becoming a Resident, You agree to pay to Givens Highland Farms an Entrance Fee for the Residence as set forth in Schedule I (unless You have chosen the No Entrance Fee Option), attached.
- B. **Terms of Payment of the Entrance Fee.** If an Entrance Fee is to be paid, the terms of payment of the Entrance Fee shall be as follows:

1. **10 Percent Deposit.** To reserve Your Residence, You will make application to Givens Highland Farms, pay a deposit equal to ten percent (10%) of the total Entrance Fee for Your Residence (less any Application Fee if previously paid, of one thousand dollars (\$1,000.00)), and enter into this Agreement. You will receive notice of Your approval within fourteen (14) days of submitting Your application.
 2. **Balance of the Entrance Fee.** The Balance of the total Entrance Fee for the Residence will be due and payable prior to or on the Date of Occupancy, unless otherwise agreed to in writing by Givens Highland Farms.
- C. **Monthly Fee.** In addition to the Entrance Fee (or if the No Entrance Fee Option is chosen), You agree to pay a Monthly Fee upon Occupancy for the term of this Agreement. The Monthly Fee shall be payable in advance by the tenth (10th) business day of each month. Your Monthly Fee will be as set forth in Schedule I, attached.
- D. **Adjustments in the Monthly Fee.** The Monthly Fee is paid to provide the facilities, programs, and services described in this Agreement, and is intended to cover costs of the expenses associated with the operation and management of Givens Highland Farms. Givens Highland Farms, with the approval of its Board of Directors, may increase the Monthly Fee from time to time during the term of this Agreement. Monthly Fees will be adjusted as required, consistent with operating on a sound financial basis and maintaining quality service. You will receive a thirty (30) day advance notice of increases in the Monthly Fee or other charges.
- E. **Monthly Statements.** Givens Highland Farms will furnish You a Monthly Statement showing the Monthly Fee payable for the month in advance, and any additional charges from the previous month, payable by the tenth (10th) business day of the current month. Givens Highland Farms may charge, and You agree to pay promptly, interest at a rate of one and one-half percent per month on any unpaid balance owed by You thirty 30 days after the monthly statement is dated.
- F. **Health Care Charges.**
1. **Fee for Services.** Upon permanently occupying a Health Care Residence, You will surrender the Residence herein and will no longer pay the Monthly Fee for the Residence. Instead You will pay the published current per diem fee for such Health Care Residence. Upon temporarily occupying a Health Care Residence, You will continue to pay the Monthly Fee for the Residence herein and You will pay the published current per diem fee for such Health Care Residence for the period of time that You occupy same. Such per diem fee shall cover the cost of services described in Paragraph I.G. You may pay additional charges for ancillary services as described in Paragraph III.F.3.
 2. **Use of Refundable Portion of the Entrance Fee.** Should You move permanently to a Health Care Residence, the remaining refundable portion of an Entrance Fee due to You as a refund can be applied to the cost of care in the

Health Care Residence. Entrance Fee refunds will not be paid directly to any other health care facility besides Givens Highland Farms.

3. **Additional Charges for Ancillary Health Care Services.** You will be responsible for prompt payment of all additional charges for ancillary health care services provided at Givens Highland Farms. Ancillary services will include all services not provided by the staff of Givens Highland Farms and not included in the per diem fee. Examples of additional charges include, but are not limited to, the cost of prescription and non-prescription medications, physical examinations, laboratory tests, physical therapy, home health care, occupational therapy, rehabilitative treatments, wheelchairs and other medical equipment and supplies.
4. **Care in Another Facility.** Should You need a level of care or health services beyond that provided at Givens Highland Farms, as determined by Givens Highland Farms, and require transfer to another facility, You will be responsible for all expenses of such transfer and services.

IV. **ADMISSION REQUIREMENTS AND PROCEDURES**

- A. **Age.** Residents shall be fifty-five (55) years of age or older. If Resident is a couple, at least one member of the couple must be fifty-five (55) years of age at the time of Occupancy.
- B. **Application Forms.** You will provide an Application for Admission, a Personal Health History and a Confidential Financial Statement, all on forms furnished by Givens Highland Farms for initial approval by Givens Highland Farms.
- C. **Personal Interview.** You shall have an interview with a Marketing Representative and the Home Care Coordinator from Givens Highland Farms prior to Occupancy. Upon review of all information required to be furnished herein, additional personal interviews may be requested by You or Givens Highland Farms.
- D. **Approval Process.** Upon receipt of the completed Application Forms and the personal interview with both Marketing Representative and the Home Care Coordinator, Givens Highland Farms will review Your information and Your Physician's Examination Report as a basis for initial acceptance. Givens Highland Farms will approve or deny the application for initial admission within thirty (30) days after receiving the completed forms and will provide You with a decision thereafter.
- E. **Health Requirements.** Within thirty (30) days of the date of this agreement, You will provide Givens Highland Farms with a Physician's Examination Report completed by Your personal physician. Such report shall include a statement by the physician that You are able to live independently and undertake ongoing activities of daily living. Givens Highland Farms may now or in the future additionally require a history and physical from Your physician to include physician progress notes. Givens Highland Farms may require You to have another physical examination by a physician approved by Givens Highland Farms if

additional information is necessary. You shall be responsible for the cost of such physical examinations. If You do not meet the criteria for independent living established by Givens Highland Farms, You may move to other accommodations within Givens Highland Farms more suitable to Your needs, or terminate this Agreement.

- F. **Financial Requirements.** You must have assets and income sufficient to pay Your financial obligations under this Agreement and to meet Your ordinary living expenses. Givens Highland Farms may require You to furnish additional or updated financial information prior to Occupancy. Supplemental financial assistance may be available to Residents who qualify, as determined by Givens Highland Farms.
- G. **Representations.** You affirm that the representations made in all information furnished by You to Givens Highland Farms, including the Application for Waiting List, Personal Health History, Confidential Financial Statement and Physician's Examination Report, are true and correct and may be relied upon by Givens Highland Farms as a basis for entering into this Agreement.
- H. **Statement as to Non-Discrimination.** Givens Highland Farms shall not limit residency to persons on the basis of gender, gender identity, age, marital status, sexual orientation, race, color, religion, national origin, disability or military status. We are committed to providing an inclusive and welcoming environment for all members of our residents, staff, volunteers, subcontractors and vendors.

V. **TERMS OF RESIDENCY**

- A. **Rights of Resident.** This Agreement is and shall be construed only as a revocable license. Subject to the terms and provisions of this Agreement, You have the right to occupy, use, and enjoy the Residence, common areas, amenities, programs and services of Givens Highland Farms during the term of this Agreement. It is understood that this Agreement does not transfer or grant any right, title or interest in the real or personal property owned or administered by Givens Highland Farms other than the rights and privileges as described in this Agreement. Nothing in this Agreement shall be construed to create a lease or the relationship of landlord and tenant between Givens Highland Farms and You.
- B. **Policies and Procedures.** All residents shall abide by Givens Highland Farms policies and procedures, including such amendments, modifications and changes to Guidelines for Living and Policies and Procedures Handbook as may be adopted by Givens Highland Farms. Such Guidelines shall be made readily available to You.
- C. **Changes in the Residence and the Agreement.** Givens Highland Farms has the right to change the Residence and/or the Agreement when and to the limited extent required to comply with the requirements of any applicable statutes, laws or regulations. The Residence may not be used in any manner in violation of any zoning ordinances or other governmental law or regulation.
- D. **Visitors.** Short-term visitors and guests may stay in Your Residence for limited stays.

No person other than You may reside in the Residence without the approval of Givens Highland Farms.

- E. Occupancy by Two Residents.** When two (2) Residents occupy a Residence and one of them no longer resides in the Residence, whether as a result of death or otherwise, or in the event of the termination of this Agreement with respect to one of the Residents, this Agreement shall continue in effect for the remaining Resident. The remaining Resident will thereafter pay the Single Person Monthly Fee associated with the Residence. No Entrance Fee refunds, if due, shall be paid to the remaining Resident until the Residence is vacated as described in Paragraph VII.F.
- F. Request by You for Change in Residence.** You may request a change in Residence at any time. Givens Highland Farms carefully considers such requests, including but not limited to such factors as Resident's health, Resident's finances, availability of requested type of Residence and waiting lists. Resident must agree to pay the difference in the Entrance Fee and Monthly Fee between the requested Residence and the current Residence. Givens Highland Farms may require You to enter into a new or amended Residence and Services Agreement for the new Residence. The Entrance Fee refund percentage selected at initial occupancy remains in effect during a change in residence and is applicable to any additional amounts paid as a result of the change.
- 1. Move to Another Residence.** Should You be approved by Givens Highland Farms to move to a subsequent Residence, You will pay the Monthly Fee associated with the subsequent Residence. Even if the Entrance Fee for the original Residence, when You began to occupy it, was greater than the current Entrance Fee for the subsequent Residence, You will not be entitled to a refund as a result of the difference between such Entrance Fees. If, however, the Entrance Fee for the original Residence, when You began to occupy it, was less than the current Entrance Fee for the subsequent Residence, You will pay an amount equal to the difference between the Entrance Fee of the original Residence that You paid and the current Entrance Fee of the subsequent Residence.
- G. Change in Residence at Option of Givens Highland Farms.** If Givens Highland Farms reasonably determines that Your Residence needs to be vacated to permit repairs or renovations thereto, or needs to be modified or reconfigured to accommodate a new or different use of the Residence, or as a result of any other circumstances reasonably determined by Givens Highland Farms to justify such transfer, Givens Highland Farms may move You to a new Residence of a similar size provided that Givens Highland Farms (i) advises You prior to undertaking any such move, (ii) gives You reasonable notice of and time to prepare for such move, (iii) incurs all the costs of such move, (iv) arranges for the prompt and convenient moving of Your personal furnishings, and (v) either provides in such new Residence optional custom improvements comparable to those provided in Your original Residence or, at Your option, reimburses You for the depreciated value of such improvements.

- H. **Loss of Property.** Givens Highland Farms shall not be responsible for the loss of any property belonging to You due to theft, mysterious disappearance, fire or any other cause. You will be responsible for securing personal property insurance.
- I. **Medical Insurance.** You shall maintain Medicare Part A, Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage acceptable to Givens Highland Farms and shall furnish Givens Highland Farms with evidence of such coverage (e.g. Federal Government employees who subscribe to Federal Blue Cross Blue Shield).
- J. **Marriage or Adding a Second Person During Occupancy.** Should You marry or add a second person who is also a Resident of Givens Highland Farms, the two of You may occupy either Residence and shall surrender the unoccupied Residence. You will pay the Double Person Monthly Fee upon Occupancy by both of You in the chosen Residence. No Entrance Fee refunds, if due, shall be paid until Givens Highland Farms receives a replacement Entrance Fee for the vacated Residence or twenty-four (24) months after Termination by Resident (whichever occurs first), and removal of all personal belongings. Refunds are made in accordance with this Agreement.
- If You should marry a person or add a second person who is not a resident of Givens Highland Farms, they may become a resident if they meet all the requirements for admission, enters into a Residence and Services Agreement with Givens Highland Farms, and pays an Entrance Fee equal to the then-current Double Person Entrance Fee (if You paid an Entrance Fee) and shall pay the Double Person Monthly Fee. If they do not meet the requirements of Givens Highland Farms for admission as a resident, You may terminate this Agreement in the same manner as provided in Paragraph VII. B. with respect to a voluntary termination, or they may be approved for admission under special circumstances as agreed to in writing by Givens Highland Farms and You. Refunds are made in accordance with this Agreement.
- K. **Right of Entry.** You authorize employees or agents of Givens Highland Farms to enter the Residence for the purposes of housekeeping, repairs, maintenance, inspection, and in the event of an emergency. Givens Highland Farms will always endeavor to maintain Your privacy and the privacy of the Residence. For Your safety, You agree not to replace or add any locks to the Residence.
- L. **Residents' Organizations.** Residents of Givens Highland Farms are free to join a Residents' Corporation that is open to all residents. Such organization will elect representatives, officers, and other positions to engage in activities of interest to all residents.

VI. TRANSFERS OR CHANGES IN LEVELS OF CARE

- A. **Transfer to a Health Care Residence.** Givens Highland Farms recognizes the right of self-determination of the Resident and will attempt to involve the Resident or the Resident's representative in all decisions related to transfers and changes in level of care. Givens Highland Farms shall have authority to determine whether You should be transferred from Your Residence to a Health Care Residence, or from one level of care to another within Givens Highland Farms, in cases of potential harm to Yourself or others, to assure the health

and wellbeing of You and others, or to provide for the highest quality of life possible. Such determination shall be based on the opinion of the Givens Highland Farms administration and/or the Givens Highland Farms Medical Director and shall be made after consultation with You and Your representative and Your attending physician. Such decisions shall be made only in Your best interest and in the best interest of the larger community as determined by Givens Highland Farms.

- B. **Transfer to Other Facility.** If it is determined by Givens Highland Farms that You need care beyond that which can be provided by Givens Highland Farms, You may be transferred to a hospital or institution equipped to give such care at Your expense. Such transfer will be made only after consultation with You and/or Your representative and attending physician.
- C. **Surrender of Residence.** If a reasonable determination is made by Givens Highland Farms that any transfer described in Paragraph VI.A. is or is highly likely to be permanent; You agree to surrender Your Residence. You will have priority to move to such Health Care Residences, determined to best meet your needs, as soon as such is available.

VII. **TERMINATION AND REFUND PROVISIONS**

A. **Termination by Resident Prior to Occupancy.**

- 1. **Termination During First 30 Days.** This Agreement may be terminated by You for any reason within thirty (30) days following the later of the execution of this contract or the receipt of a disclosure statement and You are not required to move into the facility during this period. Any monies paid by You shall be refunded in full less any non-standard costs incurred at Your request. Any such refund shall be paid by Givens Highland Farms within ten (10) business days following receipt of written notification of such termination by You to:

Director of Marketing
Givens Highland Farms
200 Tabernacle Road
Black Mountain, NC 28711

- 2. **Termination After First 30 days and Before Occupancy.** This Agreement may be terminated by You for any reason after thirty (30) Days from entering into this Agreement and prior to Occupancy by giving written notice to Givens Highland Farms. In the event of such termination, You will receive a refund of Your ten percent (10%) Deposit, less a nonrefundable fee equal to two percent (2%) of the total amount of the Entrance Fee chosen for Your Residence, and any non-standard costs requested by You. The Agreement will be automatically cancelled to comply with NCGS 58-64-25(a)(2) and the nonrefundable fee will not be charged to You if such termination is due to death, death of Your spouse or second person, or because Your physical, mental or financial condition makes You ineligible for admission to Givens Highland Farms. Any such refund shall be paid by Givens Highland Farms within ten (10) business days following

receipt of written notification of such termination.

- B. Termination by Resident During the First 30 Days After Occupancy.** Within the first 30 days after occupancy, the resident may terminate this Agreement by giving Givens Highland Farms written notice of such termination. For rescinded or cancelled agreements the resident or resident's legal representative shall receive a refund of all money or property transferred to Givens Highland Farms, less (i) periodic charges specified in the agreement and applicable only to the period the residence was actually occupied by the resident; (ii) those nonstandard costs specifically incurred by Givens Highland Farms at the request of the resident and described in the agreement or any agreement amendment signed by the resident; (iii) nonrefundable fees as set out in paragraph VII.E of the agreement; and (iv) a reasonable service charge, as set out in the agreement, not to exceed the greater of one thousand dollars (\$1,000) or two percent (2%) of the entrance fee.
- C. Termination Upon Death After Occupancy.** In the event of death of a single Resident, or of the survivor of two Residents, at any time after Occupancy, this Agreement shall terminate and the refund of the Entrance Fee (if due) shall be determined according to Paragraph VII.E. below.
- D. Termination by Givens Highland Farms After Occupancy.** Givens Highland Farms may terminate this Agreement at any time if there has been a material misrepresentation or omission made by You in Your Application for Waiting List, Personal Health History, Confidential Financial Statement, or Physician's Examination Report; if You fail to make payment to Givens Highland Farms of any fees or charges due within sixty (60) days of the date when due; or if You do not abide by the rules and regulations adopted by Givens Highland Farms, or breach any of the terms and conditions of this Agreement. In the event of termination due to any of such causes, the refund of the Entrance Fee paid to You, if due, shall be determined according to Paragraph VII.E. below.
- E. Amortization of the Entrance Fee.** If an Entrance Fee Option is chosen, Your Entrance Fee may be partially refundable. The portion of the Entrance Fee that is refundable to You will decline over time, at a specific percentage upon the date of Occupancy of the Residence and the balance declining on the first (1st) day of each calendar month thereafter at a rate based upon the Entrance Fee Option chosen until Your selected refund percentage remains at zero percent (0%), fifty percent (50%) or ninety (90%). The rate at which the Entrance Fee declines is outlined in Schedule I. Regardless of the reason for termination, you are entitled to Your Entrance Fee refund, less any non-standard costs requested by You, except as otherwise provided by this Agreement.
- F. Payment of Refunds.** Entrance Fee refunds, if due, will be paid upon Your vacating the Residence or in case of dual occupancy both vacating the Residence; the removal of all personal property; and upon the receipt by Givens Highland Farms of a replacement resident for the Residence or the expiration of twenty-four (24) months after Termination of this Agreement by the Resident (whichever occurs first).
- G. Condition of Residence.** Upon vacating the Residence, You shall leave it in good condition except for normal wear and tear. You or Your estate shall be liable to Givens Highland Farms

for costs required to restore the Residence to good condition or standard condition, except for normal wear and tear, and for the removal and disposition of abandoned personal belongings. Such costs will be deducted from the refundable portion of the Entrance Fee due to You (if due), or added to your final statement if no refund is due.

- H. **Changes to Residence.** After the Date of Occupancy, any structural or physical changes to the Residence directed by you (including alterations such as construction of bookshelves or redecoration such as painting or wallpapering) will require the prior approval of Givens Highland Farms and will be made only under Givens Highland Farms' supervision and direction. The cost of any change requested by You shall be at Your expense. Givens Highland Farms may require, as a condition of approval of a requested change, that You either (i) agree to bear the cost of restoring the Residence to its original condition upon termination of Your occupancy of the Residence or (ii) prepay the estimated cost of restoring the Residence to its original condition. All structural improvements shall belong to Givens Highland Farms.

VIII. **FINANCIAL ASSISTANCE**

Givens Highland Farms has established a Supplemental Assistance Fund to allow a limited number of residents to continue to live at Givens Highland Farms after their assets may have been depleted. The policies relating to financial assistance are determined by the Board of Directors. The amount of assistance is determined on an individual basis and there is no guarantee of assistance to any individual Resident.

IX. **GENERAL**

- A. **Tobacco-free Campus.** The Givens Highland Farms campus and residences are tobacco-free, which includes vaping.
- B. **Assignment.** Your rights and privileges under this Agreement to the Residence, common areas and amenities, services and programs of Givens Highland Farms are personal to You and may not be transferred or assigned by You.
- C. **Management of Givens Highland Farms.** The absolute rights of management are reserved by Givens Highland Farms, its Board of Directors, and its administrators as delegated by the Board of Directors. Givens Highland Farms reserves the right to accept or reject any person for residency. Residents do not have the right to determine admission or terms of admission for any other Resident.
- D. **Entire Agreement.** This Agreement constitutes the entire contract between Givens Highland Farms and You. Givens Highland Farms shall not be liable or bound in any manner by any statements, representations, or promises made by any person representing or purporting to represent Givens Highland Farms, unless such statements, representations, or promises are set forth in this Agreement or its duly executed Schedules and Addenda.
- E. **Successors and Assigns.** Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of Givens Highland Farms and Your heirs, executors, administrators, and assigns.

- F. Subordination to Financing.** The Resident's rights under this Agreement shall at all times be subordinate to the rights of any bona fide lender under any mortgage, deed of trust or other security interest, now existing or hereafter created, on any of the property of Givens Highland Farms and to all amendments, modifications, replacements or refinancing thereof. The Resident shall execute and deliver any documents reasonably required by Givens Highland Farms or by the holder of any mortgage, deed of trust or other security agreement to evidence or effect such subordination.
- G. Transfer of Property.** You agree not to make any gift or other transfer of property for the purpose of evading Your obligations under this Agreement or if such gift or transfer would render You unable to meet such obligations. You also agree to comply with all of Givens Highland Farms' policies prohibiting and/or regarding the making of gifts or donations to or for the benefit of Givens Highland Farms' employees or such employees' spouses and/or relatives.
- H. Affiliation with Religious Organization.** Givens Highland Farms is a wholly owned subsidiary of The Givens Estates, Inc., which is affiliated with the Western North Carolina Conference of the United Methodist Church. Such Conference has no responsibility for any of the obligations of Givens Highland Farms under this Agreement.
- I. Governing Law.** This Agreement shall be governed by the laws of the State of North Carolina.
- J. Ad Valorem Taxes.** Should Givens Highland Farms ever be required to pay ad valorem property taxes that may be assessed in the future, the applicable pro rata amount of such taxes may be added to the Monthly Fee for Your Residence.
- K. Rights of the Resident** Under this Residency Agreement are the rights and privileges herein expressly granted and do not include any proprietary interest in the properties or assets of the Corporation or any membership in the Corporation.
- L. Force Majeure** Givens Highland Farms will not be deemed to be in breach of this Agreement if Givens Highland Farms is prevented from performing any obligation under this Agreement as a result, directly or indirectly, of any labor disputes, natural disasters, acts of God, war, riots, invasion, sabotage, terrorism, famine, civil commotion, earthquakes, extreme weather, floods, fire, condemnation, government action/intervention, non-essential business closures, stay-at-home orders, presence of viral contamination, supply disruptions, or interruption of services, or any other causes beyond the control of Givens Highland Farms, to the extent that the cause affects Givens Highland Farms' ability to perform under this Agreement. Upon removal of the cause affecting the delay or nonperformance, Givens Highland Farms will resume performance of the obligations of this Agreement.

IN WITNESS WHEREOF, Givens Highland Farms and the Resident have executed this Agreement and the Resident has received a copy of the current Givens Highland Farms Disclosure Statement and the Entrance Fee has been paid by the Resident.

Addenda Attached: Schedule I and Schedule II

Resident	Date
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Resident	Date
----------	------

GIVENS HIGHLAND FARMS, LLC

Executive Director	Date
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RESIDENCE AND SERVICES AGREEMENT
SCHEDULE I – page 1 of 2

Givens Highland Farms
Black Mountain, North Carolina

Resident(s) Name _____

Type of Residence _____

Residence Number _____

Occupancy Date _____

ENTRANCE FEE

No Entrance Fee Option

(Administrative Fee - non-refundable)

Single Person Admin Fee \$

Double Person Admin Fee \$

Zero Percent (0%) Refund Option

Single Person Entrance Fee \$

Double Person Entrance Fee \$

Fifty Percent (50%) Refund Option

Single Person Entrance Fee \$

Double Person Entrance Fee \$

Ninety Percent (90%) Refund Option

Single Person Entrance Fee \$

Double Person Entrance Fee \$

Total Entrance Fee \$ 0.00

10 Percent Deposit \$ 0.00

Less Previous Deposit (if applicable) \$

Amount of 10 Percent Deposit Payable \$ 0.00

Balance of 90 Percent of Entrance Fee \$ 0.00
(payable prior to Date of Occupancy)

RESIDENCE AND SERVICES AGREEMENT
SCHEDULE I – page 2 of 2

Givens Highland Farms
Black Mountain, North Carolina

MONTHLY FEE

2023 Monthly Fee:

Monthly Fees are subject to annual increases regardless of scheduled occupancy.

Single Person \$

Double Person \$

Resident Signature: _____ Date: _____

Resident Signature: _____ Date: _____

Zero Percent Refund Option: The portion of this Entrance Fee that is refundable to you will decline at a rate of six percent (6%) upon the Date of Occupancy of the Residence and two percent (2%) on the first (1st) day of each calendar month thereafter until Your refund percentage remains at zero percent (0%).

Fifty Percent Refund Option: The portion of this Entrance Fee that is refundable to you will decline at a rate of six percent (6%) upon the Date of Occupancy of the Residence and two percent (2%) on the first (1st) day of each calendar month thereafter until Your refund percentage remains at fifty percent (50%).

Ninety Percent Refund Option: The portion of this Entrance Fee that is refundable to you will decline at a rate of six percent (6%) upon the Date of Occupancy of the Residence and two percent (2%) on the first (1st) day of each calendar month thereafter until Your refund percentage remains at Ninety percent (90%).

RESIDENCE AND SERVICES AGREEMENT

SCHEDULE II

Givens Highland Farms **Black Mountain, North Carolina**

Monthly Declining-Balance Meal Allowance:

The monthly declining balance meal allowance may change from time to time during the term of this Agreement. Monthly declining balance meal allowances will be adjusted as required, consistent with operating on a sound financial basis and maintaining quality service. You will receive a thirty (30) day advance notice of changes in the Monthly Declining Balance Meal Allowance.

Effective January 1, 2023, the Monthly Declining Balance Meal Allowance is:

-Apartments	\$285 per month per resident
-Cluster Homes, Condominium Homes, Twin Oaks Homes Meadowmont Homes, The Cottages	\$167 per month per resident
-Prentice Lodge Apartments	3 meals per day

RESIDENCE AND SERVICES AGREEMENT RENTAL AGREEMENT

Givens Highland Farms Black Mountain, North Carolina

This Residence and Services Agreement (hereinafter called the "Agreement") is made this _____ day of _____, 2023, by and between Givens Highland Farms, LLC, a North Carolina non-profit corporation (hereinafter called "Givens Highland Farms"), a subsidiary of The Givens Estates, Inc. "Provider", and _____ (hereinafter called "Resident", "You", or "Your") for occupancy of the residence located at _____ (hereinafter called the "Residence").

Residences in Givens Highland Farms consist of Garden Apartments, Brookside Apartments and Vista Ridge Apartments, Prentice Lodge Apartments, Cluster Homes, Condominium Homes, Twin Oaks Homes, Meadowmont Homes and The Cottages. Community amenities include dining rooms, deli/cafe, multi-purpose room, craft room, exercise room library, living rooms and administrative space.

You and Givens Highland Farms agree as follows:

I. RESIDENCE, COMMON AREAS AND AMENITIES, PROGRAMS AND SERVICES

- A. **Your Residence.** You shall have the exclusive right to occupy, use, and enjoy the Residence described above and in Schedule I, attached.
- B. **Furnishings in Your Residence.** Givens Highland Farms will provide in most Residences wall-to-wall carpeting, vinyl flooring in kitchen and bath(s), refrigerator with ice maker, stove, oven, microwave, hood vent, dishwasher, washer and dryer, garbage disposal, prewiring for telephone and cable services, and other features and fixtures as described in Givens Highland Farms' current literature. All other furniture, furnishings, decorations, bed and bath linens, and other personal property will be provided by You.

Garden Apartments may not include dishwasher, hood vent or washer and dryer. Prentice Lodge apartments may not include stove, oven, dishwasher, hood vent or washer and dryer.

- C. **Options and Custom Features in Your Residence.** You may select certain options and custom features in Your Residence for an additional charge. Givens Highland Farms will present you with a written quote specific to your options and custom feature request detailing the prices. The cost of options and custom features selected will be paid by You at the time of selection and will become part of the Residence and the property of Givens Highland Farms. The value of such improvements will not be considered in computing Entrance Fee refunds, unless specifically agreed to in an Addendum to this Agreement. All options and custom features must be approved by Givens Highland Farms

administration in advance of the changes made. Options and custom features must be selected and agreed upon within fourteen (14) days of the date of this agreement or once all quotes have been received, whichever is later. If changes to options and custom features occur after that time, Your obligation to take Occupancy of the Residence and begin paying the Monthly Fee as of the Date of Occupancy (in Paragraph II.A) do not change, even if the options and custom features are not completed at the Date of Occupancy.

- D. **Common Areas and Amenities.** Givens Highland Farms common areas and amenities are for the use and benefit of all residents and include a central dining room, café/deli, library, mail boxes, multi-purpose room, lounges, activity areas, arts and crafts room, woodworking shop, beauty/barber shop, walking areas, exercise areas and community garden.
- E. **Parking.** Givens Highland Farms will provide parking areas for Your personal vehicle (a minimum of one space for each Residence). There is no “reserved” parking for apartments.
- F. **Services and Programs.**
1. **Utilities.** The monthly fee includes the cost of heating, air conditioning, electricity, water, sewer, trash removal, basic cable TV, internet, phone and standard municipal services. You are responsible for any costs related to telephone, internet and cable television service beyond that provided by Givens Highland Farms.
 2. **Meals.** Givens Highland Farms will make available to each resident a monthly declining dining amount as stated in Schedule II. A maximum carryover of one (1) month’s dining dollars per person is allowed from month to month (except in Prentice Lodge); any dining dollar amount in excess of the maximum allowed will expire at the month’s end. Any additional charged amounts above the monthly allowance will be added to your monthly fee.
 3. **Housekeeping Services.** The Monthly Fee includes housekeeping services. Services that include vacuuming, light dusting, dusting and mopping hard surface flooring, wipe-down of kitchen counter tops, cleaning of bathrooms and changing of bed linens provided by you. The amount of time allotted for each residence is determined by the size of residence. Additional housekeeping is available for an extra fee.
 4. **Groundskeeping.** Givens Highland Farms will furnish basic grounds keeping service, including lawn, tree and shrubbery care as part of the Monthly Fee. Subject to prior approval by Givens Highland Farms, You may plant and maintain certain garden areas adjacent to Your Residence and elsewhere as designated by Givens Highland Farms.
 5. **Maintenance and Repairs.** Givens Highland Farms will maintain and repair

improvements, furnishings, appliances, and equipment owned by Givens Highland Farms as part of the Monthly Fee. You will be responsible for the cost of repairing damage to property of Givens Highland Farms caused by You or any of Your guests, ordinary wear and tear excepted.

6. **Transportation.** The Monthly Fee will include local group transportation for residents on a regular, scheduled basis for shopping and activities. Transportation for medical, personal or special group trips is available for an extra fee.
7. **Security.** Givens Highland Farms will provide security, emergency response by trained Givens Highland Farms staff, smoke detectors in each Residence, a fire alarm system (Apartments Only), and an emergency call system.
8. **Activities.** Givens Highland Farms will provide scheduled social, recreational, spiritual, educational and cultural activities; arts and crafts; exercise and health programs; and other activities designed to meet residents' interests. Some activities may require an extra fee.
9. **Other Services and Programs at Additional Charge.** Other services and programs will be available to You at Your expense, including, but not limited to those previously mentioned, beauty and barber services, home care services, personal laundry, special transportation, repairs of personal property, and other special services performed for You beyond the normal scope of services offered by Givens Highland Farms. The availability and charges for some additional services are itemized in Givens Highland Farms' current literature.
10. **Notice of Change in Scope of Services.** Except for changes required by law, Givens Highland Farms will notify You of any proposed change in the scope of services Select the group of residents and/or staff that you want to receive the Send Word Now message provided in this Agreement at least thirty (30) days before such change is effective. No change relating to a service included in the Monthly Fee under the terms of this Agreement shall be effective unless (a) consented to by Resident or (b) a reasonable adjustment is made in the Monthly Fee.

G. Health Services

1. **Health Care Accommodations and Services.** Givens Highland Farms may choose to provide accommodations, equipment, staffing, programs, services and supervision necessary for licensed nursing care (collectively, the "Health Care Residences"). The Health Care Residences and services, if and when provided by Givens Highland Farms, are available to You either temporarily or permanently on a space available basis, if needed, as determined by Givens Highland Farms. Charges will be in accordance with Paragraph III.F.1. Residents of Givens Highland Farms have priority access to all Health Care Residences and services before non-residents.
2. **Wellness Clinic.** A wellness clinic for certain consultations, screenings, and

appointments is available to You as scheduled and provided by Givens Highland Farms.

3. **Staffing.** Nursing care appropriate to your needs may be provided by Givens Highland Farms for an additional fee.
4. **Medical Director.** The overall coordination and supervision of health care services within Givens Highland Farms will be provided by a Medical Director, who will be a licensed physician selected by Givens Highland Farms.
5. **Charges.** Charges for the Health Care Residences and services described above in this Paragraph shall be as set forth in Paragraph III. F. 1. of this Agreement.
6. **Health Care Services for an Additional Fee.** Other health services may be available to You at Your expense, including but not limited to pharmacy services, home care services, laboratory tests, physical therapy, occupational therapy, speech therapy, therapeutic activities, rehabilitative treatments, and wheelchairs and other medical equipment and supplies. The costs of such services are in addition to the charges described in Paragraph III. F. 1.
7. **Personal Physician.** You will choose a personal physician who has admission privileges at a local hospital, in the event that You need to be hospitalized. You are responsible for the cost of physician services and all related medical and non-medical expenses.

II. DATE OF OCCUPANCY AND OCCUPANCY

- A. **Date of Occupancy.** The Date of Occupancy will be the date established by Givens Highland Farms based on when the Residence chosen by You is available for occupancy and You make Your ten percent (10%) reservation and sign this Agreement. The Date of Occupancy will be no later than sixty (60) days from the date of this agreement unless otherwise noted. You will be expected to take Occupancy of the Residence and begin paying the Monthly Fee as of the Date of Occupancy. The Balance of the Entrance Fee is due on or prior to the Date of Occupancy.
- B. **Occupancy.** As used in this Agreement, "Occupancy" will have occurred when You have signed the Residence and Services Agreement and have paid the Entrance Fee in full as described in Paragraph III.B.2. Upon Occupancy, Givens Highland Farms will be obligated to provide You with the services outlined in this Agreement.

III. FINANCIAL ARRANGEMENTS

- A. **Entrance Fee.** As a condition of becoming a Resident, You agree to pay to Givens Highland Farms an Entrance Fee for the Residence as set forth in Schedule I (unless You have chosen the No Entrance Fee Option), attached.
- B. **Terms of Payment of the Entrance Fee.** If an Entrance Fee is to be paid, the terms of payment

of the Entrance Fee shall be as follows:

1. **10 Percent Deposit.** To reserve Your Residence, You will make application to Givens Highland Farms, pay a deposit equal to ten percent (10%) of the total Entrance Fee for Your Residence (less any Application Fee if previously paid, of one thousand dollars (\$1,000.00)), and enter into this Agreement. You will receive notice of Your approval within fourteen (14) days of submitting Your application.
 2. **Balance of the Entrance Fee.** The Balance of the total Entrance Fee for the Residence will be due and payable prior to or on the Date of Occupancy, unless otherwise agreed to in writing by Givens Highland Farms.
- C. **Monthly Fee.** In addition to the Entrance Fee (or if the No Entrance Fee Option is chosen), You agree to pay a Monthly Fee upon Occupancy for the term of this Agreement. The Monthly Fee shall be payable in advance by the tenth (10th) business day of each month. Your Monthly Fee will be as set forth in Schedule I, attached.
- D. **Adjustments in the Monthly Fee.** The Monthly Fee is paid to provide the facilities, programs, and services described in this Agreement, and is intended to cover costs of the expenses associated with the operation and management of Givens Highland Farms. Givens Highland Farms, with the approval of its Board of Directors, may increase the Monthly Fee from time to time during the term of this Agreement. Monthly Fees will be adjusted as required, consistent with operating on a sound financial basis and maintaining quality service. You will receive a thirty (30) day advance notice of increases in the Monthly Fee or other charges.
- E. **Monthly Statements.** Givens Highland Farms will furnish You a Monthly Statement showing the Monthly Fee payable for the month in advance, and any additional charges from the previous month, payable by the tenth (10th) business day of the current month. Givens Highland Farms may charge, and You agree to pay promptly, interest at a rate of one and one-half percent per month on any unpaid balance owed by You thirty 30 days after the monthly statement is dated.
- F. **Health Care Charges.**
1. **Fee for Services.** Upon permanently occupying a Health Care Residence, You will surrender the Residence herein and will no longer pay the Monthly Fee for the Residence. Instead You will pay the published current per diem fee for such Health Care Residence. Upon temporarily occupying a Health Care Residence, You will continue to pay the Monthly Fee for the Residence herein and You will pay the published current per diem fee for such Health Care Residence for the period of time that You occupy same. Such per diem fee shall cover the cost of services described in Paragraph I.G. You may pay additional charges for ancillary services as described in Paragraph III.F.3.
 2. **Use of Refundable Portion of the Entrance Fee.** Should You move permanently to a Health Care Residence, the remaining refundable portion of an

Entrance Fee due to You as a refund can be applied to the cost of care in the Health Care Residence. Entrance Fee refunds will not be paid directly to any other health care facility besides Givens Highland Farms.

3. **Additional Charges for Ancillary Health Care Services.** You will be responsible for prompt payment of all additional charges for ancillary health care services provided at Givens Highland Farms. Ancillary services will include all services not provided by the staff of Givens Highland Farms and not included in the per diem fee. Examples of additional charges include, but are not limited to, the cost of prescription and non-prescription medications, physical examinations, laboratory tests, physical therapy, home health care, occupational therapy, rehabilitative treatments, wheelchairs and other medical equipment and supplies.
4. **Care in Another Facility.** Should You need a level of care or health services beyond that provided at Givens Highland Farms, as determined by Givens Highland Farms, and require transfer to another facility, You will be responsible for all expenses of such transfer and services.

G. Security Deposit

On the Date of Occupancy You shall pay to Givens Highland Farms a Tenant Security Deposit (the "Security Deposit") in the amount of one thousand dollars (\$1,000). The Security Deposit shall be held in a deposit account at First Tennessee Bank, P.O. Box 84, Memphis, TN 38101. Notwithstanding anything to the contrary, the Security Deposit shall be held in compliance with the North Carolina Tenant Security Deposit Act (NCGS Chapter 42-50 et. seq.) The security deposit may, at the discretion of Givens Highland Farms, be deposited in an interest-bearing account with the bank or savings institution named above. Any interest earned upon the tenant security deposit shall accrue for the benefit of, and shall be paid to, Givens Highland Farms, or as Givens Highland Farms directs. Such interest, if any, may be withdrawn by Givens Highland Farms from such account as it accrues as often as is permitted by the terms of the account. Upon any termination of the tenancy herein created, Givens Highland Farms may deduct from the Security Deposit amounts sufficient to pay: (1) any damages sustained by Givens Highland Farms as a result of Your nonpayment of the Monthly Rental Fee; (2) any damages to the Residence for which You are responsible; (3) any unpaid bills which become a lien against the Residence due to the Your occupancy; (4) any costs of re-renting the Residence after a breach of this Agreement by You; (5) any court costs incurred by Givens Highland Farms in connection with terminating this Agreement; and (6) any other damages of Givens Highland Farms which may then be a permitted use of the Security Deposit under the laws of this State. After having deducted the above amounts, Givens Highland Farms shall, if Your address is known, refund to You, within thirty (30) days after the termination and Your delivery of possession of the Residence

IV. ADMISSION REQUIREMENTS AND PROCEDURES

- A. **Age.** Residents shall be fifty-five (55) years of age or older. If Resident is a couple, at least one member of the couple must be fifty-five (55) years of age at the time of Occupancy.
- B. **Application Forms.** You will provide an Application for Admission, a Personal Health History and a Confidential Financial Statement, all on forms furnished by Givens Highland Farms for initial approval by Givens Highland Farms.
- C. **Personal Interview.** You shall have an interview with a Marketing Representative and the Home Care Coordinator from Givens Highland Farms prior to Occupancy. Upon review of all information required to be furnished herein, additional personal interviews may be requested by You or Givens Highland Farms.
- D. **Approval Process.** Upon receipt of the completed Application Forms and the personal interview with both Marketing Representative and the Home Care Coordinator, Givens Highland Farms will review Your information and Your Physician's Examination Report as a basis for initial acceptance. Givens Highland Farms will approve or deny the application for initial admission within thirty (30) days after receiving the completed forms and will provide You with a decision thereafter.
- E. **Health Requirements.** Within thirty (30) days of the date of this agreement, You will provide Givens Highland Farms with a Physician's Examination Report completed by Your personal physician. Such report shall include a statement by the physician that You are able to live independently and undertake ongoing activities of daily living. Givens Highland Farms may now or in the future additionally require a history and physical from Your physician to include physician progress notes. Givens Highland Farms may require You to have another physical examination by a physician approved by Givens Highland Farms if additional information is necessary. You shall be responsible for the cost of such physical examinations. If You do not meet the criteria for independent living established by Givens Highland Farms, You may move to other accommodations within Givens Highland Farms more suitable to Your needs, or terminate this Agreement.
- F. **Financial Requirements.** You must have assets and income sufficient to pay Your financial obligations under this Agreement and to meet Your ordinary living expenses. Givens Highland Farms may require You to furnish additional or updated financial information prior to Occupancy. Supplemental financial assistance may be available to Residents who qualify, as determined by Givens Highland Farms.
- G. **Representations.** You affirm that the representations made in all information furnished by You to Givens Highland Farms, including the Application for Waiting List, Personal Health History, Confidential Financial Statement and Physician's Examination Report, are true and correct and may be relied upon by Givens Highland Farms as a basis for entering into this Agreement.
- H. **Statement as to Non-Discrimination.** Givens Highland Farms shall not limit residency to

persons on the basis of gender, gender identity, age, marital status, sexual orientation, race, color, religion, national origin, disability or marital status. We are committed to providing an inclusive and welcoming environment for all members of our residents, staff, volunteers, subcontractors and vendors.

V. **TERMS OF RESIDENCY**

- A. **Rights of Resident.** This Agreement is and shall be construed only as a revocable license. Subject to the terms and provisions of this Agreement, You have the right to occupy, use, and enjoy the Residence, common areas, amenities, programs and services of Givens Highland Farms during the term of this Agreement. It is understood that this Agreement does not transfer or grant any right, title or interest in the real or personal property owned or administered by Givens Highland Farms other than the rights and privileges as described in this Agreement. Nothing in this Agreement shall be construed to create a lease or the relationship of landlord and tenant between Givens Highland Farms and You.
- B. **Policies and Procedures.** All residents shall abide by Givens Highland Farms policies and procedures, including such amendments, modifications and changes to Guidelines for Living and Policies and Procedures Handbook as may be adopted by Givens Highland Farms. Such Guidelines shall be made readily available to You.
- C. **Changes in the Residence and the Agreement.** Givens Highland Farms has the right to change the Residence and/or the Agreement when and to the limited extent required to comply with the requirements of any applicable statutes, laws or regulations. The Residence may not be used in any manner in violation of any zoning ordinances or other governmental law or regulation.
- D. **Visitors.** Short-term visitors and guests may stay in Your Residence for limited stays. No person other than You may reside in the Residence without the approval of Givens Highland Farms.
- E. **Occupancy by Two Residents.** When two (2) Residents occupy a Residence and one of them no longer resides in the Residence, whether as a result of death or otherwise, or in the event of the termination of this Agreement with respect to one of the Residents, this Agreement shall continue in effect for the remaining Resident. The remaining Resident will thereafter pay the Single Person Monthly Fee associated with the Residence. No Entrance Fee refunds, if due, shall be paid to the remaining Resident until the Residence is vacated as described in Paragraph VII.F.
- F. **Request by You for Change in Residence.** You may request a change in Residence at any time. Givens Highland Farms carefully considers such requests, including but not limited to such factors as Resident's health, Resident's finances, availability of requested type of Residence and waiting lists. Resident must agree to pay the difference in the Entrance Fee and Monthly Fee between the requested Residence and the current Residence. Givens Highland Farms may require You to enter into a new or amended Residence and Services Agreement for the new Residence. The Entrance Fee refund percentage selected at initial

occupancy remains in effect during a change in residence and is applicable to any additional amounts paid as a result of the change.

1. **Move to Another Residence.** Should You be approved by Givens Highland Farms to move to a subsequent Residence, You will pay the Monthly Fee associated with the subsequent Residence. Even if the Entrance Fee for the original Residence, when You began to occupy it, was greater than the current Entrance Fee for the subsequent Residence, You will not be entitled to a refund as a result of the difference between such Entrance Fees. If, however, the Entrance Fee for the original Residence, when You began to occupy it, was less than the current Entrance Fee for the subsequent Residence, You will pay an amount equal to the difference between the Entrance Fee of the original Residence that You paid and the current Entrance Fee of the subsequent Residence.
- G. **Change in Residence at Option of Givens Highland Farms.** If Givens Highland Farms reasonably determines that Your Residence needs to be vacated to permit repairs or renovations thereto, or needs to be modified or reconfigured to accommodate a new or different use of the Residence, or as a result of any other circumstances reasonably determined by Givens Highland Farms to justify such transfer, Givens Highland Farms may move You to a new Residence of a similar size provided that Givens Highland Farms (i) advises You prior to undertaking any such move, (ii) gives You reasonable notice of and time to prepare for such move, (iii) incurs all the costs of such move, (iv) arranges for the prompt and convenient moving of Your personal furnishings, and (v) either provides in such new Residence optional custom improvements comparable to those provided in Your original Residence or, at Your option, reimburses You for the depreciated value of such improvements.
- H. **Loss of Property.** Givens Highland Farms shall not be responsible for the loss of any property belonging to You due to theft, mysterious disappearance, fire or any other cause. You will be responsible for securing personal property insurance.
- I. **Medical Insurance.** You shall maintain Medicare Part A, Medicare Part B, and one supplemental health insurance policy or equivalent insurance coverage acceptable to Givens Highland Farms and shall furnish Givens Highland Farms with evidence of such coverage (e.g. Federal Government employees who subscribe to Federal Blue Cross Blue Shield).
- J. **Marriage or Adding a Second Person During Occupancy.** Should You marry or add a second person who is also a Resident of Givens Highland Farms, the two of You may occupy either Residence and shall surrender the unoccupied Residence. You will pay the Double Person Monthly Fee upon Occupancy by both of You in the chosen Residence. No Entrance Fee refunds, if due, shall be paid until Givens Highland Farms receives a replacement Entrance Fee for the vacated Residence or twenty-four (24) months after Termination by Resident (whichever occurs first), and removal of all personal belongings. Refunds are made in accordance with this Agreement.

If You should marry a person or add a second person who is not a resident of Givens Highland Farms, they may become a resident if they meet all the requirements for admission, enters into a Residence and Services Agreement with Givens Highland Farms, and pays an Entrance Fee equal to the then-current Double Person Entrance Fee (if You paid an Entrance Fee) and shall pay the Double Person Monthly Fee. If they do not meet the requirements of Givens Highland Farms for admission as a resident, You may terminate this Agreement in the same manner as provided in Paragraph VII. B. with respect to a voluntary termination, or they may be approved for admission under special circumstances as agreed to in writing by Givens Highland Farms and You. Refunds are made in accordance with this Agreement.

- K. **Right of Entry.** You authorize employees or agents of Givens Highland Farms to enter the Residence for the purposes of housekeeping, repairs, maintenance, inspection, and in the event of an emergency. Givens Highland Farms will always endeavor to maintain Your privacy and the privacy of the Residence. For Your safety, You agree not to replace or add any locks to the Residence.
- L. **Residents' Organizations.** Residents of Givens Highland Farms are free to join a Residents' Corporation that is open to all residents. Such organization will elect representatives, officers, and other positions to engage in activities of interest to all residents.

VI. **TRANSFERS OR CHANGES IN LEVELS OF CARE**

- A. **Transfer to a Health Care Residence.** Givens Highland Farms recognizes the right of self-determination of the Resident and will attempt to involve the Resident or the Resident's representative in all decisions related to transfers and changes in level of care. Givens Highland Farms shall have authority to determine whether You should be transferred from Your Residence to a Health Care Residence, or from one level of care to another within Givens Highland Farms, in cases of potential harm to Yourself or others, to assure the health and wellbeing of You and others, or to provide for the highest quality of life possible. Such determination shall be based on the opinion of the Givens Highland Farms administration and/or the Givens Highland Farms Medical Director and shall be made after consultation with You and Your representative and Your attending physician. Such decisions shall be made only in Your best interest and in the best interest of the larger community as determined by Givens Highland Farms.
- B. **Transfer to Other Facility.** If it is determined by Givens Highland Farms that You need care beyond that which can be provided by Givens Highland Farms, You may be transferred to a hospital or institution equipped to give such care at Your expense. Such transfer will be made only after consultation with You and/or Your representative and attending physician.
- C. **Surrender of Residence.** If a reasonable determination is made by Givens Highland Farms that any transfer described in Paragraph VI.A. is or is highly likely to be permanent; You agree to surrender Your Residence. You will have priority to move to such Health Care Residences, determined to best meet your needs, as soon as such is available.

VII. TERMINATION AND REFUND PROVISIONS

A. Termination by Resident Prior to Occupancy.

1. **Termination During First 30 Days.** This Agreement may be terminated by You for any reason within thirty (30) days following the later of the execution of this contract or the receipt of a disclosure statement and You are not required to move into the facility during this period. Any monies paid by You shall be refunded in full less any non-standard costs incurred at Your request. Any such refund shall be paid by Givens Highland Farms within ten (10) business days following receipt of written notification of such termination by You to:

Director of Marketing
Givens Highland Farms
200 Tabernacle Road
Black Mountain, NC 28711

2. **Termination After First 30 days and Before Occupancy.** This Agreement may be terminated by You for any reason after thirty (30) Days from entering into this Agreement and prior to Occupancy by giving written notice to Givens Highland Farms. In the event of such termination, You will receive a refund of Your ten percent (10%) Deposit, less a nonrefundable fee equal to two percent (2%) of the total amount of the Entrance Fee chosen for Your Residence, and any non-standard costs requested by You. The Agreement will be automatically cancelled to comply with NCGS 58-64-25(a)(2) and the nonrefundable fee will not be charged to You if such termination is due to death, death of Your spouse or second person, or because Your physical, mental or financial condition makes You ineligible for admission to Givens Highland Farms. Any such refund shall be paid by Givens Highland Farms within ten (10) business days following receipt of written notification of such termination.

- B. Termination by Resident During the First 30 Days After Occupancy.** Within the first 30 days after occupancy, the resident may terminate this Agreement by giving Givens Highland Farms written notice of such termination. For rescinded or cancelled agreements the resident or resident's legal representative shall receive a refund of all money or property transferred to Givens Highland Farms, less (i) periodic charges specified in the agreement and applicable only to the period the residence was actually occupied by the resident; (ii) those nonstandard costs specifically incurred by Givens Highland Farms at the request of the resident and described in the agreement or any agreement amendment signed by the resident; (iii) nonrefundable fees as set out in paragraph VII.E of the agreement; and (iv) a reasonable service charge, as set out in the agreement, not to exceed the greater of one thousand dollars (\$1,000) or two percent (2%) of the entrance fee.

- C. Termination Upon Death After Occupancy.** In the event of death of a single Resident, or of the survivor of two Residents, at any time after Occupancy, this Agreement shall terminate and the refund of the Entrance Fee (if due) shall be determined according to Paragraph VII.E. below.

- D. **Termination by Givens Highland Farms After Occupancy.** Givens Highland Farms may terminate this Agreement at any time if there has been a material misrepresentation or omission made by You in Your Application for Waiting List, Personal Health History, Confidential Financial Statement, or Physician's Examination Report; if You fail to make payment to Givens Highland Farms of any fees or charges due within sixty (60) days of the date when due; or if You do not abide by the rules and regulations adopted by Givens Highland Farms, or breach any of the terms and conditions of this Agreement. In the event of termination due to any of such causes, the refund of the Entrance Fee paid to You, if due, shall be determined according to Paragraph VII.E. below.
- E. **Condition of Residence.** Upon vacating the Residence, You shall leave it in good condition except for normal wear and tear. You or Your estate shall be liable to Givens Highland Farms for costs required to restore the Residence to good condition or standard condition, except for normal wear and tear, and for the removal and disposition of abandoned personal belongings. Such costs will be deducted from the refundable portion of the Entrance Fee due to You (if due), or added to your final statement if no refund is due.
- F. **Changes to Residence.** After the Date of Occupancy, any structural or physical changes to the Residence directed by you (including alterations such as construction of bookshelves or redecoration such as painting or wallpapering) will require the prior approval of Givens Highland Farms and will be made only under Givens Highland Farms' supervision and direction. The cost of any change requested by You shall be at Your expense. Givens Highland Farms may require, as a condition of approval of a requested change, that You either (i) agree to bear the cost of restoring the Residence to its original condition upon termination of Your occupancy of the Residence or (ii) prepay the estimated cost of restoring the Residence to its original condition. All structural improvements shall belong to Givens Highland Farms.

VIII. **FINANCIAL ASSISTANCE**

Givens Highland Farms has established a Supplemental Assistance Fund to allow a limited number of residents to continue to live at Givens Highland Farms after their assets may have been depleted. The policies relating to financial assistance are determined by the Board of Directors. The amount of assistance is determined on an individual basis and there is no guarantee of assistance to any individual Resident.

IX. **GENERAL**

- A. **Tobacco-free Campus.** The Givens Highland Farms campus and residences are tobacco-free, which includes vaping.
- B. **Assignment.** Your rights and privileges under this Agreement to the Residence, common areas and amenities, services and programs of Givens Highland Farms are personal to You and may not be transferred or assigned by You.

- C. **Management of Givens Highland Farms.** The absolute rights of management are reserved by Givens Highland Farms, its Board of Directors, and its administrators as delegated by the Board of Directors. Givens Highland Farms reserves the right to accept or reject any person for residency. Residents do not have the right to determine admission or terms of admission for any other Resident.
- D. **Entire Agreement.** This Agreement constitutes the entire contract between Givens Highland Farms and You. Givens Highland Farms shall not be liable or bound in any manner by any statements, representations, or promises made by any person representing or purporting to represent Givens Highland Farms, unless such statements, representations, or promises are set forth in this Agreement or its duly executed Schedules and Addenda.
- E. **Successors and Assigns.** Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of Givens Highland Farms and Your heirs, executors, administrators, and assigns.
- F. **Subordination to Financing.** The Resident's rights under this Agreement shall at all times be subordinate to the rights of any bona fide lender under any mortgage, deed of trust or other security interest, now existing or hereafter created, on any of the property of Givens Highland Farms and to all amendments, modifications, replacements or refinancing thereof. The Resident shall execute and deliver any documents reasonably required by Givens Highland Farms or by the holder of any mortgage, deed of trust or other security agreement to evidence or effect such subordination.
- G. **Transfer of Property.** You agree not to make any gift or other transfer of property for the purpose of evading Your obligations under this Agreement or if such gift or transfer would render You unable to meet such obligations. You also agree to comply with all of Givens Highland Farms' policies prohibiting and/or regarding the making of gifts or donations to or for the benefit of Givens Highland Farms' employees or such employees' spouses and/or relatives.
- H. **Affiliation with Religious Organization.** Givens Highland Farms is a wholly owned subsidiary of The Givens Estates, Inc., which is affiliated with the Western North Carolina Conference of the United Methodist Church. Such Conference has no responsibility for any of the obligations of Givens Highland Farms under this Agreement.
- I. **Governing Law.** This Agreement shall be governed by the laws of the State of North Carolina.
- J. **Ad Valorem Taxes.** Should Givens Highland Farms ever be required to pay ad valorem property taxes that may be assessed in the future, the applicable pro rata amount of such taxes may be added to the Monthly Fee for Your Residence.
- K. **Rights of the Resident** Under this Residency Agreement are the rights and privileges herein expressly granted and do not include any proprietary interest in the properties or assets of the Corporation or any membership in the Corporation.

L. Force Majeure

Givens Highland Farms will not be deemed to be in breach of this Agreement if Givens Highland Farms is prevented from performing any obligation under this Agreement as a result, directly or indirectly, of any labor disputes, natural disasters, acts of God, war, riots, invasion, sabotage, terrorism, famine, civil commotion, earthquakes, extreme weather, floods, fire, condemnation, government action/intervention, non-essential business closures, stay-at-home orders, presence of viral contamination, supply disruptions, or interruption of services, or any other causes beyond the control of Givens Highland Farms, to the extent that the cause affects Givens Highland Farms' ability to perform under this Agreement. Upon removal of the cause affecting the delay or nonperformance, Givens Highland Farms will resume performance of the obligations of this Agreement.

IN WITNESS WHEREOF, Givens Highland Farms and the Resident have executed this Agreement and the Resident has received a copy of the current Givens Highland Farms Disclosure Statement and the Entrance Fee has been paid by the Resident.

Addenda Attached: Schedule I and Schedule II

Resident Date

Resident Date

GIVENS HIGHLAND FARMS, LLC

Executive Director Date

**RESIDENCE AND SERVICES AGREEMENT
RENTAL AGREEMENT
SCHEDULE I – page 1 of 2**

**Givens Highland Farms
Black Mountain, North Carolina**

Resident(s) Name _____

Type of Residence _____

Residence Number _____

Occupancy Date _____

ADMINISTRATIVE FEE

Single Person Administrative Fee \$

Double Person Administrative Fee \$

**MONTHLY FEE
2023 Monthly Fee:**

Monthly Fees are subject to annual increases regardless of scheduled occupancy.

Single Person \$

Double Person \$

Resident Signature: _____ Date: _____

Resident Signature: _____ Date: _____

RESIDENCE AND SERVICES AGREEMENT SCHEDULE II

Givens Highland Farms Black Mountain, North Carolina

Monthly Declining-Balance Meal Allowance:

The monthly declining balance meal allowance may change from time to time during the term of this Agreement. Monthly declining balance meal allowances will be adjusted as required, consistent with operating on a sound financial basis and maintaining quality service. You will receive a thirty (30) day advance notice of changes in the Monthly Declining Balance Meal Allowance.

Effective January 1, 2023, the Monthly Declining Balance Meal Allowance is:

-Apartments	\$285 per month per resident
-Cluster Homes, Condominium Homes, Twin Oaks Homes Meadowmont Homes, The Cottages	\$167 per month per resident
-Prentice Lodge Apartments	3 meals per day

Attachment 4



EXTRA SERVICES

Additional Housekeeping	\$25.00 per hour
Carpet Cleaning.....	\$30.00 per hour
Additional Maintenance/Grounds	\$32.50 per hour

HEALTH CARE CENTER FEES

Semi-Private.....	\$330/day
Private	\$380/day

TRANSPORTATION SERVICE FEES

24-hour notice is requested. No appointments should be scheduled before 8:00 a.m. or after 4:00 p.m., in order to allow for pick-up before 4:30 p.m.

Tuesday/Thursday Doctor Destinations.....	\$13.00 per round trip
Friday Shopping Black Mountain/Swannanoa.....	No Charge
Regular Transportation.....	\$16.00 per round trip
Black Mountain	\$10.00 per round trip
Asheville Airport Mon-Fri.....	\$50.00
After Hours.....	\$70.00

* All transportation rates listed are within 30 miles. Any transportation beyond 30 miles will require a custom rate based on \$23.00 per hour for driver time.

HOME CARE PRICE LIST – Effective January 1, 2023

INDEPENDENT CARE – NON-CHARGED SERVICES:

- Wellness Clinic – Tue/Thu 1:00-2:00 p.m.
- Emergency Pendant Response (Security will respond at night, Nurse only if required)
- Pendant Battery Change in clinic

HOME CARE SCOPE OF SERVICES

(Services do not include the cost of supplies. Medical supplies are billed separately.)

LICENSED NURSING SERVICES

Home Care Initial Assessment and/or Development of Initial Care Plan	\$80.00
Quarterly Reassessment and Review/Changes to Current Care Plan	\$60.00
Clinical Assistance by a Licensed Nurse - (may be billed in 30-minute increments)	\$52.50/hour
Assistance with Pre-Operative Paperwork/Diagnostic Paperwork - (may be billed in 30-minute increments)	\$52.50/hour
Wound Care – Simple Dressing Change	\$20.00 per dressing
Wound Care – Complex Dressing Change	\$40.00 per dressing
Injections w/no follow up required	\$23.00 each
Injections with follow up required	\$30.00 each
Ear Wax Removal, w/o irrigation	\$23.00 per service
Ear Wax Removal, with irrigation	\$30.00 per service
Nail Clipping	\$26.00 per service
Venipuncture for laboratory testing	\$21.00 per service
Blood Glucose (Finger Stick) for blood draw	\$20.00 per service
PT/INR Check	\$25.00 per service
Specimen Collection	\$15.00 per service
Pacemaker Checks	\$20.00 per service
Medication Reminder Calls	\$7.00 per service
Suture Removal	\$25.00 per site
Pulse Oximetry Reading	\$15.00 per service
Post-Hospitalization Wellness Visit	FREE

MEDICATION MANAGEMENT SERVICES (BY LICENSED NURSE or MEDICATION TECHNICIAN)

Medication Consultation (Med List Reconciliation/Coordination of Care)	\$52.50/hour
Weekly Medication Set-up (Does not include administration)	\$25.00 per week
Medication Administration – Lodge Residents (1-5x daily)	\$180.00 - \$270.00
Medication Administration – Apartments/Homes (1-5x daily)	\$255.00 - \$375.00
PRN Medication Administration	\$20.00 per service
Chronic Disease Management Education	\$52.50/hour

SERVICES PROVIDED BY A NURSING ASSISTANT or PERSONAL CARE AIDE

ADL Assistance (Shower, Transfer, Grooming, etc.) - (may be billed in 30-minute increments)	\$36.50/hour
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HOME CARE PRICE LIST – Effective January 1, 2023

Daily Weights	\$15.00 per service
Companion/Sitter Service - (may be billed in 30 minute increments)	\$32.00/hour

ANCILLARY SERVICES AVAILABLE BY ARRANGEMENT:

Pet Care/Pet Companion (may be billed in 30 minute increments)	\$30.00/hour
Dog Washing	\$22.00 per service
Light Housekeeping (may be billed in 30 minute increments)	\$32.00/hour
Closet Organization/Holiday Decorating (may be billed in 30 minute increments)	\$32.00/hour
Meal Delivery	\$7.00 per meal
Laundry Service	\$23.00 per load
On Campus Transportation	\$10.00 per service
Safety Check	\$10.00 per check
Repeated non-emergency pendant response calls	\$7.00 per check
Shopping – Local (1 hour minimum)	\$30.00/hour

All cancelled appointments without 24-hours prior notification will incur a \$10.00 fee.

Givens Highland Farms, LLC - 2023 Health Care Rate Sheet

The following rates will be effective January 1, 2023

Basic Daily Rates for Room, Board and Nursing Care

Skilled care

Semi-private room \$330.00

Private room \$380.00

Short-term Rehab Medicare Co-Insurance for 2023

\$200.00 per day, beginning with the 21st day through the 100th day of covered care.

Medicare and Medicaid covered residents will have no additional charges beyond the monthly liability, except for specially requested personal items and services. The below list represents a partial list of items for which additional charges may be added.

The following charges apply to the patients whose physician orders, or whose condition demands services, medications and/or supplies:

Laboratory

Laboratory services are provided by the contracted laboratories in Asheville, NC.

Charges are billed by them directly to Medicare or Medicaid, if qualified, or to the resident representative. Charges for laboratory services will not appear on your monthly bill from Givens Highland Farms, LLC.

Medications, Supplies, and Equipment

Drug charges will generally be charged directly to the resident by our pharmacy provider. Supplies such as incontinent supplies, nutrition supplements, wound care supplies, and specialized equipment used for individual resident care, will be billed to the resident.

Oxygen

Concentrators \$11 per day with a maximum of \$220 per month

E tanks \$28 each

Physical, Occupational, and Speech Therapies

Private pay therapies will be billed at the same rates as those approved for Medicare/Medicaid fee schedules.

Wander Guard Sensor \$38 per month

Therapeutic Air Mattress \$50 per month

Slings \$50 per month

Transportation: Monday - Friday, 7:30 am - 4:30 pm: \$23 per hour plus \$1 per mile
Additional NA or CNA: \$25 per hour

Guest Meals

As tray service in the Health Care Center: \$12.00 plus NC sales tax

All meals in the Main Dining Room or Lodge are a la carte pricing.

Thank you for trusting us with your loved one.

To maintain the lowest possible rates for all residents, we must receive payments promptly at the time of billing. We will assist residents in filing insurance or other claims, which then can be paid directly to the resident, or we will reimburse over-payments made to Givens Highland Farms, LLC. However, we reserve the right to impose a late penalty on all accounts receivable balances older than 30 days.

For more details and to schedule a tour, contact our Admission Coordinator at (828) 357-2010

Attachment 5

The Givens Estates, Inc. and Subsidiaries

**Independent Auditor's Report,
Consolidated Financial
Statements, and Supplementary
Consolidating Information**



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Independent Auditor's Report

The Board of Directors
The Givens Estates, Inc. and Subsidiaries
Asheville, NC

Opinion

We have audited the consolidated financial statements of The Givens Estates, Inc. and Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of operations, changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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 Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information as listed in the accompanying table of contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards, generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

FORVIS, LLP

Greenville, SC
April 20, 2023

The Givens Estates, Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 9,805,078	\$ 23,842,022
Assets limited as to use, current portion	1,822,229	1,059,934
Accounts receivable, net	4,135,330	2,677,108
Contributions receivable net, current portion	102,219	130,420
Other receivables	3,633,380	4,044,474
Escrow deposits	2,223,111	2,547,497
Prepaid expenses	1,216,549	630,944
	<u>22,937,896</u>	<u>34,932,399</u>
Total current assets		
Non-current assets:		
Property and equipment, net	202,315,264	189,363,063
Assets limited as to use, less current portion	44,881,574	54,089,175
Investments restricted for statutory operating reserve	12,264,000	11,788,000
Investments	68,506,433	45,766,710
Contributions receivable net, less current portion	146,453	126,196
Other assets	613,124	647,169
Intangibles, net	2,275,115	3,185,161
Interest rate swap asset	327,100	-
Total non-current assets	<u>331,329,063</u>	<u>304,965,474</u>
Total assets	<u>\$ 354,266,959</u>	<u>\$ 339,897,873</u>

The Givens Estates, Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

(Continued)

	<u>2022</u>	<u>2021</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 7,580,135	\$ 6,811,637
Payroll accruals and related withholdings	2,286,584	2,740,236
Interest payable	281,611	259,840
Agency funds	20,815	20,821
Escrow deposits	2,223,111	2,547,497
Estimated resident refunds payable, current portion	6,018,000	5,832,000
Long-term debt, current portion	4,116,680	4,036,680
	<u>22,526,936</u>	<u>22,248,711</u>
Total current liabilities		
Long-term liabilities:		
Long-term debt, net	102,774,914	107,013,175
Resident refunds payable, net of current portion	49,228,522	48,364,014
Deferred revenue from entrance fees	94,554,068	81,676,840
Interest rate swap liability	-	345,875
Advance admission deposits	1,378,934	1,153,434
	<u>247,936,438</u>	<u>238,553,338</u>
Total long-term liabilities		
Total liabilities	<u>270,463,374</u>	<u>260,802,049</u>
Net assets:		
Without donor restrictions	73,404,184	68,087,303
With donor restrictions	10,399,401	11,008,521
	<u>83,803,585</u>	<u>79,095,824</u>
Total net assets		
Total liabilities and net assets	<u>\$ 354,266,959</u>	<u>\$ 339,897,873</u>

See accompanying notes.

The Givens Estates, Inc. and Subsidiaries
Consolidated Statements of Operations
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenues, gains and other support:		
Long-term care revenue, net	\$ 14,504,260	\$ 12,582,885
Residential revenue, including amortization of entrance fees of \$12,700,000 and \$11,000,000 in 2022 and 2021, respectively	42,375,936	36,886,076
Assisted living revenue, net	3,931,194	3,684,284
Residential food service revenue	3,189,567	2,761,792
Contributions and grants	1,035,800	7,995,918
Interest and dividend income	1,376,755	893,746
Realized (loss) gain on investments	(1,468,365)	2,950,226
Net assets released from restrictions—operations	565,966	618,388
Other revenue	2,665,117	2,353,594
	<u>68,176,230</u>	<u>70,726,909</u>
Total revenues, gains and other support		
Expenses:		
Long-term care	14,390,949	13,864,551
Residential	28,136,522	26,040,161
Assisted living	3,204,020	3,229,882
Outreach	1,056,623	1,317,880
Bad debts	103,155	183,496
Depreciation	8,645,091	7,796,723
Amortization	910,046	910,046
Interest	1,600,947	1,633,069
	<u>58,047,353</u>	<u>54,975,808</u>
Total expenses		
Operating income	<u>10,128,877</u>	<u>15,751,101</u>
Non-operating (loss) gain:		
Unrealized (loss) gain on investments	(7,779,050)	802,533
Loss on disposal of property and equipment	(784,872)	-
Change in interest rate swap value	672,975	362,270
	<u>(7,890,947)</u>	<u>1,164,803</u>
Total non-operating (loss) gain, net		
Excess of revenues over expenses	2,237,930	16,915,904
Other changes in net assets without donor restrictions:		
Net assets released from restrictions—capital projects	3,078,951	703,038
	<u>5,316,881</u>	<u>703,038</u>
Change in net assets without donor restrictions	<u>\$ 5,316,881</u>	<u>\$ 17,618,942</u>

See accompanying notes.

The Givens Estates, Inc. and Subsidiaries
Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Net assets without donor restrictions:		
Excess of revenues over expenses	\$ 2,237,930	\$ 16,915,904
Net assets released from restrictions—capital projects	<u>3,078,951</u>	<u>703,038</u>
Change in net assets without donor restrictions	<u>5,316,881</u>	<u>17,618,942</u>
Net assets with donor restrictions:		
Contributions	4,361,662	1,830,670
Net investment (loss) income	(1,326,215)	1,006,640
LifeMinistries income	350	232,349
Net assets released from restrictions—operating	(565,966)	(618,388)
Net assets released from restrictions—capital	<u>(3,078,951)</u>	<u>(703,038)</u>
Change in net assets with donor restrictions	<u>(609,120)</u>	<u>1,748,233</u>
Change in net assets	4,707,761	19,367,175
Net assets, beginning of year	<u>79,095,824</u>	<u>59,728,649</u>
Net assets, end of year	<u><u>\$ 83,803,585</u></u>	<u><u>\$ 79,095,824</u></u>

The Givens Estates, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 4,707,761	\$ 19,367,175
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,645,091	7,796,723
Amortization of deferred financing costs and bond premium	(96,770)	(912)
Amortization of intangible assets	910,046	910,046
Realized and unrealized loss (gain) on investments	9,247,415	(3,752,759)
Loss on disposal of property and equipment	784,872	-
Change in swap value	(672,975)	(362,270)
Proceeds from entrance fees	13,544,245	12,055,482
Amortization of entrance fees	(12,757,267)	(11,021,276)
Bad debts	103,155	183,496
Contributed services	(131,830)	-
Contributions restricted for capital projects	(3,000,000)	-
Net change in assets and liabilities:		
Change in receivables, prepaids and other assets	(1,727,944)	(2,239,394)
Change in accounts payable, other accrued liabilities, payroll accruals, and admission deposits	(2,545,298)	177,567
Net cash provided by operating activities	17,010,501	23,113,878
Cash flows from investing activities:		
Property and equipment purchases	(21,683,474)	(25,149,763)
Proceeds from sale of property and equipment	24,265	-
Reimbursement of development costs paid for related parties	34,045	159,792
Change in assets limited as to use and investments	(34,477,481)	(2,962,531)
Net cash used by investing activities	(56,102,645)	(27,952,502)

The Givens Estates, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

(Continued)

	<u>2022</u>	<u>2021</u>
Cash flows from financing activities:		
Repayment of long-term debt	\$ (4,026,681)	\$ (4,005,091)
Proceeds from long-term debt	-	54,216,248
Debt issuance costs incurred	(34,810)	(818,816)
Refunds of entrance fees	(2,313,317)	(4,891,326)
Refundable portion of entrance fees received	4,601,659	2,752,065
Entrance fee received from initial units	13,044,314	10,461,200
Contributions restricted for capital projects	<u>3,000,000</u>	<u>-</u>
Net cash provided by financing activities	<u>14,271,165</u>	<u>57,714,280</u>
Change in cash, cash equivalents and restricted cash	(24,820,979)	52,875,656
Cash, cash equivalents and restricted cash, beginning of year	<u>79,997,015</u>	<u>27,121,359</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 55,176,036</u>	<u>\$ 79,997,015</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 3,193,879</u>	<u>\$ 1,524,055</u>
Non-cash activities:		
Purchase of property and equipment in accounts payable at year-end	<u>\$ 4,635,080</u>	<u>\$ 3,037,762</u>
Resident refunds in accounts payable at year-end	<u>\$ 2,191,898</u>	<u>\$ 1,322,392</u>
Amounts included in the consolidated statements of cash flows as cash, cash equivalents, and restricted cash on the consolidated balance sheets		
Cash and cash equivalents	\$ 9,805,078	\$ 23,842,022
Escrow deposits	2,223,111	2,547,497
Restricted cash in Assets limited as to use	<u>43,147,847</u>	<u>53,607,496</u>
Cash, cash equivalents and restricted cash end of year	<u>\$ 55,176,036</u>	<u>\$ 79,997,015</u>

See accompanying notes.

1. Summary of Significant Accounting Policies

Organization

The Givens Estates, Inc. is a non-profit, North Carolina corporation. The Company owns and operates two continuing care retirement communities ("CCRC") which includes Givens Estates and Givens Highland Farms. Givens Estates is located on a 215-acre campus in Asheville North Carolina that consists of 490 independent living units (cottages, villas, houses, duplexes, and apartments), a 47 unit assisted living facility (currently operating 43 of the 47 licensed beds), and a 70-bed health care facility (currently operating 59 of the 70 licensed beds), as well as a wellness center. Givens Highland Farms (Givens Highland Farms, LLC) is located on a 75-acre campus in Black Mountain North Carolina and consists of 262 independent living units (homes and apartments) and a 60-bed health care facility (currently operating 51 of the 60 licensed beds). During 2021 Givens Highland Farms closed the assisted living facility and gave up their 30 licensed beds back to the state of NC. The Company also owns and operates Givens Gerber Park II, LLC, which consists of 82 apartment homes with supportive services for seniors with modest incomes located on Gerber Road in Asheville, North Carolina.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of The Givens Estates, Inc. and its wholly owned subsidiaries: Givens Highland Farms, LLC ("Givens Highland Farms"), LifeMinistries Outreach, LLC (See Note 13), and Givens Gerber Park II, LLC, collectively "The Company." All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of estimates

The preparation of the consolidated financial statements in accordance 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 reporting date. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, amounts on deposit in banks, and highly liquid debt instruments with a maturity of 90 days or less when purchased, excluding amounts whose use is limited.

Assets limited as to use

These assets include (1) assets limited under trust agreements, (2) resident funds, and (3) assets set aside by the board of directors to provide supplemental assistance to residents for payment of the residents' initial contribution and monthly rentals for the life occupancy residential complex, over which the board retains control and may at its discretion subsequently use for other purposes.

Accounts receivable

Accounts receivable arise from the sale of residential and healthcare services and products, for which the Company grants credit on an unsecured basis. Accounts are considered past due after 30 days. The Company estimates allowance for doubtful accounts by evaluating the collectability of accounts greater than 120 days past due. Once a charge has been determined to be uncollectible, it is charged-off.

Contributions receivable

Unconditional contributions are recorded at net present value as contributions in the consolidated balance sheets or direct additions to net assets with restrictions, if restricted by the donor or time, net of any allowances for uncollectible pledges.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value based on quoted market prices in the consolidated balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in excess of revenues over expenses.

Fair value measurements

Fair value as defined under generally accepted accounting principles ("GAAP") is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used when measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Property and equipment

Property and equipment is stated at cost or at fair value at date of donation. The Company capitalizes all assets over \$1,000 and depreciates the assets using the straight-line method over their estimated useful lives as follows:

Land improvements	10-20 years
Buildings	15-40 years
Furniture and equipment	3-10 years
Vehicles	3-5 years

Expenditures for repairs and maintenance are charged to expenses as incurred. The costs of major renewals and betterments are capitalized and depreciated over their estimated useful lives. Upon disposition of equipment, the asset and related accumulated depreciation accounts are relieved and any related gain or loss is recorded. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Intangibles

In connection with the recording of the assets and liabilities as part of the purchase of Highland Farms in 2012, intangibles of \$15,440,665 were recorded with this transaction. Givens Highland Farms obtained approximately \$14.8 million of deferred revenue and refundable entrance fee contracts. The projected net future cash flows to be generated from these resident contracts are recorded as an intangible asset and were amortized over the average life expectancy of those residents, or approximately 8 years. The remainder has been recorded as goodwill. In 2020, the Company began amortizing goodwill over the average life expectancy of those residents whose contracts the goodwill was based, or approximately 6.5 years. The Company would analyze goodwill for impairment upon the occurrence of a triggering event. There was no impairment recorded in 2022 and 2021.

Deferred revenue from entrance fees

Givens Estates, Inc. operates two Life Plan communities. In exchange for an entrance fee, which ranges from approximately \$42,600 to \$1,551,400 at Givens Estates and approximately \$56,000 to \$929,000 at Givens Highland Farms, residents are granted a lifetime occupancy interest in the residential unit. The entrance fee will vary due to the size of the residence and the contract option selected by the resident.

The nonrefundable portion of the entrance fee paid by a resident upon entering into a lifetime occupancy contract is recorded as deferred revenue. In 2008, Givens Estates began offering three types of contracts: a 90% refundable option, which the refund declines to 90% over a three-month period, a 0% refund option, which the refund declines to 0% over a four-year period, and a 50% refundable option, which the refund declines to 50% over a two year period. For contracts signed before 2003, the refundable balance declined to 50% over an eight-year period.

Givens Highland Farms offered two types of contracts for the apartments and the lodge: a 50% refundable option, with the refund declining to 50% over a 23-month period, and a 0% refund option, with the refund declining to 0% over a 46-month period. For contracts signed before 2006 for the apartments or the lodge, the 50% refundable option declines to 50% over a 46-month period, and the 0% refundable option declines to 0% over a 60-month period. In 2015, Givens Highland Farms began offering a 65% refundable contract option for the cluster homes, condominiums and homes with the refund declining to 65% over a 16-month period. In 2014, Givens Highland Farms began offering a 75% refundable contract option for the cluster homes, condominiums and homes with the refund declining to 75% over an 11-month period. In addition, the initial contracts for the Meadowmont and Cottage homes are 75% refundable contracts. The refundable portion of contracts signed before 2014 for the cluster homes, condominiums and homes declines to 76% over a seven-year period. In 2017, Givens Highland Farms also began offering three types of contracts: a 90% refundable option, which the refund declines to 90% over a three-month period, a 50% refundable option, which the refund declines to 50% over a two-year period, and a 0% refundable option, which the refund declines to 0% over a four-year period.

The non-refundable portion of deferred revenue is amortized to income using the straight-line method over the estimated remaining life expectancy of the resident, adjusted annually.

Resident refunds payable

Resident refunds payable include estimated entrance fee refunds due to residents that have the 50%, 65%, 75%, 76% or 90% refundable contracts. Givens Estates contract stipulates that the entrance fee is refundable within two years or when a replacement occupant has been secured, whichever is sooner. Refunds are made within 30 days for Givens Highland Farms apartment contracts signed before December 1, 2012. Based on historical experience, the estimated amount of the resident refunds that are expected to be refunded in the coming year are \$6,018,000 and \$5,832,000 at December 31, 2022 and 2021, respectively, and are classified as a current liability on the consolidated balance sheet. Total contractual refund obligations in the event of move-out, death, or termination (that is if all residents with a refundable balance were to have withdrawn) at December 31, 2022 and 2021 were approximately \$89,808,117 and \$81,648,213, respectively.

Advance admission deposits

The Company collects an initial deposit of \$1,000 as part of the application process. Once the unit becomes occupied, these fees are transferred to deferred revenue.

Net assets

The Company reports its net assets using the following classes; net assets without restrictions and net assets with restrictions depending on the presence and type of donor-imposed restrictions limiting the Company's ability to use or dispose of specific contributed assets or the economic benefits embodied in those assets. Net assets without restrictions include those net assets whose use is not restricted by donors, even though their use may be limited in

other respects, such as by board designation. Net assets with restrictions are those net assets whose use by the Company has been limited by donors (a) to later periods of time or after specified dates or (b) to specified purposes.

Contributions and donor-imposed restrictions

All contributions are considered to be available for use unless specifically restricted by the donor. The Company reports gifts of cash and other assets as restricted contributions 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 purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the consolidated statement of operations as net assets released from restriction.

Statements of operations

The consolidated statements of operations include excess of revenues over expenses. Changes in net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restrictions were to be used for the purposes of acquiring such assets). The Company considers excess of revenues over expenses to be its performance indicator.

Interest rate swap

The Company utilizes an interest rate swap to manage the variability in interest rates on certain variable rate debt. The Company accounts for its interest rate swap under GAAP, which requires companies to recognize all derivative instruments as either assets or liabilities in the balance sheet at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, further, on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, a company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge, or a hedge of the foreign currency exposure of a net investment in a foreign operation. For derivative instruments not designated as hedging instruments, the changes in fair value are recognized in excess of revenue over expenses. The Company's interest rate swap is not designated as a hedging instrument and the change in fair value is included in excess of revenue over expenses.

Income taxes

The Company is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue code; accordingly, the accompanying consolidated financial statements do not reflect a provision or liability for federal and state income taxes. The Company has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2022.

Benevolent assistance

The Company has a policy of providing benevolent assistance to residents who are unable to pay the full cost of care and services. Such residents are identified based on financial information obtained from the resident and subsequent review and analysis. Since the Company does not expect to collect the normal charges for services provided, charges for benevolent assistance are not included in revenue.

Continuing-care contracts

The Company enters into fee-for-service continuing-care contracts with various residents. A fee-for-service continuing-care contract is an agreement between a resident and the Company specifying the services and facilities to be provided to a resident over his or her remaining life. Under the fee-for-service contracts, the Company has the ability to increase fees as deemed necessary. For the year ended December 31, 2022 and 2021, the Company calculated the present value of the net costs of future services and the use of facilities to be provided to current residents and compared that amount with the balance of deferred revenue from entrance fees. If this calculated

value exceeds the deferred revenue from entrance fees, a liability is recorded, with a corresponding charge to income. The obligation is discounted at 3.2% for December 31, 2022 and 2021 based on management's estimate of interest earnings. At December 31, 2022 and 2021, the calculated value did not exceed the balance of deferred revenue from entrance fees; therefore, no liability for the obligation to provide future services is required to be recorded.

Concentration of credit risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash, accounts receivable and investments. The Company maintains its cash in bank accounts which, at times, may exceed federally depository insurance (FDIC) limits. Management believes the credit risk associated with these deposits is minimal.

Methods used for allocation of expenses among programs and supporting services

The Company has presented a schedule of expenses by both function and nature in Note 19. The Company allocates expenses on a functional basis among its various programs and supporting services. The schedule of expenses in Note 19 reports certain categories of expenses that are attributable to one or more program or supporting services of the retirement community. These expenses include advertising, administration, insurance, and other.

Subsequent events

Subsequent events have been evaluated through April 20, 2023, which is the date the consolidated financial statements were issued.

Adoption of New Accounting Standards

The Company was required to adopt the requirements of Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842). The objective of this ASU, along with several related ASUs issued subsequently, is to increase transparency and comparability between organizations that enter into lease agreements. For lessees, the key difference of the new standard from the previous guidance (Topic 840) is the recognition of a right-of-use (ROU) asset and lease liability on the balance sheet. The most significant change is the requirement to recognize ROU assets and lease liabilities for leases classified as operating leases. The standard requires disclosures to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

As part of the transition to the new standard, the Company was required to measure and recognize leases that existed at adoption using a modified retrospective approach. For leases existing at the effective date, the Company elected the package of three transition practical expedients and therefore did not reassess whether an arrangement is or contains a lease, did not reassess lease classification, and did not reassess what qualifies as an initial direct cost.

There was no material impact to the consolidated financial statements as a result of Topic 842.

2. Revenue Recognition

The Company generates revenues, primarily by providing housing and health services to its residents. The following streams of revenue are recognized as follows:

Monthly service fees

The contracts that residents select require an advanced fee and monthly fees based upon the type of accommodation they are applying for. Resident fee revenue for recurring and routine monthly services is generally billed monthly in advance. Payment terms are usually due within 30 days. The services provided encompass social, recreational, dining along with other services and these performance obligations are earned each month. Under Accounting Standards Codification ("ASC") Topic 606, management has determined that the performance obligation for the standing obligation to provide the appropriate level of care is the predominate component and does not contain a lease component under ASC Topic 842. Resident fee revenue for non-routine or additional services are billed monthly in arrears and recognized when the service is provided.

Entrance fees

The nonrefundable entrance fees are recognized as deferred revenue upon receipt of the payment and included in liabilities in the consolidated balance sheet until the performance obligations are satisfied. The refundable portion of an entrance fee is not considered part of the transaction price and as such is recorded as a liability in the consolidated balance sheet. Additionally, management has determined the contracts do not contain a significant financing component as the advanced payment assures residents access to services in the future. These deferred amounts are then amortized on a straight-line basis into revenue on a monthly basis over the life of the resident as the performance obligation is the material right associated with access to future services as described in Financial Accounting Standards Board ("FASB") ASC 606-10-55 paragraph 42 and 51.

Health care services

In the facility, the Company provides assisted and nursing care to residents that are covered by government and commercial payers. Otherwise, these residents pay a per diem rate that is generally billed monthly in advance. The Company is paid fixed daily rates from government and commercial payers. The per diem daily rates and other fees billed to government and commercial payers are billed in arrears monthly. The monthly fees represent the most likely amount to be received from the 3rd party payors. Most rates are predetermined from Medicare and Medicaid.

Under ASC Topic 606, management has elected to utilize the portfolio approach in aggregating the revenues under these revenue streams. In the table below, residential revenue consists of the monthly service fee charged to each resident. The monthly service fee charge includes an allocated portion of dining and communication charges. Assisted living revenue consists of the private pay per diem rate charged to each resident. Long-term care revenue consists of the private pay per diem rate charged to each resident, as well as the fixed daily rates from government and commercial payers on behalf of certain residents. Assisted living revenue and Long-term care revenue includes additional revenue from ancillary services that are billed in arrears on the Consolidated Statement of Operations.

	December 31, 2022			
	<u>Residential</u>	<u>Assisted Living</u>	<u>Long-term Care</u>	<u>Total</u>
Private pay	\$ 42,375,936	\$ 3,659,184	\$ 7,528,245	\$ 53,563,365
Medicare and Medicare Advantage	-	-	4,056,858	4,056,858
Medicaid	-	-	1,897,125	1,897,125
Total	\$ 42,375,936	\$ 3,659,184	\$ 13,482,228	\$ 59,517,348
Ancillary Services	-	272,010	1,022,032	1,294,042
Total	<u>\$ 42,375,936</u>	<u>\$ 3,931,194</u>	<u>\$ 14,504,260</u>	<u>\$ 60,811,390</u>

	December 31, 2021			
	<u>Residential</u>	<u>Assisted Living</u>	<u>Long-term Care</u>	<u>Total</u>
Private pay	\$ 36,886,076	\$ 3,313,940	\$ 6,695,052	\$ 46,895,068
Medicare and Medicare Advantage	-	-	3,115,683	3,115,683
Medicaid	-	-	1,466,433	1,466,433
Total	\$ 36,886,076	\$ 3,313,940	\$ 11,277,168	\$ 51,477,184
Ancillary Services	-	370,344	1,305,717	1,676,061
Total	<u>\$ 36,886,076</u>	<u>\$ 3,684,284</u>	<u>\$ 12,582,885</u>	<u>\$ 53,153,245</u>

3. Fair Value of Financial Assets

Prices for certain investments are readily available in active markets in which those securities are traded, and the resulting fair values are categorized as Level 1. Prices for certain investments are determined on a recurring basis based on inputs readily available in public markets or can be derived from information available in publicly quoted markets and are categorized as Level 2. There is limited or no observable market data for the prices of other funds that are held by the Company and the resulting fair values of these securities are categorized as Level 3. There were no investments valued as Level 3 investments during 2022 or 2021.

The Company invests in certain investments for which quoted prices are not available in active markets for identical instruments. The Company utilizes the net asset value (NAV) provided by the administrator of the fund as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported NAV. These investments are not required to be classified within a level on the fair value hierarchy.

The following tables set forth by level within the fair value hierarchy the Company's financial assets accounted for at fair value on a recurring basis as of December 31, 2022 and 2021. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

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Notes to Consolidated Financial Statements

Assets at fair value as of December 31, 2022 and 2021 consist of the following:

	December 31, 2022			
	Level 1	Level 2	Level 3	Fair Value
Stocks ⁽¹⁾	\$ 12,365,973	\$ -	\$ -	\$ 12,365,973
Exchange traded funds	14,496,414	-	-	14,496,414
Mutual funds	17,452,575	-	-	17,452,575
Corporate bonds	-	26,441,639	-	26,441,639
Government securities	1,341,501	-	-	1,341,501
	<u>\$ 45,656,463</u>	<u>\$ 26,441,639</u>	<u>\$ -</u>	<u>72,098,102</u>
Investments at NAV (a)				<u>8,554,688</u>
Total investments at fair value				<u>\$ 80,652,790</u>
Interest rate swap	\$ -	\$ 327,100	\$ -	\$ 327,100

⁽¹⁾These assets combined are held with Morgan Stanley and at December 31, 2022 consist of the following approximate concentrations: 32% Cyclical (basic materials, consumer goods, financial services, and real estate), 44% Sensitive (community services, energy, industrials, and technology), and 24% Defensive (consumer defense, healthcare, and utilities).

	December 31, 2021			
	Level 1	Level 2	Level 3	Fair Value
Stocks ⁽¹⁾	\$ 18,420,438	\$ -	\$ -	\$ 18,420,438
Exchange traded funds	12,270,684	-	-	12,270,684
Mutual funds	15,626,217	-	-	15,626,217
Corporate bonds	-	701,705	-	701,705
Government securities	1,393,924	-	-	1,393,924
	<u>\$ 47,711,263</u>	<u>\$ 701,705</u>	<u>\$ -</u>	<u>48,412,968</u>
Investments at NAV (a)				<u>9,305,497</u>
Total investments at fair value				<u>\$ 57,718,465</u>
Interest rate swap	\$ -	\$ (345,875)	\$ -	\$ (345,875)

⁽¹⁾These assets combined are held with Morgan Stanley and at December 31, 2021 consist of the following approximate concentrations: 34% Cyclical (basic materials, consumer goods, financial services, and real estate), 45% Sensitive (community services, energy, industrials, and technology), and 21% Defensive (consumer defense, healthcare, and utilities).

The Company has \$46,821,446 and \$54,985,354 of cash and cash equivalents included in investments and assets limited as to use on the consolidated balance sheets at December 31, 2022 and 2021, respectively, which was not classified as a level as prescribed within the provision.

- (a) In accordance with Topic 820, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Consolidated Balance Sheets.

The Company recognizes transfers between the levels as of the beginning of the reporting period. There were no gross transfers between the levels for the years ended December 31, 2022 and 2021.

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The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table summarizes investments for which fair value is measured using the NAV per share practical expedient as of:

	Fair Value at December 31, 2022	Fair Value at December 31, 2021	Unfunded Commitments	Other Redemption Restrictions	Redemption Notice Period
UMF Diversified Fund	\$ 7,937,238	\$ 9,305,497	None	None	Daily
Private Equity	\$ 239,632	\$ -	None	Quarterly	45 days
Real Estate Fund	\$ 255,943	\$ -	None	Quarterly	45 days
Venture Capital Fund	\$ 121,875	\$ -	\$253,125	None	N/A
	\$ 8,554,688	\$ 9,305,497			

4. Assets Limited as to Use

Assets limited as to use are recorded at fair value based upon quoted market rates and consist of the following at December 31, 2022 and 2021:

	2022	2021
By Board	\$ 2,506,197	\$ 2,532,964
By trust agreements for construction	41,456,531	50,826,243
Other funds	2,720,260	1,769,081
Held on behalf of others	20,815	20,821
	46,703,803	55,149,109
Less current portion	(1,822,229)	(1,059,934)
	\$ 44,881,574	\$ 54,089,175

5. Property and Equipment

Property and equipment consisted of the following at December 31, 2022 and 2021:

	2022	2021
Land and land improvements	\$ 12,213,267	\$ 8,918,122
Buildings	238,831,467	221,566,061
Furniture and equipment	18,691,495	16,224,308
Vehicles	667,807	597,582
Construction in progress	16,807,219	19,488,037
	287,211,255	266,794,110
Less accumulated depreciation	(84,895,991)	(77,431,047)
	\$ 202,315,264	\$ 189,363,063

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Several large construction projects were started or continued in 2022. Construction commitments at December 31, 2022 consisted of approximately \$33,262,683 to the project contractors.

6. Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purposes at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Supplemental assistance	\$ 7,222,378	\$ 8,340,572
Capital projects	276,407	139,806
General services	1,124,332	1,266,408
Outreach	<u>1,776,284</u>	<u>1,261,735</u>
	<u>\$ 10,399,401</u>	<u>\$ 11,008,521</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Supplemental & Resident assistance	\$ 292,080	\$ 286,448
Outreach expenses	227,554	322,690
General services	<u>46,332</u>	<u>9,250</u>
Used for operations	565,966	618,388
Used for capital projects	<u>3,078,951</u>	<u>703,038</u>
	<u>\$ 3,644,917</u>	<u>\$ 1,321,426</u>

7. Related Party Transactions

The Company is an income beneficiary of the Marion Jackson Givens Trust, subject to the discretion of the trustee. Revenue recorded from the trust totaled \$530,664 in 2022 and \$270,265 in 2021.

There are two board members affiliated with the two law firms that serve as legal counsel for the Company. Related legal expenses incurred during 2022 and 2021 were \$83,056 and \$19,683, respectively.

The Company has funds invested with the United Methodist Foundation ("UMF"). The CFO of the Company serves on the UMF Investment Committee and the Development Director of the Company serves on the board of the UMF. During 2017, the Company invested \$2,700,000 in a new development fund with UMF. The UMF development fund used these proceeds to make a loan to Givens Gerber Park, LLC.

During 2006, the Company was invited to work with the Southeastern Jurisdictional Administrative Council ("SEJAC") and the Southeastern Methodist Association for Rehabilitation ("SEMAR") in developing an affordable housing project for seniors in Haywood County. The project, the Great Laurels of Junaluska, is located on 6.3 acres across from the main entrance to Lake Junaluska Assembly and consists of 36 apartments funded through a grant from the HUD and 64 apartments funded primarily through tax credits. The President and CEO of the Company serves as President of the Great Laurels, Inc. and the CFO of the Company serves as Finance Director.

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The Company is a member of Gerber Park of Asheville, LLC (49% interest). Gerber Park of Asheville, LLC is the managing member of Givens Gerber Park, LLC (.01% interest). Givens Estates has an investment in Givens Gerber Park, LLC in the amount of approximately \$523,701. This amount relates to unreimbursed development and construction costs of Givens Gerber Park, LLC that will be reimbursed through Givens Gerber Park loans and developer fees. The Company has entered into a lease with Givens Gerber Park, LLC, where the Company owns the land that Givens Gerber Park, LLC is constructed. The Company leases this land to Givens Gerber Park, LLC for \$1 per year. This lease expires in 2065.

The Company is a managing member of Gerber Park of Asheville III, LLC (49% interest). Gerber Park of Asheville III, LLC is the managing member of Givens Gerber Park III, LLC (.01% interest). Givens Estates has an investment in Givens Gerber Park III, LLC in the amount of approximately \$89,423. This amount relates to unreimbursed development and construction costs of Givens Gerber Park III, LLC that will be reimbursed through Givens Gerber Park loans and developer fees. The Company has entered into a lease with Givens Gerber Park of Asheville III, LLC, where the Company owns the land that Givens Gerber Park of Asheville III, LLC is constructed. The Company leases this land to Givens Gerber Park of Asheville III, LLC for \$1 per year. This lease expires in 2081.

Givens Affordable Communities, Inc. an affiliate of Givens Estates, manages and provides on-site employees for the Givens Gerber Park and Givens Great Laurels Communities.

8. Intangible Assets

Intangible assets presented on the consolidated balance sheets at December 31, 2022 and 2021 consist of the following:

<u>2022</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>
Amortized intangible assets:		
Resident contracts	\$ 9,649,855	\$ 9,649,855
Goodwill	<u>5,915,299</u>	<u>3,640,184</u>
	<u>\$ 15,565,154</u>	<u>\$ 13,290,039</u>
 <u>2021</u>	 <u>Gross Carrying Amount</u>	 <u>Accumulated Amortization</u>
Amortized intangible assets:		
Resident contracts	\$ 9,649,855	\$ 9,649,855
Goodwill	<u>5,915,299</u>	<u>2,730,138</u>
	<u>\$ 15,565,154</u>	<u>\$ 12,379,993</u>

The estimated amortization expense for future periods at December 31, 2022, are as follows:

2023	\$ 910,046
2024	910,046
2025	<u>455,023</u>
	<u>\$ 2,275,115</u>

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It is the intent of the Company to find replacement residents and deferred revenue entrance fee contracts as each resident leaves the community.

9. Long-Term Debt

Long-term debt at December 31, 2022 and 2021 consists of:

	<u>2022</u>	<u>2021</u>
Public Finance Authority Retirement Facilities Revenue Refunding Bonds Series 2017. Interest payable on each June 25 and December 25, at a rate of 2.84% at December 31, 2022 and 2021. Principal payments began in 2017 with final payment due in 2033.	\$ 36,990,000	39,980,000
Public Finance Authority Retirement Facilities Revenue Bonds Series 2021. Interest payable on each June 1 and December 1, at a rate of 4.00% at December 31, 2022. Principal payments to begin in 2034 with final payment due in 2056.	48,620,000	48,620,000
Note payable to a bank, monthly payments of \$48,333 plus interest at a variable rate of 1.2% over the term SOFR for a 1-month tenor. The loan agreement was modified in 2022 to extend the maturity date to November 30, 2029.	8,700,040	9,280,036
Note payable to a bank, total available principal of \$8,500,000 due December 2026. This note converted from a construction loan to permanent debt effective April 2018 with a swap, which fixed the rate at 3.88%.	6,258,832	6,588,244
Note payable to a bank, monthly payments of \$10,606 plus interest at a variable rate of 1.2% over the term SOFR for a 1-month tenor. The loan agreement was modified in 2022 to extend the maturity date to November 30, 2029.	<u>1,993,939</u>	<u>2,121,212</u>
	102,562,811	106,589,482
Plus premium on bonds	5,416,575	5,562,207
Less current portion	(4,116,680)	(4,036,680)
Less unamortized debt issuance costs	<u>(1,087,792)</u>	<u>(1,101,844)</u>
	<u>\$ 102,774,914</u>	<u>\$ 107,013,175</u>

The Series 2017 and 2021 bonds are collateralized by certain pledged assets of the Company including the Company's deed of trust. The bond agreements and loan agreements with the bank contains various covenants, the most restrictive being provisions related to long-term debt service coverage and operating ratios. Changes in tax rates could result in higher interest rates under the terms of the debt agreements.

The aggregate annual principal maturities of long-term debt at December 31, 2022, are as follows:

2023	\$ 4,116,680
2024	4,196,681
2025	4,276,680
2026	9,307,865
2027	4,117,268
Thereafter	<u>76,547,637</u>
	<u>\$ 102,562,811</u>

10. Retirement Plan

The Company participates in a 403(b) plan. The 403(b) plan provides that the Company will match employee contributions up to a maximum of 6% of their annual compensation. The Company's contribution to the plan for 2022 and 2021 was \$737,813 and \$749,957, respectively.

11. Self-Insurance Plan

The Company has a medical self-insurance plan (the "Plan") for essentially all employees. Under the Plan, the Company is responsible for claims up to \$150,000 per employee per plan year. The plan year is the period from October 1st through September 30th. Any claims in excess of this limitation are covered by a reinsurance policy.

Included in accrued expenses at December 31, 2022 and 2021 were \$276,436 and \$534,256, respectively, for unpaid claims. Claims of \$3,208,910 and \$2,904,971 were paid during the 2022 and 2021 plan years, respectively.

12. Professional Liability Insurance

The Company has an insurance policy for possible litigation in the ordinary course of business related to professional liability claims. Management believes if any claims were asserted, they would be settled within the limits of coverage, which is on an occurrence basis, with insurance limits of \$1,000,000 per claim and \$3,000,000 in the aggregate. No claims were outstanding during the year or at year-end, and the Company has made no accrual for unasserted claims.

13. Benevolent Assistance

The Company maintains records to identify and monitor benevolent assistance provided. Records include costs to assist residents of Givens Estates Inc. and Subsidiaries with entrance and monthly fees, medical expenses, meals, transportation, housekeeping, clothing, home care, health care, and programs and activities. Benevolent assistance costs were \$292,829 (\$249,396 for the Givens Estates campus and \$43,433 for the Givens Highland Farms campus) and \$399,595 for the years ended December 31, 2022 and 2021, respectively. Direct charitable cost is discounted by the operating margin percentage (operating revenues less realized gains/losses on investments divided by operating expenses).

The Company also provides leadership and support with several community outreach projects: Givens Great Laurels, MemoryCare, WNC UMAR, and Mountain Area Health Education Center (MAHEC).

Givens LifeMinistries is a volunteer and church-based outreach ministry which endeavors to help churches and other non-profit organizations reach out into the community to assist those in need. The program educates low-income seniors on how to access needed medications, food, transportation, housing, clothing, and works alongside agencies that provide health and aging services. Givens LifeMinistries is currently working with the Vanderbilt Apartments, Battery Park Apartments, Council on Aging, Mills River Life Enrichment Center, MY Meds (medication assistance ministry in the Toe River Valley communities), Francis Asbury Welcome Table, Hominy Valley Welcome Table, Haywood Street Congregation Welcome Table, Leicester Community Center Welcome Table, Groce UMC Welcome Table, Hope UMC Welcome Table, Saluda Welcome Table, Selica UMC Welcome Table, Skyland

Welcome Table, Swannanoa Welcome Table, Black Mountain Open Table, Rutherford Welcome Table, and Seven Baby Equipment Resources Ministries. LifeMinistries also helped initiate three medical equipment loan closets.

The Company has a supportive relationship with MemoryCare, a 501(c)(3) corporation. By providing for the operational costs of the SECU MemoryCare building, along with a no cost 50-year land lease and for the building, the Company has been able to help retain and strengthen a vital memory disorders health care program in Western North Carolina. The program includes a family care resource center which helps family members cope with the impact of memory diseases.

The services and funds provided to these outreach programs from the Company were \$4,061,036 (\$3,176,688 for the Givens Estates campus and \$884,348 for the Givens Highland Farms campus) and \$1,509,113 for the years ended December 31, 2022 and 2021, respectively.

14. Operating Reserve

In accordance with the requirements of North Carolina General Statute 58, Article 64-33, management computes an annual operating reserve for its continuing care facilities licensed in North Carolina. At December 31, 2022, Givens Estates, Inc. and Subsidiaries were in compliance with this statute. The operating reserve is approximately \$12,264,000 (\$8,169,000 and \$4,095,000 for Givens Estates and Givens Highland Farms, respectively) and \$11,788,000 at December 31, 2022 and 2021, respectively.

15. Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, receivables, and accounts and notes payables are a reasonable estimate of their fair values. The fair value estimates presented herein are based on pertinent information available to management as of December 31, 2022 and 2021. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of the consolidated financial statements since that date, and current estimates of fair value may differ significantly from the amounts presented herein.

The Series 2017 bonds are private placement bonds. Fair value of the private placement bonds approximate carrying value. Fair value of the 2021 bonds was approximately \$39,974,000 and \$53,983,000 at December 31, 2022 and 2021. The fair value of the fixed-rate or adjustable-rate bonds payable is based on quoted market prices.

16. Interest Rate Swap Agreement

In March 2018, the Company entered into an interest rate swap agreement with an original notional amount of \$8,500,000. The swap expires December 2026 and effectively fixes the variable interest rate of the \$8,500,000 loan at 3.88 percent.

The fair value the interest rate swap is reported as a long-term asset or liability in the consolidated balance sheets. The change in fair value of the interest rate swap is included in excess of revenues over expenses in the accompanying consolidated statements of operations and changes in net assets.

Absent an early termination, subsequent changes in the interest rate swap will continue to be reflected in excess of revenues over expenses, which has no cash flow impact to the Company. The cash flow settlements of the interest rate swap agreement are reflected annually in interest expense as the Company pays interest to the swap counterparty at the rate noted above.

17. Liquidity and Availability

As part of its liquidity management, the Company has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due. In addition, the Company invests cash in excess of daily operating funds in short-term investments such as investment grade corporate bonds and money market funds.

The following schedule reflects the Company's financial assets to meet cash needs for general expenses within one year. The financial assets were derived from the total assets on the consolidated balance sheets by excluding the assets that are unavailable for general expenses in the next 12 months. Board designated amounts have been included in the schedule below as the board could release these funds for liquidity purposes if needed.

The Company seeks to maintain sufficient liquid assets to cover at least three months' operating and capital expenses.

<u>Asset Categories</u>	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 9,805,078	\$ 23,842,022
Accounts receivable, net	4,135,330	2,677,108
Investments	68,506,433	45,766,710
Assets limited as to Use – board designated	2,506,197	2,532,964
Less: donor restricted amounts	<u>(10,399,401)</u>	<u>(11,008,521)</u>
	<u>\$ 74,553,637</u>	<u>\$ 63,810,283</u>

18. COVID-19 and Government Grants

In March 2020, the World Health Organization declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The coronavirus outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of the outbreak on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on employees and vendors, and governmental, regulatory and private sector responses. The accompanying consolidated financial statements do not reflect any adjustments as a result of the increase in economic uncertainty which continues through the issuance date.

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2021. One provision of the CARES Act was the establishment of the Provider Relief Fund (PRF), administered by the U.S. Department of Health and Human Services (HHS). The PRF is being distributed to healthcare providers throughout the country to support the battle against the COVID-19 outbreak. For the year ended December 31, 2022, the Company received a distribution of approximately \$56,000 and no distributions were received for the year ended December 31, 2021. These funds are intended to reimburse qualifying expenses and lost revenues attributable to COVID-19 and are subject to the terms, conditions, and regulatory requirements set forth by HHS. If the total distributions received by the Company exceed the cumulative amount of qualifying expenses and lost revenues attributable to COVID-19 through the relevant period of availability,

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any excess funding may be subject recoupment. Related revenues are recognized as contributions as eligibility criteria are met. The Company recognized approximately \$370,000 as contributions for the year ended December 31, 2021. The Provider Relief Funds are subject to audit by HHS which may result in disallowed expenditures which may be subject to recoupment. Such amounts, if any, cannot be determined at this time.

The CARES Act also provides for the establishment of the Payroll Protection Program ("PPP"), a loan program under the Small Business Administration's 7(a) program providing loans to qualifying businesses. Loans originated under this program may be forgiven, in whole or in part, if certain criteria are met. The Company received PPP loans of approximately \$4,300,000. Management has concluded that the receipt of these funds represents a government grant. Grant income under this method of accounting may only be recognized when the conditions attached to the grant have been substantially met. The Company believes it has substantially met the conditions attached to the grant as of the consolidated balance sheet date. As such, grant income has been recognized on the statements of operations and changes in net assets as Contribution and grant income. The loans were forgiven in full December 2021.

In response to the economic impact of the COVID-19 pandemic, Congress also introduced the Employee Retention (ERC). The ERC is a refundable payroll tax credit available to taxpayers who experienced either a full or partial suspension of business operations due to government orders or had a significant drop in gross receipts in 2020 or the first three quarters of 2021. The credit is available for 50 percent of qualified wages for 2020 limited to a maximum credit per qualified employee. The Company qualifies for the ERC and accounts for the ERC as a government grant. The ERC may be recognized once the conditions attached to the grant have been substantially met. During 2021, the Company incurred qualifying wages and has recognized approximately \$2,700,000 associated with the ERC as contribution and grant income in the consolidated statement of operations and changes in net assets for the year ended December 31, 2021. A receivable is included in the consolidated balance sheet. The balance of the receivable related to the ERC is approximately \$1,700,000 and \$2,700,000 for the years ended December 31, 2022 and 2021, respectively.

19. Schedule of Expenses by Nature and Function

The following is a schedule of expenses by both nature and function for the year ended December 31, 2022:

	<u>Program Services</u>	<u>Administrative and General</u>	<u>Marketing and Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 21,399,682	\$ 5,829,517	\$ 900,954	\$ 28,130,153
Medical and personal care	5,134,916	-	-	5,134,916
Food service	2,999,441	-	-	2,999,441
Facility services	4,017,933	-	-	4,017,933
Administration	-	1,371,612	-	1,371,612
Marketing & development	-	-	385,781	385,781
Utilities & insurance	3,846,052	1,005,381	-	4,851,433
Depreciation	8,645,091	-	-	8,645,091
Amortization	910,046	-	-	910,046
Interest	1,600,947	-	-	1,600,947
Total expenses included in the expenses section on the consolidated statement of operations and changes in net assets	<u>\$ 48,554,108</u>	<u>\$ 8,206,510</u>	<u>\$ 1,286,735</u>	<u>\$ 58,047,353</u>

The Givens Estates, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

The following is a schedule of expenses by both nature and function for the year ended December 31, 2021:

	<u>Program Services</u>	<u>Administrative and General</u>	<u>Marketing and Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 20,559,511	\$ 5,179,706	\$ 937,866	\$ 26,677,083
Medical and personal care	4,481,782	-	-	4,481,782
Food service	2,606,354	-	-	2,606,354
Facility services	4,335,404	-	-	4,335,404
Administration	-	1,414,383	-	1,414,383
Marketing & development	-	-	615,722	615,722
Utilities & insurance	3,630,492	874,752	-	4,505,244
Depreciation	7,796,723	-	-	7,796,723
Amortization	910,046	-	-	910,046
Interest	<u>1,633,067</u>	<u>-</u>	<u>-</u>	<u>1,633,067</u>
Total expenses included in the expenses section on the consolidated statement of operations and changes in net assets	<u>\$ 45,953,379</u>	<u>\$ 7,468,841</u>	<u>\$ 1,553,588</u>	<u>\$ 54,975,808</u>

Givens Highland Farms
Balance Sheet
April 30, 2023

Assets

Current Assets

Cash and cash equivalents	\$ 3,249,179
Assets limited as to use, current	4,560
Accounts receivable, net	1,083,708
Other receivables	1,026,929
Prepaid expenses	363,726
Total Current Assets	<u>5,728,102</u>

Non-Current Assets

Assets limited to use, non-current	34,149,101
Due from affiliate	460,356
Property and equipment, net	59,672,305
Investments	4,668,287
Assets Held for Deferred Compensation	78,165
Intangibles	1,971,766
Total Non-current Assets	<u>100,999,980</u>

Total Assets	<u><u>\$ 106,728,082</u></u>
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Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued liabilities	\$ 4,471,756
Payroll accruals and related withholding	706,138
Interest payable	171,797
Agency funds	4,560
Current portion of long-term debt	707,268
Total Current Liabilities	<u>6,061,519</u>

Long-Term Liabilities

Long-term debt	56,557,841
Escrow Deposits	2,472,165
Deferred Compensation	78,165
Deferred revenue - refundable	33,058,459
Deferred revenue - nonrefundable	19,055,415
Advance admission deposits	390,584
Total Long-term Liabilities	<u>114,793,491</u>

Total Liabilities	<u>120,855,010</u>
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Net Assets

Net assets without donor restrictions	(14,779,348)
Net assets with donor restrictions	652,420
Total net assets	<u>(14,126,928)</u>

Total Liabilities and net assets	<u><u>\$ 106,728,082</u></u>
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Givens Highland Farms

**Budget Comparison for the Statement of Operations and Change in Net Assets Without Donor Restrictions
For the Period Ending April 30, 2023**

	Actual	Budget	Variance	% Variance
Revenue				
Long-term care revenue	\$ 2,304,418	\$ 2,170,060	\$ 134,358	6%
Residential revenue	2,979,206	2,813,733	165,473	6%
Amortization revenue	781,452	719,260	62,192	9%
Residential food service revenue	421,010	376,438	44,572	12%
Contributions	149	-	149	N/A
Assets released from restrictions	10,523	-	10,523	N/A
Interest income	32,600	32,153	447	1%
Realized gains (loss) on investments	(15,244)	-	(15,244)	N/A
Other revenue	143,808	134,582	9,226	7%
Total Revenue	6,657,922	6,246,226	411,696	7%
Expenses				
Long-term care	2,368,009	2,145,136	222,873	10%
Residential	2,381,900	2,382,820	(920)	0%
Management fee expense	697,867	697,879	(12)	0%
Outreach	49,800	47,200	2,600	6%
Bad debt	-	11,667	(11,667)	-100%
Depreciation	751,396	690,353	61,043	9%
Amortization	267,166	263,767	3,399	1%
Interest	212,517	126,735	85,782	68%
Total Expenses	6,728,655	6,365,557	363,098	6%
Operating income (loss)	(70,733)	(119,331)	48,598	-41%
Non-operating				
Unrealized gain (loss) on investments	214,573	-	214,573	N/A
Net assets released for capital	-	-	-	N/A
Gain/loss on sale of assets	-	-	-	N/A
Total Non-operating	214,573	-	214,573	N/A
Change in net assets	\$ 143,840	\$ (119,331)	\$ 263,171	-221%

Givens Highland Farms
Statement of Cash Flows
For the Period Ending April 30, 2023

Cash flows from operating activities:

Change in net assets	\$ 143,840
Adjustments to reconcile net cash provided by operating activities:	
Depreciation	751,396
Amortization	267,166
(Gain) loss on sale of equipment	-
Unrealized (gains) losses on investments	(214,573)
Proceeds from residential living entrance fees	747,914
Amortization of entrance fees	(781,452)
Bad debts	-
Contributions restricted for capital projects	
Change in operational receivables and prepaids	153,786
Change in operational payables and other liabilities	(102,188)
Net cash provided by operating activities	<u>965,889</u>

Cash flows from investing activities:

Property and equipment purchases	(6,300,114)
Change in assets limited as to use and investments	5,196,654
Change in due from/to affiliate	(20,610)
Net cash used by investing activities	<u>(1,124,070)</u>

Cash flows from financing activities:

Principal payments	(235,755)
Refunds of entrance fees	(1,298,563)
Refundable portion of entrance fees received	1,066,700
Net cash provided (used) by financing activities	<u>(467,618)</u>

Net increase (decrease) in cash and cash equivalents	<u>(625,799)</u>
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Cash and cash equivalents at beginning of year	3,874,978
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Cash and cash equivalents at end of period	<u>\$ 3,249,179</u>
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Supplemental disclosure of cash flow information

Cash paid during the year for interest	<u>\$ 212,517</u>
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Supplementary Information

The Givens Estates, Inc. and Subsidiaries
Consolidating Balance Sheet
December 31, 2022

		ESTATES	
	Operating	Special Use	
	Fund	Funds	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,332,238	\$ -	\$ 4,332,238
Assets limited as to use, current portion	15,552	1,801,414	1,816,966
Accounts receivable, net of allowances	2,652,018	-	2,652,018
Contributions receivable net, current portion	-	102,219	102,219
Interfund (payable) receivable	(463,226)	463,226	-
Other receivables	2,750,387	-	2,750,387
Escrow deposits	-	-	-
Prepaid expenses	744,042	-	744,042
Total current assets	10,031,011	2,366,859	12,397,870
Non-current assets:			
Property and equipment, net	137,515,427	-	137,515,427
Due from affiliate	4,863,975	-	4,863,975
Assets limited as to use, less current portion	7,932,120	-	7,932,120
Investments restricted for statutory operating reserve	8,169,000	-	8,169,000
Investments	60,907,078	7,238,340	68,145,418
Contributions receivable net, less current portion	-	146,453	146,453
Other assets	613,124	-	613,124
Interest rate swap	-	-	-
Intangibles, net	-	-	-
Total non-current assets	220,000,724	7,384,793	227,385,517
Total assets	\$ 230,031,735	\$ 9,751,652	\$ 239,783,387

The Givens Estates, Inc. and Subsidiaries
Consolidating Balance Sheet
December 31, 2022

(Continued)

<u>LifeMinistries</u>	<u>Highland</u>	<u>Gerber Park II</u>	<u>Eliminations</u>	<u>Consolidated</u>
\$ 84,824	\$ 3,874,978	\$ 1,513,038	\$ -	\$ 9,805,078
-	5,263	-	-	1,822,229
-	1,481,210	2,102	-	4,135,330
-	-	-	-	102,219
-	-	-	-	-
916	867,968	14,109	-	3,633,380
-	2,223,111	-	-	2,223,111
-	462,596	9,911	-	1,216,549
<u>85,740</u>	<u>8,915,126</u>	<u>1,539,160</u>	<u>-</u>	<u>22,937,896</u>
-	54,123,588	10,676,249	-	202,315,264
-	-	-	(4,863,975)	-
-	36,949,454	-	-	44,881,574
-	4,095,000	-	-	12,264,000
-	361,015	-	-	68,506,433
-	-	-	-	146,453
-	-	-	-	613,124
-	-	327,100	-	327,100
-	2,275,115	-	-	2,275,115
<u>-</u>	<u>97,804,172</u>	<u>11,003,349</u>	<u>(4,863,975)</u>	<u>331,329,063</u>
<u>\$ 85,740</u>	<u>\$ 106,719,298</u>	<u>\$ 12,542,509</u>	<u>\$ (4,863,975)</u>	<u>\$ 354,266,959</u>

See independent auditor's report.

Givens Estates, Inc. and Subsidiaries
Consolidating Balance Sheet
December 31, 2022

	ESTATES		
	Operating Fund	Special Use Funds	Total
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable and other accrued liabilities	\$ 2,784,687	\$ -	\$ 2,784,687
Payroll accruals and related withholdings	1,656,355	-	1,656,355
Interest payable	109,814	-	109,814
Agency funds	15,552	-	15,552
Escrow deposits	-	-	-
Estimated resident refunds payable, current portion	4,230,000	-	4,230,000
Long-term debt, current portion	3,080,000	-	3,080,000
Total current liabilities	11,876,408	-	11,876,408
Long-term liabilities:			
Long-term debt, net	40,015,715	-	40,015,715
Due to affiliate	-	-	-
Resident refunds payable, net of current portion	18,007,513	-	18,007,513
Deferred revenue from entrance fees	75,455,860	-	75,455,860
Advance admission deposits	1,016,850	-	1,016,850
Total long-term liabilities	134,495,938	-	134,495,938
Total liabilities	146,372,346	-	146,372,346
Net assets (deficit):			
Without donor restrictions	83,659,389	-	83,659,389
With donor restrictions	-	9,751,652	9,751,652
Total net assets (deficit)	83,659,389	9,751,652	93,411,041
Total liabilities and net assets	\$ 230,031,735	\$ 9,751,652	\$ 239,783,387

(Continued)

<u>LifeMinistries</u>	<u>Highland</u>	<u>Gerber Park II</u>	<u>Eliminations</u>	<u>Consolidated</u>
\$ 469	\$ 4,764,064	\$ 30,915	\$ -	\$ 7,580,135
7,546	622,683	-	-	2,286,584
-	171,797	-	-	281,611
-	5,263	-	-	20,815
-	2,223,111	-	-	2,223,111
-	1,788,000	-	-	6,018,000
-	707,268	329,412	-	4,116,680
8,015	10,282,186	360,327	-	22,526,936
-	56,829,779	5,929,420	-	102,774,914
1,381,899	3,201,472	280,604	(4,863,975)	-
-	31,221,009	-	-	49,228,522
-	19,098,208	-	-	94,554,068
-	362,084	-	-	1,378,934
1,381,899	110,712,552	6,210,024	(4,863,975)	247,936,438
1,389,914	120,994,738	6,570,351	(4,863,975)	270,463,374
(1,304,174)	(14,923,189)	5,972,158	-	73,404,184
-	647,749	-	-	10,399,401
(1,304,174)	(14,275,440)	5,972,158	-	83,803,585
\$ 85,740	\$ 106,719,298	\$ 12,542,509	\$ (4,863,975)	\$ 354,266,959

See independent auditor's report.

The Givens Estates, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets
Year Ended December 31, 2022

	Estates	LifeMinistries	Highland	Gerber Park II	Eliminations	Consolidated
Revenues, gains and other support:						
Long-term care revenue, net	\$ 8,546,635	\$ -	\$ 5,957,625	\$ -	\$ -	\$ 14,504,260
Residential revenue, including amortization	29,790,135	-	10,673,143	1,912,658	-	42,375,936
Assisted living revenue, net	3,931,194	-	-	-	-	3,931,194
Residential food service revenue	2,096,036	-	1,093,531	-	-	3,189,567
Contributions and grants	742,565	-	254,635	38,600	-	1,035,800
Interest and dividend income	1,259,308	-	117,447	-	-	1,376,755
Realized loss on investments	(1,321,829)	-	(146,536)	-	-	(1,468,365)
Net assets released - operations	555,023	350	10,593	-	-	565,966
Other revenue	2,937,644	-	624,867	188,127	(1,085,521)	2,665,117
Total revenues, losses and other support	48,536,711	350	18,585,305	2,139,385	(1,085,521)	68,176,230
Expenses:						
Administration	5,911,839	-	2,131,629	179,709	-	8,223,177
Assisted living	1,645,968	-	-	-	-	1,645,968
Long-term care	5,296,197	-	4,031,116	-	-	9,327,313
Home care	182,572	-	537,498	-	-	720,070
Maintenance	4,422,658	-	2,410,308	110,865	-	6,943,831
Dining services	5,009,020	-	2,471,252	331,826	-	7,812,098
Housekeeping	2,062,657	-	1,004,892	16,544	-	3,084,093
Laundry	7,762	-	88,396	-	-	96,158
Management fees	-	-	917,458	168,063	(1,085,521)	-
Marketing	542,817	-	577,164	78,744	-	1,198,725
Resident services	2,757,279	-	349,024	115,333	-	3,221,636
Utilities	1,844,989	-	722,789	227,745	-	2,795,523
Insurance	343,605	-	296,336	22,958	-	662,899
Outreach	703,453	195,038	158,132	-	-	1,056,623
Bad debts	77,247	-	25,908	-	-	103,155
Depreciation	6,087,107	-	2,245,279	312,705	-	8,645,091
Amortization	-	-	910,046	-	-	910,046
Interest	1,117,115	-	230,367	253,465	-	1,600,947
Total expenses	38,012,285	195,038	19,107,594	1,817,957	(1,085,521)	58,047,353
Operating income (loss)	10,524,426	(194,688)	(522,289)	321,428	-	10,128,877

The Givens Estates, Inc. and Subsidiaries
Consolidating Statement of Operations and Changes in Net Assets
Year Ended December 31, 2022

(Continued)

	<u>Estates</u>	<u>LifeMinistries</u>	<u>Highland</u>	<u>Gerber Park II</u>	<u>Eliminations</u>	<u>Consolidated</u>
Non-operating activity:						
Unrealized loss on investments	\$ (6,954,161)	\$ -	\$ (824,889)	\$ -	\$ -	\$ (7,779,050)
Loss on disposal of property and equipment	-	-	(784,872)	-	-	(784,872)
Change in interest rate swap value	-	-	-	672,975	-	672,975
Total non-operating (losses) gains	<u>(6,954,161)</u>	<u>-</u>	<u>(1,609,761)</u>	<u>672,975</u>	<u>-</u>	<u>(7,890,947)</u>
Excess (deficit) of revenues over expenses	3,570,265	(194,688)	(2,132,050)	994,403	-	2,237,930
Other changes in net assets without donor restrictions:						
Net assets released –capital projects	<u>3,078,951</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,078,951</u>
Change in net assets without donor restrictions	<u>\$ 6,649,216</u>	<u>\$ (194,688)</u>	<u>\$ (2,132,050)</u>	<u>\$ 994,403</u>	<u>\$ -</u>	<u>\$ 5,316,881</u>
Net assets with donor restrictions:						
Contributions and grants	\$ 4,161,515	\$ -	\$ 200,147	\$ -	\$ -	\$ 4,361,662
Net investment loss	(1,290,511)	-	(35,704)	-	-	(1,326,215)
LifeMinistries income	-	350	-	-	-	350
Net assets released –operating	(555,023)	(350)	(10,593)	-	-	(565,966)
Net assets released –capital	<u>(3,078,951)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,078,951)</u>
	<u>(762,970)</u>	<u>-</u>	<u>153,850</u>	<u>-</u>	<u>-</u>	<u>(609,120)</u>
Change in net assets (deficit)	5,886,246	(194,688)	(1,978,200)	994,403	-	4,707,761
Net assets (deficit), beginning of year	<u>87,524,795</u>	<u>(1,109,486)</u>	<u>(12,297,240)</u>	<u>4,977,755</u>	<u>-</u>	<u>79,095,824</u>
Net assets (deficit), end of year	<u>\$ 93,411,041</u>	<u>\$ (1,304,174)</u>	<u>\$ (14,275,440)</u>	<u>\$ 5,972,158</u>	<u>\$ -</u>	<u>\$ 83,803,585</u>

The Givens Estates, Inc. and Subsidiaries
Consolidating Statement of Cash Flows
Year Ended December 31, 2022

	<u>Estates</u>	<u>Life Ministries</u>	<u>Highland</u>	<u>Gerber Park II</u>	<u>Consolidated</u>
Cash flows from operating activities:					
Change in net assets	\$ 5,886,246	\$ (194,688)	\$ (1,978,200)	\$ 994,403	\$ 4,707,761
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:					
Depreciation	6,087,107	-	2,245,279	312,705	8,645,091
Amortization of deferred financing costs and bond premium	9,747	-	(106,517)	-	(96,770)
Amortization of intangible assets	-	-	910,046	-	910,046
Realized and unrealized loss on investments	8,275,990	-	971,425	-	9,247,415
Loss on disposal of property and equipment	-	-	784,872	-	784,872
Change in swap value	-	-	-	(672,975)	(672,975)
Proceeds from entrance fees	9,556,105	-	3,988,140	-	13,544,245
Amortization of entrance fees	(10,281,232)	-	(2,476,035)	-	(12,757,267)
Bad debts	77,247	-	25,908	-	103,155
Contributed services	-	-	(131,830)	-	(131,830)
Contributions restricted for capital	(3,000,000)	-	-	-	(3,000,000)
Net change in assets and liabilities:					
Change in receivables, prepaids and other assets	(1,338,990)	(2)	(451,153)	62,201	(1,727,944)
Change in accounts payable, other accrued liabilities, payroll accruals, and admission deposits	<u>(2,220,826)</u>	<u>(24,976)</u>	<u>(234,526)</u>	<u>(64,970)</u>	<u>(2,545,298)</u>
Net cash provided (used) by operating activities	<u>13,051,394</u>	<u>(219,666)</u>	<u>3,547,409</u>	<u>631,364</u>	<u>17,010,501</u>
Cash flows from investing activities:					
Property and equipment purchases	(10,240,127)	-	(11,440,818)	(2,529)	(21,683,474)
Proceeds from sale of property and equipment	-	-	24,265	-	24,265
Change in due to/from affiliates	476,437	230,580	(568,773)	(138,244)	-
Reimbursement of development costs paid for related parties	34,045	-	-	-	34,045
Change in assets limited as to use and investments	<u>(33,872,830)</u>	<u>-</u>	<u>(604,651)</u>	<u>-</u>	<u>(34,477,481)</u>
Net cash (used) provided by investing activities	<u>(43,602,475)</u>	<u>230,580</u>	<u>(12,589,977)</u>	<u>(140,773)</u>	<u>(56,102,645)</u>

See independent auditor's report.

The Givens Estates, Inc. and Subsidiaries
Consolidating Statement of Cash Flows
Year Ended December 31, 2022

(Continued)

	<u>Estates</u>	<u>LifeMinistries</u>	<u>Highland</u>	<u>Gerber Park II</u>	<u>Consolidated</u>
Cash flows from financing activities:					
Repayment of long-term debt	\$ (2,990,000)	\$ -	\$ (707,269)	\$ (329,412)	\$ (4,026,681)
Debt issuance costs incurred	-	-	(34,810)	-	(34,810)
Contributions restricted for capital projects	3,000,000	-	-	-	3,000,000
Refunds of entrance fees	(1,009,889)	-	(1,303,428)	-	(2,313,317)
Refundable entrance fees received	2,700,020	-	1,901,639	-	4,601,659
Entrance fee received from initial units	<u>12,893,858</u>	<u>-</u>	<u>150,456</u>	<u>-</u>	<u>13,044,314</u>
Net cash provided (used) by financing activities	<u>14,593,989</u>	<u>-</u>	<u>6,588</u>	<u>(329,412)</u>	<u>14,271,165</u>
Change in cash, cash equivalents and restricted cash	(15,957,092)	10,914	(9,035,980)	161,179	(24,820,979)
Cash, cash equivalents and restricted cash beginning of year	<u>27,188,374</u>	<u>73,910</u>	<u>51,382,872</u>	<u>1,351,859</u>	<u>79,997,015</u>
Cash, cash equivalents and restricted cash end of year	<u>\$ 11,231,282</u>	<u>\$ 84,824</u>	<u>\$ 42,346,892</u>	<u>\$ 1,513,038</u>	<u>\$ 55,176,036</u>
Supplemental disclosure of cash flow information:					
Cash paid during the year for interest	<u>\$ 1,114,705</u>	<u>\$ -</u>	<u>\$ 1,825,709</u>	<u>\$ 253,465</u>	<u>\$ 3,193,879</u>
Non-cash activities:					
Purchase of property and equipment in accounts payable at year-end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,635,080</u>	<u>\$ -</u>	<u>\$ 4,635,080</u>
Resident refunds in accounts payable at year-end	<u>\$ 1,652,734</u>	<u>\$ -</u>	<u>\$ 539,164</u>	<u>\$ -</u>	<u>\$ 2,191,898</u>
Amounts included in the consolidated statements of cash flows as cash, cash equivalents, and restricted cash on the consolidated balance sheets					
Cash and cash equivalents	\$ 4,332,238	\$ 84,824	\$ 3,874,978	\$ 1,513,038	\$ 9,805,078
Escrow deposits	-	-	2,223,111	-	2,223,111
Restricted cash in Assets limited as to use	<u>6,899,044</u>	<u>-</u>	<u>36,248,803</u>	<u>-</u>	<u>43,147,847</u>
Cash, cash equivalents and restricted cash end of year	<u>\$ 11,231,282</u>	<u>\$ 84,824</u>	<u>\$ 42,346,892</u>	<u>\$ 1,513,038</u>	<u>\$ 55,176,036</u>

Attachment 6

The Givens Estates, Inc. and Subsidiaries

Compilation of a Financial Projection

Five Years Ending December 31, 2027

(with Independent Accountants'
Compilation Report thereon)

The Givens Estates, Inc. and Subsidiaries

Compilation of a Financial Projection

Five Years Ending December 31, 2027

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Independent Accountants' Compilation Report

The Board of Directors
The Givens Estates, Inc. and Subsidiaries
Asheville, North Carolina

Management of The Givens Estates, Inc. and Subsidiaries (the "Corporation") ("Management") is responsible for the accompanying financial projection of the Corporation, which comprises the consolidated projected balance sheets as of and for each of the five years ending December 31, 2027 and the related consolidated projected statements of operations, changes in net assets, and cash flows for each of the years then ending, and the related summaries of significant assumptions and rationale in accordance with guidelines for the presentation of a financial projection established by the American Institute of Certified Public Accountants ("AICPA").

The accompanying projection and this report were prepared to comply with the requirements of North Carolina General Statutes, Chapter 58, Article 64 and should not be used for any other purpose.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the financial projection 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, or provide any form of assurance on this financial projection. The projected results may not be achieved as there will usually be differences between the prospective and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Furthermore, even if the following hypothetical assumptions occur during the projection period:

- the Corporation's newly constructed and yet to be constructed independent living units are successfully marketed and achieve and maintain projected occupancy levels; and
- construction, development, marketing, and other related costs for the new independent living units and dietary renovation at Givens Highland Farms occur in the assumed timeline and at the assumed costs.

There will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

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

FORVIS,LLP

Atlanta, Georgia
May 26, 2023

The Givens Estates, Inc. and Subsidiaries

Projected Consolidated Statements of Operations For Each of the Five Years Ending December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
Revenues, gains and other support:					
Amortization of entrance fees	\$ 12,177	\$ 13,525	\$ 13,953	\$ 14,043	\$ 14,180
Residential revenue	31,918	34,277	36,424	37,632	38,883
Assisted living revenue	4,095	3,905	4,023	4,145	4,270
Long-term care revenue, net	15,614	15,715	16,063	16,419	16,791
Residential food service revenue	3,498	3,651	3,764	3,771	3,778
Givens Choice	53	211	382	547	737
Contributions and bequests	1,240	1,277	1,316	1,355	1,396
Net assets released from restrictions-operations	455	468	482	497	512
Other revenue	3,045	3,424	3,535	3,614	3,695
Investment income	2,123	2,198	2,485	2,786	3,110
Total revenues, gains and other support	74,218	78,651	82,427	84,809	87,352
Expenses:					
Administration	8,592	8,947	9,216	9,490	9,773
Assisted living	1,935	1,993	2,053	2,114	2,178
Long-term care	9,367	9,720	10,059	10,412	10,776
Home care	781	804	828	853	879
Maintenance	8,138	8,507	8,881	9,148	9,423
Dining services	7,676	7,956	8,244	8,492	8,746
Housekeeping	3,807	3,944	4,112	4,234	4,360
Laundry	108	111	114	117	121
Marketing	1,342	1,382	1,423	1,465	1,510
Resident services	2,333	2,403	2,475	2,548	2,624
Utilities	4,305	4,537	4,878	5,055	5,239
Outreach	1,196	1,234	1,274	1,315	1,358
Givens Choice	623	767	735	761	790
Bad debts	76	78	80	83	85
Insurance	765	803	828	852	878
Depreciation	8,913	8,738	9,119	9,306	9,051
Amortization of intangible assets	910	910	455	-	-
Interest	1,703	3,502	3,358	3,213	3,061
Total expenses	62,570	66,336	68,132	69,458	70,852
Operating income	11,648	12,315	14,295	15,351	16,500
Net assets released from restrictions-capital projects	20	20	20	20	20
Change in net assets without donor restrictions	\$ 11,668	\$ 12,335	\$ 14,315	\$ 15,371	\$ 16,520

**See accompanying Independent Accountants' Compilation Report and Summary of
Significant Projection Assumptions and Rationale**

The Givens Estates, Inc. and Subsidiaries

Projected Consolidated Statements of Changes in Net Assets For Each of the Five Years Ending December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
Net assets without donor restrictions:					
Operating income	\$ 11,648	\$ 12,315	\$ 14,295	\$ 15,351	\$ 16,500
Net assets released from restrictions-capital projects	20	20	20	20	20
Change in net assets without donor restrictions	11,668	12,335	14,315	15,371	16,520
Net assets with donor restrictions:					
Contributions	441	488	502	517	532
Net assets released from restrictions	(475)	(488)	(502)	(517)	(532)
Change in net assets with donor restrictions	(34)	-	-	-	-
Change in net assets	11,634	12,335	14,315	15,371	16,520
Net assets, beginning of year	83,804	95,438	107,773	122,088	137,459
Net assets, end of year	\$ 95,438	\$ 107,773	\$ 122,088	\$ 137,459	\$ 153,979

**See accompanying Independent Accountants' Compilation Report and Summary of
Significant Projection Assumptions and Rationale**

The Givens Estates, Inc. and Subsidiaries

Projected Consolidated Statements of Cash Flows For Each of the Five Years Ending December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
Cash flows from operating activities:					
Change in net assets	\$ 11,634	\$ 12,335	\$ 14,315	\$ 15,371	\$ 16,520
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Amortization of entrance fees	(12,177)	(13,525)	(13,953)	(14,043)	(14,180)
Depreciation	8,913	8,738	9,119	9,306	9,051
Amortization of intangible assets	910	910	455	-	-
Amortization of deferred financing costs	27	28	28	28	28
Amortization of original issue premium	(137)	(132)	(137)	(141)	(146)
Bad debts	76	78	80	83	85
Proceeds from entrance fees - routine turnover, non-refundable portion	12,706	13,019	13,342	14,235	14,594
Proceeds from entrance fees - Givens Choice, non-refundable portion	1,200	1,440	1,440	1,440	1,440
Net change in working capital:					
Change in receivables and prepaid expenses	1,013	(646)	(438)	(331)	(345)
Change in accounts payable, other accrued liabilities, and payroll accruals	534	(1,588)	474	353	359
Net cash provided by operating activities	24,699	20,657	24,725	26,301	27,406
Cash flows from investing activities:					
Capital additions	(36,020)	(12,013)	(2,521)	(2,521)	(2,522)
Change in investments	(32,081)	(18,782)	(14,226)	(15,487)	(16,223)
Change in assets limited as to use:					
Operating reserve-Givens Estates	(1,070)	(379)	(266)	(277)	(283)
Operating reserve-Givens Highland Farms	(150)	(586)	(228)	(137)	(142)
Other	237	(104)	(109)	(113)	(118)
Net cash used by investing activities	(69,084)	(31,864)	(17,350)	(18,535)	(19,288)
Cash flows from financing activities:					
Proceeds from entrance fees - routine turnover, refundable portion	3,898	3,991	4,086	4,349	4,454
Proceeds from initial entrance fees-Brookside	9,900	-	-	-	-
Proceeds from initial entrance fees-Vista Ridge	-	11,900	-	-	-
Principal payments-Bank Loan	(454)	(482)	(511)	(543)	(576)
Principal payments-Gerber Bank Loan	(328)	(328)	(328)	(328)	(328)
Principal payments-Series 2017 Bonds	(3,080)	(3,160)	(3,240)	(3,330)	(3,410)
Payment of refundable entrance fees	(5,557)	(5,679)	(5,804)	(6,147)	(6,286)
Net cash provided (used) by financing activities	4,379	6,242	(5,797)	(5,999)	(6,146)
Change in cash, cash equivalents and restricted cash	(40,006)	(4,965)	1,578	1,767	1,972
Cash, cash equivalents and restricted cash, beginning of year	55,176	15,170	10,205	11,783	13,550
Cash, cash equivalents and restricted cash, end of year	\$ 15,170	\$ 10,205	\$ 11,783	\$ 13,550	\$ 15,522
Cash and cash equivalents and restricted cash reconciliation:					
Cash and cash equivalents	\$ 6,236	\$ 7,462	\$ 8,931	\$ 10,585	\$ 12,439
Assets limited as to use, current portion	2,638	2,743	2,852	2,965	3,083
Escrow deposits	2,000	-	-	-	-
Givens Highland Farms Project Fund	4,296	-	-	-	-
Total cash and cash equivalents and restricted cash	\$ 15,170	\$ 10,205	\$ 11,783	\$ 13,550	\$ 15,522

**See accompanying Independent Accountants' Compilation Report and Summary of
Significant Projection Assumptions and Rationale**

The Givens Estates, Inc. and Subsidiaries

Projected Consolidated Balance Sheets At December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
Assets					
Current assets:					
Cash and cash equivalents	\$ 6,236	\$ 7,462	\$ 8,931	\$ 10,585	\$ 12,439
Assets limited as to use, current portion	2,638	2,743	2,852	2,965	3,083
Accounts receivable, net	4,479	4,695	4,933	5,075	5,209
Other receivables	2,339	2,639	2,707	2,773	2,859
Contributions receivable, current portion	25	25	25	25	25
Escrow deposits	2,000	-	-	-	-
Prepaid expenses and inventory	1,301	1,353	1,409	1,455	1,500
Total current assets	19,018	18,917	20,857	22,878	25,115
Non-current assets:					
Property and equipment, net	229,423	232,698	226,100	219,316	212,786
Goodwill, intangible assets	1,365	455	-	-	-
Investments	100,590	119,373	133,598	149,085	165,308
Assets limited as to use, less current portion:					
Givens Highland Farms Project Fund	4,296	-	-	-	-
Operating reserve-Givens Estates	9,239	9,618	9,884	10,161	10,444
Operating reserve-Givens Highland Farms	4,245	4,831	5,059	5,196	5,338
Other	3,314	3,418	3,527	3,640	3,758
Contributions receivable, net of current portion	50	50	50	50	50
Other assets	613	613	613	613	613
Interest rate swap	327	327	327	327	327
Total assets	\$ 372,480	\$ 390,300	\$ 400,015	\$ 411,266	\$ 423,739
Liabilities and Net Assets					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 10,639	\$ 11,063	\$ 11,548	\$ 11,915	\$ 12,287
Interest payable	266	256	245	234	223
Agency funds	21	21	21	21	21
Escrow deposits	2,000	-	-	-	-
Resident refunds payable	6,018	6,028	6,050	6,105	6,170
Current portion of long-term debt	3,970	4,079	4,200	4,314	4,445
Total current liabilities	22,914	21,447	22,064	22,589	23,146
Long-term liabilities:					
Long-term debt, net of current portion and deferred financing cost	98,990	94,807	90,497	86,070	81,506
Refundable entrance fees, net of current portion	58,373	69,560	68,900	68,384	67,910
Deferred revenue from entrance fees	95,386	95,334	95,087	95,385	95,819
Advance admission deposits	1,379	1,379	1,379	1,379	1,379
Total liabilities	277,042	282,527	277,927	273,807	269,760
Net assets					
Without donor restrictions	85,020	97,355	111,670	127,041	143,561
With donor restrictions	10,418	10,418	10,418	10,418	10,418
Total net assets	95,438	107,773	122,088	137,459	153,979
Total liabilities and net assets	\$ 372,480	\$ 390,300	\$ 400,015	\$ 411,266	\$ 423,739

**See accompanying Independent Accountants' Compilation Report and Summary of
Significant Projection Assumptions and Rationale**

The Givens Estates, Inc. and Subsidiaries

Summary of Significant Projection Assumptions and Rationale

General

The accompanying financial projection presents, to the best of the knowledge and belief of the management of The Givens Estates, Inc., and Subsidiaries (the “Corporation”) (“Management”) the expected financial position, results of operations, and cash flows of the Corporation as of and for each of the five years ending December 31, 2027. Accordingly, the accompanying projection reflects Management’s judgment as of May 26, 2023, the date of this report, of the expected conditions and its course of action during the projection period assuming that the hypothetical assumptions defined below occur. However, even if the hypothetical assumptions stated below were to occur, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Management’s purpose in releasing this financial projection is for inclusion in the Corporation’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.

Basis of Presentation – The prospective consolidated financial statements included in the projection have been prepared 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 consolidated financial statements. The assumptions described are not all-inclusive.

Hypothetical Assumptions – A hypothetical assumption is an assumption used in a financial projection to present a condition or course of action that is not necessarily expected to occur, but is consistent with the purpose of the presentation. Hypothetical assumptions are not derived from sources, which are based upon supporting documentation such as contracts, agreements, or other empirical data. Management has prepared its financial projection assuming the following hypothetical assumptions:

- the Corporation’s newly constructed and yet to be constructed independent living units are successfully marketed and achieve and maintain projected occupancy levels; and
- construction, development, marketing, and other related costs for the new independent living units and dietary renovation at Givens Highland Farms occur in the assumed timeline and at the assumed costs.

Background of the Corporation – The Givens Estates, Inc., a non-profit, North Carolina corporation; Givens Highland Farms, LLC, a non-profit, North Carolina limited liability corporation; Givens Gerber Park II, LLC, a non-profit, North Carolina limited liability corporation; Givens Choice, LLC, a non-profit, North Carolina limited liability corporation; and Life Ministries Outreach, LLC, a non-profit, North Carolina limited liability corporation, were formed to own, operate, and support senior housing and continuing care retirement communities (“CCRCs”) committed to providing care and services to seniors within the communities in which they serve.

See Independent Accountants’ Compilation Report

Principles of Consolidation – The accompanying projected financial statements include the accounts of The Givens Estates, Inc., and its wholly owned subsidiaries: Givens Highland Farms, LLC (“Givens Highland Farms”); Life Ministries Outreach, LLC (“Life Ministries Outreach”); Givens Gerber Park II, LLC (“Givens Gerber Park II”), and Givens Choice, LLC (“Givens Choice”) collectively the “Corporation.”

Related Parties

The Corporation is an income beneficiary of the Marion Jackson Givens Trust, subject to the discretion of the trustee. Two board members are affiliated with the two law firms that serve as legal counsel for the Corporation.

The Corporation has funds invested with the United Methodist Foundation (“UMF”). The Chief Financial Officer of the Corporation serves on the UMF Investment Committee, and the Development Director of the Corporation serves on the board of the UMF.

During 2006, the Corporation was invited to work with the Southeastern Jurisdictional Administrative Council (“SEJAC”) and the Southeastern Methodist Association for Rehabilitation (“SEMAR”) in developing an affordable housing project for seniors in Haywood County. The project, the Great Laurels of Junaluska, is located on 6.3 acres across from the main entrance to Lake Junaluska Assembly and consists of 36 apartments funded through a grant from the U.S. Department of Housing and Urban Development (“HUD”), and 64 apartments funded primarily through tax credits. The President and Chief Executive Officer of the Corporation serves as President of the Great Laurels, Inc. and the Chief Financial Officer of the Corporation serves as Finance Director.

The Corporation is a member of Gerber Park of Asheville, LLC (49% interest). Gerber Park of Asheville, LLC is the managing member of Givens Gerber Park, LLC (.01% interest). The Corporation has entered into a lease with Givens Gerber Park, LLC, where the Corporation owns the land on which Givens Gerber Park, LLC is constructed. The Corporation leases this land to Givens Gerber Park, LLC for \$1 per year. This lease expires in 2065.

The Corporation is a managing member of Gerber Park of Asheville III, LLC (49% interest). Gerber Park of Asheville III, LLC is the managing member of Givens Gerber Park III, LLC (.01% interest). The Corporation has entered into a lease with Givens Gerber Park of Asheville III, LLC, where the Corporation owns the land on which Givens Gerber Park of Asheville III, LLC is constructed. The Corporation leases this land to Givens Gerber Park of Asheville III, LLC for \$1 per year. This lease expires in 2081.

See Independent Accountants’ Compilation Report

The Givens Estates

The Corporation owns and operates a CCRC known as Givens Estates (“Givens Estates”) in Asheville, North Carolina. Givens Estates is licensed as a CCRC by the North Carolina Department of Insurance and is affiliated with the Western North Carolina Conference of the United Methodist Church.

Givens Estates is located on an approximately 215-acre campus and currently consists of 341 independent living apartment units, 23 independent living villa units (the “Villas”), 126 independent living houses, duplex and cottage units, a 43-unit assisted living facility, a 60-bed health care facility, related common spaces, and a wellness center. The following table summarizes Givens Estates’ unit configuration, entrance fees (“Entrance Fees”), monthly service fees (“Monthly Service Fees”), and assumed occupancy throughout the projection period:

Table 1 The Givens Estates Unit Configuration, Assumed Occupancy, Weighted Average Entrance Fees & Weighted Average Monthly Service Fees				
Type of Unit	Total Units	Occupancy Percentage	Entrance Fees- 0% Refundable Plan ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	Monthly Service Fees ⁽¹⁾⁽²⁾
<i>Independent Living Units:</i>				
Apartments – Asbury Commons	52	92%	\$ 111,337	\$ 2,553
Apartments – Oxford Commons	137	97%	330,440	4,636
Apartments – Creekside	72	97%	408,750	4,794
Apartments – Friendship Park	80	98%	325,755	3,705
Villas	23	93%	129,778	2,704
Houses and Duplexes	67	96%	322,445	3,969
Cottages	59	96%	521,269	5,419
Total / Weighted Average	490	96%	\$ 330,395	\$ 4,199
Assisted Living Units	43	90%	\$ 5,000	\$ 6,892
Health Center beds	60	93%	N/A	12,435
Total Units / Beds	593	95%		

Source: Management

- (1) Entrance Fees and Monthly Service Fees indicated are the weighted averages of fees by unit type and are effective January 1, 2023.
- (2) The fees shown are for single residents and do not reflect the second person Entrance Fee of \$15,000 and the second person Monthly Service Fee that ranges by accommodation from \$888 to \$1,395.
- (3) Direct admit Residents of the Assisted Living Units pay a non-refundable refurbishment fee of \$5,000.
- (4) Management has assumed that approximately 98 percent of Residents would select the 0% Refundable Entrance Fee Plan, approximately one percent would select the 50 percent amortization plan and approximately one percent would select the 90 percent amortization plan.

See Independent Accountants’ Compilation Report

Givens Gerber Park II

Management formed Givens Gerber Park II, LLC as a subsidiary of the Corporation to own and operate Givens Gerber Park II, consisting of 60 one-bedroom and 22 two-bedroom apartments. Residents of Givens Gerber Park II pay a non-refundable Entrance Fee ranging from approximately \$6,500 to \$16,500 and a Monthly Service Fee ranging from \$1,534 to \$3,014 on a sliding scale based on income. The following table summarizes the Givens Gerber Park II unit configuration, approximate square footages, and Monthly Service Fees.

Table 2			
Givens Gerber Park II			
Unit Configuration			
Type of Unit	Total Units	Square Footage	Monthly Service Fees⁽¹⁾
<i>Apartments:</i>			
One Bedroom	60	750	\$ 1,534 – \$2,516
Two Bedroom	22	1,100	\$ 1,725 – \$3,014
Total/Weighted Average:	82	844	\$2,064

Source: Management

(1) Monthly Service Fees and Entrance Fees presented are effective January 1, 2023.

See Independent Accountants' Compilation Report

Givens Highland Farms

Givens Highland Farms is located on 75 acres of land in Black Mountain, North Carolina and currently consists of 80 residential garden apartments, 153 cluster homes, condominium units, and free-standing homes, 24 independent-plus apartment units, and 55 skilled nursing beds. The following table summarizes Givens Highland Farms unit configuration, Entrance Fees, Monthly Service Fees, and assumed occupancy throughout the projection period:

Table 3				
Givens Highland Farms				
Unit Configuration, Assumed Occupancy, Entrance Fees & Monthly Service Fees				
Type of Unit	Total Units	Occupancy Percentage	Entrance Fee- 0% Refundable Plan ⁽¹⁾⁽²⁾	Monthly Service Fees ⁽¹⁾
<i>Independent Living Units:</i>				
Apartments – Garden	80	94%	\$ 174,800	\$ 3,716
Apartments – Prentice Lodge	24	82%	112,200	4,431
Condominiums	32	97%	277,000	2,991
Cluster Homes	37	97%	245,300	2,613
Freestanding Homes	4	94%	371,000	2,714
Meadowmont	64	98%	331,400	2,862
Cottages	16	98%	387,800	4,485
Total / weighted average	257	95%	\$ 247,141	\$ 3,353
Skilled nursing beds	55	87%	N/A	\$ 10,706
Total / weighted average	312	94%		

Source: Management

- (1) The fees shown are for single residents and do not reflect the second person Entrance Fee of \$15,000 and the second person Monthly Service Fee that ranges by accommodation from \$837 to \$1,335.
- (2) Management has assumed that approximately 98 percent of Residents would select the 0% Refundable Entrance Fee Plan, approximately one percent would select the 50 percent amortization plan and approximately one percent would select the 90 percent amortization plan.
- (3) Entrance Fees and Monthly Service Fees shown are effective January 1, 2023.

See Independent Accountants' Compilation Report

The Brookside Apartments and Vista Ridge Cottages Project

Management has commenced an expansion project at Givens Highland Farms for the construction of 30 independent living apartments (the “Brookside Apartments”) and 36 independent living cottages (the “Vista Ridge Cottages”) and the renovation of the dining amenities (the “Dining Renovation”). The Brookside Apartments, Vista Ridge Cottages and the Dining Renovation are collectively defined as the “Givens Highland Farms Project.”

The following table summarizes the assumed timeline for construction and fill-up of the Givens Highland Farms Project:

Table 4
Given Highland Farms Project
Assumed Construction and Fill-Up Timeline

Event	Brookside Apartments Project	Vista Ridge Project	Dining Renovation
Construction commencement	March 2022	November 2022	March 2022
Complete construction	July 2023	June 2024	August 2023
Available for occupancy / utilization	August 2023	July 2024	September 2023
Achieve stabilized occupancy of 95%	October 2023	September 2024	Not Applicable

Source: Management

See Independent Accountants’ Compilation Report

The following table summarizes the Brookside Apartments and Vista Ridge Cottages unit configuration, approximate square footages, Entrance Fees, and Monthly Service Fees.

Table 5
Givens Highland Farms Project
The Brookside Apartments and Vista Ridge Cottages –
Unit Configuration, Entrance Fees, and Monthly Service Fees

Type of Unit	Total Units	Square Footage	Entrance Fees- Traditional Amortization Plan⁽¹⁾⁽²⁾⁽³⁾	Monthly Service Fees⁽¹⁾
<i>The Brookside Apartments:</i>				
One Bedroom	2	753	\$ 255,000	\$ 3,371
One Bedroom Plus	3	843	286,000	3,528
One Bedroom Expanded	2	877	298,000	3,591
One Bedroom with Den	7	933	323,000	3,717
One Bedroom with Den Expanded	3	1,024	356,000	3,905
Two Bedroom	2	1,186	414,000	4,094
Two Bedroom Expanded	6	1,270	447,000	4,189
Two Bedroom with Den	5	1,380	494,000	4,283
Total/Weighted Average	30	1,076	\$ 375,767	\$ 3,899
<i>The Vista Ridge Cottages:</i>				
One Bedroom	4	843	\$ 264,000	\$ 3,528
One Bedroom with Den	8	933	297,000	3,717
One bedroom with Den Expanded	8	1,024	328,000	3,905
Two Bedroom	4	1,186	381,000	4,094
Two Bedroom Split Suite	8	1,270	411,000	4,189
Two Bedroom with Den Expanded	4	1,464	482,000	4,378
Total/Weighted Average	36	1,105	\$ 355,444	\$ 3,958
Total/Weighted Average	66	1,092	\$ 364,682	\$ 3,931

Source: Management

(1) Monthly Service Fees and Entrance Fees are stated in 2023 dollars.

(2) The second person Monthly Service Fee and second person Entrance Fee is \$837 and \$15,000, respectively.

(3) For purposes of the projection, Management assumes new Residents of the Brookside Apartments and the Vista Ridge Cottages are to select the traditional plan.

See Independent Accountants' Compilation Report

Residency and Services Agreement – Givens Estates and Givens Highland Farms

Prior to taking occupancy of a selected Independent Living Unit at Givens Estates or Givens Highland Farms, a prospective resident shall execute a residency and services agreement (the “Residency and Services Agreement”). The terms of the Residency and Services Agreement require the Corporation accepts persons at least 55 years of age at the time of occupancy, who demonstrate the ability to live independently, and meet the financial obligations as a resident of Givens Estates or Givens Highland Farms (“Resident”).

Payment of the Entrance Fee and a Monthly Service Fee entitles the Resident to occupy the selected Independent Living Unit at Givens Estates or Givens Highland Farms and to receive the following services and amenities:

- Utilities, including telephone, cable, and internet services;
- Declining balance meal plan;
- Weekly housekeeping services;
- Interior unit and appliance maintenance;
- Maintenance of common area and the grounds;
- Use of common areas and wellness center;
- Uncovered parking;
- Scheduled transportation;
- 24-hour emergency response system; and
- Priority access to health care.

In addition to items included in the Monthly Service Fee, certain services are available to Residents at an additional cost. Optional services, including guest rooms, beauty and barber services, home care services, personal laundry or dry cleaning, special transportation, catering, guest meals, repairs of personal property, are available for an extra charge.

Termination by the Resident Prior to Occupancy

The Resident may cancel at any time and for any reason during the 30-day rescission period as defined in the Residency and Services Agreement (the “Rescission Period”) and shall receive a refund of any fees paid less a service charge. After the Rescission Period, the Resident may terminate the Residency and Services Agreement prior to moving into Givens Estates or Givens Highland Farms for any reason at any time before moving into Givens Estates or Givens Highland Farms by giving prior written notice. Under this circumstance, the Resident shall receive a refund of the 10% deposit, less a nonrefundable fee equal to the greater of one thousand dollars (\$1,000) or two percent (2%) of the total amount of the Entrance Fee after the Rescission Period.

Termination by the Resident After Occupancy

The Resident may terminate the Residency and Services Agreement after moving into Givens Estates or Givens Highland Farms by giving prior written notice of termination, which shall be effective and irrevocable upon delivery. If the Resident terminates the Residency and Services Agreement during the Rescission Period, but after occupancy, the Resident shall be liable for a service charge equal to the greater of one thousand dollars (\$1,000) or two percent (2%) of the total amount of the Entrance Fee. If the Resident terminates after the Rescission Period, they will receive a refund less i) periodic charges applicable only to the period the Resident actually occupied the Independent Living Unit; (ii) nonstandard costs incurred at the Resident's request, and (iii) nonrefundable Entrance Fees.

The Residency and Services Agreement shall automatically terminate upon death of the Resident (unless there is a surviving joint Resident).

Termination by the Corporation

The Corporation may terminate the Residency and Services Agreement for just cause to include: (i) breach of agreement; (ii) misrepresenting information in the admission process; (iii) failure to pay any charges; or (iv) violation of any reasonable procedures at Givens Estates or Givens Highland Farms.

Residents may reside in an Independent Living Unit for as long as he or she is capable of meeting the requirements of occupancy, in the opinion of the Corporation, after consultation with the Resident, the Resident's attending physician and/or the Corporation's appointed medical director. If the Resident is no longer able to meet the requirements of residing in the Independent Living Unit, higher levels of health care are provided in assisted living and skilled nursing.

Services Provided for the Assisted Living Beds

Residents of the assisted living beds receive three meals per day; assisted living and care services in accordance with the Resident's written plan of care; laundering of linens and bedding; housekeeping and maintenance; utilities, emergency call service; daily observation of Resident's general health, safety, physical and emotional well-being; scheduled transportation; social services; and planned recreational activities. The Resident is required to pay any additional charges for additional services and supplies that are not covered in the applicable base fees.

Services Provided for the Skilled Nursing Beds

Residents of the skilled nursing beds receive three meals per day; nursing care, personal care, or custodial care services in accordance with the Resident's written plan of care; laundered linens and bedding; housekeeping and maintenance; social services; and planned recreational activities. The Resident is required to pay any additional charges for services that are not covered in the applicable base fees for the skilled nursing beds.

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Givens Gerber Park II

Residents of Givens Gerber Park II pay a monthly rental fee based on the HUD Median Household Income for the Asheville Metro Area. All Givens Gerber Park II households shall complete an annual form to self-certify their current income and asset amounts. The following services are included in the Monthly Service Fee:

- laminate flooring in the kitchen, living room and hallway; carpeting in the bedroom(s); vinyl flooring in the bath(s); refrigerator with ice maker; stove; oven; microwave; hood vent; washer and dryer; and prewiring for telephone, cable TV and internet.
- common areas and amenities including a café, computers, library, fitness center, mailboxes, multi-purpose rooms, lounges, activity areas, beauty/barber shop, screened porch, gazebos, and raised garden beds.
- one lighted parking space per apartment.
- heating, air conditioning, electricity, water, sewer, trash removal, standard municipal services, basic cable television, high speed internet, and telephone services. Basic cable television service includes boxes for two televisions. Upgraded services are available at a cost to the Resident.
- a dining credit equal to \$145.00 (“Café Dollars”) to use in the Givens Gerber Park café.
- all groundskeeping services, including lawn, tree, and shrubbery care.
- maintain and repair improvements, furnishings, appliances, and equipment owned by the Corporation.
- smoke and carbon monoxide detectors in each residence, a fire alarm system, and an emergency call system.
- scheduled social, recreational, and health programs designed to meet residents’ interests.
- Other services and programs may be available at an additional expense, e.g., beauty salon services, repairs of personal property, and other special services from time to time.

Membership Services Agreement – Givens Choice*Givens Choice*

Givens Choice is a continuing care at home program that is owned and operated by the Corporation. Givens Choice began accepting members in March 2023. Givens Choice is designed to provide an option for seniors to age in their homes and access facility-based health care services as needed. All members of the Givens Choice program (“Members”) receive care coordination, a home inspection during the first year of membership and home- and facility-based services. Home-based services include home care, homemaker services, companion services, an emergency response system, adult day care, transportation, meals as necessary and referrals for additional services. Facility-based services include assisted living, memory care and nursing services.

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Members also have limited access to the facilities and programs at Givens Estates and Givens Highland Farms.

Members pay an initial fee and an ongoing monthly fee that is determined by the membership plan selected by the Member.

Prior to becoming a Member of the Givens Choice program, a prospective Member shall execute a membership services agreement (the “Membership Agreement”). The terms of the Membership Agreement require Members to be at least 60 years of age and maintain medical insurance. The Corporation encourages Members to complete an annual exam with a medical doctor.

Payment of the membership fee and a monthly fee entitles the Member to the following home-based services provided by the Givens Choice program:

- Care coordination;
- Personal wellness plan development;
- Biennial home inspection;
- Social and education activities;
- Home care aides;
- Companion/homemaker service;
- Delivered meals;
- Adult day care;
- Emergency response system;
- Annual physical exam; and
- Transportation.

Payment of the membership fee and a monthly fee entitles the Member to the following facility-based services provided at Givens Estates:

- Assisted living care in a private room;
- Memory support care in a semi-private room; and
- Skilled nursing care in a semi-private room.

Members can select from three levels of membership – Platinum, Gold and Silver. All three plans cover 100% of the cost of care coordination, personal wellness plan development, biennial home inspection, social and educational activities, emergency response system, annual physical exam, and transportation. The Gold and Silver plan require a 20 percent and a 50 percent co-pay, respectively, for all other services provided by the Givens Choice program.

Termination During the Recission Period

The Membership Agreement may be terminated by the Member by giving written notice within seven days of the date of execution (the “Recission Period”) for a full refund of the membership fee.

Termination After the Recission Period

After the Rescission Period, the Membership Agreement may be terminated by the Member by giving at least 30 days written notice. Any refund of the membership fee will be provided based on the care received by the Member. In the first 90 days of membership (the “Adjustment Period”), the initial fee will be refunded less the actual cost incurred by the Corporation to maintain the Member’s care in assisted living, memory care or skilled nursing.

After the Adjustment Period, the refund of the initial fee will be calculated as follows:

- A two percent decrease for each month of home-based services;
- A three percent decrease for each month spent in assisted living or memory care; and
- A four percent decrease for each month spent in skilled nursing care.

Any refund of the initial fee will be refunded to the Member within 60 days of the request to terminate the Membership Agreement. If the Member becomes a permanent resident of assisted living, memory care and/or skilled nursing, no refund of the initial fee will be paid to the Member.

Summary of Significant Accounting Policies

Basis of Accounting – The Corporation maintains its accounting and financial records according to the accrual basis of accounting.

Use of Estimates – The preparation of prospective financial statements in accordance with accounting principles generally accepted in the United States of America requires Management to make estimates and assumptions that affect the amounts reported in the prospective financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents – Cash and cash equivalents includes cash on hand, amounts on deposit in banks and highly liquid debt instruments with a maturity of 90 days or less when purchased, excluding amounts whose use is limited.

Restricted Cash – The Corporation has adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU” No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end of period total amounts shown on the projected consolidated statements of cash flows.

Assets Limited as to Use – These assets include assets set aside by the Board of Directors (the “Board”) to provide supplemental assistance to residents for payment of the residents’ initial contribution and monthly rentals for the life occupancy residential complex, over which the Board retains control and may at its discretion subsequently use for other purposes. Assets limited as to use also include amounts held by a trustee that are limited as to use in accordance with the bond order and resident funds.

North Carolina General Statute Section 58-64-33 requires CCRCs to maintain an operating reserve equal to 50 percent of the total operating expenses (adjusted for non-cash items) in a given year, or 25 percent of such total operating expenses (adjusted for non-cash items) if independent and assisted living occupancy exceeds 90 percent.

Accounts Receivable – Accounts receivable arise from the sale of residential and healthcare services and products, for which the Corporation grants credit on an unsecured basis. Accounts are considered past due after 30 days. The Corporation estimates allowance for doubtful accounts by evaluating the collectability of accounts greater than 120 days past due. Once a charge has been determined to be uncollectible, it is charged-off.

Contributions Receivable – Contributions receivable include unconditional promises of cash, charitable remainder unitrusts, and charitable gift annuities. The charitable remainder unitrusts and charitable gift annuities are held in trust by another organization. Upon the death of the donors, the remaining investment will be transferred to the Corporation. The balance is net of projected allowances for doubtful accounts and discounts for present value.

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Investments – Investments include cash and cash equivalents, common stock, comingled funds, corporate and government bonds, government securities, money market funds and a fixed income fund. Investments in equity securities with readily determinable fair value and all investments in debt securities are measured at fair value based on quoted market prices in the consolidate balance sheet. For purposes of the projection, Management has not projected realized or unrealized gains or losses on investments.

Property and Equipment – Property and equipment is stated at cost or at fair value at date of donation. The Corporation capitalizes all assets over \$1,000 and depreciates them using the straight-line method over their estimated useful lives as follows:

Land improvements	10 – 20 years
Buildings	40 years
Furniture and equipment	5 – 10 years
Vehicles	3 – 5 years

Expenditures for repairs and maintenance are charged to expenses as incurred. The costs of major renewals and betterments are capitalized and depreciated over their estimated useful lives. Upon disposition of equipment, the asset and related accumulated depreciation accounts are relieved, and any related gain or loss is credited or charged to non-operating gains or losses. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Buildings for Givens Highland Farms include condominiums, cluster homes (which are groups of individual residences connected by adjoining walls), houses (collectively referred to as “housing units”), and rental property. Givens Highland Farms’ contracts with the residents provide that either upon death or at the resident’s option, Givens Highland Farms has the option to purchase; and the resident or his estate must sell the housing unit at a specified price. It is the intention of Givens Highland Farms to always choose the option to repurchase the housing units and once repurchased to not resale them. The repurchase price (the “Repurchase Obligation”) is 94% of the resident’s original purchase price, reduced 3% per year for each year beyond the first year that the resident occupies the unit. The minimum repurchase price after seven years of occupancy is 76% of the original purchase price. There are currently 22 housing units remaining to be repurchased by Givens Highland Farms.

Intangible Asset – In connection with the recording of the assets and liabilities as part of the purchase of Highland Farms, intangibles of \$15,440,665 were recorded with this transaction. Givens Highland Farms obtained approximately \$14,800,000 of deferred revenue and refundable entrance fee contracts. The projected net future cash flows to be generated from these resident contracts are recorded as an intangible asset and are being amortized over the average life expectancy of those residents, or approximately 8 years. The remainder has been recorded as goodwill. In 2019, the Corporation began amortizing goodwill over the average life expectancy of those residents whose contracts the goodwill was based, or approximately 6.5 years. The intangible asset is assumed to be fully amortized in 2025.

Deferred Costs – Deferred financing costs associated with the issuance of debt is capitalized and amortized over the expected life of the debt instrument using the effective interest method. The debt issuance costs are netted against the related debt on the consolidated projected balance sheet and the amortization is included in interest expense on the consolidated projected statement of operations.

Resident Refunds Payable – Resident refunds payable include estimated Entrance Fee refunds due to Residents that have the 50 percent, 75 percent, or 90 percent refundable contracts. The Corporation's contract stipulates that the Entrance Fee is refundable within two years of vacancy or when a replacement occupant has been secured, whichever is sooner. Refunds are made within 30 days for Givens Highland Farms apartment contracts and within 120 days for Givens Highland Farms cluster homes, condominium units or free-standing homes signed before December 1, 2012. Based on historical experience, the estimated amount of the Resident refunds that are expected to be refunded in a subsequent year are classified as a current liability on the consolidated projected balance sheet.

Deferred Revenue from Entrance Fees – In exchange for an Entrance Fee, residents are granted a lifetime occupancy interest in the residential unit. The Entrance Fee will vary due to the size of the residence and the contract option selected by the Resident. The nonrefundable portion of the Entrance Fee paid by a Resident upon entering into a lifetime occupancy contract is recorded as deferred revenue. In 2008, Givens Estates began offering three types of contracts: a 90 percent refundable option, under which the refund declines to 90 percent over a three-month period; a zero percent refund option, under which the refund declines to zero percent over a four-year period; and a 50 percent refundable option, under which the refund declines to 50 percent over a two-year period.

In 2017, Givens Highland Farms began offering three types of contracts: a 90 percent refundable option, under which the refund declines to 90 percent over a three-month period; a zero percent refund option, under which the refund declines to zero percent over a four-year period; and a 50 percent refundable option, under which the refund declines to 50 percent over a two-year period. Prior to 2017, Givens Highland Farms offered two types of contracts for the apartments and the lodge: a 50 percent refundable option, with the refund declining to 50 percent over a 23-month period; or a zero percent refund option, with the refund declining to zero percent over a 46-month period. In 2014, Givens Highland Farms began offering a 75 percent refundable contract option

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for the cluster homes, condominiums and homes with the refund declining to 75 percent over an 11-month period. In addition, the initial contracts for the Meadowmont homes and the Cottages are 75% refundable contracts.

The nonrefundable portion of the Givens Highland Farms Repurchase Obligation that is not required to be paid back to the resident (of original purchase price) is recorded as part of deferred revenue from Entrance Fees. Revenue is recognized each year to the extent that Givens Highland Farms' repurchase obligation is reduced over the estimated average life expectancy of the resident. The non-refundable portion of deferred revenue is amortized to income using the straight-line method over the estimated remaining life expectancy of the resident, adjusted annually.

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

Advance Admission Deposits – For existing units, the Corporation collects an initial deposit on unoccupied units. Once the unit becomes occupied, these fees are transferred to deferred revenue.

Net Assets – The Corporation reports its net assets using the following classes; net assets without donor restrictions and net assets with donor restrictions depending on the presence and type of donor-imposed restrictions limiting the Corporation's ability to use or dispose of specific contributed assets or the economic benefits embodied in those assets. Net assets without donor restrictions include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by Board designation. Net assets with donor restrictions are those net assets whose use by the Corporation has been limited by donors (a) to later periods of time or after specified dates or (b) to specified purposes.

Contributions and Donor-Imposed Restrictions – All contributions are considered to be available without restrictions unless specifically restricted by the donor. The Corporation reports gifts of cash and other assets as restricted contributions 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 purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of operations as net assets released from restriction.

Concentration of Credit Risk – Financial instruments that potentially subject the Corporation to concentration of credit risk consist principally of cash, accounts receivable and investments. The Corporation maintains its cash in bank accounts which, at times, may exceed federally depository insurance (FDIC) limits. Management believes the credit risk associated with these deposits is minimal.

Long-Term Care and Assisted Living Revenue – Long-term care and assisted living revenue represents the estimated net realizable amounts from residents, third-party payors, and others for services rendered while in the long-term care or assisted living units. It also includes estimated retroactive revenue adjustments due to future audits, review, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. Historically such adjustments for the Corporation have been immaterial in relation to the financial statements taken as a whole. Revenues under third-party payor agreements are subject to examination and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the amounts accrued and subsequent settlements are recorded in operations in the year of settlement.

Residential Revenue – In addition to the amortization of deferred revenue as described above, the residents are also subject to a continuing Monthly Service Fee, which varies with the type of unit and with the level of health care the resident receives. The Monthly Service Fee can be changed from time to time, as deemed necessary by the Corporation, with 30 days written notice to residents.

Income Taxes – The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. For purposes of the projection, the Corporation has assumed no material unrecognized tax benefits or obligations during the projection period.

Benevolent Assistance – The Corporation has a policy of providing benevolent assistance to residents who are unable to pay the full cost of care and services. Such residents are identified based on financial information obtained from the resident and subsequent review and analysis. Since the Corporation does not expect to collect the normal charges for services provided, charges for benevolent assistance are not included in revenue.

Revenue Recognition – The Corporation generates revenues, primarily by providing housing and health services to its residents. The following streams of revenue are recognized as follows:

Monthly Service Fees – The contracts that Residents select require an Entrance Fee and Monthly Service Fees based upon the type of accommodation with which the Residents are applying. Resident fee revenue for recurring and routine monthly services is generally billed monthly in advance. Payment terms are usually due within 30 days. The services provided encompass social, recreational, dining along with other services and these performance obligations are earned each month. Under Accounting Standards Codification (“ASC”) Topic 606, Management has determined that the performance obligation for the standing obligation to provide the appropriate services is the predominate component and does not contain a lease component under ASC Topic 842. Resident fee revenue for non-routine or additional services are billed monthly in arrears and recognized when the service is provided.

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Entrance Fees – Non-refundable Entrance Fees are recognized as deferred revenue upon receipt of the payment and included in liabilities in the consolidated balance sheets until the performance obligations are satisfied. The refundable portion of an Entrance Fee is not considered part of the transaction price and as such is recorded as a liability in the consolidated balance sheets. Additionally, Management has determined the contracts do not contain a significant financing component as the advanced payment assures Residents access to services in the future. These deferred amounts are then amortized on a straight-line basis into revenue on a monthly basis over the life of the Resident as the performance obligation is the material right associated with access to future services as described in FASB ASC 606-10-55 paragraph 42 and 51.

Health care services – The Corporation provides assisted and nursing care to Residents that are covered by government and commercial payers. Otherwise, these Residents pay a per diem rate that is generally billed monthly in advance. The Corporation is paid fixed daily rates from government and commercial payers. The per diem daily rates and other fees billed to government and commercial payers are billed in arrears monthly. The monthly fees and daily fees represent the most likely amount to be received from ^{the} 3rd party payors. Most rates are predetermined from Medicare and Medicaid.

Summary of Significant Consolidated Statement of Operations Assumptions

Long-Term Care and Assisted Living Revenue – Management assumes long-term care revenue and assisted living revenues at Givens Estates to increase approximately 3.4 percent annually.

Residential Revenue – Management assumes residential revenues at Givens Estates and Givens Highland Farms to increase approximately 3.4 percent annually and residential revenues at Gerber Park II to increase approximately 3.0 percent annually throughout the projection period.

Member Revenue – Management assumes member revenues at Givens Choice to increase approximately 4.0 percent annually throughout the projection period.

Operating Expenses – Management assumes operating expenses at Givens Estates and Givens Highland Farms to increase approximately 3.4 percent annually and 3.0 percent annually at Givens Gerber Park II and Givens Choice.

Earnings on Investments, Debt Service Fund, Operating Reserve and Excess Cash – Earnings on investments, operating reserve, and excess cash available are assumed to be approximately 2.0 percent throughout the projection period.

Contributions and Bequests – Management assumes contributions and bequests without donor restrictions to Givens Estates, Gerber Park II, and Life Ministries Outreach to increase approximately 3.0 percent annually throughout the projection period.

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Summary of Significant Consolidated Balance Sheet Assumptions

Current Assets and Current Liabilities – Operating revenue, as used below, includes long-term care revenue, residential revenue, assisted living revenue and residential food service revenue. Operating expenses exclude amortization, depreciation, and interest expense. Management has assumed the following working capital components based on the Corporation's historical trends:

Table 6		
Working Capital – Days on Hand		
Accounts receivable, net	30	days of resident revenues
Other receivables	281	days of resident revenues
Prepaid expenses and inventory	9	days of operating expenses
Accounts payable	64	days of operating expenses
Other accrued liabilities	12	days of operating expenses

Source: Management

Assets Limited as to Use – Management assumes assets limited as to use, other than the Givens Estates and Given-Highland Farms statutory operating reserves, to be as follows during the projection period:

Table 7					
Assets Limited as to Use – Other					
(in thousands of dollars)					
	2023	2024	2025	2026	2027
Board designated:					
Assistance endowment ⁽¹⁾	\$ 5,231	\$ 5,440	\$ 5,658	\$ 5,884	\$ 6,120
Agency funds	21	21	21	21	21
Project funds	4,296	–	–	–	–
Assistance endowment ⁽²⁾	700	700	700	700	700
Total – other	10,248	6,161	6,379	6,605	6,841
Less current portion	(2,638)	(2,743)	(2,852)	(2,965)	(3,083)
Assets limited as to use,					
Less current portion – other	\$ 7,610	\$ 3,418	\$ 3,527	\$ 3,640	\$ 3,758

Source: Management

(1) Assistance endowment funds for Givens Estates.

(2) Assistance endowment funds for Givens Highland Farms.

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Management assumes the statutory operating reserve requirement to be 25 percent of each year's operating expenses (adjusted for non-cash items) based on an assumed independent and assisted living occupancy rate in excess of ninety percent (90%) throughout the projection period.

Property and Equipment – Management assumes disposal of property and equipment and capital additions as follows:

Table 8
Schedule of Property and Equipment
(in thousands of dollars)

	2023	2024	2025	2026	2027
Beginning balance	\$ 287,212	\$ 323,232	\$ 335,245	\$ 337,766	\$ 340,287
Capital additions–GHF Project ⁽¹⁾	29,457	10,243	–	–	–
Routine Capital additions	6,563	1,770	2,521	2,521	2,522
Total capital costs	323,232	335,245	337,766	340,287	342,809
Less accumulated depreciation	(93,809)	(102,547)	(111,666)	(120,971)	(130,023)
Property and equipment, net	\$ 229,423	\$ 232,698	\$ 226,100	\$ 219,316	\$ 212,786

Source: Management

(1) Includes interest costs capitalized during construction.

Long-Term Debt – Management assumes long-term debt to consist of the following:

Table 9
Schedule of Long-Term Debt
(in thousands of dollars)

Balances on December 31,	2023	2024	2025	2026	2027
Bank Loan	10,238	9,757	9,245	8,703	8,126
Gerber Bank Loan	5,932	5,604	5,276	4,948	4,620
Series 2017 Bonds ⁽¹⁾	33,713	30,577	27,363	24,057	20,672
Series 2021 Bonds ⁽²⁾	53,077	52,948	52,813	52,676	52,533
Long-term debt	102,960	98,886	94,697	90,384	85,951
Less current portion	(3,970)	(4,079)	(4,200)	(4,314)	(4,445)
Long-term debt, net	\$ 98,990	\$ 94,807	\$ 90,497	\$86,070	\$ 81,506

Source: Management

(1) Includes deferred financing cost, net of amortization.

(2) Includes original issue premium and deferred financing costs, net of amortization.

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Bank Loan

On December 1, 2012, the Corporation purchased the assets of Highland Farms, Inc. and Mirafel, LLC, a taxable entity. The purchase and capital additions have been financed with proceeds from a bank loan (the “Bank Loan”). The Bank Loan has a 30-year amortization with a variable rate of 1.2 percent over the term SOFR for a one-month tenor that matures November 2029. For purposes of the projection, the interest rate is assumed to be 6 percent. As of December 31, 2022, the balance of the Bank Loan was approximately \$10,694,000. The following table shows the principal and interest payments for the Bank Loan:

Table 10			
Bank Loan Schedule of Principal and Interest Payments			
(in thousands of dollars)			
Year Ending December 31,	Principal	Interest	Total Payments
2023	\$ 454	\$ 629	\$ 1,083
2024	482	601	1,083
2025	511	572	1,083
2026	543	540	1,083
2027	576	507	1,083
Thereafter	8,128	2,701	10,829
Total	\$ 10,694	\$ 5,550	\$ 16,244

Source: Management

Gerber Bank Loan

Construction costs for Givens Gerber Park II were funded with a bank loan (the “Gerber Bank Loan”), which commenced in April 2018. The Gerber Bank Loan was converted from a construction loan to permanent debt effective April 2018 with a swap, which fixed the interest rate of 3.88 percent per annum. As of December 31, 2022, the balance of the Gerber Bank Loan was approximately \$6,260,000. The following table shows the assumed principal and interest payments for the Gerber Bank Loan:

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Table 11
Gerber II Bank Loan Schedule of Principal and Interest Payments
(in thousands of dollars)

Year Ending December 31,	Principal	Interest	Total Payments
2023	\$ 328	\$ 236	\$ 564
2024	328	224	552
2025	328	211	539
2026	328	198	526
2027	328	185	513
Thereafter	4,620	1,256	5,876
Total	\$ 6,260	\$ 2,310	\$ 8,570

Source: Management

Series 2017 Bonds

In April 2017, \$52,980,000 of Public Finance Authority Retirement Facilities Revenue Refunding Bonds Series 2017 (the “Series 2017 Bonds”) were issued. Interest on the Series 2017 Bonds is payable monthly at 2.84 percent with a final maturity on July 1, 2033. As of December 31, 2022, the balance of the Series 2017 Bonds was approximately \$36,990,000. The following table shows the principal and interest payments for the Series 2017 Bonds:

Table 12
Series 2017 Refunding Bonds Schedule of Principal and Interest Payments
(in thousands of dollars)

Year Ending December 31,	Principal	Interest	Total Payments
2023	\$ 3,080	\$ 1,017	\$ 4,097
2024	3,160	930	4,090
2025	3,240	835	4,075
2026	3,330	740	4,070
2027	3,410	643	4,053
Thereafter	20,770	580	21,350
Total	\$ 36,990	\$ 4,745	\$ 41,735

Source: Management

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Series 2021 Bonds

Construction costs for the Givens Highland Farms Project was funded with \$48,620,000 of Public Finance Authority Retirement Facilities Revenue Bonds Series 2021 (the “Series 2021 Bonds”). Interest on the Series 2021 Bonds is payable at 4.0 percent per annum. Principal is payable annually, commencing on December 1, 2034 with a final maturity on December 1, 2056. As of December 31, 2022, the balance of the Series 2021 Bonds was approximately \$48,620,000. The following table shows the assumed principal and interest payments for the Series 2021 Bonds:

Table 13
Series 2021 Bonds Schedule of Principal and Interest Payments
(in thousands of dollars)

Year Ending December 31,	Principal	Interest	Total Payments
2023	\$ —	\$ 1,816	\$ 1,816
2024	—	1,811	1,811
2025	—	1,806	1,806
2026	—	1,802	1,802
2027	—	1,797	1,797
Thereafter	48,620	45,548	94,168
Total	\$ 48,620	\$ 54,580	\$ 103,200

Source: Management

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Deferred Revenue from Entrance Fees – Management assumes that Entrance Fees will increase approximately 3.0 percent annually depending on unit type.

The assumed turnover of the independent living units for Givens Estates, Givens Highland Farms and Givens Gerber Park II and initial Entrance Fees received for the Brookside Apartments and the Vista Ridge Cottages are presented in the following table:

Table 14				
Schedule of Entrance Fees Received – Independent Living Units				
Year Ending December 31,	Brookside Apartments Initial Entrance Fees	Vista Ridge Cottages Initial Entrance Fees	Attrition Entrance Fees	Total
2023	30	—	64	94
2024	—	36	64	100
2025	—	—	64	64
2026	—	—	66	66
2027	—	—	66	66

Source: Management



191 Peachtree Street NE, Suite 2700 / Atlanta, GA 30303

P 404.575.8900 / F 404.575.8870

forvis.com

INDEPENDENT ACCOUNTANTS' REPORT ON SUPPLEMENTAL INFORMATION

The Board of Directors
The Givens Estates, Inc. and Subsidiaries
Asheville, North Carolina

We have compiled the accompanying consolidated projected balance sheets and related projected consolidated statements of operations, changes in net assets and cash flows of Givens Estates, Inc. and Subsidiaries, as of and for the each of the five years ending December 31, 2027, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

The projected balance sheets and related projected statements of operations, changes in net assets and cash flows of The Givens Estates, Inc., Givens Highland Farms, LLC, Givens Gerber Park II, LLC, Givens Choice, LLC and Life Ministries Outreach, LLC are presented for purposes of additional analysis and are not a required part of the consolidated projected financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated projected financial statements.

FORVIS, LLP

Atlanta, Georgia
May 26, 2023

The Givens Estates, Inc.

Projected Statements of Operations For Each of the Five Years Ending December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
Revenues, gains and other support:					
Amortization of entrance fees	\$ 9,815	\$ 9,857	\$ 9,872	\$ 9,912	\$ 10,019
Residential revenue	21,198	22,033	22,862	23,718	24,606
Assisted living revenue	4,095	3,905	4,023	4,145	4,270
Long-term care revenue	9,013	9,066	9,264	9,465	9,676
Residential food service revenue	2,317	2,318	2,323	2,329	2,334
Contributions and bequests	1,175	1,210	1,247	1,284	1,323
Net assets released from restrictions-operations	455	468	482	497	512
Other revenue	2,437	2,748	2,814	2,882	2,952
Investment income	2,020	2,092	2,376	2,674	2,994
Total revenues, gains and other support	52,525	53,697	55,263	56,906	58,686
Expenses:					
Administration	1,425	1,568	1,615	1,663	1,713
Assisted living	1,935	1,993	2,053	2,114	2,178
Long-term care	4,930	5,128	5,307	5,493	5,685
Home care	781	804	828	853	879
Maintenance	5,262	5,520	5,685	5,856	6,032
Dining services	4,810	4,979	5,129	5,283	5,441
Housekeeping	2,866	2,951	3,040	3,131	3,225
Laundry	20	20	21	21	22
Resident services	1,538	1,585	1,633	1,681	1,732
Utilities	2,788	2,949	3,067	3,190	3,318
Outreach	794	817	842	867	893
Bad debts	40	41	42	44	45
Management fees	5,227	5,383	5,545	5,711	5,882
Insurance	413	425	438	451	465
Depreciation	6,300	6,017	5,861	5,813	5,650
Interest	1,057	1,155	1,059	964	865
Total expenses	40,186	41,335	42,165	43,135	44,025
Operating income	12,339	12,362	13,098	13,771	14,661
Net assets released from restrictions-capital projects	20	20	20	20	20
Change in net assets without donor restrictions	\$ 12,359	\$ 12,382	\$ 13,118	\$ 13,791	\$ 14,681

Supplemental Disclosure

The Givens Estates, Inc.

Projected Statements of Changes in Net Assets
For Each of the Five Years Ending December 31,
(in thousands of dollars)

	2023	2024	2025	2026	2027
Net assets without donor restrictions:					
Operating income	\$ 12,339	\$ 12,362	\$ 13,098	\$ 13,771	\$ 14,661
Net assets released from restrictions-capital projects	20	20	20	20	20
Change in net assets without donor restrictions	12,359	12,382	13,118	13,791	14,681
Net assets with donor restrictions:					
Contributions	441	488	502	517	532
Net assets released from restrictions	(475)	(488)	(502)	(517)	(532)
Change in net assets with donor restrictions	(34)	-	-	-	-
Change in net assets	12,325	12,382	13,118	13,791	14,681
Net assets, beginning of year	93,411	105,736	118,118	131,236	145,027
Net assets, end of year	\$ 105,736	\$ 118,118	\$ 131,236	\$ 145,027	\$ 159,708

Supplemental Disclosure

The Givens Estates, Inc.

Projected Statements of Cash Flows For Each of the Five Years Ending December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
Cash flows from operating activities:					
Change in net assets	\$ 12,325	\$ 12,382	\$ 13,118	\$ 13,791	\$ 14,681
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Amortization of entrance fees	(9,815)	(9,857)	(9,872)	(9,912)	(10,019)
Depreciation	6,300	6,017	5,861	5,813	5,650
Amortization of deferred financing costs	9	9	8	8	7
Bad debts	40	41	42	44	45
Contributions restricted for capital projects					
Proceeds from entrance fees - routine turnover, non-refundable portion	10,706	11,019	11,342	12,235	12,594
Net change in working capital:					
Change in receivables and prepaid expenses	418	(420)	(220)	(227)	(234)
Change in accounts payable, other accrued liabilities, and payroll accruals	647	203	163	165	167
Net cash provided by operating activities	20,630	19,394	20,442	21,917	22,891
Cash flows from investing activities:					
Capital additions	(4,000)	(750)	(1,500)	(1,500)	(1,500)
Change in investments	(17,178)	(13,724)	(14,009)	(15,288)	(16,124)
Change in assets limited as to use:					
Operating reserve-Givens Estates	(1,070)	(379)	(266)	(277)	(283)
Other	237	(104)	(109)	(113)	(118)
Investment in LLCs	(235)	(241)	(248)	(255)	(263)
Net cash used by investing activities	(22,246)	(15,198)	(16,132)	(17,433)	(18,288)
Cash flows from financing activities:					
Proceeds from entrance fees - routine turnover, refundable portion	3,155	3,248	3,343	3,606	3,711
Principal payments-Series 2017 Bonds	(3,080)	(3,160)	(3,240)	(3,330)	(3,410)
Payment of refundable entrance fees	(4,057)	(4,179)	(4,304)	(4,647)	(4,786)
Net cash provided (used) by financing activities	(3,982)	(4,091)	(4,201)	(4,371)	(4,485)
Change in cash, cash equivalents and restricted cash	(5,598)	105	109	113	118
Cash, cash equivalents and restricted cash, beginning of year	11,231	5,633	5,738	5,847	5,960
Cash, cash equivalents and restricted cash, end of year	\$ 5,633	\$ 5,738	\$ 5,847	\$ 5,960	\$ 6,078
Cash and cash equivalents and restricted cash reconciliation:					
Cash and cash equivalents	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Assets limited as to use, current portion	2,633	2,738	2,847	2,960	3,078
Total cash and cash equivalents and restricted cash	\$ 5,633	\$ 5,738	\$ 5,847	\$ 5,960	\$ 6,078

Supplemental Disclosure

The Givens Estates, Inc.

Projected Balance Sheets At December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
<u>Assets</u>					
Current assets:					
Cash and cash equivalents	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Assets limited as to use, current portion	2,633	2,738	2,847	2,960	3,078
Accounts receivable, net	2,809	2,863	2,951	3,042	3,137
Other receivables	2,284	2,576	2,637	2,700	2,766
Contributions receivable, current portion	25	25	25	25	25
Prepaid expenses	809	842	871	900	928
Total current assets	11,560	12,044	12,331	12,627	12,934
Non-current assets:					
Property and equipment, net	135,215	129,948	125,587	121,275	117,124
Investments	85,323	99,047	113,056	128,344	144,468
Assets limited as to use, less current portion:					
Operating reserve-Givens Estates	9,239	9,618	9,884	10,161	10,444
Other	2,614	2,718	2,827	2,940	3,058
Contributions receivable, net of current portion	50	50	50	50	50
Other assets	613	613	613	613	613
Due from affiliates	5,099	5,340	5,588	5,843	6,106
Total assets	\$ 249,713	\$ 259,378	\$ 269,936	\$ 281,853	\$ 294,797
<u>Liabilities and Net Assets</u>					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 5,113	\$ 5,327	\$ 5,498	\$ 5,673	\$ 5,850
Interest payable	82	74	66	58	50
Agency funds	16	16	16	16	16
Resident refunds payable	4,230	4,240	4,262	4,317	4,382
Current portion of long-term debt	3,160	3,240	3,329	3,410	3,505
Total current liabilities	12,601	12,897	13,171	13,474	13,803
Long-term liabilities:					
Long-term debt, net of current portion and deferred financing cost	36,903	33,672	30,350	26,948	23,450
Refundable entrance fees, net of current portion	18,006	18,048	18,142	18,378	18,655
Deferred revenue from entrance fees	75,450	75,626	76,020	77,009	78,164
Advance admission deposits	1,017	1,017	1,017	1,017	1,017
Total liabilities	143,977	141,260	138,700	136,826	135,089
Net assets					
Without donor restrictions	96,018	108,400	121,518	135,309	149,990
With donor restrictions	9,718	9,718	9,718	9,718	9,718
Total net assets	105,736	118,118	131,236	145,027	159,708
Total liabilities and net assets	\$ 249,713	\$ 259,378	\$ 269,936	\$ 281,853	\$ 294,797

Supplemental Disclosure

Givens Highland Farms, LLC.

Projected Statements of Operations For Each of the Five Years Ending December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
Revenues, gains and other support:					
Amortization of entrance fees	\$ 2,347	\$ 3,603	\$ 3,966	\$ 3,949	\$ 3,931
Residential revenue	8,713	10,177	11,433	11,721	12,018
Long-term care revenue	6,601	6,649	6,799	6,954	7,115
Residential food service revenue	1,181	1,333	1,441	1,442	1,444
Other revenue	425	488	527	532	537
Investment income	98	100	103	106	110
Total revenues, gains and other support	19,365	22,350	24,269	24,704	25,155
Expenses:					
Administration	831	855	880	905	931
Skilled nursing	4,437	4,592	4,752	4,919	5,091
Maintenance	2,775	2,883	3,089	3,182	3,278
Dining services	2,494	2,594	2,721	2,803	2,887
Housekeeping	906	957	1,035	1,065	1,096
Laundry	88	91	93	96	99
Resident services	734	755	777	800	823
Utilities	1,170	1,230	1,442	1,485	1,530
Outreach	142	149	156	164	172
Bad debts	35	36	37	38	39
Management fees	2,094	2,156	2,221	2,288	2,356
Insurance	295	319	329	338	349
Depreciation	2,302	2,412	2,949	3,185	3,093
Amortization of intangible assets	910	910	455	-	-
Interest	409	2,111	2,075	2,038	1,998
Total expenses	19,622	22,050	23,011	23,306	23,742
Operating income (loss)	\$ (257)	\$ 300	\$ 1,258	\$ 1,398	\$ 1,413
Non-operating income (loss):					
Net assets released from restrictions-capital projects	-	-	-	-	-
Total non-operating income	-	-	-	-	-
Change in net deficit without donor restrictions	\$ (257)	\$ 300	\$ 1,258	\$ 1,398	\$ 1,413

Supplemental Disclosure

Givens Highland Farms, LLC.

Projected Statements of Changes in Net Deficits For Each of the Five Years Ending December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
Net deficit without donor restrictions					
Operating income	\$ (257)	\$ 300	\$ 1,258	\$ 1,398	\$ 1,413
Net assets released from restrictions-capital projects	-	-	-	-	-
Change in net deficit without donor restrictions	(257)	300	1,258	1,398	1,413
Net assets with donor restrictions:					
Change in net assets with donor restrictions	-	-	-	-	-
Change in net deficit	\$ (257)	\$ 300	\$ 1,258	\$ 1,398	\$ 1,413
Net deficit, beginning of year	\$ (14,275)	\$ (14,532)	\$ (14,232)	\$ (12,974)	\$ (11,576)
Net deficit, end of year	\$ (14,532)	\$ (14,232)	\$ (12,974)	\$ (11,576)	\$ (10,163)

Supplemental Disclosure

Givens Highland Farms, LLC.

Projected Statements of Cash Flows For Each of the Five Years Ending December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
Cash flows from operating activities:					
Change in net deficit	\$ (257)	\$ 300	\$ 1,258	\$ 1,398	\$ 1,413
Adjustments to reconcile net income to net cash provided by operating activities:					
Amortization of entrance fees	(2,347)	(3,603)	(3,966)	(3,949)	(3,931)
Depreciation	2,302	2,412	2,949	3,185	3,093
Amortization of intangible assets	910	910	455	-	-
Amortization of deferred financing costs	18	19	20	20	21
Amortization of original issue premium	(137)	(132)	(137)	(141)	(146)
Bad debts	35	36	37	38	39
Proceeds from entrance fees - routine turnover, non-refundable portion	2,000	2,000	2,000	2,000	2,000
Net change in working capital:					
Change in receivables and prepaid expenses	657	(220)	(213)	(101)	(106)
Change in accounts payable, other accrued liabilities, and payroll accruals	(118)	(1,792)	310	186	191
Net cash provided by operating activities	3,063	(70)	2,713	2,636	2,574
Cash flows from investing activities:					
Property and equipment purchases					
Capital additions	(32,000)	(11,243)	(1,000)	(1,000)	(1,000)
Change in investments	(14,903)	(5,058)	(217)	(199)	(99)
Change in assets limited as to use:					
Operating reserve-Givens Highland Farms	(150)	(586)	(228)	(137)	(142)
Net cash used by investing activities	(47,053)	(16,887)	(1,445)	(1,336)	(1,241)
Cash flows from financing activities:					
Proceeds from entrance fees - routine turnover, refundable portion	743	743	743	743	743
Proceeds from initial entrance fees-Brookside	9,900	-	-	-	-
Proceeds from initial entrance fees-Vista Ridge	-	11,900	-	-	-
Principal payments-Bank Loan	(454)	(482)	(511)	(543)	(576)
Payment of refundable entrance fees	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Net cash provided (used) by financing activities	8,689	10,661	(1,268)	(1,300)	(1,333)
Change in cash, cash equivalents and restricted cash	(35,301)	(6,296)	-	-	-
Cash, cash equivalents and restricted cash, beginning of year	42,347	7,046	750	750	750
Cash, cash equivalents and restricted cash, end of year	7,046	750	750	750	750
Cash and cash equivalents and restricted cash reconciliation:					
Cash and cash equivalents	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Escrow deposits	2,000	-	-	-	-
Givens Highland Farms Project Fund	4,296	-	-	-	-
Total cash and cash equivalents and restricted cash	\$ 7,046	\$ 750	\$ 750	\$ 750	\$ 750

Supplemental Disclosure

Givens Highland Farms, LLC.

Projected Balance Sheets At December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
<u>Assets</u>					
Current assets:					
Cash and cash equivalents	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Assets limited as to use, current portion	5	5	5	5	5
Accounts receivable, net	1,594	1,752	1,898	1,944	1,992
Other receivables	44	51	55	55	56
Escrow deposits	2,000	-	-	-	-
Prepaid expenses and inventory	482	501	528	545	562
Total current assets	4,875	3,059	3,236	3,299	3,365
Non-current assets:					
Property and equipment, net	83,822	92,653	90,704	88,519	86,426
Intangible assets	1,365	455	-	-	-
Assets limited as to use-other	700	700	700	700	700
Givens Highland Farms Project Fund	4,296	-	-	-	-
Investments	15,267	20,326	20,542	20,741	20,840
Operating reserve-Givens Highland Farms	4,245	4,831	5,059	5,196	5,338
Total assets	\$ 114,570	\$ 122,024	\$ 120,241	\$ 118,455	\$ 116,669
<u>Liabilities and Net Deficit</u>					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 5,480	\$ 5,691	\$ 6,004	\$ 6,193	\$ 6,387
Interest payable	184	182	179	176	173
Agency funds	5	5	5	5	5
Escrow deposits	2,000	-	-	-	-
Resident refunds payable	1,788	1,788	1,788	1,788	1,788
Current portion of long-term debt	482	511	543	576	612
Total current liabilities	9,939	8,177	8,519	8,738	8,965
Long-term liabilities:					
Long-term debt, net of current portion and deferred financing cost	56,485	55,861	55,201	54,504	53,766
Due To Givens Estates	3,201	3,201	3,201	3,201	3,201
Refundable entrance fees, net of current portion	40,364	51,507	50,750	49,993	49,236
Deferred revenue from entrance fees	18,751	17,148	15,182	13,233	11,302
Advance admission deposits	362	362	362	362	362
Total liabilities	129,102	136,256	133,215	130,031	126,832
Net deficit					
Without donor restrictions	(15,232)	(14,932)	(13,674)	(12,276)	(10,863)
With donor restrictions	700	700	700	700	700
Total net deficit	(14,532)	(14,232)	(12,974)	(11,576)	(10,163)
Total liabilities and net deficit	\$ 114,570	\$ 122,024	\$ 120,241	\$ 118,455	\$ 116,669

Supplemental Disclosure

Givens Gerber Park II, LLC.

Projected Statements of Operations For Each of the Five Years Ending December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
Revenues, gains and other support:					
Residential revenue	\$ 2,007	\$ 2,067	\$ 2,129	\$ 2,193	\$ 2,259
Contributions and bequests	39	40	41	42	43
Other revenue	183	188	194	200	206
Total revenues, gains and other support	2,229	2,295	2,364	2,435	2,508
Expenses:					
Administration	195	201	207	213	219
Maintenance	101	104	107	110	113
Dining services	372	383	394	406	418
Housekeeping	35	36	37	38	39
Marketing	108	111	114	117	121
Residential	61	63	65	67	69
Utilities	253	261	269	277	285
Bad debts	1	1	1	1	1
Management fees	175	180	186	191	197
Insurance	30	31	32	33	34
Depreciation	311	309	309	308	308
Amortization deferred financing costs	-	-	-	-	-
Interest	237	236	224	211	198
Total expenses	1,879	1,916	1,945	1,972	2,002
Operating income	350	379	419	463	506
Non-operating income (loss):					
Total non-operating income	-	-	-	-	-
Change in net assets without donor restrictions	\$ 350	\$ 379	\$ 419	\$ 463	\$ 506

Supplemental Disclosure

Givens Gerber Park II, LLC.

Projected Changes in Net Assets For Each of the Five Years Ending December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
Net assets without donor restrictions					
Operating income	\$ 350	\$ 379	\$ 419	\$ 463	\$ 506
Net assets released from restrictions--capital projects	-	-	-	-	-
Change in net assets without donor restrictions	350	379	419	463	506
Net assets with donor restrictions					
Net assets released from restrictions--operating	-	-	-	-	-
Change in net assets with donor restrictions	-	-	-	-	-
Change in net assets	\$ 350	\$ 379	\$ 419	\$ 463	\$ 506
Net assets, beginning of year	\$ 5,972	\$ 6,322	\$ 6,701	\$ 7,120	\$ 7,583
Net assets, end of year	\$ 6,322	\$ 6,701	\$ 7,120	\$ 7,583	\$ 8,089

Supplemental Disclosure

Givens Gerber Park II, LLC.

Projected Statements of Cash Flows For Each of the Five Years Ending December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
Cash flows from operating activities:					
Change in net assets	\$ 350	\$ 379	\$ 419	\$ 463	\$ 506
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	311	309	309	308	308
Bad debts	1	1	1	1	1
Net change in working capital:					
Change in receivables and prepaid expenses	(69)	(6)	(4)	(2)	(4)
Change in accounts payable, other accrued liabilities, and payroll accruals	2	1	1	1	1
Net cash provided by operating activities	595	684	726	771	812
Cash flows from investing activities:					
Capital additions	(20)	(20)	(21)	(21)	(22)
Net cash used by investing activities	(20)	(20)	(21)	(21)	(22)
Cash flows from financing activities:					
Principal payments-Gerber Bank Loan	(328)	(328)	(328)	(328)	(328)
Net cash used by financing activities	(328)	(328)	(328)	(328)	(328)
Change in cash and cash equivalents	247	336	377	422	462
Cash and cash equivalents, beginning of year	1,513	1,760	2,096	2,473	2,895
Cash and cash equivalents, end of year	\$ 1,760	\$ 2,096	\$ 2,473	\$ 2,895	\$ 3,357
Cash and cash equivalents and restricted cash reconciliation:					
Cash and cash equivalents	\$ 1,760	\$ 2,096	\$ 2,473	\$ 2,895	\$ 3,357
Total cash and cash equivalents and restricted cash	\$ 1,760	\$ 2,096	\$ 2,473	\$ 2,895	\$ 3,357

Supplemental Disclosure

Givens Gerber Park II, LLC.

Projected Balance Sheets At December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
<u>Assets</u>					
Current assets:					
Cash and cash equivalents	\$ 1,760	\$ 2,096	\$ 2,473	\$ 2,895	\$ 3,357
Accounts receivable, net	71	74	76	78	80
Other receivables	15	15	16	16	17
Prepaid expenses and inventory	10	10	10	10	10
Total current assets	1,856	2,195	2,575	2,999	3,464
Property and equipment, net	10,386	10,097	9,809	9,522	9,236
Interest Rate Swap	327	327	327	327	327
Total assets	\$ 12,569	\$ 12,619	\$ 12,711	\$ 12,848	\$ 13,027
<u>Liabilities and Net Assets</u>					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 35	\$ 34	\$ 35	\$ 37	\$ 38
Current portion of long-term debt	328	328	328	328	328
Total current liabilities	363	362	363	365	366
Long-term liabilities:					
Long-term debt, net of current portion	5,602	5,274	4,946	4,618	4,290
Due To Givens Estates	282	282	282	282	282
Total liabilities	6,247	5,918	5,591	5,265	4,938
Net assets					
Without donor restrictions	6,322	6,701	7,120	7,583	8,089
With donor restrictions	-	-	-	-	-
Total net assets	6,322	6,701	7,120	7,583	8,089
Total liabilities and net assets	\$ 12,569	\$ 12,619	\$ 12,711	\$ 12,848	\$ 13,027

Supplemental Disclosure

Givens Choice, LLC.

Projected Statements of Operations and Changes in Net Deficit For Each of the Five Years Ending December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
Revenues, gains and other support:					
Amortization of entrance fees	\$ 15	\$ 65	\$ 115	\$ 182	\$ 230
Member Monthly Service Fees	47	205	376	540	730
Other revenue	6	6	6	7	7
Investment income	5	6	6	6	6
Total revenues, gains and other support	73	282	503	735	973
Expenses:					
Personal assistance	82	99	124	128	132
Marketing	210	302	311	320	330
Administration	329	359	288	297	306
Shared services fee	2	7	12	16	22
Total expenses	623	767	735	761	790
Operating income	\$ (550)	\$ (485)	\$ (232)	\$ (26)	\$ 183
Change in net deficit without donor restrictions	\$ (550)	\$ (485)	\$ (232)	\$ (26)	\$ 183
Net assets without donor restrictions					
Operating income	\$ (550)	\$ (485)	\$ (232)	\$ (26)	\$ 183
Net assets released from restrictions--capital projects	-	-	-	-	-
Change in net assets without donor restrictions	(550)	(485)	(232)	(26)	183
Net assets with donor restrictions					
Net assets released from restrictions--operating	-	-	-	-	-
Change in net assets with donor restrictions	-	-	-	-	-
Change in net deficit	\$ (550)	\$ (485)	\$ (232)	\$ (26)	\$ 183
Net deficit, beginning of year	\$ -	\$ (550)	\$ (1,035)	\$ (1,267)	\$ (1,293)
Net deficit, end of year	\$ (550)	\$ (1,035)	\$ (1,267)	\$ (1,293)	\$ (1,110)

Supplemental Disclosure

Givens Choice, LLC.

Projected Statements of Cash Flows For Each of the Five Years Ending December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
Cash flows from operating activities:					
Change in net deficit	\$ (550)	\$ (485)	\$ (232)	\$ (26)	\$ 183
Adjustments to reconcile net income to net cash provided by operating activities:					
Amortization of entrance fees	(15)	(65)	(115)	(182)	(230)
Proceeds from entrance fees - non-refundable portion	1,200	1,440	1,440	1,440	1,440
Net change in working capital:					
Change in receivables and prepaid expenses	-	(1)	(1)	(1)	(1)
Change in accounts payable, other accrued liabilities, and payroll accruals	3	1	-	-	-
Net cash provided (used) by operating activities	638	890	1,092	1,231	1,392
Cash flows from investing activities:					
Net cash provided by investing activities	-	-	-	-	-
Cash flows from financing activities:					
Net cash provided (used) by financing activities	-	-	-	-	-
Change in cash and cash equivalents	638	890	1,092	1,231	1,392
Cash and cash equivalents, beginning of year	-	638	1,528	2,620	3,851
Cash and cash equivalents, end of year	\$ 638	\$ 1,528	\$ 2,620	\$ 3,851	\$ 5,243
Cash and cash equivalents and restricted cash reconciliation:					
Cash and cash equivalents	\$ 638	\$ 1,528	\$ 2,620	\$ 3,851	\$ 5,243
Total cash and cash equivalents and restricted cash	\$ 638	\$ 1,528	\$ 2,620	\$ 3,851	\$ 5,243

Supplemental Disclosure

Givens Choice, LLC.

Projected Balance Sheets At December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
<u>Assets</u>					
Current assets:					
Cash and cash equivalents	\$ 638	\$ 1,528	\$ 2,620	\$ 3,851	\$ 5,243
Assets limited as to use, current portion	-	-	-	-	-
Accounts receivable, net	-	1	2	3	4
Total current assets	638	1,529	2,622	3,854	5,247
Non-current assets:					
Total assets	\$ 638	\$ 1,529	\$ 2,622	\$ 3,854	\$ 5,247
<u>Liabilities and Net Deficit</u>					
Current liabilities:					
Accounts payable and other accrued liabilities	3	4	4	4	4
Total current liabilities	3	4	4	4	4
Long-term liabilities:					
Deferred revenue from entrance fees	1,185	2,560	3,885	5,143	6,353
Total liabilities	1,188	2,564	3,889	5,147	6,357
Net deficit					
Without donor restrictions	(550)	(1,035)	(1,267)	(1,293)	(1,110)
With donor restrictions	-	-	-	-	-
Total net deficit	(550)	(1,035)	(1,267)	(1,293)	(1,110)
Total liabilities and net deficit	\$ 638	\$ 1,529	\$ 2,622	\$ 3,854	\$ 5,247

Supplemental Disclosure

Life Ministries Outreach, LLC.

Projected Statements of Operations and Changes in Net Deficits For Each of the Five Years Ending December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
Revenues, gains and other support:					
Amortization of entrance fees	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions and bequests	26	27	28	29	30
Total revenues, gains and other support	26	27	28	29	30
Expenses:					
Outreach	260	268	276	284	293
Total expenses	260	268	276	284	293
Operating income	\$ (234)	\$ (241)	\$ (248)	\$ (255)	\$ (263)
Change in net deficit without donor restrictions	\$ (234)	\$ (241)	\$ (248)	\$ (255)	\$ (263)
Net assets without donor restrictions					
Operating income	\$ (234)	\$ (241)	\$ (248)	\$ (255)	\$ (263)
Net assets released from restrictions--capital projects	-	-	-	-	-
Change in net assets without donor restrictions	(234)	(241)	(248)	(255)	(263)
Net assets with donor restrictions					
Contributions	-	-	-	-	-
Net assets released from restrictions-operating	-	-	-	-	-
Change in net assets with donor restrictions	-	-	-	-	-
Change in net deficit	\$ (234)	\$ (241)	\$ (248)	\$ (255)	\$ (263)
Net deficit, beginning of year	\$ (1,304)	\$ (1,538)	\$ (1,779)	\$ (2,027)	\$ (2,282)
Net deficit, end of year	\$ (1,538)	\$ (1,779)	\$ (2,027)	\$ (2,282)	\$ (2,545)

Supplemental Disclosure

Life Ministries Outreach, LLC.

Projected Statements of Cash Flows For Each of the Five Years Ending December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
Cash flows from operating activities:					
Change in net deficit	\$ (234)	\$ (241)	\$ (248)	\$ (255)	\$ (263)
Adjustments to reconcile net income to net cash provided by operating activities:					
Net change in working capital:					
Change in receivables and prepaid expenses	-	-	-	-	-
Change in accounts payable, other accrued liabilities, and payroll accruals	3	-	-	1	-
Net cash used by operating activities	(231)	(241)	(248)	(254)	(263)
Cash flows from investing activities:					
Change in due to Givens Estates	234	241	248	255	263
Net cash provided by investing activities	234	241	248	255	263
Cash flows from financing activities:					
Net cash provided (used) by financing activities	-	-	-	-	-
Change in cash and cash equivalents	3	-	-	1	-
Cash and cash equivalents, beginning of year	85	88	88	88	89
Cash and cash equivalents, end of year	\$ 88	\$ 88	\$ 88	\$ 89	\$ 89
Cash and cash equivalents and restricted cash reconciliation:					
Cash and cash equivalents	\$ 88	\$ 88	\$ 88	\$ 89	\$ 89
Total cash and cash equivalents and restricted cash	\$ 88	\$ 88	\$ 88	\$ 89	\$ 89

Supplemental Disclosure

Life Ministries Outreach, LLC.

Projected Balance Sheets At December 31, (in thousands of dollars)

	2023	2024	2025	2026	2027
<u>Assets</u>					
Current assets:					
Cash and cash equivalents	\$ 88	\$ 88	\$ 88	\$ 89	\$ 89
Other receivables	1	1	1	1	1
Total current assets	89	89	89	90	90
Total assets	\$ 89	\$ 89	\$ 89	\$ 90	\$ 90
<u>Liabilities and Net Deficit</u>					
Current liabilities:					
Accounts payable and other accrued liabilities	11	11	11	12	12
Total current liabilities	11	11	11	12	12
Long-term liabilities:					
Due To Givens Estates	1,616	1,857	2,105	2,360	2,623
Total liabilities	1,627	1,868	2,116	2,372	2,635
Net deficit					
Without donor restrictions	(1,538)	(1,779)	(2,027)	(2,282)	(2,545)
With donor restrictions	-	-	-	-	-
Total net deficit	(1,538)	(1,779)	(2,027)	(2,282)	(2,545)
Total liabilities and net deficit	\$ 89	\$ 89	\$ 89	\$ 90	\$ 90

Supplemental Disclosure

Attachment 7

Givens Highland Farms
Comparison of 2022 Audited Financial Statements to the 2022 Forecast
Statement of Operations

	2022 Audited	2022 Forecast	Variance	%	
Unrestricted revenues, gains and other support:					
Long-term care revenue	\$ 5,957,625	\$ 5,624,000	\$ 333,625	6%	
Residential revenue, including amortization	10,673,143	10,286,000	387,143	4%	
Assisted living revenue	-	-	-	N/A	
Residential food service revenue	1,093,531	1,175,000	(81,469)	-7%	
Contributions and grants	254,635	-	254,635	N/A	
Interest and dividend income	117,447	95,000	22,447	24%	
Realized loss on investments	(146,536)	-	(146,536)	N/A	
Net assets released - operations	10,593	-	10,593	N/A	
Other revenue	624,867	870,000	(245,133)	-28%	
Total unrestricted revenues, gains and other support	18,585,305	18,050,000	535,305	3%	
Expenses:					
Administration	2,131,629	1,523,000	608,629	40%	1
Long-term care	4,031,116	3,884,000	147,116	4%	
Home care	537,498	555,000	(17,502)	-3%	
Maintenance	2,410,308	2,273,000	137,308	6%	
Dining services	2,471,252	2,565,000	(93,748)	-4%	
Housekeeping	1,004,892	785,000	219,892	28%	
Laundry	88,396	87,000	1,396	2%	
Management fees	917,458	898,000	19,458	2%	
Marketing	577,164	607,000	(29,836)	-5%	
Resident services	349,024	688,000	(338,976)	-49%	
Utilities	722,789	1,095,000	(372,211)	-34%	
Insurance	296,336	428,000	(131,664)	-31%	
Outreach	158,132	142,000	16,132	11%	
Bad debt expense	25,908	35,000	(9,092)	-26%	
Depreciation	2,245,279	2,160,000	85,279	4%	
Amortization	910,046	910,000	46	0%	
Interest	230,367	57,000	173,367	304%	
Total expenses	19,107,594	18,692,000	415,594	2%	
Operating income (loss)	(522,289)	(642,000)	119,711	-19%	
Non-operating income (expense)					
Unrealized loss on investments	(824,889)	-	(824,889)	N/A	2
Loss on disposal of P&E	(784,872)	-	(784,872)	N/A	3
Total non-operating income (expense)	(1,609,761)	-	(1,609,761)	N/A	
Change in net assets without donor restrictions	(2,132,050)	(642,000)	(1,490,050)	232%	
Net assets with donor restrictions:					
Contributions & Net investment income	153,850	-	153,850	N/A	
Net assets released from restrictions - capital	-	-	-	N/A	
Change in net assets with donor restrictions	153,850	-	153,850	N/A	
Change in net assets	\$ (1,978,200)	\$ (642,000)	\$ (1,336,200)	208%	

Givens Highland Farms
Comparison of 2022 Audited Financial Statements to the 2022 Forecast
Balance Sheet

	2022 Audited	2022 Forecast	Variance	%	
<u>Assets</u>					
Current assets:					
Cash and cash equivalents	\$ 3,874,978	\$ 750,000	\$ 3,124,978	417%	4
Assets limited as to use, current	5,263	4,000	1,263	32%	
Accounts receivable, net	1,481,210	1,113,000	368,210	33%	
Contributions receivables, current	-	-	-	N/A	
Other receivables	867,968	69,000	798,968	1158%	
Escrow deposits	2,223,111	2,000,000	223,111	11%	
Prepaid expenses	462,596	256,000	206,596	81%	
Total current assets	8,915,126	4,192,000	4,723,126	113%	
Non-current assets:					
Property and equipment, net	54,123,588	60,832,000	(6,708,412)	-11%	5
Due from Affiliate	-	-	-	N/A	
Assets limited as to use, less current portion	36,949,454	25,393,000	11,556,454	46%	6
Statutory operating reserve fund	4,095,000	4,095,000	-	0%	
Investments	361,015	7,036,000	(6,674,985)	-95%	7
Contributions receivables, less current portion	-	-	-	N/A	
Intangibles, net	2,275,115	2,275,000	115	0%	
Total noncurrent assets	97,804,172	99,631,000	(1,826,828)	-2%	
Total assets	\$ 106,719,298	\$ 103,823,000	\$ 2,896,298	3%	
<u>Liabilities and net assets</u>					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 5,386,747	\$ 2,942,000	\$ 2,444,747	83%	8
Interest payable	171,797	167,000	4,797	3%	
Agency funds	5,263	4,000	1,263	32%	
Escrow deposits	2,223,111	2,000,000	223,111	11%	
Long-term debt, current portion	707,268	534,000	173,268	32%	
Refundable entrance fees, current portion	1,788,000	1,722,000	66,000	4%	
Total current liabilities	10,282,186	7,369,000	2,913,186	40%	
Long-term liabilities:					
Long-term debt, net of current portion	56,829,779	57,096,000	(266,221)	0%	
Due to affiliate	3,201,472	3,770,000	(568,528)	-15%	
Refundable entrance fees, net of current portion	31,221,009	30,504,000	717,009	2%	
Deferred revenue from entrance fees	19,098,208	17,732,000	1,366,208	8%	9
Resident deposits	362,084	291,000	71,084	24%	
Total long-term liabilities	110,712,552	109,393,000	1,319,552	1%	
Net Assets	(14,275,440)	(12,939,000)	(1,336,440)	10%	
Total Liabilities & Net Assets	\$ 106,719,298	\$ 103,823,000	\$ 2,896,298	3%	

Givens Highland Farms
Statement of Cash Flows
Comparison of 2022 Audited Financial Statements to the 2022 Forecast

	2022 Audited	2022 Forecast	Variance	%	
Cash flows from operating activities:					
Change in net assets	\$ (1,978,200)	\$ (642,000)	\$ (1,336,200)	208%	
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	3,155,325	3,070,000	85,325	3%	
Amortization of deferred financing costs	(106,517)	(110,000)		0%	
Realized and unrealized loss on investments	971,425	-	971,425	N/A	
Loss on disposal of P&E	784,872				
Proceeds from entrance fees	3,988,140	2,000,000	1,988,140	99%	9
Amortization of entrance fees	(2,476,035)	(1,906,000)	(570,035)	30%	
Bad Debts	25,908	35,000	(9,092)	-26%	
Contributed services	(131,830)	-	(131,830)	N/A	
Net change in working capital:					
Change in receivables and prepaid expenses	(451,153)	914,000	(1,365,153)	-149%	10
Change in accounts payable and other accrued liabilities	(234,526)	775,000	(1,009,526)	-130%	
Net cash provided by operating activities	3,547,409	4,136,000	(588,591)	-14%	
Cash flows from investing activities:					
Property and equipment purchases	(11,416,553)	(20,602,000)	9,185,447	-45%	11
Change in due to/from affiliates	(568,773)	-	(568,773)	N/A	
Change in investments and assets limited as to use	(604,651)	(6,140,000)	5,535,349	-90%	12
Net cash provided (used) by investing activities	(12,589,977)	(26,742,000)	14,152,023	-53%	
Cash flows from financing activities:					
Repayment of long-term debt	(707,269)	(648,000)	(59,269)	9%	
Debt issuance costs incurred	(34,810)	-	(34,810)	N/A	
Contributions restricted for capital	-	-	-	N/A	
Refunds of entrance fees	(1,303,428)	(1,500,000)	196,572	-13%	
Refundable entrance fees received	1,901,639	978,000	923,639	94%	
Entrance fee received from initial units	150,456	-	150,456	N/A	
Net cash provided (used) by financing activities	6,588	(1,170,000)	1,120,211	-96%	
Change in cash and cash equivalents	(9,035,980)	(23,776,000)	14,740,020	-62%	
Cash and cash equivalents, beginning of year	51,382,872	51,382,000	872	0%	
Cash and cash equivalents, end of year	\$ 42,346,892	\$ 27,606,000	\$ 14,740,892	53%	

Notes to Comparison of 2022 Audited Financial Statements to 2022 Forecast

For the Statement of Operations any variances greater than 5% and \$535,000 (which represents .5% of assets) are highlighted in the comparison and explained below. For the Balance Sheet and Statement of Cash Flows, any variances greater than 5% and \$1,070,000 (which represents 1% of assets) are highlighted in the comparison and explained below.

Statement of Operations

1. Administration expenses – The audited expenses were \$608,629 higher than the forecast. Givens hired new HR and IT positions that were not included in the forecast. Unfortunately, there was also approximately \$100,000 of expenses that should have been allocated to resident services.
2. Realized and unrealized losses on investments – Realized and unrealized gains and losses are unpredictable, and we really do not have any control over how the market will perform, so we do not include them in the forecast.
3. Loss on disposal of P&E - GHF disposed of a building in 2022 that was not anticipated in the forecast.

Balance Sheet

The balance sheet includes restricted and unrestricted assets for comparison.

4. Cash and cash equivalents are \$3,124,978 above the forecast. The forecast assumes any cash exceeding \$750,000 will be invested. Due to cash needs and future projects, cash was not moved to investments.
5. Property and equipment were \$6,708,412 above the forecast. The variance is due to work on the new Brookside and Vista Ridge Projects, which have not progressed as fast as the forecast anticipated.
6. Assets limited as to use, less current portion – The audit was \$11,556,454 above the forecast. Almost all the assets limited to use relate to 2021 bond proceeds to finance the Brookside and Vista Ridge projects. The forecast was way more optimistic about the progress of the projects. Despite the spending discrepancy, the projects are still progressing close to the original timeline.
7. Investments ended the year \$6,674,985 below the forecast. The variance was largely due to strategic accumulation of cash for short-term capital needs instead of increasing investments during the year. The investment portfolio also experienced a decline in value due to unfavorable market conditions.
8. Accounts payable and other accrued liabilities - The actual accounts were \$2,444,747 above the forecast mostly due to accrued construction expenses.
9. Deferred revenue from entrance fees and Proceeds from entrance fees – The deferred revenue variance was \$1,366,208 and was due to a higher than anticipated resident turnover than projected in the forecast.

Cash Flows

Some accounts in the investing and financing activities of the Forecast were combined to facilitate comparability to the audit.

10. Change in receivables and prepaid expenses – Medicare, Medicaid and sales tax receivables increased from the prior year and were all higher than anticipated by the forecast.
11. Property and equipment purchases were \$9,185,447 less than the forecast. The forecast overestimated how much would be spent on the new projects (see Note 6).
12. Change in investments and assets limited to use – There was a \$5,535,349 difference between the audit and forecast (See Notes 6 & 7).