

Disclosure Statement

Brooks-Howell Home Continuing Care Retirement Community

Provider: Brooks-Howell Home

Date of Disclosure Statement: 12/31/2025

Last Date for Delivery: 06/09/2027

- **This Disclosure Statement must be delivered to a contracting party before the execution of a binding reservation agreement, continuing care contract, or continuing care at home contract.**
- **This Disclosure Statement has not been reviewed or approved by any government agency or representative to ensure the accuracy of the information provided.**
- **This Disclosure Statement has been filed with, and recorded by, the North Carolina Department of Insurance in accordance with Article 64A of Chapter 58 of the North Carolina General Statutes ("Article 64A").**
- **This Disclosure Statement contains all information required by Article 64A and is correct in all material respects. Knowingly delivering a disclosure statement that contains an untrue statement or omits a material fact may subject Brooks-Howell Home to penalties under Article 64A.**

Financial Snapshot: Key Ratios for Brooks-Howell Home

Table FS-1. Financial Snapshot – Key Statutory Financial Ratios

Fiscal Year Ended December 31, 2025 (FY), with comparative historical and prospective periods

Ratio	FY-2	FY-1	FY	*FY+1*	*FY+2*	*FY+3*	NC 25th %[1]	NC 50th%[1]	NC 75th %[1]
DCOH	92	111	112	*137*	*203*	*291*	—	—	—
CUSH	N/A	N/A	N/A	*N/A*	*N/A*	*N/A*	—	—	—
OR	101.6%	90.6%	89.2%	*66.3%*	*81.9%*	*76.5%*	—	—	—
NOM	-32%	9.9%	13.8%	*42.4%*	*17.1%*	*22.6%*	—	—	—
NOM-A	N/A	N/A	N/A	*N/A*	*N/A*	*N/A*	—	—	—
DSCR	N/A	N/A	N/A	*N/A*	*N/A*	*N/A*	—	—	—
CD	N/A	N/A	N/A	*N/A*	*N/A*	*N/A*	—	—	—
CED	1.10x	0.43x	0.95x	*6.44x*	*0.31x*	*0.78x*	—	—	—

Liquidity Ratios:

- **Days Cash on Hand (DCOH)**. Number of days the provider could pay its normal cash operating expenses using unrestricted cash and investments. More days generally means stronger liquidity.
- **Cushion Ratio (CUSH)**. Number of times the provider's unrestricted cash and investments could cover one year of debt service. Higher values mean more resources to pay debt service.

Profitability Ratios:

- **Operating Ratio (OR)**. Compares current operating expenses (excluding depreciation and amortization) to current operating revenues (excluding entrance fee amortization). Lower percentages mean operating revenues are more easily covering cash operating expenses.
- **Net Operating Margin (NOM)**. Shows the result from core resident services. Higher values mean a stronger operating result from resident services.
- **Adjusted Net Operating Margin (NOM-A)**. Shows the operating result after also counting net entrance fee cash received during the year. Higher values mean the result is improved when net entrance fee cash is included.

Capital Structure Ratios:

- **Debt Service Coverage (DSCR)**. Measures the provider's ability to pay annual debt service from operations and net entrance fee cash. Higher values indicate greater ability to pay debt service.
- **Unrestricted Cash & Investments to Long-Term Debt (CD)**. Compares unrestricted cash and investments to long-term debt. Higher values indicate more unrestricted cash and investments relative to debt.
- **Capital Expenditures to Depreciation (CED)**. Compares what the provider is spending on capital improvements to the amount its assets are wearing out. Values at or above 1.0x usually mean the provider is reinvesting enough to keep up.

See Appendix F for full statutory definitions of how ratios are derived.

[1] **NC Provider Quartiles.** Values will be compiled annually by the North Carolina Department of Insurance, stratified by community model (Entrance Fee, Rental, Equity), and are expected to be available in late 2026.

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1. Provider Identification

Legal Responsibility for Continuing Care

Brooks-Howell Home is a retirement facility which is owned and operated as a program of United Women in Faith ("UWFaith"). UWFaith is the legal entity that enters into continuing care contracts with residents and is legally responsible for providing continuing care and performing all obligations under those contracts. No other person or entity is responsible for providing continuing care to residents except as expressly disclosed in this Disclosure Statement.

Doing Business As ("DBA")

Brooks-Howell Home is a program of UWFaith and does not represent a separate legal entity. UWFaith remains legally responsible for providing continuing care and performing all obligations under continuing care contracts.

Item	Information
Legal Provider Name:	United Women in Faith
DBA:	Brooks-Howell Home ("BHH")
Business Address:	777 United Nations Plaza, 11th Floor, New York, 10017
Telephone Number:	(212) 682-3633
Legal Entity Type:	Nonprofit corporation organized under the laws of New York
For-Profit / Nonprofit Status:	Nonprofit
Federal Tax Status:	Tax-exempt under Section 501(c)(3) of the Internal Revenue Code
Ownership Type:	Privately owned and controlled nonprofit organization. The provider is not part of any publicly held or publicly traded corporate system.
Tax Filing Status:	Current on all required federal and state tax filings
Ownership / Control:	Brooks-Howell Home is a program of UWFaith. BHH has their own management whose sole responsibility is to operate BHH; UWFaith has a responsibility to also manage BHH.

2. Organizational Structure

2.1 Organization Status

Brooks-Howell Home is a program of United Women in Faith, a New York nonprofit corporation that serves as the controlling person.

2.2 Consolidation of Financial Statements

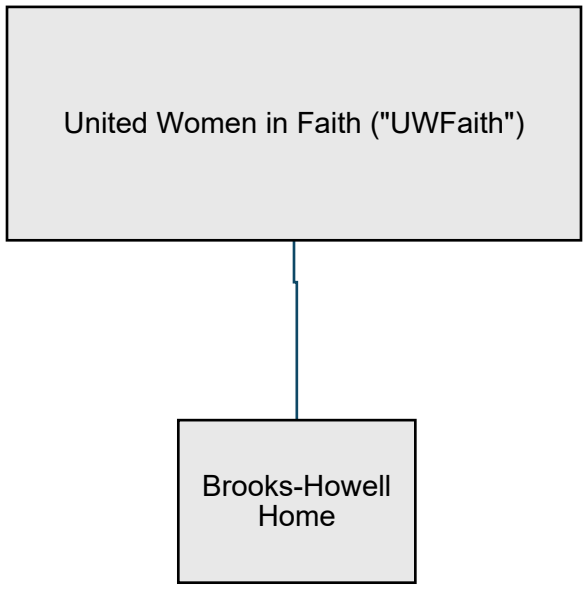
Audited financial statements are prepared on a consolidated basis with United Women in Faith, which include both the continuing care provider and organization itself. Consolidating schedules within the audit present the financial position and results of operations, including Brooks-Howell Home, individually.

2.3 Controlling Person

Item	Information
Name:	United Women in Faith
Business Address:	777 United Nations Plaza, 11th Floor, New York, 10017
Telephone Number:	(212) 682-3633

2.4 Company Structure Chart

The organizational structure of United Women in Faith and Brooks-Howell Home, is as follows:



Accessible Text Equivalent:

- **United Women in Faith** (parent and controlling person; nonprofit corporation)
    - **Brooks-Howell Home** - provider of continuing care contracts; operator of Brooks-Howell Home Continuing Care Retirement Community (Asheville, NC)

3. Key Persons and Management Personnel

Definitions (for purposes of this Section):

- **Outside Interests**: Any professional service firm, association, trust, partnership, or corporation in which the individual has, or which has in the individual, a ten percent (10%) or greater interest and that currently provides, or is expected to provide, goods, leases, or services to the provider of an aggregate value of $5,000 or more. If none, the provider discloses “None.”
- **Adverse Disclosures**: Any conviction of or plea of nolo contendere to a felony charge; any final judgment in a civil action for fraud, embezzlement, fraudulent conversion, or misappropriation of property; any currently effective injunctive or restrictive court order; or any suspension or revocation within the past five years of a state or federal license or permit as a result of governmental action. If none, the provider discloses “None.”

3.1 Senior Officers of United Women in Faith

Name / Role	Education	Experience	Length of Service
Sally Vonner – General Secretary & Chief Executive Officer of UWFaith	MDiv Perkins School of Theology; Women's Studies Certification; B.S. in Biology, Texas A&M Commerce	15+ years of experience serving areas of the United Methodist Church ("UMC")	3 years and 2 months (since May 2023); serves as Chief Executive Officer of UWFaith
Tamara Clark – Chief Financial Officer & Treasurer of UWFaith	B.S. Accounting, Temple University; CPA	Previously served as Treasurer/Director of Administration for WI Annual Conference of the UMC for 3 years; Accountant for Eastern PA Annnual Conference of the UMC. Many ministry leadership roles as well as public accounting.	6 years and 9 months (since October 2019); serves as Chief Financial Officer UWFaith

Business Address: 777 United Nations Plaza, 11th Floor, New York, NY 10017

Disclosure: Neither officer has reported any Outside Interests or Adverse Disclosures.

3.2 Community Management – Brooks-Howell Home

Name / Role	Education	Experience	Length of Service
Mark Farran – Executive Director of Brooks-Howell Home	BS/Business Administration	25+ years of experience working in senior living facilities	1 month (since December 2025) serves as Executive Director of Brooks-Howell Home
Patti Bailey – Director of Facility Services	High School Diploma	8 Years, Assistant to Director	13 years
Chelsea Brennan - Food Service Director	BS, nutrition	10 years of food service	1 year
Sean Gray - HR Director	BS, Political science	8 years in Human Resources	1.5 years
Kristy Kromer - Director of Nursing	BS, Science AAS, Nursing	13 years nursing	2.5 years
Tracey Owens- Director of Activities	BS Science, business administration & economics. Seminary	27 years with resident services	17 years
Angela Toomey – Admissions/Marketing Coordinator	2 years, community college	35 years SNF, assisted living, Hospice.	1 year
Caretha Young – Assoc. Director of Facility Services	High School Diploma	20 years house keeping	21 years

Business Address: 266 Merrimon Avenue Asheville, NC 28801

Disclosure: The Executive Director has reported no Outside Interests or Adverse Disclosures.

3.3 Board of Directors — United Women in Faith.

Name / Role	Education	Experience	Length of Service
Jana Jones – President	B.S. Nursing, University of Colorado	Retired Registered Nurse, National Certified School Nurse	6 years (since 7/25/2020)
Heidi Careaga– Vice President	A.A.S. Business Administration; B.A. Organizational Leadership.	Nonprofit management, Church Treasurer, Church Office Manager, District Administrator UMC.	5.5 years (since 10/9/2020)
Mikel Haskins-Delmore – Governance Chair	HS Diploma	Nonprofit Management, Community Volunteer, Executive Board Leadership	2 years (since 4/20/2024)
Melba McCallum– Secretary	Ed.D in Higher Education Administration. North Carolina State University; MS Education Administration; UNC Pembroke; BS Business Administration/ Management, Fayetteville State University	Retired Educator/Administrator; Currently Executive Director/founder of Partners In Ministry	6 years (since 7/13/2020)
Julia Paradine Rice – Finance Chair	B.B.A. Accounting, Western Michigan University MBA International Business, Western Michigan University	Corporate Accounting & Finance - Non-profit Accounting & Finance - retired	2 years (since 5/31/2024)
Yvonne Booknight – Finance	M.A. READING Montclair State University BS Elementary	Retired public School Educator/ University Adjunct Professor	2 years (since 4/20/2024)

Name / Role	Education	Experience	Length of Service
Committee Member	Education Seton Hall University		
Hamu Chigwada – Planning & Assessment Committee Member	MBA, University of Colorado Denver, MSc. Statistics, Marquette University	Insurance Underwriting	2 years (since 5/10/2024)
Stephanie Dressler – Governance Committee Member	B.S. in Marketing	Commercial Service Customer Representative for an Insurance Agency, Channel Manager with an Educational Technology Company, Community Volunteer	2 years (since 4/20/2024)
Patricia Dye – Planning & Assessment Committee Member	Associate's degree in medical secretarial technology; Oklahoma State University Institute of Technology	Teacher's aide, Public school, Federal school; Federal Government: Bureau of Indian Affairs, Indian Health Services (Medical Support Assistant)	2 years (since 6/23/2024)
Allison Francesca – Planning & Assessment Committee Member	B.A., Penn State, B.A. Criminal Justice; MBA University of Scranton, Marketing; MS Education, University of Scranton	Educator, Wallenpaupack Area School District; Deaconess, United Methodist Church; Retired Co-Owner, Francesco Glass	2 years (since 4/20/2024)
Lynne Grandstaff – Finance Committee Member	Texas Woman's University, B.S. Nursing	Retired Neonatal Registered Nurse; Business Owner, Rotary Club	2 years (since 6/23/2024)

Name / Role	Education	Experience	Length of Service
		Secretary; Past-ROISD Education Foundation Director (22 years), ROISD Board of Trustees (15 years); All levels of leadership for United Women in Faith.	
Abby Guiterrez – Governance Committee Member	Texas A&M University - Corpus Christi B.B.A.	Volunteer	2 years (since 7/19/2024)
Kim Harris – Governance Committee Member	A.A.S., Anthem	Health, and Education	2 years (since 5/31/2024)
Cynthia Harry – Governance Committee Member	The Ohio State University with a Master of Science in Mechanical Engineering Southern University A&M College with a Bachelor of Science in Mechanical Engineering	Retired Mechanical Engineer for Defense Contractor	2 years (since 6/23/2024)
Renee Hayes – Planning & Assessment Committee Member	Education B.A., UNC	Retired educator (Nationally Board Certified); UM deaconess; community volunteer (public education advocate, immigration advocacy); mission work in northeastern Europe	2 years (since 4/20/2024)

Name / Role	Education	Experience	Length of Service
Roxie Hutsell – Planning & Assessment Committee Member	Liberal Arts Associate's degree; Northern Kentucky University	Product Specialist for a pharmaceutical company	6 years (since 7/10/2020)
Zan Jones – Planning & Assessment Committee Member	B.S. Nursing, Southeastern Louisiana University	Surgical services circulator/ implant coordinator/surgical scheduling coordinator.	2 years (since 4/20/2024)
Susan Kim – Governance Committee Member	BA in Art Education: New York University MS in Computer Science: New York University	Retired Educator: Art at public high school, Gifted & Talented Program at public elementary school, Technology Coordinator at the private school	2 years (since 7/19/2024)
Kelly Grace Loeb – Planning & Assessment Committee Member	Master of Social Work, University of Kansas Bachelor of Arts, University of Missouri - Kansas City	Social worker with expertise in older adults, Alzheimer's disease, caregiving, Medicare. Fluent in written and spoken Spanish.	2 years (since 6/23/2024)
Hazel McInstosh – Finance Committee Member	Pace University, MBA Corporate Finance/Marketing, BBA Accounting.	Financial Services Executive	6 years (since 7/17/2020)
Deborah Pintsch – Governance Committee Member	BSN (Bachelor of Science in Nursing), University of Wisconsin, Oshkosh WI MS (Master of Science in Health Services Administration), Salve Regina	US Navy Nurse Corps, 22 yrs; Nurse at AK Youth Detention Center and Prison, 7 yrs; Nurse in Anchorage School District, 24 yrs; NCSN (National Certified School Nurse) 21 yrs	2 years (since 7/19/2024)

Name / Role	Education	Experience	Length of Service
	College, Newport, Rhode Island		
Stephanie Pounds – Finance Committee Member	M.A., Educational Technology, Texas A&M University; B.A., History and Russian Language, University of Oklahoma	Retired Learning Program Manager (tech sector)	2 years (since 7/19/2024)
Marilyn Reid – Finance Committee Member	Bachelor of Science in Business Administration-Major in Accounting. University of the East Philippines	Accounting Specialist - Navigant International; Business Administrator and Treasurer - Ronald United Methodist Church, Retired 2019	2 years (since 7/19/2024)
Patsy Thomas – Finance Committee Member	BA Communications, University of Tennessee, Martin	Supply Relationship Manager, Insurance, Community Volunteer	2 years (since 4/20/2024)
Katy Wrona – Finance Committee Member	B.A. Chemistry, Lycoming College	Nonprofit Executive Director, Community Volunteer	2 years (since 4/20/2024)

Business Address: 777 United Nations Plaza, 11th Floor, New York, NY 10017

Disclosure: None of the directors of UWFaith have reported any Outside Interests or Management Entity — United Women in Faith

- **Nature of Role**: Nonprofit supporting organization; owns the property and provides operating support. employs the Chief Executive Officer, Treasurer/Chief Financial Officer, and Executive Director; provides management direction to Brooks-Howell Home.
- **Business Address**: 777 United Nations Plaza, 11th Floor, New York, NY 10017
- **Key Officers**: Sally Vonner (General Secretary & CEO), Tamara Clark (Treasurer/ CFO) — see Senior Officers of United Women in Faith for education, experience, and length of service.

3.4 10% + Ownership Interests

(Individuals holding ten percent (10%) or more equity or beneficial interest in the provider or any controlling person)

UWFaith is organized as a nonprofit corporation and Brooks-Howell Home is owned and operated as a program of UWFaith, therefore they have no equity ownership interests. No individual holds a ten percent (10%) or greater beneficial interest in either entity.

4. Governing Body and Oversight

4.1 Provider Governing Body

Brooks Howell-Home is governed by United Women in Faith.

4.2 Controlling Person Governing Body

The sole corporate member and controlling person, UWFaith, is governed by its own Board of Directors. That board is responsible for system-level strategy and oversight, including:

- Appointing the directors of UWFaith
- Reviewing and approving budgets and financial reports.
- Ensuring compliance with applicable laws, regulations, and contractual obligations.
- Adopting and monitoring key policies

4.2.1 Selection of Members

Twenty (20) directors are elected by the Jurisdiction UWFaith organizations, and five (5) additional directors are nominated and elected by the Corporation. Directors serve four-year terms and can renew for an additional four years, if re-elected.

4.2.2 Oversight of Management and Operations

The Board oversees management and system operations by:

- Review of financial and operating reports
- Approval of major capital projects

4.2.3 Committees

The UWFaith Board maintains standing committees for:

- **Finance Committee**: budget review, property matters and oversight of operations
- **Governance Committee**: maintains bylaws, policies, and nominations
- **Planning and Assessment**: oversight of programming
- **Executive Committee**: Composed of the national officers and the chairpersons of the governance and finance committees. The committee acts on behalf of the directors between meetings, recommends the agenda for the regular meetings, and forwards to the governance committee petitions and resolutions for submission to general conference.

5. Related Parties

Brooks-Howell Home has relationships with related parties under common control with its controlling person, UWFaith. Each arrangement exceeded $5,000 in FY2025 and is therefore disclosed below. For purposes of this section, Actual/Probable Cost refers to the cost incurred by UWFaith.

5.1 Scarritt Bennett Center (“SBC”)

- **Nature of Relationship**: SBC is a nonprofit organization in Nashville, TN. Some of its board members are appointed by UWFaith. SBC operates on property with title to which is held by UWFaith; therefore, UWFaith has an equitable interest in the property upon disposition.
- **Goods/Leases/Services Provided**: SBC is a conference, retreat and educational center. UWFaith provided them with board designated funds in March 2017 of $5,000,000 for property reinvestment.
- **Actual/Probable Cost**: The remaining board designated funds in 2025 are $38,084 to SBC.

6. Relationships with Religious, Charitable, or Other Organizations

The disclosures in this section address organizational relationships and are distinct from the related-party transactions reported in Section 5.

Brooks-Howell Home is a nonprofit organization under the sole control of UWFaith, its parent organization. UWFaith owns the property which the provider operates on and provides operating support; however, no rent is paid to UWFaith for use of the property. Contracts for services provided by the provider are in the name of UWFaith. The provider manages the day-to-day operations under the direction of UWFaith.

Brooks-Howell Home and its controlling person, UWFaith, maintain relationships with the United Methodist Church and with a nonprofit organization, Scarritt Bennet Center, that originated as an educational institution. These relationships reflect the organization's historical affiliation and mission and do not provide direct governance authority or financial support to Brooks-Howell Home or UWFaith. Memberships in industry organizations are limited to networking and professional development and carry no governance authority or financial support.

Brooks-Howell Home maintains a relationship with United Methodist Foundation of Western North Carolina. They serve as the custodian and investment manager for a portion of the provider's investment assets. This relationship is limited to the administration and investment of those assets. The religious organization does not have governance authority over the provider and is not responsible for its financial or contractual obligations, except as specifically provided under applicable investment or custodial agreements.

7. Other Persons Responsible for Obligations

No other person or entity is responsible, directly or indirectly, for the financial or contractual obligations of the provider, except for the relationships previously described.

8. Obligated Groups

The provider is not a member of an obligated group.

9. Debt Covenants and Compliance

The provider is not subject to any debt covenants.

10. Third-Party Management Arrangements

Brooks-Howell Home does not employ an unrelated third-party manager. Day-to-day operations are carried out by the Executive Director and senior management employed by Brooks-Howell Home, under the control of UWFaith.

11. Real Property Leases

The provider does not lease any part of the real property of the continuing care retirement community.

12. Endowment Funds

Brooks-Howell Home maintains two endowment funds directly, which are held by the United Methodist Foundation of Western North Carolina. The income from these two permanent endowments is used to provide for miscellaneous resident needs.

The funds are restricted by donor intent and board policy to benevolent care and may not be used for general operating purposes of Brooks-Howell Home. Availability of distributions is not guaranteed and remains subject to the discretion of the board of directors.

13. Description and Location of the Community

United Women in Faith operates Brooks-Howell Home located at 266 Merrimon Avenue Asheville, NC 28801.

In 1956, the property was purchased and a year later the first residents moved into a three-story, older home. That first house was located in a garden outside the dining room. Construction of the main building, named the Bethea Building in 1988, was completed in 1961 and houses a kitchen, dining room, library, lounges, and other ancillary rooms. Nineteen suites are on the second floor, resulting from renovations in 1989. Thirty-eight beds on the first floor are licensed for nursing care.

As the home grew, more land was purchased, and ten Chandler-Burris Apartments were built in 1965 to accommodate up to twelve people. Jones-Cadwallader Apartments were added in 1970 currently with fourteen apartments to house up to twenty-two persons.

As the number of residents grew, more health care space was needed. In 1977, Cummings Health Unit was built to house twenty patients as well as a laundry, a fellowship hall, and additional storage.

Purchase of additional property allowed construction of a driveway connecting Home with Merrimon Avenue in 1993. Construction of four two-bedroom cottages near Merrimon Avenue was completed in 1995.

A village housing eleven two-bedroom cottages and an activity building were constructed in 1998. Desire for water therapy led to construction of an aqua-therapy pool in 1999. In 2003, a chapel, along with four apartments, was completed on what was formerly the Thoburn Terrace Roof Garden. Living accommodation includes the following:

Type	Square footage	Number
Single-family cottage	1,160	1
Duplex	900-1,002	8
Triplex	907-993	3
Quad	880	4
Apartment (1 & 2 Bedroom)	421-876	24
Independent suites	295-533	23

Today, the campus includes apartment-style residences, suites, cottages, and licensed nursing care beds, with more to be added in 2026. Shared amenities include dining rooms, a recreation center, a library, media center, beauty salon, therapy gym, aquatic center, international room, greenhouse, and guest houses.

14. Living Units by Level of Care

As of December 31, 2025, Brooks-Howell Home included:

- 62 independent living units
- 35 skilled nursing beds

15. Continuing Care at Home Program

The provider does not operate a continuing care at home program

16. Resident Population Served

As of December 31, 2025, the resident population served by Brooks-Howell Home under continuing care contracts was as follows:

- 61 residents in independent living
- 22 residents in skilled nursing

As of December 31, 2025, the community maintained a waitlist for admission to independent living consisting of 50 individuals. Individuals on the waitlist are prospective applicants and are not residents of the community unless and until they have executed a continuing care contract and commenced residency.

To be placed on the independent living waitlist, prospective applicants are required to submit a $100 waitlist deposit. The waitlist deposit is fully refundable and is not considered

an entrance fee. If the applicant later enters into a continuing care contract, the waitlist deposit is applied toward the required entrance fee at that time.

Placement on the waitlist does not guarantee admission to the community or priority for a specific unit and does not create contractual rights unless expressly provided in a continuing care contract.

17. Occupancy Rates

The 12-month daily average occupancy rates for Brooks-Howell Home for the past five fiscal years were as follows:

Table 17.1 – Historical Occupancy Rates (12-Month Daily Average)

Fiscal Year-End	Independent Living (%)	Skilled Nursing (%)
12/31/2025	89.7%	64.7%
12/31/2024	76.9%	67.6%
12/31/2023	70.5%	58.8%
12/31/2022	67.9%	100%
12/31/2021	64%	85.3%

18. Semiannual Resident Meetings

Brooks-Howell Home holds meetings with residents at least twice each year, as required by law.

Fiscal Year 2025 Meeting Dates

- February 25, 2025
- May 25, 2025
- August 25, 2025
- November 25, 2025

As required by law, an independent member of the provider’s board of directors was present at each of the meetings.

19. Resident Property Rights

Residents do not hold ownership or property rights in the real estate of Brooks-Howell Home. Residency and access to services are governed solely by the continuing care contract.

20. Services Provided Under the Contract

Brooks-Howell Home offers services under continuing care contracts. The following disclosures describe the services included in each contract type, as well as those available for additional charge.

20.1 Health Care Services

20.1.1 Health Care Residences

Brooks-Howell Home will have accommodation, equipment, staffing, programs, services and supervision necessary for licensed nursing care. Health Care Residences and services are available to Resident either temporarily or permanently on a space available basis, if needed, as determined by Brooks-Howell. Residents of Brooks-Howell Home will have priority access to Health Care services based upon contract and/or availability before non- residents.

20.1.2 Staffing

24-hour licensed nursing staff will be provided by Brooks-Howell Home.

20.1.3 Medical Director

The overall coordination and supervision of health care services within Brooks-Howell will be provided by a Medical Director who will be a licensed physician selected by Brooks-Howell Home.

20.1.4 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, 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 regular monthly fees.

20.1.5 Personal Physician

Residents will choose a personal physician who has admission privileges at a local hospital, if resident needs to be hospitalized. Residents are responsible for the cost of physician services.

20.1.6 Privately Employed Private Duty Contractors

Subject to the approval of Brooks-Howell Home, residents may utilize the services of privately employed private-duty contractors, or other licensed agencies unrelated to Brooks-Howell Home who provide personal or health care services in the residential

unit. Such services are subject to Brooks-Howell's prevailing procedures and requirements, which are subject to change, and must be approved in advance and in writing by Brooks-Howell Home. Residents are responsible to pay for all such services. In exchange for Brooks-Howell's approval of resident's utilization of a private contractor or other licensed agencies unrelated to Brooks-Howell Home resident releases Brooks-Howell from any liability for the acts or omissions of any individual or agency providing services to resident in the residential unit.

20.2 Continuing Care Retirement Community (CCRC) Contracts

Residents living on the Brooks-Howell Home campus receive the following services as part of their monthly fees, with additional services available at an extra charge.

20.2.1 Services Included in Monthly Fees

- Furnishings in residence
- Use of community amenities (green house, aquatic center, recreation center, library, international room, beauty salon, central dining room, chapel, and other common areas).
- Parking
- Basic utilities, including electricity, water, heating, air conditioning, and basic cable
- Three meal a day will be made available. Resident shall pay for his/her meals at the end of each month according to the meal rate.
- One-hour housekeeping services weekly and one through cleaning annually.
- Grounds-keeping services
- Maintenance and repairs
- Transportation
- Security
- Social, recreational, spiritual, educational, and cultural activities designed to meet residents' interests

20.2.2 Services Available at Additional Charge

- Beauty and barber services
- Additional housekeeping or laundry services beyond standard schedule
- Expanded television, internet, and telephone packages
- Special transportation outside scheduled routes
- Guest meals
- Repair of personal property
- Other special services performed for resident outside of normal scope of residents offered at Brooks-Howell Home.

20.3 Delivery of Services

Core residential, assisted living, and skilled nursing services are provided directly by Brooks-Howell Home. Subject to the approval of Brooks-Howell Home, resident may utilize the services of privately employed private-duty contractors, or other licensed agencies unrelated to Brooks-Howell Home who provide personal or health care services in the residential unit. Such services are subject to Brooks-Howell Home's prevailing procedures and requirements, which are subject to change, and must be approved in advance and in writing by Brooks-Howell Home. Residents are responsible to pay for all such services. In exchange for Brooks-Howell Home's approval of resident's utilization of a private contractor or other licensed agencies unrelated to Brooks-Howell Home, resident releases Brooks-Howell Home from any liability for the acts or omissions of any individual or agency providing services to resident in the residential unit.

21. Resident Fees

Nonancillary fees at Brooks-Howell Home consist of required, ongoing fees such as entrance fees, monthly service fees, transfer fees, and resale fees. The following tables show Brooks Howell's current fee schedules, along with historical information on entrance fees and monthly fee increases over the past five fiscal years for independent living and health care contracts. Narrative explanations of household composition changes, transfer fees, and resale fees are also included.

21.1 CCRC Contracts

CCRC contracts represent continuing care contracts for residents who live at Brooks-Howell Home. There are two types of CCRC contracts, independent living, and health care contracts. Current fees for healthcare contracts are $378 daily rate, or $11,340 monthly minimum. See costs for independent living contracts below.

Table 0.1: Current Monthly Fees (CCRC Independent Living Contracts)

Unit Type	Single Occupancy	Double Occupancy
Independent Living - Apartment - Studio	$1,773	$2,003
Independent Living - Apartment – 1 Bedroom	$1,973	$2,203
Independent Living - Apartment – Jack and Jill	$2,209	$2,439
Independent Living - 2 Bedroom – Apartment	$2,229	$2,459
Independent Living - Bethea Suites – 2 meals	$2,446	$2,676
Independent Living - Bethea Suites – Studio	$2,060	$230

Unit Type	Single Occupancy	Double Occupancy
Independent Living – Quad/Cottage	$3,532	$3,762
Independent living – Single home 2 Bedrooms	$4,135	$4,365
Independent Living – Terrace Apartments – 1 Bedroom	$2,617	$2,847
Independent Living – Terrace Apartments – 2 Bedroom	$2,767	$2,997

Monthly fees are reviewed annually and may be adjusted to reflect changes in operating costs, staffing, health care expenses, and capital needs. Adjustments are subject to board approval, with no contractual cap on increases.

Table 21.2: Historical Increases in Monthly Fees (CCRC Independent Living Contracts)

Fiscal Year-End	Average % Increase	Average $ Increase	Frequency
12/31/2025	-7.7%	-$219	Annual
12/31/2024	9.5%	$249	Annual
12/31/2023	7.6%	$184	Annual
12/31/2022	4%	$94	Annual
12/31/2021	4.4%	$98	Annual

Table 21.3: Historical Increases in Daily Fees (CCRC Health Care)

Fiscal Year-End	Average % Increase	Average $ Increase	Frequency
12/31/2025	0%	$0	Annual
12/31/2024	0%	$0	Annual
12/31/2023	19.6%	$74	Annual
12/31/2022	7.4%	$21	Annual
12/31/2021	8.9%	$23	Annual

Current Entrance Fees (All CCRC Contracts)

Brooks-Howell Home has a one time entrance fee of $20,000 beginning in 2026. Historically, rates have differed ranging from $1000-$15,000 based on each person's location on the waiting list.

Refundability terms vary by contract and are disclosed in Section 22.

21.2 Household Composition Changes

21.2.1 Occupancy by Two Residents

When two Residents occupy a Residence, upon the permanent transfer or the death of one Resident, 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.

21.2.2 Marriage During Occupancy

Should a resident marry a person who is also a Resident of Brooks-Howell, the two of them may occupy either Residence or shall surrender the unoccupied Residence. They will pay the Single Person and Double Person Monthly Fees upon Occupancy by both residents in the chosen Residence. If a resident should marry a person who is not a resident of Brooks-Howell, the spouse may become a resident if the spouse meets all the requirements for admission, enters into a Residence and Services Agreement with Brooks-Howell Home, and pays an additional full Entrance Fee. Residents and spouses shall pay the Single- Person and Double-Person Monthly Fees. If the spouse does not meet the requirements of Brooks-Howell Home for admission as a resident, the resident may terminate the Agreement with respect to a voluntary termination, or the spouse may be approved for admission under special circumstances as agreed to in writing by Brooks-Howell and the resident. If the resident does terminate the Agreement, there will be no refund.

22. Refundable Entrance Fee Obligations

22.1 Conditions for Refunds

22.1.1 Cancellation During First Thirty (30) Days

Brooks-Howell shall repay to Resident any money or property that has been paid to it by Resident other than periodic charges specified in the contract and applicable only for the period where a living unit was occupied by the Resident. Residents are not required to move into Brooks-Howell Home before the expiration of the aforesaid thirty-day period. Any refund shall be paid within thirty calendar days following receipt of written notification to the Executive Director.

22.1.2 Voluntary Cancellation by Resident After Occupancy

The entrance fee will not be refunded.

22.1.3 Death of Resident Prior to Occupancy

Resident shall receive a full refund of all money or property that has been transferred to Brooks-Howell, less those non-standard costs specifically incurred by Brooks-Howell at the request of Resident and described in contract, plus a service charge of $500.

22.1.4 Termination of Death After Occupancy

In the event of death of a single Resident, or the survivor of two Residents, at any time after Occupancy, the entrance fee will not be refunded.

22.1.5 Termination by Brooks-Howell After Occupancy

The entrance fee will not be refunded.

22.1.6 Payment of Refunds

All refunds after Occupancy will be paid upon removal of all personal belongings. In the case of dual occupancy, refunds will not be paid until both Residents have permanently vacated the Residence, and removed their personal belongings.

22.1.7 Condition of Residence

Upon vacating the Residence, resident shall leave it in good condition except for normal wear and tear. The resident or estate of the resident shall be liable to Brooks-Howell Home 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 any refundable portion due the resident(s).

22.2 Refund Obligations as of December 31, 2025

As of December 31, 2025, there are no refund obligations due to residents.

23. Financial Hardship Policies

23.1 Policies for Residents Unable to Pay

As stated in Section IV.I. of the Contract for Continuing Care, in the event a resident becomes unable or refuses or fails to pay any monthly services, charges or any other fees or charges, Brooks-Howell Home, after giving Resident written notice of the default and the opportunity to cure the default within thirty days of the giving of the notice, may terminate this contract, in which event resident shall vacate the independent living unit and be entitled to no further services of Brooks-Howell Home under this contract. Brooks-Howell Home shall be entitled to retain all payments made by resident including the entrance fee.

24. Contract Cancellation and Refund Policies

24.1 Provider-Initiated Cancellation

Brooks-Howell Home may terminate a continuing care contract:

- Before occupancy or commencement of services, if:
    - The applicant fails to meet health or financial eligibility requirements at the time of application;
    - The applicant provided materially false or misleading information during the application process; or
    - Admission would pose a direct threat to the health and safety of others.
- After occupancy or commencement of services, if:

- The resident fails to make payment to Brooks-Howell for any fees or charges due within 60 days of the date when due;
- The resident commits a material breach of contract terms; or
- The resident engages in disruptive or harmful conduct that materially impairs the rights of other residents or the orderly operation of the community.

24.2 Resident-Initiated Cancellation

A resident may cancel a contract under the following circumstances**:**

- **Before occupancy or commencement of services**:

  Residents may cancel contract within thirty days following the latter of 1) the execution of contract or 2) the receipt of the Disclosure Statement that is required under North Carolina law (the Recission Period).

- **After occupancy or commencement of services**:

  A resident may voluntarily cancel at any time after occupancy by giving Brooks-Howell written notice of such cancellation. Entrance fees are not refundable in accordance with Section 22.

24.3 Refunds Upon Cancellation

- Refundable entrance fees are returned in accordance with Section 22 – Refundable Entrance Fee Obligations.
- Nonrefundable portions of entrance fees are retained by Brooks-Howell Home.
- Prepaid monthly fees are prorated to the date the living unit is vacated or services cease, and any remaining balance is refunded.

24.4 Refunds Upon Death

- **Before occupancy or commencement of services**:

  If Resident dies before occupying a living unit, or if Resident, because of illness, injury, or incapacity would be precluded from occupying a living unit, the contract shall automatically be cancelled. Resident shall receive a full refund of all money or property that has been transferred to Brooks-Howell Home, less those non-standard costs specifically incurred by Brooks-Howell Home at the request of Resident and described in contract, plus a service charge of $500

- **After occupancy or commencement of services**:

  Entrance fees are not refundable per the provisions described in Section 22. Prepaid monthly fees are prorated to the date of death and refunded.

25. Re-occupancy of Units

A living unit at Brooks-Howell Home may be transferred to a new resident under the following circumstances:

25.1 Resident-Initiated Vacating

- **Voluntary termination**: When a resident cancels their continuing care contract and permanently vacates the living unit.
- **Transfer to a health care residence**: When a resident moves from independent living to assisted living or skilled nursing, and the contract permits the original living unit to be reassigned.
- **Transfer to other facility**: If it is determined by Brooks-Howell that the resident needs care beyond that which can be provided by Brooks-Howell, they may be transferred to a hospital or institution equipped to give such care at their expense. Such transfer will be made only after consultation with residents and/or their representative and attending physician.

25.2 Provider-Initiated Vacating

- **Contract termination by provider**: When a contract is terminated by the provider under the circumstances described in Section 24 – Contract Cancellation and Refund Policies.
- **Persistent nonpayment**: When a resident fails to meet contractual payment obligations and the provider declares the contract terminated.

25.3 Temporary Absences

Hospitalizations, rehabilitative stays, or other temporary absences do not constitute a vacating of the living unit and do not permit re-occupancy by a new resident.

25.4 Refunds

Refunds associated with the vacating of a living unit are handled in accordance with Section 22 – Refundable Entrance Fee Obligations. Refunds are contingent upon re-occupancy by a new resident, and the timing of repayment may vary depending on market demand and the pace of living unit turnover.

26. Resident Relocation

Residents of Brooks-Howell Home may be required to relocate from their current living unit to another living unit within the community under the following circumstances:

26.1 Resident Needs

- **Health-Related Transfer**: When a resident's medical condition requires a move to a Health Care Residence, or other facility, in cases of potential harm to resident or others, to assure the health and wellbeing of the residents and others, or to provide for the highest quality of life possible.

26.2 Provider Needs

- **Renovation or Construction**: When construction, renovation, or repair work requires temporary or permanent relocation.
- **Operational Necessity**: When the continued occupancy of a living unit materially interferes with the orderly operation of the community and no reasonable alternative exists. This provision is applied only in limited circumstances.

26.3 Process

- Relocation decisions are made in consultation with the resident, the resident's family (if applicable), and appropriate health professionals.
- The provider makes reasonable efforts to relocate the resident to a comparable living unit within the community, meaning one of similar size, type, and monthly fee level whenever possible.
- If relocation is required for renovation or construction purposes, the provider will inform the resident in advance and clarify whether the move is temporary or permanent.

26.4 Financial Obligations

All entrance fee and monthly fee obligations continue in accordance with the terms of the resident's contract, regardless of relocation, unless the relocation is a change in facility. Should resident need a level of care or health services beyond that provided at Brooks-Howell, as determined by Brooks-Howell, and require transfer to another facility, resident will be responsible for all expenses of such transfer and services.

27. Admission and Continuation Standards

27.1 Admission Requirements

Admission to Brooks-Howell Home is subject to both health and financial screening at the time of application. Applicant will provide an Application for Admission, and a Confidential Financial Statement, all on forms furnished by Brooks-Howell for initial approval by the Brooks-Howell Admissions Committee.

27.1.1 CCRC Contracts (Campus-Based)

- **Financial Standards**: Applicants must have assets and income sufficient to pay their financial obligations under the Residence and Services Agreement and to meet ordinary living expenses. Applicants must advise Brooks-Howell Home of any change in their financial condition from the date of entering a contract for continuing care and the date of initial occupancy of a living unit. Based upon this change in financial status Brooks-Howell Home will disclose to the applicant any effect. As such Brooks-Howell Home may require applicants to furnish additional or updated financial information prior to Occupancy.
- **Health Standards**: Before the Date of Occupancy, applicants will provide Brooks-Howell Home with a Physician's Examination Report completed by their personal physician. Such report shall include a statement by the physician that the applicant is able to live independently and undertake ongoing activities of daily living. Brooks-Howell Home may now or in the future additionally require a history and physical from the physician to include physician progress notes. The applicant/resident shall be responsible for the cost of such physical examinations. If applicants do not meet the criteria for independent living established by Brooks-Howell Home, they may move to other accommodations within Brooks-Howell more suitable to their needs, or terminate the agreement.

27.2 Continuation Requirements

- **CCRC Contracts**: Once admitted, residents may remain at the community regardless of changes in health or financial status, subject to the hardship policies described in Section 23 – Financial Hardship Policies. Residents may be required to relocate to a higher level of care (see Section 26 – Resident Relocation) if their health needs can no longer be met safely in their current living unit.

27.3 Changes in Condition Before Occupancy or Commencement of Services

- **CCRC Contracts**: If a resident's health materially declines between signing a contract and the date of initial occupancy, the provider may re-evaluate eligibility for independent living and may require admission to a higher level of care, if available. If no suitable accommodation is available or if the applicant no longer meets entry requirements, the contract may be canceled and entrance fees refunded in accordance with Section 24 – Contract Cancellation and Refund Policies. If a material change in financial condition occurs before occupancy (such as loss of income or assets needed to pay monthly fees), the provider will re-evaluate eligibility. If standards are no longer met, the contract may be canceled and entrance fees refunded.

28. Age and Insurance Requirements

28.1 Age Requirements

- There are no age requirements to be a resident of Brooks-Howell Home

28.2 Insurance Requirements

Applicants for CCRC contracts are encouraged to:

- Be enrolled in Medicare Part B at the time of admission; and
- One supplemental health insurance policy or equivalent insurance coverage and is asked to furnish Brooks-Howell with evidence of such coverage.

29. Reserve Funding and Refund Security

29.1 Cash and Investments

As of December 31, 2025, UWFaith held $17,785,924 in unrestricted cash and investments. Within this balance, $2,694,000 has been designated to comply with the operating reserve requirement and to prioritize liquidity. These funds remain unrestricted for accounting purposes but reflect the Boards' intent to maintain liquidity.

At year-end, unrestricted cash and investments for Brooks-Howell supported a Days Cash on Hand of 112 days, representing approximately three and a half months of projected operating expenses without new revenues.

29.2 Investment Management and Oversight

- **Oversight Body**: Board of Directors
- **Day-to-Day Management**: Chief Financial Officer (CFO)/Treasurer, Director of Financial Systems
- **Experience**: Finance Committee members average 2.5 years of financial oversight for UWFaith, with many in backgrounds in business, finance, and accounting.
- **Policy and Controls**: Investments are managed under a Board-approved policy emphasizing liquidity and capital preservation. Permitted holdings include cash, cash equivalents, short-term securities, U.S. Government securities, corporate bonds, International common stocks, common stocks, and United Methodist Foundation of Western North Carolina, Inc. Diversified Fund units. The Treasurer/CFO executes within these limits , and maintains controls over custody, counterparty limits, and rebalancing.

29.3 Statutory Operating Reserve Requirement

As of December 31, 2025, Brooks-Howell Home's 12-month rolling average independent living unit occupancy was less than 90%. Based on this level of occupancy, the required statutory operating reserve was 50% of projected operating costs for the next 12 months.

Because Brooks-Howell Home does not have any debt, principal and interest payments are excluded from the operating reserve calculation.

Table 29.1: Statutory Operating Reserve Calculation (as of December 31, 2025)

Component	Amount
Total projected operating expenses	$5,586,000
Add: Debt service (principal and interest)	-
Less: Principal and interest (covered by Debt Service Reserve Fund)	-
Less: Depreciation and amortization	($198,000)
Net projected operating costs	**$5,388,000**
Applicable reserve percentage based on occupancy	50%
Required operating reserve	**$2,694,000**
Unrestricted cash & investments on hand	$17,785,924
Excess above required reserve	**$15,091,924**

Summary: The required statutory operating reserve was $2.69 million. Brooks-Howell held $17.79 million in unrestricted cash and investments, providing an excess cushion of $15.1 million above the statutory minimum.

29.4 Refund Security (Entrance Fee Refunds)

Entrance fee refund obligations are supported by unrestricted liquidity, including:

- $2,694,000 of unrestricted liquidity above the statutory operating reserve.

The statutory operating reserve cannot be used for any purpose, including refund payments, without prior regulatory approval.

Brooks-Howell Home is not required by statute to escrow entrance fees and none are maintained in escrow.

Table 29.2: Unrestricted Cash and Investment Summary as of December 31, 2025

Category	Amount	Notes
Total unrestricted cash & investments	$17,785,924	All liquid balances (cash and investments)
Less: Required operating reserve	($2,694,000)	Must be maintained; release requires regulatory approval
Excess unrestricted cash and investments above operating reserve	**$15,091,924**	Available for operations and refund needs (outside of designated reserves)

30. Expansion and Renovation Plans

As of December 31, 2025, the Board of Directors approved plans for Brooks-Howell Home to construct a new Medicare wing for residents. Construction began in the third quarter 2025 and is expected to be placed in service in the fourth quarter 2026 and generate an additional $100,00 in revenue for 2026.

In addition, a roof repair is expected to begin and be completed in 2026 as a result of Hurricane damage from Helene.

This expansion will not change the number of independent living units available to future residents. It will not alter existing residents' contracts or current fee structures. During construction, temporary activity may affect access and noise levels in nearby areas of the campus. Residents will be informed in advance of any significant disruptions.

31. Audit Opinion and Timeliness

The consolidated financial statements of United Women in Faith and Brooks-Howell Home, in addition to the individual financials statement for Brooks-Howell Home, for the fiscal year ended December 31, 2025, were audited by Crosslin, PLLC (Nashville, TN).

- **Timeliness**: The audit was completed and issued within 168 days of fiscal year-end, not meeting the 150-day statutory requirement, as a result of a prior year restatement and delay in actuarial determinations received. This did not affect the provider's financial condition, results of operations, or disclosures. Going forward, there will be notification to the auditors earlier of a restatement, if any, and an extension filed if necessary.
- **Audit Opinion**: The independent auditor issued an unqualified opinion (a "clean" audit opinion) on the consolidated financial statements.

Brooks-Howell Home issues separate stand-alone audited financial statements; its financial information is also presented within the audit of UWFaith.

32. Audited Financial Statements

The audited consolidated financial statements of UWFaith and Brooks-Howell Home for the fiscal year ended December 31, 2025, are attached hereto as Appendix A and form an integral part of this Disclosure Statement. These statements include the statements of financial position, statements of activities, statements of functional expenses, statements of cash flows, and accompanying notes, and have been prepared in accordance with generally accepted accounting principles (GAAP).

33. Five-Year Prospective Financial Statements

The five-year prospective financial statements of UWFaith and Brooks-Howell Home for the period 2026 through 2030 are attached hereto as Appendix B. These statements were prepared and compiled by Crosslin, PLLC, and include a summary of significant assumptions and accounting policies.

34. Variances from Prospective Financial Statements

For the fiscal year ended December 31, 2025, management reviewed the results of operations for UWFaith and Brooks-Howell Home against the prospective financial statements filed in the prior year. Variances included both financial line items and key assumptions, such as occupancy, used in preparing the projections. The following material variances were identified:

Table 34.1: Variance Analysis - Fiscal Year Ended 12/31/25

Category	Projected Amount	Actual Amount	Variance	Explanation
Cash and cash equivalents	$1.63 million	$0.97 million	-$660k	Cash and cash position vary year over year based on the timing of revenues and expenditures.
Accounts receivable	$125k	$22k	-$103k	In 2025, Brooks-Howell began outsourcing their accounting function which enhanced controls over the billing process.

Category	Projected Amount	Actual Amount	Variance	Explanation
Assets limited as to use – Long Term	$689k	$745k	+$56k	Investment return observed greater performance than what was projected.
Equipment and improvements	$2.6 million	$2 million	-$600k	The costs of the generator capitalized in 2025, were put on the UWFaith's financials, rather than Brooks-Howell's as initially projected.
Net assets without donor restriction	$4.7 million	$3.2 million	-$1.5 million	Due to decrease in UWFaith contributions of nonfinancial assets due to the generator project being capitalized on UWFaith's financials rather than Brooks-Howell's.
Resident service revenue	$6.3 million	$4.5 million	-$1.8 million	There was a significant decrease in skilled nursing beds available to residents compared to what was initially forecasted.
UWFaith support and grants	$29k	$128k	+$99k	As a result of financial strain from the Hurricane, UWFaith support and grants increased to Brooks-Howell.
Investment earnings	$92k	$185k	+$93k	Investment returns observed greater market performance than what was projected.
Nursing service expenses	$1.9 million	$1.8 million	-$100k	In 2025, they expected more contractors as result of staffing shortages in the past.

Category	Projected Amount	Actual Amount	Variance	Explanation
Other operating revenue	$328k	$248k	-$80k	This can fluctuate from year to year based on gifts received that may or may not be budgeted for at the time of the forecast.
Food and environmental services, maintenance, and human resource expenses	$2.3 million	$2.1 million	-$200k	These often fluctuate year after year based on revenues and expenses received during the year that were not anticipated at the time of the forecast.

35. Key Financial Metrics

This section presents the eight statutory financial ratios required under N.C. Gen. Stat. § 58-64A-150(a)(39). Historical values are based on audited financial statements; prospective values are derived from the provider's five-year prospective financial statements. Comparative statewide medians will be published by the North Carolina Department of Insurance beginning in late 2026.

For the tables below, FY = the most recent fiscal year end.

Full statutory text of definitions is provided in Appendix F.

35.1 Liquidity Ratios

Days Cash on Hand (DCOH). Number of days the provider (obligated group) could pay its normal cash operating expenses using unrestricted cash and investments. More days generally means stronger liquidity.

Cushion Ratio (CUSH). Number of times unrestricted cash and investments could cover one year of debt service. Higher values mean more resources to pay debt service.

Table 35.1: Liquidity Ratios – Provider Only

Ratio	FY-2	FY-1	FY	*FY+1*	*FY+2*	*FY+3*
DCOH	92	111	112	*137*	*203*	*291*
CUSH	N/A	N/A	N/A	*N/A*	*N/A*	*N/A*

Narrative – Provider Only:

Liquidity increased modestly through FY 2025 because of significant investment earnings and balances as markets continue to see record breaking growth.

Liquidity is projected to keep rising through FY 2028 as occupancy increases, investments continue to grow, and the new healthcare unit opens, resulting in additional revenue.

Table 35.1A: Liquidity Ratios – Obligated Group

Ratio	FY-2	FY-1	FY	*FY+1*	*FY+2*	*FY+3*
DCOH	1,520	1,723	1,769	*1,557*	*1,732*	*1,837*
CUSH	N/A	N/A	N/A	*N/A*	*N/A*	*N/A*

Narrative – Obligated Group:

At the obligated-group level, liquidity is stronger because United Women in Faith holds higher levels of unrestricted cash and significant investments.

The Organization’s Days Cash on Hand remains above 1,000 days, providing a strong buffer against individual campus fluctuations.

35.2 Profitability Ratios

Operating Ratio (OR). Compares current operating expenses (excluding depreciation and amortization) to current operating revenues (excluding entrance fee amortization). Lower percentages mean operating revenues are more easily covering cash operating expenses.

Net Operating Margin (NOM). Shows the result from core resident services. Higher values mean a stronger operating result from resident services.

Adjusted Net Operating Margin (NOM-A). Shows the operating result after also counting net entrance fee cash received during the year. Higher values mean the result is improved when net entrance fee cash is included.

Table 35.2: Profitability Ratios – Provider Only

Ratio	FY-2	FY-1	FY	*FY+1*	*FY+2*	*FY+3*
OR	101.6%	90.6%	89.2%	*66.3%*	*81.9%*	*76.5%*
NOM	-32%	9.9%	13.8%	*42.4%*	*17.1%*	*22.6%*
NOM-A	N/A	N/A	N/A	*N/A*	*N/A*	*N/A*

Narrative – Provider Only:

Margins decreased beginning FY 2023 as inflation continues to rise, resulting in higher costs and wages, and significant capital improvements have taken place.

Management projects a decrease in 2026, due to the payment of large capital improvements, but in 2027, when these improvements are fully functional, profitability should stabilize once again.

Table 35.2A: Profitability Ratios – Obligated Group

Ratio	FY-2	FY-1	FY	*FY+1*	*FY+2*	*FY+3*
OR	136.7%	122.8%	118.3%	*81.0%*	*81.9%*	*77.4%*
NOM	-32%	9.9%	13.8%	*42.4%*	*17.1%*	*22.6%*
NOM-A	N/A	N/A	N/A	*N/A*	*N/A*	*N/A*

Narrative – Obligated Group:

Obligated group profitability is stronger than the single-provider result because of investment income, and they overall observe more revenue as they are larger, and have lower expenses due to the nature of operations.

35.3 Capital Structure Ratios

Debt Service Coverage (DSCR). Measures ability to pay annual debt service from operations and net entrance fee cash. Higher values indicate greater ability to pay debt service.

Unrestricted Cash & Investments to Long-Term Debt (CD). Compares unrestricted cash and investments to long-term debt. Higher values indicate more unrestricted cash and investments relative to debt.

Capital Expenditures to Depreciation (CED). Indicates reinvestment relative to depreciation expense. Values at or above 1.0x usually mean the provider is reinvesting enough to keep up.

Table 35.3: Capital Structure Ratios – Provider Only

Ratio	FY-2	FY-1	FY	*FY+1*	*FY+2*	*FY+3*
DSCR	N/A	N/A	N/A	*N/A*	*N/A*	*N/A*
CD	N/A	N/A	N/A	*N/A*	*N/A*	*N/A*
CED	1.10x	0.43x	0.95x	6.44x	0.31x	0.78x

Narrative – Provider Only:

The provider has no debt. Capital expenditures are projected to increase substantially in 2026 once the new healthcare wing is placed into service.

Table 35.3A: Capital Structure Ratios – Obligated Group

Ratio	FY-2	FY-1	FY	*FY+1*	*FY+2*	*FY+3*
DSCR	N/A	N/A	N/A	*N/A*	*N/A*	*N/A*
CD	N/A	N/A	N/A	*N/A*	*N/A*	*N/A*
CED	0.28x	0.51x	2.39x	*3.01x*	*0.37x*	*0.52x*

Narrative – Obligated Group:

The obligated group also has no debt.

The increase in 2025 is due to a new generator being placed into service, and in 2026 the new health care unit is expected to be placed into service. After this, CED will stabilize again as continuous small capital assets are purchased and depreciated, while others may be disposed and fully depreciated.

35.4 Overall Summary

Profitability declined beginning in FY 2023 as inflation increased labor and operating costs and significant capital improvement projects were undertaken. The obligated group continues to report stronger profitability than the provider due to its larger revenue base and investment income. Neither the provider nor the obligated group has outstanding long-term debt; therefore, debt-related capital structure ratios are not applicable. Fluctuations in the Capital Expenditures to Depreciation (CED) ratio primarily reflect the timing of major capital investments, including the new generator and healthcare wing. Following completion of these projects, profitability and capital spending are expected to stabilize as operations normalize and routine capital replacement resumes.

36. Actuarial Opinion and Balance

Under § 58-64A-210(f) Brooks-Howell Home is not required to obtain an actuarial study under North Carolina Law.

37. Most Recent Department Examination Report

The North Carolina Department of Insurance has not conducted an examination of Brooks-Howell Home pursuant to Article 64A of the North Carolina General Statutes.

38. Other Material Information

Management has reviewed whether there are any additional facts, circumstances, risks, or events that could reasonably be expected to influence a prospective or current resident's decision to contract with Brooks-Howell Home. Other than the disclosures provided in prior sections of this Disclosure Statement, management has determined that no additional material information requires disclosure at this time.

39. Contract Forms and Attachments

Brooks-Howell Home offers continuing care contracts. A representative form of this is attached hereto as Appendix D.

39.1 Continuing Care Contracts

Brooks-Howell Home offers two forms of continuing care contracts, which differ primarily in the services performed under each contract and pricing reflects this accordingly.

- **Health Care Contract –** BHH will provide medical supplies and equipment and bill the resident for such items as needed. Monthly service charges are based on a daily rate of $378 with a minimum monthly service charge of $11,340
- **Independent Living Contract –** No medical care provided, see rates outlined in section 21.1

All other terms and conditions of the independent living contracts are substantially similar. A representative form of these contracts is included in Appendix D.

Appendix Index

The following Appendices are incorporated into and form an integral part of this Disclosure Statement. Each Appendix begins on a separate page.

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Appendix A — Audited Financial Statements

BROOKS-HOWELL HOME

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

BROOKS-HOWELL HOME

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CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors
Brooks-Howell Home
Asheville, North Carolina

Opinion

We have audited the accompanying financial statements of Brooks-Howell Home (the "Organization") (a nonprofit organization, which is a part of United Women in Faith), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the changes in its net assets and its 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Crosslin, PLLC

Nashville, Tennessee
May 13, 2026

BROOKS-HOWELL HOME
STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31, 2025	December 31, 2024
CURRENT ASSETS		
Cash and cash equivalents	$ 966,086	$ 788,814
Accounts receivable - residents	22,444	546,001
Accounts receivable - other	10,799	14,418
Inventories	101,155	97,290
Total current assets	1,100,484	1,446,523
EQUIPMENT AND IMPROVEMENTS		
Equipment and improvements	4,840,416	4,618,135
Construction in progress	933,615	93,153
Less: accumulated depreciation	(3,777,950)	(3,602,333)
Total equipment and improvements, net	1,996,081	1,108,955
OTHER ASSETS		
Investments	605,698	585,301
Assets limited as to use - long-term	744,763	681,885
Total other assets	1,350,461	1,267,186
Total assets	$ 4,447,026	$ 3,822,664

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$ 154,545	$ 113,724
Accrued wages and related liabilities	282,687	319,552
Total current liabilities	437,232	433,276
Total liabilities	437,232	433,276
NET ASSETS		
Without donor restrictions	3,186,219	2,637,488
With donor restrictions:		
Subject to purpose restrictions	271,570	208,357
Permanent endowments	552,005	543,543
Total with donor restrictions	823,575	751,900
Total net assets	4,009,794	3,389,388
Total liabilities and net assets	$ 4,447,026	$ 3,822,664

See accompanying notes to financial statements.

BROOKS-HOWELL HOME
STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2025			Year Ended December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
Revenue, gains, and other support:						
Resident services	$ 4,445,416	$ -	$ 4,445,416	$ 4,676,915	$ -	$ 4,676,915
United Women in Faith support and grants	127,650	-	127,650	169,999	-	169,999
Contribution of nonfinancial assets	896,097	-	896,097	-	-	-
Contribution of financial assets	-	4,417	4,417	-	2,899	2,899
Investment earnings	-	4,045	4,045	-	2,163	2,163
Other revenue available for operations	63,643	-	63,643	96,810	-	96,810
Resident estate donations	185,393	-	185,393	38,724	-	38,724
Net assets released from restrictions/transfers	21,403	(21,403)	-	31,374	(31,374)	-
Total revenue, gains, and other support	5,739,602	(12,941)	5,726,661	5,013,822	(26,312)	4,987,510
Operating expenses:						
Nursing services	1,775,593	-	1,775,593	1,626,887	-	1,626,887
Food services	921,604	-	921,604	805,590	-	805,590
Administration	997,523	-	997,523	646,221	-	646,221
Environmental services	390,124	-	390,124	419,442	-	419,442
Maintenance	722,451	-	722,451	681,340	-	681,340
Human resources	73,199	-	73,199	180,293	-	180,293
Marketing	129,346	-	129,346	59,042	-	59,042
Activities	101,065	-	101,065	99,775	-	99,775
Depreciation	175,617	-	175,617	180,139	-	180,139
Staff House	-	-	-	1,924	-	1,924
Total operating expenses	5,286,522	-	5,286,522	4,700,653	-	4,700,653
Operating income	453,080	(12,941)	440,139	313,169	(26,312)	286,857
Unrealized gains on investments	95,651	84,616	180,267	57,812	50,613	108,425
Change in net assets	548,731	71,675	620,406	370,981	24,301	395,282
Net assets - beginning of year	2,637,488	751,900	3,389,388	2,266,507	727,599	2,994,106
Net assets - end of year	$ 3,186,219	$ 823,575	$ 4,009,794	$ 2,637,488	$ 751,900	$ 3,389,388

See accompanying notes to financial statements.

BROOKS-HOWELL HOME
STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2025	2024
Cash flows from operating activities:		
Change in net assets	$ 620,406	$ 395,282
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	175,617	180,139
Contribution of nonfinancial assets	(896,097)	-
Unrealized gains on investments	(180,267)	(108,425)
Changes in operating assets and liabilities:		
Accounts receivable - residents	523,557	(437,455)
Accounts receivable - other	3,619	(401)
Inventories	(3,865)	(10,320)
Accounts payable	40,821	(70,727)
Accrued wages and related liabilities	(36,865)	110,513
Net cash provided by operating activities	246,926	58,606
Cash flows from investing activities:		
Change in assets limited as to use	(62,878)	(4,850)
Agency funds	-	(24,238)
Purchases of equipment and improvements	(166,646)	(77,506)
Sales of investments, net	159,870	36,028
Net cash used in investing activities	(69,654)	(70,566)
Increase (decrease) in cash and cash equivalents	177,272	(11,960)
Cash and cash equivalents - beginning of year	788,814	800,774
Cash and cash equivalents - end of year	$ 966,086	$ 788,814

See accompanying notes to financial statements.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of Brooks-Howell Home (the "Organization") is presented to assist in understanding the Organization's financial statements. The Organization's management is responsible for the integrity and objectivity of the financial statements and notes. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization

The Organization is a part of United Women in Faith ("UWFaith") and primarily provides housing, health care, and other related services to residents through the operation of a retirement facility containing 39 residential apartments, 21 suites, 1 cottage, and 58 licensed nursing care beds. The Organization is located in Asheville, North Carolina. UWFaith owns the property and provides operating support; however, no rent is paid to UWFaith for use of the property. Contracts for services provided by the Organization are in the name of UWFaith. The Organization manages the day-to-day operations under the direction of UWFaith. These financial statements reflect only those day-to-day operations at the Organization. Other transactions that occur between residents and UWFaith are not recorded within these financial statements. The Organization operates in the State of North Carolina under provisions of a Certificate of Authority.

The mission of the Organization is to affirm each resident's dignity, independence, and value; to provide an atmosphere for an enriching lifestyle in a secure, stimulating Christian community; to encourage and assist residents in reaching and maintaining their full potential in the area of physical, social and spiritual well-being; to implement new programs and ministries which address current and future needs; and to operate on a fiscally sound basis. The Organization was originally established to provide a retirement community for United Methodist deaconesses and missionaries but has now evolved into a diverse community that welcomes all seniors.

Net Assets

For reporting purposes, the Organization's financial statements have been prepared to focus on the organization as a whole. Resources are classified into two net asset categories based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity, but may permit the Organization to use or expend part or all of the income derived from the donated assets.

Included in net assets without donor restrictions are funds that have been designated by the Organization for particular purposes. The total of these funds are $590,064 and $517,889 as of December 31, 2025 and 2024, respectively.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid instruments with original maturities of three months or less when purchased.

Investments

Investments in equity securities with readily determinable fair values and investments in debt securities are measured at fair value in the accompanying statements of financial position. Contributed investments are stated at the fair value at the date of receipt. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in operating income unless the donor or law restricts the income or loss. Unrealized gains and losses on investments are generally excluded from operating income and are shown as other changes in net assets in the statements of activities.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value Measurements

The Financial Accounting Standards Board ("FASB") issued authoritative guidance regarding fair value measurements, which defines fair value, establishes a framework for measuring fair value in U.S. generally accepted accounting principles and expands disclosures about fair value measurements. The Organization utilizes market data or assumptions that market participants would use in pricing the asset or liability. Generally accepted accounting principles establish a three-tier fair value hierarchy, which prioritizes the inputs used when measuring fair value based on the inputs to valuation techniques as follows (See Note D):

Level 1 - These are investments where values are based on unadjusted quoted prices for identical assets in an active market that the Organization has the ability to access.

Level 2 - These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investments.

Level 3 - These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments. The Organization has no investments categorized in Level 3.

Revenue Recognition

Contributions

Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received. The Organization reports contributions of cash and other assets as restricted support, if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period as received are reflected as contributions without donor restrictions in the accompanying financial statements.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Organization reports contributions of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and contributions of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Resident Revenue

Resident carrying charges are reported at the amount that reflects consideration to which the Organization expects to be entitled in exchange for providing rent, room charges, and related services. Generally, rental charges are due at the beginning of each month. Revenue is recognized as the performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in related to total expected or actual charges.

Inventories

Inventories are stated at the lower of cost (first-in, first-out) or net realizable value of the inventory item.

Assets Limited as to Use

Assets limited as to use include assets whose corpus is restricted, and assets held on behalf of others representing agency funds related to funeral funds and resident medical funds (See Note C).

Equipment and Improvements

Equipment purchased prior to January 1, 2000 is carried at values established by an estimate of fair value at January 1, 2000. Purchases after January 1, 2000 are carried at cost. Certain donated asset values were recorded at a nominal amount since fair values were not determinable. Major renewals and improvements are capitalized to the equipment and improvement accounts while replacements, maintenance, and repairs, which do not improve or extend the life of the asset, are expensed as incurred. Betterments and renewals of facilities are capitalized as improvements as the Organization expects to benefit from such items over their useful lives. When assets are sold or retired, their cost is removed from the accounts.

Depreciation is provided by charges to operations using the straight-line method at rates designed to amortize the cost of the assets over their estimated useful lives, which range from 5 to 20 years.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Functional Expense Classifications

All expenses in the accompanying statements of activities were incurred for or related to the provision of services by the retirement center (See Note K).

Accounts Receivable - Residents and Allowance for Credit Losses

Accounts receivable is recorded based on the amounts due from residents. The allowance for credit losses is a valuation account that is deducted from accounts receivable to present the net amount expected to be collected under the terms of the resident contract agreement. Balances that are still outstanding after management has used reasonable collection efforts are written-off against the allowance. Recoveries on balances previously written-off are credited to the allowance for credit losses. Although the Organization does not require collateral for its resident contracts, management believes that credit risk with respect to net accounts receivable is limited due to performance of credit evaluations of the customers.

For accounts receivable, management estimates the allowance balance under the aging method using relevant available information from internal sources relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. The Organization considers a range of information in determining credit loss estimates, including past-due status, internal, and external credit ratings. When management determines that default is probable or when the resident is experiencing financial difficulty, expected credit losses are adjusted for the contract amount not expected to be recovered. The key risk characteristics for accounts receivable are the credit worthiness of the residents. The Organization reviews and updates the allowance for credit losses monthly. Changes in the economic outlook and status can result in changes to management's credit loss estimates. As of December 31, 2025 and 2024, management had deemed no allowance for credit losses necessary for accounts receivable - residents.

Operating Income

The statements of activities includes operating income. Changes in net assets, which are excluded from operating income, consistent with industry practice, include unrealized gains and losses on investments, permanent transfers of assets to and from affiliates for other goods and services, and certain contributions of long-lived assets.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Donated Services

When contributed services that create or enhance non-financial assets or require specialized skills are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, the amounts are reflected in the financial statements as in-kind contributions and expenditures if the value of the donated services is ascertainable. There were no such donated services recorded in the accompanying financial statements. However, during the year, board members and volunteers donated time not meeting the above requirement for inclusion in the financial statements.

Tax Status

The Organization is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code because it is a part of UWFaith. Accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2025 and 2024.

The Organization accounts for the effect of any uncertain tax positions based on a more likely than not threshold to the recognition of the tax positions being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. Tax positions for the Organization include, but are not limited to, the tax-exempt status and determination of whether income is subject to unrelated business income tax; however, the Organization has determined that such tax positions do not result in an uncertainty requiring recognition.

B. LIQUIDITY AND AVAILABILITY OF RESOURCES

The table below represents financial assets available for general expenditures within one year at December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024
Financial assets at year-end:		
Cash and cash equivalents	$ 966,086	$ 788,814
Accounts receivable - residents	22,444	546,001
Accounts receivable - other	10,799	14,418
Investments	605,698	585,301
Assets limited as to use - long-term	744,763	681,885
Total financial assets	2,349,790	2,616,419
Less amounts not available to be used for general expenditures within one year:		
Assets limited as to use - long-term	744,763	681,885
Financial assets not available to be used within one year	744,763	681,885
Financial assets available to meet general expenditures within one year	$1,605,027	$1,934,534

As part of the Organization's liquidity management plan, it structures its financial assets to be available as its obligations come due.

C. ASSETS LIMITED AS TO USE

Assets limited as to use are recorded at fair value based primarily upon quoted market rates and consist of the following:

	December 31, 2025	December 31, 2024
Long-term portion:		
With donor restrictions	$744,763	$681,885
Comprised of:		
Investments and cash equivalents	$744,763	$681,885

D. INVESTMENTS

Investments are as follows, at fair value:

	December 31, 2025	December 31, 2024
Cash and cash equivalents	$ 49,569	$ 34,616
Marketable equity securities	603,250	561,055
Pooled investment funds	697,642	671,515
Total investments	1,350,461	1,267,186
Less: Investments classified as assets limited as to use	744,763	681,885
Investments	$ 605,698	$ 585,301

D. INVESTMENTS - Continued

Investment securities, in general, are exposed to various risks, such as interest rates, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Level inputs for fair value measurement of investments are as follows:

		Fair Value Measurements at Reporting Date Using		
	Assets Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2025:				
Investments:				
Short-term and marketable securities	$ 652,819	$652,819	$ -	$ -
Pooled investment funds	697,642	-	697,642	-
Total investments	$1,350,461	$652,819	$697,642	$ -
December 31, 2024:				
Investments:				
Short-term and marketable securities	$ 595,671	$595,671	$ -	$ -
Pooled investment funds	671,515	-	671,515	-
Total investments	$1,267,186	$595,671	$671,515	$ -

E. EQUIPMENT AND IMPROVEMENTS

Equipment consists of:

	2025	2024
Cost:		
Equipment and improvements	$ 4,840,416	$ 4,618,135
Construction in progress	933,615	93,153
Accumulated depreciation	(3,777,950)	(3,602,333)
Equipment and improvements, net	$ 1,996,081	$ 1,108,955

Depreciation expense charged to operations was $175,617 and $180,139 for 2025 and 2024, respectively.

Construction in progress relates to the construction of the Medicare bed wing, which is being funded by United Women in Faith. As of December 31, 2025, estimated remaining costs to complete the project totaled approximately $1,060,000 and are expected to be contributed by United Women in Faith as contributions of nonfinancial assets. During 2025, Brooks-Howell Home recognized contributions of nonfinancial assets totaling $896,097 related to construction costs incurred for the project. These contributed construction costs are capitalized as construction in progress as of fiscal year end.

F. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2025 and 2024, have been restricted by the donors for the following purposes:

	December 31,	
	2025	2024
Subject to purpose restrictions:		
Miscellaneous resident needs	$ 271,570	$ 208,357
Total subject to purpose restrictions	271,570	208,357
Permanent endowments:		
McLaughlin Endowment Fund	182,203	179,410
Lebedeff Endowment Fund	369,802	364,133
Total permanent endowments	552,005	543,543
Total net assets with donor restrictions	$ 823,575	$ 751,900

Net assets with donor restrictions for the years ended December 31, 2025 and 2024 were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors.

F. NET ASSETS WITH DONOR RESTRICTIONS - Continued

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the North Carolina Uniform Prudent Management of Institutional Funds Act (the "Act") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization has classified as net assets with donor restrictions (a) the value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulated amount is added to the fund. The remaining portion of the donor-restricted endowment funds that are not classified as permanent endowments are classified as subject to purpose restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the Act.

In accordance with the Act, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- The investment policies of the Organization

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that are intended to provide an ongoing stream of funding for resident services that are supported by the endowment. Endowment assets include assets of donor-restricted funds that the Organization must hold in perpetuity. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce a moderate level of total investment return consistent with a prudent level of portfolio risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that includes fixed income instruments and equity-based investments to achieve its long-term return objectives within prudent risk constraints.

F. NET ASSETS WITH DONOR RESTRICTIONS - Continued

Spending Policy and How the Investment Objectives Relate to the Spending Policy

The Organization's policy is generally to appropriate for spending up to 90% of the investment returns. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long-term, the Organization expects the current spending policy to allow its endowment to grow by 10% of the investment income annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Changes in endowment net assets with donor restrictions for the years ended December 31, 2025 and 2024 are as follows:

	With Donor Restrictions
December 31, 2025:	
Endowment net assets - beginning of year	$ 681,885
Contributions	4,417
Investment earnings	44,166
Net appreciation	44,495
Appropriation of endowment assets for expenditures	(30,200)
Endowment net assets - end of year	$ 744,763
December 31, 2024:	
Endowment net assets - beginning of year	$ 652,797
Contributions	2,899
Investment earnings	28,987
Net appreciation	23,789
Appropriation of endowment assets for expenditures	(26,587)
Endowment net assets - end of year	$ 681,885

G. EMPLOYEE BENEFIT PLANS

The Organization participates in the Cumulative Pension and Benefit Fund, which is supervised and administered by the Wespath Benefits and Investments and Health Benefits of The United Methodist Church. All eligible employees with more than two years of service, beginning July 1 2001, participate in the Plan. The Organization paid 9% of eligible compensation into the Plan through November 14, 2016, and no employee contributions were required; however, voluntary employee contributions could be made. Effective November 15, 2016, the Organization reduced the contribution rate to 5% of eligible compensation into the Plan with an additional 2% matching contribution. Effective January 1, 2021, the Organization reduced the contribution rate to 3% of eligible compensation into the Plan and eliminated the additional 2% matching contribution. During the years ended December 31, 2025 and 2024, the Organization made retirement plan contributions of $36,278 and $48,114, respectively.

H. UNITED WOMEN IN FAITH

UWFaith is the provider for the operations of the Organization. Pursuant to North Carolina statute for Continuing Care Retirement Communities, certain operating reserves must be maintained by the provider. The operating reserve must cover a percentage of the forecasted total operating expenses for the facility for the upcoming year, excluding depreciation, amortization, and extraordinary items. Specifically, according to statute § 58-64-33, if a facility maintains an occupancy level in excess of ninety percent, a provider shall be required to maintain an operating reserve of twenty-five percent of operating expenses; however, if the occupancy levels fall below ninety percent, a fifty percent operating reserve must be maintained. As of December 31, 2025 and 2024, UWFaith held $2,694,000 and $2,402,000, respectively, in operating reserves for the Organization based on actual occupancy levels of less than ninety percent and anticipated 2025 and 2024 operating expenses, respectively. As UWFaith is the provider for the Organization, the operating reserves are reported in UWFaith's financial statements and not within the accompanying financial statements of the Organization. See Note A for additional information on the relationship of the Organization to UWFaith.

I. CONTINUING OPERATIONS

The Organization's capacity to meet its financial commitments and operational needs are dependent on the Organization's ability to secure ongoing revenues and funding for its activities, including regular contributions and donations, increased fee revenues from proposed changes to entrance requirements and other revenue generation plans, market performance of the endowment funds, and the continued support and grants from UWFaith. Significant changes in these sources or levels of funding, or inability to carry-out certain proposed changes to entrance requirements and other revenue generation plans, would materially affect the Organization's program activities and ability to operate.

J. FUNCTIONAL EXPENSE CLASSIFICATIONS

2025:

	Nursing Services	Food Services	Administration	Environmental Services	Maintenance	Human Resources	Marketing	Activities	Depreciation	Staff House	Total
Salaries, wages, and employee benefits	$ 1,476,390	$ 525,648	$ 394,064	$ 305,306	$ 401,216	$ 23,240	$ 90,510	$ 98,554	$ -	$ -	$ 3,314,928
Consulting and contractual services	265,594	288,242	277,404	71,595	71,985	10,427	-	-	-	-	985,247
Insurance	-	-	218,113	-	-	-	-	-	-	-	218,113
Maintenance	-	37,410	-	3,552	43,451	-	-	-	-	-	84,413
Depreciation	-	-	-	-	-	-	-	-	175,617	-	175,617
Utilities	-	-	-	-	205,285	-	-	-	-	-	205,285
Other	33,609	70,304	107,942	9,671	514	39,532	38,836	2,511	-	-	302,919
Total	$ 1,775,593	$ 921,604	$ 997,523	$ 390,124	$ 722,451	$ 73,199	$ 129,346	$ 101,065	$ 175,617	$ -	$ 5,286,522

2024:

	Nursing Services	Food Services	Administration	Environmental Services	Maintenance	Human Resources	Marketing	Activities	Depreciation	Staff House	Total
Salaries, wages, and employee benefits	$ 1,237,122	$ 542,113	$ 282,093	$ 325,890	$ 358,623	$ 109,315	$ 51,836	$ 98,246	$ -	$ -	$ 3,005,238
Consulting and contractual services	350,912	237,039	138,419	79,980	27,494	19,575	(1,851)	1,492	-	-	853,060
Insurance	-	-	134,615	-	-	-	-	-	-	-	134,615
Maintenance	-	5,674	-	1,537	71,157	-	-	-	-	-	78,368
Depreciation	-	-	-	-	-	-	-	-	180,139	-	180,139
Utilities	-	-	-	-	223,788	-	-	-	-	-	223,788
Other	38,853	20,764	91,094	12,035	278	51,403	9,057	37	-	1,924	225,445
Total	$ 1,626,887	$ 805,590	$ 646,221	$ 419,442	$ 681,340	$ 180,293	$ 59,042	$ 99,775	$ 180,139	$ 1,924	$ 4,700,653

K. CONTINGENCIES

The Organization has in place insurance coverage for possible litigation in the ordinary course of business related to general and professional liability claims including medical malpractice. Management believes that claims, if asserted, would be settled within the limits of coverage, which is on an occurrence basis.

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursements for patient services, and fraud and abuse. Accordingly, the healthcare industry is subject to government activity with respect to investigations and/or allegations concerning possible violations of fraud and abuse statutes and/or regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Specifically, the Organization is licensed to operate under the Continuing Care Retirement Communities Statute of the state of North Carolina and is regulated by the North Carolina Department of Insurance.

Management believes that the Organization is in compliance with statutes, as well as other applicable government laws and regulations. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretations as well as regulatory actions unknown or unassisted at this time. The Organization is not aware of any pending or threatened investigations involving allegations of potential wrongdoing.

L. SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 13, 2026, which is the date the financial statements were available to be issued, and management has determined that there were no subsequent events requiring disclosure.

UNITED WOMEN IN FAITH

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

UNITED WOMEN IN FAITH

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CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors
United Women in Faith
New York City, New York

Opinion

We have audited the accompanying financial statements of the United Women in Faith ("UWFaith"), a nonprofit organization, which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UWFaith as of December 31, 2025 and 2024, and the changes in its net assets and its 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of UWFaith 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 Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UWFaith's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about UWFaith'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.

Crowelin, PLLC

Nashville, Tennessee
June 17, 2026

UNITED WOMEN IN FAITH
Statements of Financial Position
December 31, 2025 and 2024 (Restated)

Assets

	2025	2024 (Restated)
Cash and cash equivalents	$ 65,173	-
Cash and cash equivalents - State of North Carolina operating reserve requirement for Brooks-Howell Home	2,694,000	2,402,000
Receivables:		
Due from conferences	2,064,421	2,105,480
Property sales	868,179	151,872
Other	1,720,617	2,286,033
Inventories and other assets, net	491,171	440,005
Prepaid expenses	296,965	342,768
Investments in debt securities of the United Methodist Development Fund	5,500	5,500
Investments	113,155,472	104,806,191
Land, buildings, and equipment, net	7,853,943	6,801,329
Perpetual trusts held by others	1,996,994	1,848,578
Total assets	$ 131,212,435	$ 121,189,756

Liabilities and Net Assets

Liabilities:		
Accounts payable and accrued expenses	$ 1,775,314	$ 1,285,593
Deferred revenue	1,396,354	1,469,081
Annuities payable	110,924	125,012
Assets held for others	923,676	941,123
Accrued postretirement and pension benefit costs	4,088,741	4,320,716
Total liabilities	8,295,009	8,141,525
Net assets:		
Net assets without donor restrictions	43,289,194	39,261,555
Net assets with donor restrictions	79,628,232	73,786,676
Total net assets	122,917,426	113,048,231
Total liabilities and net assets	$ 131,212,435	$ 121,189,756

See accompanying notes to financial statements.

UNITED WOMEN IN FAITH
Statement of Activities
Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues and Support:			
Conference Giving:			
Mission Giving	$ 5,396,899	$ -	$ 5,396,899
Designated Giving	83,699	310,938	394,637
Interest Income:			
Investment Income (Net of Fees)	285,540	2,048,258	2,333,798
Bequests, Trusts, Other Long-term Gifts	330,628	71,492	402,120
Publications:			
Response Magazine	160,422	-	160,422
Mission Resource Center	283,957	-	283,957
Rental and Service Fee Income:			
Brooks-Howell Home (BHH)	5,590,549	4,417	5,594,966
Church Center for United Nations (CCUN)	2,532,774	-	2,532,774
Other Income:			
Benefits Trust	1,392,839	-	1,392,839
Miscellaneous Other Income	202100	-	202,100
Grant Income	1,061,568	-	1,061,568
Net assets released from restrictions	6,097,530	(6,097,530)	-
Total operating revenues and support	23,418,505	(3,662,425)	19,756,080
Operating Expenses:			
Program Services:			
Programs Rendered by UWFaith:			
Transformation	459,308	-	459,308
Position	389,115	-	389,115
Engage	1,137,290	-	1,137,290
Mobilize	560,918	-	560,918
Connectional	466,157	-	466,157
National Missions Office	682,844	-	682,844
International Mission Work Administration	607,545	-	607,545
Mission Education	711,776	-	711,776
Response Magazine	283,281	-	283,281
Mission Resources	345,820	-	345,820
Deaconess, Home Missioners Office and Network	521,661	-	521,661
Other Programs Rendered by UWFaith	945,632	-	945,632
Programs Rendered by Other Organizations:			
United Methodist Organizations National Mission	1,036,125	-	1,036,125
United Methodist Organizations International Mission	313,315	-	313,315
Ecumenical Organization	10,530	-	10,530
Grants from Designated Funds	2,974,132	-	2,974,132

Continued on next page.

UNITED WOMEN IN FAITH
Statement of Activities
Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Program Support:			
Church Center for the United Nations (CCUN)	2,368,213	-	2,368,213
Brooks-Howell Home (BHH)	5,158,872	-	5,158,872
Retired Deaconess, Missionary Pension and Health Benefits	902,828	-	902,828
Organization-wide Program Support	117,109	-	117,109
Total program services	19,992,471	-	19,992,471
Supporting Services:			
Management and general	3,246,913	-	3,246,913
Fundraising	884,011	-	884,011
Total supporting services	4,130,924	-	4,130,924
Total operating expenses	24,123,395	-	24,123,395
Decrease in net assets from operations	(704,890)	(3,662,425)	(4,367,315)
Non-operating Activities:			
Net appreciation in fair value of investments	3,690,554	8,682,200	12,372,754
Net appreciation in perpetual trusts held by others	-	148,417	148,417
Change in postretirement and pension benefit costs	231,975	-	231,975
Gain on sale of properties	810,000	-	810,000
Endowment and other permanent contributions	-	673,364	673,364
Total non-operating activities	4,732,529	9,503,981	14,236,510
Increase in net assets	4,027,639	5,841,556	9,869,195
Net assets at beginning of year, as restated	39,261,555	73,786,676	113,048,231
Net assets at end of year	$ 43,289,194	$ 79,628,232	$ 122,917,426

See accompanying notes to financial statements.

UNITED WOMEN IN FAITH
Statement of Activities
Year Ended December 31, 2024 (Restated)

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues and Support:			
Conference Giving:			
Mission Giving	$ 5,774,389	$ -	$ 5,774,389
Designated Giving	105,087	273,545	378,632
Interest Income:			
Investment Income (Net of Fees)	210,738	2,110,536	2,321,274
Bequests, Trusts, Other Long-term Gifts	90,237	318,034	408,271
Publications:			
Response Magazine	185,101	-	185,101
Mission Resource Center	227,780	-	227,780
Rental and Service Fee Income:			
Brooks-Howell Home (BHH)	4,812,449	2,899	4,815,348
Church Center for United Nations (CCUN)	2,660,206	-	2,660,206
Other Income:			
Benefits Trust	1,038,735	-	1,038,735
Miscellaneous Other Income	279,889	-	279,889
Net assets released from restrictions	5,698,719	(5,698,719)	-
Total operating revenues and support	21,083,330	(2,993,705)	18,089,625
Operating Expenses:			
Program Services:			
Programs Rendered by UWFaith:			
Transformation	453,650	-	453,650
Position	211,381	-	211,381
Engage	1,118,468	-	1,118,468
Mobilize	549,185	-	549,185
Connectional	476,161	-	476,161
National Missions Office	925,191	-	925,191
International Mission Work Administration	891,935	-	891,935
Mission Education	592,484	-	592,484
Response Magazine	279,922	-	279,922
Mission Resources	408,182	-	408,182
Deaconess, Home Missioners Office and Network	525,836	-	525,836
Other Programs Rendered by UWFaith	946,012	-	946,012
Programs Rendered by Other Organizations:			
United Methodist Organizations National Mission	1,040,789	-	1,040,789
United Methodist Organizations International Mission	330,697	-	330,697
Ecumenical Organization	37,089	-	37,089
Grants from Designated Funds	2,160,405	-	2,160,405

Continued on next page.

UNITED WOMEN IN FAITH
Statement of Activities
Year Ended December 31, 2024 (Restated)

	Without Donor Restrictions	With Donor Restrictions	Total
Program Support:			
Church Center for the United Nations(CCUN)	2,842,761	-	2,842,761
Brooks-Howell Home (BHH)	4,580,915	-	4,580,915
Retired Deaconess, Missionary Pension and Health Benefits	766,077	-	766,077
Organization-wide Program Support	161,456	-	161,456
Total program services	19,298,596	-	19,298,596
Supporting Services:			
Management and general	2,806,276	-	2,806,276
Fundraising	868,431	-	868,431
Total supporting services	3,674,707	-	3,674,707
Total operating expenses	22,973,303	-	22,973,303
Decrease in net assets from operations	(1,889,973)	(2,993,705)	(4,883,678)
Non-operating Activities:			
Net appreciation in fair value of investments	2,200,417	4,777,573	6,977,990
Net appreciation in perpetual trusts held by others	-	133,301	133,301
Change in postretirement and pension benefit costs	942,296	-	942,296
Endowment and other permanent contributions	-	1,300,355	1,300,355
Total non-operating activities	3,142,713	6,211,229	9,353,942
Increase in net assets	1,252,740	3,217,524	4,470,264
Net assets at beginning of year, as originally stated	35,118,954	69,220,645	104,339,599
Restatement	2,889,861	1,348,507	4,238,368
Net assets at beginning of year, as restated	38,008,815	70,569,152	108,577,967
Net assets at end of year	$ 39,261,555	$ 73,786,676	$ 113,048,231

See accompanying notes to financial statements.

UNITED WOMEN IN FAITH

Statement of Functional Expenses

Year Ended December 31, 2025

	Program Services											
	Programs Rendered by UWFaith											
	Transformation	Position	Engage	Mobilize	Connectional	National Missions Office	International Mission Work Administration	Mission Education	response Magazine	Mission Resources	Deaconesses, Home Missioners Office and Network	Other Programs Administered by UWFaith
Salaries, wages, and employee benefits	$ 413,159	$ 134,296	$ 936,502	$ 369,228	$ 446,238	233,396	260,620	$ 528,968	$ -	$ -	$ 252,212	$ 618,869
Grants and distributions	-	-	-	54,635	4,928	15,925	-	-	-	-	9,000	10,000
Program expenses	-	-	151,766	93,098	4,092	1,656	306,454	26,926	-	-	175,385	107,037
Travel expenses	15,040	-	-	-	7,527	3,306	1,535	1,663	-	-	4,273	29,562
Meeting expenses	595	-	-	-	-	-	-	-	-	-	8,129	1,348
Promotional materials	-	125,561	-	-	150	-	36,069	31,685	-	334,133	3,455	4,687
Consulting and contractual services	14,013	126,391	37,155	41,090	-	12,840	-	113,993	163,641	-	27,492	115,855
Insurance	-	-	-	-	-	412,854	-	-	-	-	-	-
Equipment, repair and leasing	-	-	-	-	151	-	-	2,289	-	-	537	-
Rent and maintenance	2,937	2,867	2,867	2,867	2,867	2,867	2,867	5,940	-	-	3,830	35,126
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-
Office and other expenses	13,564	-	9,000	-	204	-	-	312	111,052	-	35,200	5,848
Audit and legal fees	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	8,588	11,687	2,148	17,300
Total	$ 459,308	$ 389,115	$ 1,137,290	$ 560,918	$ 466,157	$ 682,844	$ 607,545	$ 711,776	$ 283,281	$ 345,820	$ 521,661	$ 945,632

Continued on next page.

UNITED WOMEN IN FAITH

Statement of Functional Expenses

Year Ended December 31, 2025

	Program Services						Supporting Services		
	Programs Rendered by Other Organizations			Program Support					
	United Methodist Organizations National and International	Ecumenical Organization	Grants From Designated Funds	Church Center for the United Nations (CCUN)	Brooks-Howell Home (BHH)	Organization-wide Program Support	Management and General	Fundraising	Total
Salaries, wages, and employee benefits	$ -	$ -	$ -	$ 1,009,066	$ 3,314,928	$ 136	$ 2,352,222	$ 649,022	$ 11,518,862
Grants and distributions	1,316,120	-	1,617,219	-	-	-	-	-	3,027,827
Program expenses	33,320	-	976,199	-	2,456,688	-	11,309	-	4,343,930
Travel expenses	-	-	-	-	-	24,606	17,446	38,092	143,050
Meeting expenses	-	-	-	-	-	86,872	925	675	98,544
Promotional materials	-	-	-	-	-	-	53,025	76,744	665,509
Consulting and contractual services	-	-	-	-	-	1,824	4,848	27,744	686,886
Insurance	-	-	-	134,360	-	-	53,839	-	601,053
Equipment, repair and leasing	-	-	-	58,448	-	-	216,087	50,042	327,554
Rent and maintenance	-	7,778	-	322,917	-	3,041	47,068	7,049	452,888
Depreciation	-	-	380,714	86,083	290,084	-	2,342	-	759,223
Utilities	-	-	-	383,941	-	-	15,820	-	399,761
Office and other expenses	-	-	-	138,524	-	-	178,841	18,340	510,885
Audit and legal fees	-	-	-	16,890	-	-	173,083	12,469	202,442
Miscellaneous	-	2,752	-	217,984	-	630	120,058	3,834	384,981
Total	$ 1,349,440	$ 10,530	$ 2,974,132	$ 2,368,213	$ 6,061,700	$ 117,109	$ 3,246,913	$ 884,011	$ 24,123,395

See accompanying notes to financial statements.

UNITED WOMEN IN FAITH

Statement of Functional Expenses

Year Ended December 31, 2024 (Restated)

	Program Services											
	Programs Rendered by UWFaith											
	Transformation	Position	Engage	Mobilize	Connectional	National Missions Office	International Mission Work Administration	Mission Education	Response Magazine	Mission Resources	Deaconesses, Home Missioners Office and Network	Other Programs Administered by UWFaith
Salaries, wages, and employee benefits	$ 359,758	$ -	$ 980,051	$ 382,037	$ 449,573	$ 364,487	$ 294,636	$ 386,584	$ -	$ -	$ 244,100	$ 593,167
Grants and distributions	-	-	-	6,140	1,979	10,000	-	-	-	-	3,133	-
Program expenses	707	-	105,345	140,826	6,425	18,016	567,724	22,651	-	-	178,264	79,842
Travel expenses	14,192	-	1,163	-	15,385	2,304	4,002	2,118	2,000	-	13,312	32,013
Meeting expenses	385	-	-	-	-	-	-	-	-	-	13,319	35
Promotional materials	-	77,186	-	-	-	-	25,573	38,110	-	397,179	2,338	13,901
Consulting and contractual services	-	134,195	31,909	20,182	-	-	-	109,752	158,272	-	43,402	139,016
Insurance	-	-	-	-	-	512,307	-	-	-	-	-	-
Equipment, repair and leasing	-	-	-	-	1,724	-	-	884	-	-	748	-
Rent and maintenance	13,706	-	-	-	310	18,061	-	32,306	-	-	-	74,323
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-
Office and other expenses	64,902	-	-	-	765	-	-	79	114,930	-	20,000	5,849
Audit and legal fees	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	16	-	-	4,720	11,003	7,220	7,866
Total	$ 453,650	$ 211,381	$ 1,118,468	$ 549,185	$ 476,161	$ 925,191	$ 891,935	$ 592,484	$ 279,922	$ 408,182	$ 525,836	$ 946,012

Continued on next page.

UNITED WOMEN IN FAITH

Statement of Functional Expenses

Year Ended December 31, 2024 (Restated)

	Program Services						Supporting Services		
	Programs Rendered by Other Organizations			Program Support					
	United Methodist Organizations National and International	Ecumenical Organization	Grants From Designated Funds	Church Center for the United Nations (CCUN)	Brooks-Howell Home (BHH)	Organization-wide Program Support	Management and General	Fundraising	Total
Salaries, wages, and employee benefits	$ 2,027	$ -	$ 557	$ 1,013,959	$ 3,005,238	$ 211	$ 2,058,816	$ 607,865	$ 10,743,066
Grants and distributions	1,361,058	-	1,355,518	-	-	-	-	-	2,737,828
Program expenses	8,401	-	186,452	-	2,073,969	-	1,300	-	3,389,922
Travel expenses	-	-	-	-	-	21,008	25,550	36,074	169,121
Meeting expenses	-	-	-	-	-	124,966	-	-	138,705
Promotional materials	-	-	-	-	-	-	54,513	132,147	740,947
Consulting and contractual services	-	-	-	-	-	-	-	5,400	642,128
Insurance	-	-	-	126,369	-	-	36,036	-	674,712
Equipment, repair and leasing	-	-	-	62,897	-	-	202,852	-	269,105
Rent and maintenance	-	35,947	-	677,864	-	10,450	204,010	31,278	1,098,255
Depreciation	-	-	380,714	113,991	267,785	-	2,342	-	764,832
Utilities	-	-	-	370,243	-	-	39,405	-	409,648
Office and other expenses	-	-	-	191,178	-	-	178,526	44,729	620,958
Audit and legal fees	-	-	-	64,889	-	-	193,722	9,199	267,810
Miscellaneous	-	1,142	237,164	221,371	-	4,821	(190,796)	1,739	306,266
Total	$ 1,371,486	$ 37,089	$ 2,160,405	$ 2,842,761	$ 5,346,992	$ 161,456	$ 2,806,276	$ 868,431	$ 22,973,303

See accompanying notes to financial statements.

UNITED WOMEN IN FAITH
Statements of Cash Flows
Years Ended December 31, 2025 and 2024 (Restated)

	2025	2024 (Restated)
Cash flows from operating activities:		
Increase in net assets	$ 9,869,195	$ 4,470,264
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation	759,223	764,832
Gain on sale of properties	(810,000)	-
Net appreciation in fair value of investments	(12,372,754)	(6,977,990)
Net appreciation in perpetual trusts held by others	(148,417)	(133,301)
Contributions and investment return restricted for long-term investment	(673,364)	(1,300,355)
Actuarial loss on annuity obligations	43,590	36,041
Change in receivables	619,168	(422,053)
Change in inventories and other assets	(51,166)	86,169
Change in prepaid expenses	45,803	170,586
Change in accounts payable and accrued expenses	489,720	(642,192)
Change in deferred revenue	(72,727)	-
Change in assets held for others	(17,447)	(18,122)
Change in accrued postretirement and pension benefit costs	(231,975)	(942,296)
Net cash used in operating activities	(2,551,151)	(4,908,417)
Cash flows from investing activities:		
Proceeds from sale of properties	81,000	175,116
Purchases of equipment and improvements	(1,811,837)	(389,979)
Proceeds from sales of investments	7,621,108	8,205,927
Purchases of investments	(3,597,633)	(3,798,844)
Net cash provided by investing activities	2,292,638	4,192,220
Cash flows from financing activities:		
Contributions and investment return restricted for long-term investment	673,364	1,300,355
Payments of annuity obligations	(57,678)	(43,590)
Net cash provided by financing activities	615,686	1,256,765
Net increase in cash and cash equivalents	357,173	540,568
Cash and cash equivalents at beginning of year	2,402,000	1,861,432
Cash and cash equivalents at end of year	$ 2,759,173	$ 2,402,000
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents	$ 65,173	$ -
Cash and cash equivalents - State of North Carolina operating reserve requirement for Brooks-Howell Home	2,694,000	2,402,000
Total cash and cash equivalents	$ 2,759,173	$ 2,402,000
Supplemental disclosure of cash flow information:		
Cash paid for amounts included in the measurement of operating lease liability	$ -	$ 372,105

See accompanying notes to financial statements.

(1) Nature of Organization

United Methodist Women, doing business as United Women in Faith ("UWFaith"), is a tax-exempt, not-for-profit organization, affiliated with The United Methodist Church (the "Church"). UWFaith previously operated as the United Methodist Women and the Women's Division of the General Board of Global Ministries of The United Methodist Church.

UWFaith relates to jurisdictions, conferences, districts, and local units that carry out the purpose of the United Women in Faith by advocating for the oppressed and dispossessed, especially women, children, and youth. It works to build a supportive community among women and engages in activities, which foster growth in the Christian faith, mission education, and Christian social involvement throughout the Church.

Funding for UWFaith's operations is principally pledged by women in local churches through undesignated and designated gifts and channeled to UWFaith via the districts and conferences. Contributions received from United Women in Faith conferences accounted for approximately 29% and 34% of total operating revenue of UWFaith in 2025 and 2024, respectively. Additionally, UWFaith operates the following program areas: Church Center for the United Nations ("CCUN") building, a non-profit providing office space for religious and charitable groups working on issues related to the United Nations; UWFaith Mission Resources ("MR"), a handling and distribution program for the distribution of UWFaith's media resources and *Response* magazine, the official publication of United Women in Faith; and Brooks-Howell Home ("BHH"), a retirement facility in Asheville, North Carolina, for UWFaith's retired missionaries and deaconesses as well as seniors from the community.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements of UWFaith are prepared on the accrual basis of accounting. UWFaith considers the net appreciation or depreciation in fair value of investments, endowment contributions, perpetual trust contributions and change in value, property sale gains, and nonrecurring transactions to be nonoperating activities.

(b) Principles of Presentation

The financial statements present the financial position, changes in net assets, and cash flows of UWFaith and its controlled affiliates and operating divisions: CCUN, MR, and BHH. All significant intercompany accounts and transactions have been eliminated.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturity dates of 90 days or less that are readily convertible to known amounts of cash, except for short-term investments held by UWFaith's investment manager as part of a long-term investment strategy.

(2) Summary of Significant Accounting Policies - Continued

(d) Investments

Securities purchased for investments and those received as gifts are carried at fair value. Except for certain investments in United Methodist Foundation of Western North Carolina, Inc. (the "Foundation") and the Funds of Wespath Benefits and Investments ("Wespath"), fair value is based upon quoted market prices. Investments in funds of the Foundation are stated at fair value, as determined by management of the Foundation, based on unitized market value of the fund portfolio. Investments in Wespath's Funds are stated at fair value primarily based on unitized market value of the respective fund portfolios.

(e) Inventories

Inventories consist primarily of publications and are valued at the lower of cost or net realizable value, with cost determined principally on the first-in, first-out basis. Inventories are presented net of an allowance for obsolescence of $-0- at both December 31, 2025 and 2024.

(f) Land, Buildings and Equipment

Land, buildings, and equipment are recorded at the cost of acquisition, if purchased, or at fair value at the date of gift. It is UWFaith's policy to capitalize expenditures for equipment in excess of $2,500; purchases, which do not exceed this amount, are expensed as incurred. Buildings, building improvements, and equipment are depreciated on a straight-line basis over their estimated useful lives of 30, 20, and 5 years, respectively.

UWFaith has granted use of certain properties (land and buildings) to related church organizations under leasing or other arrangements and, accordingly, these properties are not reflected in the accompanying financial statements. These arrangements may call for nominal payments and are typically renewed so long as the grantee continues to carry out the stated programs. The carrying value of such properties was reflected as program expenditure at the time the arrangements for indefinite use of the properties were made.

Renovation, repair and maintenance, and insurance costs incurred by UWFaith for such properties are recorded as program expenses in the accompanying financial statements. Such costs amounted to approximately $214,000 and $538,000 in 2025 and 2024, respectively.

(2) Summary of Significant Accounting Policies - Continued

(g) Contributions and Bequests

Contributions are recognized as revenue when received. Unconditional promises to give cash and other assets to UWFaith are reported at fair value at the date the promise is received. UWFaith reports contributions of cash and other assets as restricted support, if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period as received are reflected as contributions without donor restrictions in the accompanying financial statements. Contributions received on behalf of a specified beneficiary are recorded as a liability to the specified beneficiary concurrent with recognition of the assets received from the donor.

(h) Revenue Recognition

Rental and Service Fee Income

Resident service fees from BHH are reported at the amount that reflects consideration to which UWFaith expects to be entitled in exchange for providing rent, room charges, and related services. Rental income related to CCUN is reported at the amount that reflects consideration to which UWFaith expects to be entitled in exchange from providing rental space and related services in the CCUN building. Generally, rental charges are due at the beginning of each month. Revenue is recognized as the performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by BHH (resident services fees) and UWFaith (CCUN rental income). Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected or actual charges.

(i) Net Assets

For reporting purposes, UWFaith's financial statements have been prepared to focus on the organization as a whole. Resources are classified into two net asset categories based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of UWFaith and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of UWFaith. Net assets without donor restrictions represent resources over which the Board of Directors has full discretion with respect to use. The Board of Directors has designated certain net assets without donor restrictions for programs, retirement benefits, and to function as endowment (See Notes 9, 10, and 14).

(2) Summary of Significant Accounting Policies - Continued

Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of UWFaith or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity but may permit UWFaith to use or expend part or all of the income derived from the donated assets.

Support is reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. New York State law (substantially in conformity with The Uniform Prudent Management of Institutional Funds Act) authorizes expenditures of appreciation (both realized and unrealized) in the value of endowment funds subject to a standard of business care and prudence. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donors or state law. 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 accompanying statements of activities as net assets released from restrictions.

In the event a donor makes changes to the nature of a restricted gift which affects its classification among the net asset categories, such amounts are reflected as reclassifications in the statements of activities.

(j) Federal Income Tax Exemption

UWFaith is covered under the General Council on Finance and Administration's ("GCFA") group determination letter from the Internal Revenue Service indicating that it is a nonprofit corporation and, except for taxes pertaining to unrelated business income, is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. UWFaith believes it had no unrelated business income during the years ended December 31, 2025 and 2024.

UWFaith accounts for the effect of any uncertain tax positions based on a more likely than not threshold to the recognition of the tax position being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. Tax positions for UWFaith include, but are not limited to, the tax-exempt status and determination of whether income is subject to unrelated business income tax; however, UWFaith has determined that such tax positions do not result in an uncertainty requiring recognition.

(2) Summary of Significant Accounting Policies - Continued

(k) Use of Estimates

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

(l) Financial Instruments and Fair Value Measurements

Assets recorded at fair value in the statements of financial position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs, as defined by Financial Accounting Standards Board Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, are as follows:

Level 1 - Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect UWFaith's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

(m) Functional Allocation of Expenses

Costs of providing UWFaith's ministries, programs, and services are summarized and reported on a functional basis. Program services expenses include costs directly associated with the program and other indirect costs determined to benefit that program. These costs have been allocated between program and supporting services based on estimates made by management.

(n) Reclassification

Certain amounts in the prior-year financial statements have been reclassified to conform to the current-year presentation. The reclassifications had no impact on previously reported net loss, total assets, or net assets.

(3) Liquidity and Availability of Resources

The table below represents financial assets available for general expenditures within one year at December 31, 2025 and 2024.

	2025	2024 (Restated)
Financial assets at year-end:		
Cash and cash equivalents	$ 65,173	$ -
Cash and cash equivalents - State of North Carolina operating reserve requirement for Brooks Howell Home	2,694,000	2,402,000
Receivables	4,653,217	4,543,385
Investments in debt securities of The United Methodist Development Fund	5,500	5,500
Investments	113,155,472	104,806,191
Perpetual trusts held by others	1,996,994	1,848,578
Total financial assets	122,570,356	113,605,654
Less amounts not available to be used for general expenditures within one year:		
Cash and cash equivalents - State of North Carolina operating reserve requirement for Brooks-Howell Home	2,694,000	2,402,000
Perpetual trusts held by others	1,996,994	1,848,578
Assets held for others	923,676	941,123
Board designated funds	38,899,601	36,763,546
Subject to purpose restrictions	51,599,944	44,627,134
Donor restricted funds held in perpetuity	28,028,288	29,159,542
Financial assets not available to be used within one year	124,142,503	115,741,923
Financial assets available to meet general expenditures within one year	$(1,572,147)	$(2,136,269)

(3) Liquidity and Availability of Resources - Continued

As noted in Note 12, UWFaith is the provider for the operations of BHH, a retirement facility in Asheville, North Carolina. UWFaith must maintain an operating reserve requirement for BHH; therefore, the cash and cash equivalents set aside for this operating reserve requirement are not available for general expenditure. UWFaith is the beneficiary of various perpetual trusts created by donors, the assets of which are not in the possession of UWFaith. UWFaith has legally enforceable rights or claims to such assets including the right to income therefrom. UWFaith has recorded the asset and recognized contribution revenue with donor restrictions at the fair value of its beneficial interest in the perpetual trust assets. Distributions received on the perpetual trust assets are recorded as investment income in the statements of activities unless otherwise restricted by the donor. Subsequent changes in fair value of the perpetual trusts held by others are recorded as net unrealized gains or losses on perpetual trusts held by others in the net assets with donor restrictions classification. UWFaith receives significant support through restricted and unrestricted contributions and must maintain sufficient resources to meet responsibilities to its donors; therefore, these assets are limited to use for donor-restricted purposes.

Additionally, UWFaith maintains certain other board designated assets that are designated for specific purposes. These assets are limited to use, which are more fully described in Note 9 and are not available for general expenditures within the next year. However, the board-designated amounts could be made available, if necessary. UWFaith has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

(4) Related Parties

UWFaith is affiliated with the Scarritt-Bennett Center (the "Center"), a conference, retreat, and educational center in Nashville, Tennessee. UWFaith appoints certain members of the Center's Board and the Center operates on property, title to which is held by UWFaith. UWFaith retains sole ownership of the property, including the rights to sell and shares interest in the proceeds from the sale of property with GCFA. In March 2017, the UWFaith Board of Directors designated funds totaling $5,000,000 for the Center's property reinvestment (see Note 13). As of December 31, 2025, UWFaith has approved and paid the Center 4,961,916 in property reinvestment grants. The remaining board designated funds for the Center's property reinvestment is $38,084 as of December 31, 2025.

(5) Land, Buildings, and Equipment

Land, buildings, and equipment consist of the following at December 31, 2025 and 2024:

	2025	2024
Land, buildings, and improvements	$ 17,260,883	$ 16,511,789
Equipment	6,198,928	6,032,282
Construction in progress	896,097	-
	24,355,908	22,544,071
Accumulated depreciation	(16,501,965)	(15,742,742)
Land, buildings, and equipment, net	$ 7,853,943	$ 6,801,329

(5) Land, Buildings, and Equipment – Continued

Construction in progress relates to the construction of the Medicare bed wing in Brooks-Howell Home. As of December 31, 2025, estimated remaining costs to complete the project totaled approximately $1,060,000.

(6) Investments

At December 31, 2025 and 2024, the cost and fair value of investments are as follows:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Short-term securities	$ 160,077	$ 160,077	$ 147,592	$ 147,592
Marketable equity securities	603,250	603,250	561,055	561,055
Wespath:				
International Equities Fund	17,171,651	22,149,732	19,900,813	20,444,165
U.S. Equities Fund	21,154,930	31,009,624	24,241,557	31,809,252
Fixed Income Fund	29,461,722	32,516,111	30,154,374	30,844,840
Equity Social Values Fund	10,728,356	16,058,570	8,736,544	11,406,388
Inflation Protection Fund	8,838,278	9,960,466	8,830,871	9,261,752
Pooled investment funds	697,642	697,642	671,515	671,515
Sub-total investments	88,815,906	113,155,472	93,244,321	105,146,559
Less: Amount needed to cover the State of North Carolina operating reserve requirement for Brooks-Howell Home (Note 12)		-		(340,368)
Total investments		$113,155,472		$ 104,806,191

Investments in international common stocks represent investments in stocks of international companies located primarily in Japan, United Kingdom, France, the Netherlands, and Germany. Such investments are subject to foreign currency risk as well as market risk.

Investments, at fair value, include $17,920,875 and $16,402,972 at December 31, 2025 and 2024, respectively, designated for UWFaith's retirement fund (See Notes 7 and 8).

(6) Investments - Continued

Investment return for the years ended December 31, 2025 and 2024 consisted of the following:

	2025	2024
Interest and dividends	$ 2,353,304	$2,146,118
Net appreciation in fair value of investments:		
Realized gains on investments	2,093,524	4,111,018
Increase in accumulated unrealized gains on investments	10,279,230	1,929,413
Net appreciation in fair value of investments	12,372,754	6,040,431
Total gain on investments	14,726,058	8,186,532
Investment management expenses	(19,506)	-
Gain on investments, net	$ 14,706,552	$8,186,532

(7) Retirement Benefits

(a) Retirement Benefits Fund

UWFaith administers all pension plans (the "Plans") for retired deaconesses and missionaries of UWFaith and its predecessor organizations. These Plans are closed to new participants. With respect to pension funds in existence prior to unification of UWFaith (for which all participants are currently retired and receiving a pension), UWFaith maintains a separate retirement fund. The assets designated for retirement benefits are included in UWFaith's statements of financial position, principally relating to investments (See Note 6), as well as the assets of Brooks-Howell Home. The benefit obligation is included in accrued postretirement and pension benefit costs in statements of financial position. The difference of the assets designated for retirement benefits and the accrued postretirement and pension benefit costs is reported as unrestricted net assets designated for retirement benefits of missionaries and deaconesses (see below and Note 8). Missionary benefits expense in the accompanying statements of activities includes benefits paid under the pension plan plus the increase (decrease) in the actuarially calculated benefit obligation of the pension plan.

(7) Retirement Benefits - Continued

(a) Retirement Benefits Fund - Continued

The annual benefit level (per year of pension credit service) was $695 and $679 for the 2025 and 2024 actuarial valuations, respectively. The actuarial method is the Projected Unit Credit Method for both 2025 and 2024. The following are significant actuarial assumptions used in the valuations:

	2025	2024
Discount rate	4.73%	5.14%
Mortality	Pri-2012 (MP-2021)	Pri-2012 (MP-2021)
Annual benefit increases	3.00%	3.00%

Changes in assumptions used in the 2025 calculation were made to better reflect current market conditions, future anticipated mortality improvements, and revised administrative expense assumptions.

Participant data as of December 31 is summarized below:

	2025	2024
Number of Participants		
Active	-	-
Separated vested	-	-
Retirees	43	50
Total	43	50

The following table sets forth financial information about the plan as of and for the years ended December 31, 2025 and 2024:

	2025	2024
Missionary and Deaconess Pension		
Projected benefit obligation, beginning of year	$(4,211,186)	$(3,927,264)
Service cost	(17,000)	(14,000)
Interest cost	(197,844)	(149,399)
Actuarial (loss) gain	(27,056)	315,506
Administrative expense	18,000	14,000
Plan amendments	-	(1,044,872)
Benefits paid	576,954	594,843
Projected benefit obligation, end of year	$(3,858,132)	$(4,211,186)

(7) Retirement Benefits - Continued

(a) Retirement Benefits Fund - Continued

Estimated future benefit cash flows for the next five years and thereafter are as follows:

Year	Projected Benefits
2026	$ 585,115
2027	531,787
2028	481,240
2029	433,501
2030	388,564
Thereafter	$1,370,068

(b) Employee Benefits

Full-time laypersons and clergy employed by UWFaith participate in the Retirement Plan for General Agencies ("RPGA"). This defined contribution plan is administered by Wespath.

UWFaith makes semi-monthly contributions to each eligible employee's account held by Wespath based on 8% of annual employee compensation. Additionally, UWFaith matches up to 2% of each employee's contribution to their United Methodist Personal Investment Plan ("UMPIP"). Total contributions made by UWFaith for both components during 2025 and 2024 were $518,351 and $483,034, respectively.

UWFaith, through Brooks-Howell Home, also participates in the Cumulative Pension and Benefit Fund, which is administered by Wespath. All eligible employees of Brooks-Howell Home with more than two years of service participate in the plan. No employee contributions are required; however, voluntary employee contributions may be made. UWFaith pays 5% of eligible compensation into the plan with an additional 2% matching contribution. Effective January 1, 2021, the Organization reduced the contribution rate to 3% of eligible compensation into the Plan and eliminated the additional 2% matching contribution. During the years ended December 31, 2025 and 2024, UWFaith made contributions of $36,278 and $48,114, respectively.

(8) Health, Life and Other Employee Benefits

UWFaith provides health, life, and other employee benefits for its active employees and health, dental, and life benefits to retirees through a group plan, which qualifies for treatment as a multiemployer plan under ASC 715, *Compensation - Retirement Benefits*. Substantially all retired employees are eligible to participate in the plan if they have attained normal retirement age while in the employ of UWFaith.

Retirees are offered a group Health Reimbursement Account ("HRA") plan in partnership with Via Benefits and Wespath. Substantially all retired employees are eligible to participate in the plan if they have attained normal retirement age while in the employ of UWFaith.

(8) Health, Life and Other Employee Benefits - Continued

The General Agencies of The United Methodist Church Benefit Plan (the "Plan") provides medical, dental, life, and long and short-term disability defined benefits to participants of the General Agencies.

The total cost of benefits for active employees was approximately $899,000 and $1,095,000 in 2025 and 2024, respectively, exclusive of reimbursement from the General Agency Benefit Trust (the "Benefit Trust").

Wespath has transferred certain excess pension assets to the Benefit Trust established by the 1996 General Conference as of December 31, 1996. Annually, the Benefit Trust allows a stated percentage, of 6% for both 2025 and 2024, of the fair market value of Benefit Trust assets at year-end to be available for distribution in the subsequent year in order to reimburse the participating agencies for their funding of active and retired employee benefits. UWFaith received distributions from the Benefit Trust through GCFA. The 2012 General Conference established UWFaith as a separate legal entity, and therefore, UWFaith may no longer be entitled to receive a distribution from the Benefit Trust. Distributions were discontinued to UWFaith in February 2017; however, UWFaith filed a request for reconsideration with GCFA to be reinstated as a beneficiary of the proceeds from the Benefit Trust, which was approved during 2017. Distributions received by UWFaith, from GCFA, totaled approximately $1,393,000 and $1,039,000 for 2025 and 2024, respectively.

UWFaith also sponsors an unfunded noncontributory postretirement welfare plan that covers all retired missionaries and deaconesses, with a minimum service requirement of five years, for their respective lifetime. This Plan is closed to new participants. As of both December 31, 2025 and 2024, there were 52 participants receiving benefits. Plan benefits include the following:

- Reimbursements for medical and dental care, medically related travel, Medicare premiums, and expenses for special medical care assistance. The level of benefits is based on the employee's years of service: 25% reimbursement for retirees with five years of service, increasing proportionately to a level of 100% for retirees with 20 years of service and over.

- Medical and retirement home care provided through Brooks-Howell Home for retirees with a minimum of 15 years of service. Benefits provided are based on a shared-cost formula.

- UWFaith also offers a group Health Reimbursement Account ("HRA") plan in partnership with Via Benefits and Wespath to retired missionaries and deaconesses, with a minimum service requirement of five years, for their respective lifetime. This Plan is closed to new participants.

(8) Health, Life and Other Employee Benefits - Continued

The following table sets forth financial information about the plan as of and for the years ended December 31, 2025 and 2024:

	2025	2024
Projected benefit obligation, beginning of year	$(109,530)	$(1,335,748)
Employer service cost	(61,204)	(62,356)
Interest cost	(184,738)	(201,634)
Expected return on plan assets	229,467	207,145
Plan amendments	-	621,957
Actuarial (loss) gain	(330,917)	341,841
Benefits paid	226,213	319,265
Projected benefit obligation, end of year	$(230,709)	$(109,530)

The following table sets forth financial information breakdown between the Medical Plan and the Retirement Home Plan as of December 31, 2025 and 2024:

	Medical Plan	Retirement Home	Total
2025:			
Benefit obligation at December 31	$(230,709)	$ -	$(230,709)
Accrued benefit cost recognized in the statement of financial position	$(230,709)	$ -	$(230,709)
Actuarial assumptions:			
Benefit obligation discount rate	5.32%		
Mortality	Pri-2012 Generational Mortality Table (headcount-weighted), using separate rates for annuitants and contingent survivors (after the death of the original annuitant), with projected mortality improvement under Scale MP-2021 with separate rates for males and females.		
HRA utilization	Retirees and spouses are assumed to utilize the full amount of their HRA with no forfeitures.		
HRA assumed increase	The HRA contributions are assumed to increase at an annual rate of 2.00%.		

(8) Health, Life and Other Employee Benefits - Continued

	Medical Plan	Retirement Home	Total
2024:			
Benefit obligation at December 31	$(109,530)	$ -	$(109,530)
Accrued benefit cost recognized in the statement of financial position	$(109,353)	$ -	$(109,530)
Actuarial assumptions:			
Benefit obligation discount rate	5.44%		
Mortality	Pri-2012 Generational Mortality Table (headcount-weighted), using separate rates for annuitants and contingent survivors (after the death of the original annuitant), with projected mortality improvement under Scale MP-2021 with separate rates for males and females.		
HRA utilization	Retirees and spouses are assumed to utilize the full amount of their HRA with no forfeitures.		
HRA assumed increase	The HRA contributions are assumed to increase at an annual rate of 2.00%.		

Future Benefit Payments: Estimated future benefit payments reflecting expected future service for the next five fiscal years and thereafter are as follows:

Year	Deaconess Medical	Staff Medical and Life	Total
2026	$49,523	$229,460	$278,983
2027	44,351	226,908	271,260
2028	39,530	228,684	268,214
2029	35,063	228,638	263,701
2030	30,949	225,364	256,312
Thereafter	105,064	1,087,135	1,192,199

As of January 1, 2020, UWFaith changed the plan design from Medicare supplement premium sharing to a HRA subsidy model. With the HRA model, UWFaith is able to control the level of the subsidy. The HRA is assumed to grow annually at 2%. Any increases in medical premiums beyond the assumed 2% growth in the HRA subsidy is a cost that the participant is responsible for paying.

(9) Description of Net Assets

Net assets without donor restrictions include the following at December 31, 2025 and 2024:

	2025	2024 (Restated)
Undesignated	$ 4,389,593	$ 2,498,009
Board designated:		
Board designated for programs:		
Annuities	(96,987)	(112,040)
Other programs	5,488,131	4,996,138
Total board designated for programs	5,391,144	4,884,098
Board designated for retirement benefits of missionaries and deaconesses	15,834,341	13,717,432
Board designated funds functioning as endowment	16,516,412	16,805,573
Board designated for other:		
Scarritt-Bennett property reinvestment	38,084	77,143
Racial Justice initiative, Immigration responses, Acts of Repentance follow through, and Leadership Initiatives with Central Conference Women and women around the world	988,107	1,147,787
TIC 15th floor renovation	49,276	49,276
CCUN sprinkler, fire alarm, and air conditioning systems	42,450	42,450
CCUN renovations	39,787	39,787
Total board designated for other	1,157,704	1,356,443
Total board designated	38,899,601	36,763,546
Total net assets without donor restrictions	$ 43,289,194	$ 39,261,555

(9) Description of Net Assets - Continued

Net assets with donor restrictions include the following at December 31, 2025 and 2024:

	2025	2024 (Restated)
Subject to purpose restrictions:		
Projects and program activities to support Women, children, and youth; missionaries and Deaconesses pension and medical support; scholarships; and educational institutions	$51,599,944	$44,627,134
Endowments:		
Contributions restricted to investment in perpetuity. Income from these funds is expendable to support the following purposes:		
Projects and program activities to support Women, children, and youth; missionaries and Deaconesses pension and medical support; Scholarships; and educational institutions	28,028,288	29,159,542
Total net assets with donor restrictions	$79,628,232	$73,786,676

Net assets of $6,097,530 and $5,698,719 for 2025 and 2024, respectively, were released from donor restrictions by incurring costs and expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. The purpose restrictions accomplished were for program services.

(10) Endowments

UWFaith's endowment consists of approximately 595 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of UWFaith has interpreted the applicable state law as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, UWFaith classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

(10) Endowments - Continued

UWFaith considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund
- The purposes of UWFaith and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of UWFaith
- Alternatives to expenditure of the endowment fund
- The investment policies of the UWFaith

2025:

Endowment Net Asset Composition by Type of Fund as of December 31, 2025

	Without Donor Restrictions	With Donor Restrictions: Temporary in Nature	With Donor Restrictions: Perpetual in Nature	Total
Donor-restricted endowment funds	$ -	$48,321,721	$28,028,288	$76,350,009
Board-designated endowment funds	16,516,412	-	-	16,516,412
Total funds	$16,516,412	$48,321,721	$28,028,288	$92,866,421

Changes in Endowment Net Assets for the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions: Temporary in Nature	With Donor Restrictions: Perpetual in Nature	Total
Endowment net assets, beginning of year	$ 16,805,573	$ 41,180,047	$ 29,159,542	$ 87,145,162
Investment income:				
Investment income	56,725	2,044,213	4,417	2,105,355
Net appreciation (realized and unrealized)	245,943	8,597,585	148,417	8,991,945
Total investment income	302,668	10,641,798	152,834	11,097,300
Contributions	-	-	673,364	673,364
Appropriation of endowment assets for expenditure and reclassifications	(591,829)	(3,500,124)	(1,957,452)	(6,049,405)
Endowment net assets, end of year	$ 16,516,412	$ 48,321,721	$ 28,028,288	$ 92,866,421

(10) Endowments - Continued

2024 (Restated):

Endowment Net Asset Composition by Type of Fund as of December 31, 2024

	Without Donor Restrictions	With Donor Restrictions: Temporary in Nature	With Donor Restrictions: Perpetual in Nature	Total
Donor-restricted endowment funds	$ -	$ 41,180,046	$29,159,542	$70,339,588
Board-designated endowment funds	16,805,573	-	-	16,805,573
Total funds	$16,805,573	$41,180,046	$29,159,542	$87,145,161

Changes in Endowment Net Assets for the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions: Temporary in Nature	With Donor Restrictions: Perpetual in Nature	Total
Endowment net assets, beginning of year	$ 16,871,634	$ 39,403,339	$ 27,744,384	$ 84,019,357
Investment income:				
Investment income	56,164	1,850,063	2,899	1,909,126
Net appreciation (realized and unrealized)	111,173	3,573,363	133,302	3,817,838
Total investment income	167,337	5,423,426	136,201	5,726,964
Contributions	-	-	1,300,355	1,300,355
Appropriation of endowment assets for expenditure and reclassifications	(233,398)	(3,646,719)	(21,398)	(3,901,515)
Endowment net assets, end of year	$ 16,805,573	$ 41,180,046	$ 29,159,542	$ 87,145,161

Return Objectives and Risk Parameters

UWFaith has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that UWFaith must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index and the Bank of New York Mellon 1 - 3-year Treasury Index while assuming a moderate level of investment risk. UWFaith expects its endowment funds, over time, to provide an average rate of return of between 6 - 8% annually. Actual returns in any given year may vary from this amount.

(10) Endowments - Continued

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, UWFaith relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). UWFaith targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

UWFaith has a formal spending policy. For 2025 and 2024, after consideration of the factors noted above (under ***"Interpretation of Relevant Law"***), a total spending rate of 7.0% was recommended as prudent, from which 1.0% was to be allocated for administrative expenses of UWFaith in managing and administrating the endowment fund portfolio. Further, distributions are made at the discretion of the Board of Directors when determining the annual budget. The Board of Directors approved $2,058,000 and $2,044,000 in appropriations from the endowment fund portfolio in 2025 and 2024, respectively. UWFaith considers the long-term expected return on its endowment. Accordingly, over the long term, UWFaith expects the current spending policy to allow its endowment to grow at an average of between 1 - 3% annually. This is consistent with UWFaith's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

(11) Fair Value of Financial Instruments

Disclosures concerning the estimated fair value of financial instruments are presented below. The estimated fair value amounts have been determined based on UWFaith's assessment of available market information and appropriate valuation methodologies. The following table summarizes required fair value disclosures and measurements at December 31, 2025 and 2024 for assets measured at fair value on a recurring basis under ASC 820, *Fair Value Measurements and Disclosures*:

(11) Fair Value of Financial Instruments - Continued

	Fair Value Measurements at Reporting Date Using			
	Assets (Liabilities) Measured at Fair Value	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
2025:				
Assets:				
Investments:				
Short-term securities	$ 160,077	$ 160,077	$ -	$ -
Marketable equity securities	603,250	603,250	-	-
International Equities Fund	22,149,732	-	22,149,732	-
U.S. Equities Fund	31,009,624	31,009,624	-	-
Fixed Income Fund	32,516,111	-	32,516,111	-
Equity Social Values Fund	16,058,570	-	16,058,570	-
Inflation Protection Fund	9,960,466	-	9,960,466	-
Pooled investment funds	697,642	-	697,642	-
Sub-total investments	113,155,472	31,772,951	81,382,521	-
Less: Amount needed to cover the State of North Carolina operating reserve requirement for Brooks-Howell Home (Note 12)	-	-	-	-
Total investments	$113,155,472	$31,772,951	$81,382,521	$ -
Perpetual trusts held by others	1,996,994	1,996,994	-	-
Liabilities:				
Assets held for others	(923,676)	-	(923,676)	-

(11) Fair Value of Financial Instruments - Continued

	Fair Value Measurements at Reporting Date Using			
	Assets (Liabilities) Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2024:				
Assets:				
Investments:				
Short-term securities	$ 147,592	$ 147,592	$ -	$ -
Marketable equity securities	561,055	561,055	-	-
International Equities Fund	20,444,165	-	20,444,165	-
U.S. Equities Fund	31,809,252	31,809,252	-	-
Fixed Income Fund	30,844,840	-	30,844,840	-
Equity Social Values Fund	11,406,388	-	11,406,388	-
Inflation Protection Fund	9,261,752	-	9,261,752	-
Pooled investment funds	671,515	-	671,515	-
Sub-total investments	105,146,559	32,517,899	72,628,660	-
Less: Amount needed to cover the State of North Carolina operating reserve requirement for Brooks-Howell Home (Note 12)	(340,368)	(340,368)	-	-
Total investments	$ 104,806,191	$ 32,177,531	$72,628,660	$ -
Perpetual trusts held by others	1,848,578	1,848,578	-	-
Liabilities:				
Assets held for others	(941,123)	-	(941,123)	-

(11) Fair Value of Financial Instruments - Continued

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Investments

The fair value of short-term securities and common stocks are determined using primarily Level 1 inputs in accordance with ASC 820. The fair values of corporate bonds, international equities, domestic bond fund, Multiple Asset Fund and other funds held by Wespath, and pooled investment funds with units are determined using primarily Level 2 inputs.

Other

The fair values of financial instruments for which estimated fair value amounts have not been specifically presented are estimated to approximate the related book values, primarily based on the short-term nature of these instruments.

(12) Operating Reserve Requirement for Brooks-Howell Home

UWFaith is the provider for the operations of BHH, a retirement facility in Asheville, North Carolina. BHH is operated as a program of UWFaith. BHH operates under a Certificate of Authority from the State of North Carolina. Pursuant to North Carolina statute for Continuing Care Retirement Communities, certain operating reserves must be maintained by the provider. The operating reserve must cover a percentage of the forecasted total operating expenses for the facility for the upcoming year, excluding depreciation, amortization, and extraordinary items. Specifically, according to statute §58-64-33, if a facility maintains an occupancy level in excess of ninety percent, a provider shall be required to maintain an operating reserve of twenty-five percent of operating expenses; however, if the occupancy levels fall below ninety percent, a fifty percent operating reserve must be maintained. As of December 31, 2025 and 2024, UWFaith held $2,694,000 and $2,402,000, respectively, in operating reserves for BHH based on actual occupancy levels of less than ninety percent and anticipated 2025 and 2024 operating expenses, respectively. As UWFaith is the provider for BHH, the operating reserves are reported in UWFaith's financial statements and not within BHH's financial statements.

(13) Alma Mathews House

UWFaith owned property located at 273-275 West 11th Street, New York, NY, known as Alma Mathews House. In 2016, UWFaith sold the property for $34,500,000 (net $33,869,501). Alma Mathews was a program of UWFaith; however, its operations are not considered to be material for separate disclosure as discontinued operations. Gain on sale of the property totaled $33,771,291.

During March 2017, the UWFaith Board of Directors designated the use of the proceeds from the sale of Alma Mathews House for the following purposes:

Renovation funds for UWFaith Headquarters	$ 4,000,000
Legacy Fund Endowment	15,000,000
Scarritt Bennett property reinvestment	5,000,000
Racial Justice initiative, Immigration responses, Acts of Repentance follow through, and Leadership initiatives with Central Conference women and women around the world	3,000,000
Strategic Plan Implementation	1,000,000
	$28,000,000

Since March 2017, the UWFaith Board of Directors has designated additional proceeds from the sale of the Alma Mathews House property to be used for severance for staff reduction and incentive ($1,000,000), upgrading the sprinkler, fire alarm, and air conditioning systems in the CCUN building ($1,310,400), renovating office space in the CCUN building ($1,000,000), Phase II sprinkler renovation ($600,000), net overage on the CCUN and headquarters projects ($524,233), TIC 15th Floor renovation ($446,000), 2022 budget ($700,000), 2023 budget ($190,658). In April 2023, the UWFaith Board of Directors undesignated $793,545 of the $3,000,000 previously designated above for the Racial Justice initiative, Immigration responses, Acts of Repentance follow through, and Leadership initiatives with Central Conference women and women around the world for the 2024 budget ($443,545) and for the 2025 budget ($350,000). Therefore, the entire $33,771,291 of the Alma Matthews House proceeds have been designated by the Board as of December 31, 2024.

(14) Restatement

During 2025, UWFaith identified an error related to the recognition of certain liabilities in its previously issued Consolidated Financial Statements. In prior periods, the Company recorded Assets Held for Others in connection with certain investments. After obtaining and considering the advice of external legal counsel regarding the underlying legal arrangements and whether those items met the definition of obligations of the Company, management determined that the previously recognized liabilities did not represent obligations of the Company and should not have been recognized.

As a result of this determination, the Company concluded that the previously issued financial statements included an error in the recognition of those liabilities. The correction consists of derecognizing the previously recognized liabilities, which reduced total liabilities and increased net assets by the same amounts. The Company's investment balances were accurately recorded in prior periods and are unchanged by this correction.

(14) Restatement - Continued

Additionally, the Company also identified an error related to the recognition of Miscellaneous Other Income previously issued in 2024 that should have not been recorded. The correction consisted of derecognizing the income previously recorded and decrease in receivable. The impact on the financial statements for 2024 for both errors are as follows:

Statement of Financial Position – Year Ended December 31, 2024

	Previously Reported	Restatement	As Restated
Receivables, Other	$ 2,404,231	$(118,198)	$ 2,286,033
Assets held for others	$ 5,179,492	$(4,238,369)	$ 941,123
Net assets, beginning of year	$104,339,599	$ 4,238,368	$108,577,967

Statement of Activities – Year Ended December 31, 2024

	Previously Reported	Restatement	As Restated
Investment Income (Net of Fees), with donor restrictions	$1,935,380	$175,156	$2,110,536
Miscellaneous Other Income, without donor restriction	$398,088	($118,199)	$ 279,889
Grants from Designated Funds, without donor restriction	$1,047,691	$1,112,714	$2,160,405
Net appreciation in fair value of investments	$3,840,014	$937,559	$4,777,573

(15) Subsequent Events

Management has evaluated subsequent events through June 17, 2026, the date the financial statements were available for issuance, and has determined that there are no subsequent events requiring disclosure.

Appendix B — Five-Year Prospective Financial Statements

UNITED WOMEN IN FAITH

FINANCIAL FORECAST

For Each of the Five Years Ending December 31, 2030

(with Independent Accountant's Compilation Report Thereon)

UNITED WOMEN IN FAITH

Compilation of Financial Forecast

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CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Compilation Report

The Board of Directors
United Women in Faith
New York City, New York

Management is responsible for the accompanying financial forecast of United Women in Faith ("UWFaith"), which comprises the forecasted statements of financial position as of December 31, 2026, 2027, 2028, 2029, and 2030, and the related forecasted statements of activities and cash flows for the years then ending, and the related summaries of significant assumptions and accounting policies in accordance with guidelines for the presentation of a financial forecast established by the American Institute of Certified Public Accountants ("AICPA"). 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 forecast nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on this financial forecast.

The forecasted results may not be achieved as there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying supplementary disclosure for Brooks-Howell Home is presented for purposes of additional analysis and is not a required part of the prospective financial information. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not examined or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

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

Crosslin, PLLC

Nashville, Tennessee
June 30, 2026

UNITED WOMEN IN FAITH
FORECASTED STATEMENTS OF FINANCIAL POSITION
FOR EACH OF THE FIVE YEARS ENDING DECEMBER 31, 2030
(IN THOUSANDS OF DOLLARS)

	December 31,				
	2026	2027	2028	2029	2030
Assets					
Current assets:					
Cash and investments	$ 109,982	$ 115,967	$ 121,362	$ 129,619	$ 138,511
Receivables	7,640	7,160	7,476	7,806	8,590
Inventories and other assets	1,900	1,700	1,700	1,700	1,700
Prepaid expenses	300	300	300	300	300
Total current assets	119,822	125,127	130,838	139,425	149,101
Restricted assets:					
Cash and cash equivalents - State of North Carolina operating reserve requirement for Brooks-Howell Home	2,946	1,582	1,656	1,720	1,775
Perpetual trusts held by others	1,800	1,800	1,800	1,800	1,800
Total restricted assets	4,746	3,382	3,456	3,520	3,575
Long-term assets:					
Land, buildings, and equipment, net	9,489	8,881	8,423	7,965	7,507
Total long-term assets	9,489	8,881	8,423	7,965	7,507
Total assets	$ 134,057	$ 137,390	$ 142,717	$ 150,910	$ 160,183
Liabilities and Net Assets					
Current liabilities:					
Accounts payable and accrued expenses	$ 1,900	$ 1,800	$ 1,800	$ 1,700	$ 1,800
Long-term debt - current portion	-	-	-	-	-
Total current liabilities	1,900	1,800	1,800	1,700	1,800
Long-term liabilities:					
Long-term debt - less current portion	-	-	-	-	-
Deferred revenue - refundable	-	-	-	-	-
Deferred revenue - nonrefundable	120	120	120	1,120	120
Annuities payable	109	107	105	103	100
Assets held for others	920	920	920	920	920
Accrued postretirement and pension benefit costs	3,762	3,461	3,184	2,929	2,695
Total long-term liabilities	4,911	4,608	4,329	5,072	3,835
Total liabilities	6,811	6,408	6,129	6,772	5,635
Net assets:					
Net assets without donor restrictions	48,520	52,951	59,030	66,816	77,208
Net assets with donor restrictions	78,726	78,031	77,558	77,322	77,340
Total net assets	127,246	130,982	136,588	144,138	154,548
Total liabilities and net assets	$ 134,057	$ 137,390	$ 142,717	$ 150,910	$ 160,183

See the accompanying Independent Accountant's Compilation Report and
Summary of Significant Forecast Assumptions and Accounting Policies.

UNITED WOMEN IN FAITH
FORECASTED STATEMENTS OF ACTIVITIES
FOR EACH OF THE FIVE YEARS ENDING DECEMBER 31, 2030
(IN THOUSANDS OF DOLLARS)

	Year Ending December 31,				
	2026	2027	2028	2029	2030
Net Assets Without Donor Restrictions:					
Operating revenues and support:					
Conference Giving	$ 4,850	$ 4,850	$ 4,850	$ 4,850	$ 4,850
Benefits Trust reimbursement	1,440	1,440	1,440	1,440	1,440
Bequests and contributions	700	700	700	700	700
Investment income	5,610	6,108	6,648	7,233	7,867
Brooks-Howell Home:					
Fee revenues	7,683	7,584	8,507	9,431	10,063
Health care revenues	-	-	-	-	-
Publications, rental income, and other program revenue	4,060	2,860	2,717	2,581	3,581
Amortization of entrance fees	-	-	-	-	-
Other revenues	1,320	120	120	120	1,120
Net assets released from restrictions	6,170	6,170	6,170	6,170	6,170
Total operating revenues and support	31,833	29,832	31,152	32,525	35,791
Operating expenses:					
Program services	15,334	13,367	12,699	12,064	12,461
Brooks-Howell Home:					
Operating expenses	3,980	4,162	4,226	4,393	4,543
Dietary expenses	-	750	866	881	898
Administrative expenses	2,088	1,735	1,851	1,925	1,976
Interest expense	-	-	-	-	-
Depreciation expense	815	958	958	958	958
Supporting services	4,385	4,429	4,473	4,518	4,563
Total operating expenses	26,602	25,401	25,073	24,739	25,399
Sale of properties	-	-	-	-	-
Increase in net assets without donor restrictions	5,231	4,431	6,079	7,786	10,392
Net Assets With Donor Restrictions:					
From United Methodist Women and other Agencies	310	310	310	310	310
Bequests and contributions	2,000	2,000	2,000	2,000	2,000
Rental and other program income	-	-	-	-	-
Investment income	2,958	3,165	3,387	3,624	3,878
Net assets released from restrictions	(6,170)	(6,170)	(6,170)	(6,170)	(6,170)
Decrease in net assets with donor restrictions	(902)	(695)	(473)	(236)	18
Increase in net assets	4,329	3,736	5,606	7,550	10,410
Net assets, beginning of year	122,917	127,246	130,982	136,588	144,138
Net assets, end of year	$ 127,246	$ 130,982	$ 136,588	$ 144,138	$ 154,548

See the accompanying Independent Accountant's Compilation Report and
Summary of Significant Forecast Assumptions and Accounting Policies.

UNITED WOMEN IN FAITH
FORECASTED STATEMENTS OF CASH FLOWS
FOR EACH OF THE FIVE YEARS ENDING DECEMBER 31, 2030
(IN THOUSANDS OF DOLLARS)

	Year Ending December 31,				
	2026	2027	2028	2029	2030
Cash flows from operating activities:					
Change in net assets	$ 4,329	$ 3,736	$ 5,606	$ 7,550	$ 10,410
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:					
Contributions restricted for long-term investment	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Depreciation	815	958	958	958	958
Change in value of annuity obligations	(2)	(2)	(2)	(2)	(3)
Change in working capital	(5,881)	279	(593)	315	(1,918)
Net cash (used in) provided by operating activities	(2,739)	2,971	3,969	6,821	7,447
Cash flows from investing activities:					
Purchase of land, buildings, and equipment	(2,450)	(350)	(500)	(500)	(500)
Change in assets limited as to use	(55)	1,364	(74)	(64)	(55)
Net cash (used in) provided by investing activities	(2,505)	1,014	(574)	(564)	(555)
Cash flows from financing activities:					
Net cash provided by financing activities	2,000	2,000	2,000	2,000	2,000
(Decrease) increase in cash and investments	(3,244)	5,985	5,395	8,257	8,892
Cash and investments, beginning of year	113,226	109,982	115,967	121,362	129,619
Cash and investments, end of year	$ 109,982	$ 115,967	$ 121,362	$ 129,619	$ 138,511

See the accompanying Independent Accountant's Compilation Report and
Summary of Significant Forecast Assumptions and Accounting Policies.

UNITED WOMEN IN FAITH

Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2030

1. General

The accompanying financial forecast presents, to the best of the knowledge and belief of management of United Women in Faith ("UWFaith") and Brooks-Howell Home ("BHH") (collectively "management"), the expected financial position, results of operations, and cash flows of UWFaith for each of the five years ending December 31, 2030. Accordingly, the accompanying forecast reflects management's judgment as of June 30, 2026, the date of completion of this forecast, of the expected conditions and its course of action.

Management's purpose in releasing this financial forecast is for inclusion in UWFaith's annual disclosure statement in accordance with Chapter 58, Article 64A, 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. UWFaith recognizes that there will usually be differences between prospective and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Background of UWFaith - UWFaith is a tax-exempt, not-for-profit organization which operates under the *Book of Discipline* of The United Methodist Church (the "Church"), as it is, from time to time, promulgated by the General Conference of the Church, which is the ultimate governing body of the Church. UWFaith relates to United Women in Faith jurisdictions, conferences, districts, and local units that carry out the purpose of United Women in Faith by advocating for the oppressed and dispossessed, especially women, children, and youth. It works to build a supportive community among women and engages in activities, which foster growth in the Christian faith, mission education, and Christian social involvement throughout the Church.

Funding for UWFaith's operations is principally pledged by United Women in Faith in local churches through undesignated and designated gifts and channeled to UWFaith via the districts and conferences. Contributions received from United Women in Faith conferences accounted for 29% and 34% of total operating revenue of UWFaith in 2025 and 2024, respectively. In addition to appropriating the funds of United Women in Faith, UWFaith operates the following program areas: Church Center for the United Nations building, a non-profit providing office space for religious and charitable groups working on issues related to the United Nations; UWFaith Mission Resources, a handling and distribution program for the distribution of UWFaith's media resources; *Response* magazine, the official publication of United Women in Faith; and Brooks-Howell Home.

Brooks-Howell Home Description - UWFaith owns and operates the Brooks-Howell Home ("BHH"), a continuing care retirement community ("CCRC") that principally provides housing, health care, and other related services to residents through the operation of a retirement facility containing 39 residential apartments, 21 suites, 1 cottage, and 58 licensed nursing care beds, located in Asheville, North Carolina. BHH's mission is to serve retired missionaries, deaconesses, and staff of UWFaith, a certain number of retirees from other divisions of The United Methodist Church, and a limited number of health care patients from the surrounding area. UWFaith owns the property and provides operating support. No rent is paid to UWFaith for the property. BHH manages the day-to-day operations under the direction of UWFaith. UWFaith is licensed by the state of North Carolina to operate Brooks-Howell Home.

2. Related Parties

UWFaith is affiliated with the Scarritt-Bennett Center (the "Center"), a conference, retreat, and educational center in Nashville, Tennessee. UWFaith appoints certain members of the Center's board members and the Center operates on property, title to which is held by UWFaith. The General Council on Finance and Administration of The United Methodist Church and UWFaith each has an interest in the proceeds from any sale of property.

3. Significant Accounting Policies

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

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

Cash, Cash Equivalents, and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturity dates of 90 days or less that are readily convertible to known amounts of cash, except for short-term investments held by UWFaith's investment manager as part of a long-term investment strategy.

Cash, Cash Equivalents, and Investments - Continued - Securities purchased for investment and those received as gifts are carried at fair value. Except for investments in United Methodist Foundation of Western North Carolina, Inc. (the "Foundation") and Funds of Wespath Benefits and Investments ("Wespath"), fair value is based upon quoted market prices. Investments in funds of the Foundation and Wespath Funds are stated at fair value based on unitized market value of the fund portfolio, as determined by the Foundation and Wespath.

Fair Value of Financial Instruments - The Financial Accounting Standards Board ("FASB") has issued authoritative guidance regarding fair value measurements, which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. Fair value as defined under generally accepted accounting principles 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 estimated fair value amounts are determined based on UWFaith's assessment of available market information and appropriate valuation methodologies.

Inventories - Inventories consist primarily of publications and are valued at the lower of cost or net realizable value, with cost determined principally on the first-in, first-out basis.

Assets Limited as to Use - These assets include restricted investments consisting of endowment funds and investments held in perpetual trusts by others. Securities purchased for investment and those received as gifts are carried at fair value as determined by quoted market prices.

Assets limited as to use also include a statutory operating reserve related to North Carolina General Statute Section 58-64A-245, which requires CCRC's 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 living occupancy exceeds 90 percent. UWFaith's current operating reserve is 50 percent of expected operating expenses of BHH, as defined in the statute.

Land, Buildings, and Equipment - Land, buildings, and equipment are recorded at cost basis or at fair value at the date of gift, if donated. It is UWFaith's policy to capitalize expenditures for equipment in excess of $2,500; purchases that do not exceed this amount are expensed as incurred. Buildings, building improvements, and equipment are depreciated on straight-line basis over their estimated useful lives of 30, 20, and 5 years, respectively.

Land, Buildings, and Equipment - Continued - UWFaith has granted indefinite use of certain properties (land and buildings) to related church organizations under leasing or other arrangements and, accordingly, these properties are not reflected in the accompanying forecasted financial statements. These arrangements may call for nominal payments and are typically renewed so long as the grantee continues to carry out the stated programs. The carrying values of such properties are reflected as program expenditures at the time the arrangements for indefinite use of the property are made.

Leases - For operating leases, the lease liability is measured as the present value of the lease payments over the lease term using either the rate implicit in the lease, if it is determinable, or UWFaith's incremental borrowing rate if the implicit rate is not determinable. Operating ROU assets are calculated as the present value of the remaining lease payments plus unamortized initial direct costs and prepayments of rent, less any unamortized lease incentives received. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. Lease expense is recognized on a straight-line basis over the lease term. UWFaith has elected not to recognize a ROU asset and lease liability for leases with an initial term of 12 months or less but includes the expense associated with short-term leases in lease expense in the statements of activities.

Accrued Postretirement and Pension Benefit Costs - UWFaith has an obligation to provide postretirement and pension benefits to its retired missionaries and deaconesses who were once employees. Costs of these benefits are determined by an actuary and recorded as a liability. The residents of Brooks-Howell Home enter into contracts with UWFaith, which obligate UWFaith to provide housing and future services to the residents of Brooks-Howell Home.

Contributions and Bequests - Contributions are recognized as revenue when received. Unconditional promises to give cash and other assets to UWFaith are reported at fair value at the date the promise is received. UWFaith reports contributions of cash and other assets as restricted support, if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period as received are reflected as contributions without donor restrictions in the accompanying financial statements. Contributions received on behalf of a specified beneficiary are recorded as a liability to the specified beneficiary concurrent with recognition of the assets received from the donor.

UNITED WOMEN IN FAITH

Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2030

Revenue Recognition

Rental and Service Fee Income - Resident service fees from BHH are reported at the amount that reflects consideration to which UWFaith expects to be entitled in exchange for providing rent, room charges, and related services. Rental income related to CCUN is reported at the amount that reflects consideration to which UWFaith expects to be entitled in exchange for providing rental space and related services in the CCUN building. Generally, rental charges are due at the beginning of each month. Revenue is recognized as the performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by BHH (resident services fees) and UWFaith (CCUN rental income). Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected or actual charges.

Net Assets - UWFaith classifies its funds for accounting and reporting purposes as net assets without donor restrictions and net assets with donor restrictions as follows:

> *Net Assets Without Donor Restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of UWFaith. These net assets may be used at the discretion of UWFaith's management and the board of directors.
>
> *Net Assets With Donor Restrictions* - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of UWFaith or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity but may permit UWFaith to use or expend part or all of the income derived from the donated assets.

Support is reported as an increase in net assets without donor restrictions unless the use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. New York State law (substantially in conformity with The Uniform Prudent Management of Institutional Funds Act) authorizes expenditure of appreciation (both realized and unrealized) in the value of endowment funds subject to a standard of business care and prudence. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donors or state law. 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 accompanying forecasted statements of activities as net assets released from restrictions.

4. Summary of Significant Statement of Activities Assumptions

Operating Revenue and Support

Management used primarily the 2026 budget approved by the Board of Directors as the basis for the forecasted operating revenue and support for 2026. All other years are forecasted based on the management assumptions below:

From United Women in Faith Conferences - Funding for UWFaith's operations is principally pledged by United Women in Faith in local churches through undesignated and designated gifts and channeled to UWFaith via the districts and conferences. Management expects operating revenue from United Women in Faith to decrease to approximately $4.9 million in 2026 and remain flat through 2030. UWFaith is expected to gain from some new initiatives around giving and branding but is also facing the impact of general church decisions on its membership.

Benefit Trust Reimbursement - Management assumes the Benefit Trust reimbursement to remain relatively consistent during the forecasted period based on the 2026 approved budget.

Bequests and Contributions - Management assumes unrestricted and restricted bequests and other contributions to remain relatively consistent during the forecasted period based on the 2026 approved budget.

Interest and Investment Income, Net of Fees - Management assumes interest and investment income, net of fees, to increase approximately seven percent annually to be in line with the five-year historical average.

Other Revenues - Other revenues are anticipated to remain minimal and consistent throughout the forecasted period based on the 2026 approved budget.

Brooks-Howell Home - Management assumes, in accordance with the strategic plan, that BHH will have 28 skilled nursing beds in use in 2026, and 40 skilled nursing beds in use in 2027 through 2030. Construction on the Medicare wing began during the third quarter of 2025 and will continue through the 2nd quarter of 2026. UWFaith will be providing varying support as needed through the forecasted period with the addition of grants totaling $2,000,000 to be used for the Medicare wing construction. Of this amount, $896,000 has been received in 2025 and the remaining $1,066,000 is expected to be received in 2026. The Medicare wing is expected to open in the fourth quarter of 2026 and generate an additional $100,000 in revenue in 2026 and an additional $1,300,000 in 2027 increasing by 5% each year afterward.

Publication Sales, Rental Income, and Other Program Revenue – During 2026, management assumes revenue will be consistent with the 2026 budget, assuming an increase of $1,200,000 related to the recognition of the 2026 UWFaith Assembly registration fees. UWFaith Assembly registration fees only occur once every four years. Management then expects a decrease of $1,200,000 in 2027 based on collecting Assembly registration fees in 2026. Management assumes consistency going forward in 2027, 2028 and 2029. During 2030, management assumes revenue will be consistent with previous years, assuming an increase of $1,000,000 related to the recognition of the 2030 UWFaith Assembly registration fees.

Operating Expenses

Management used the 2026 Board approved budget as the basis for the forecasted operating expenses for 2026. All other years are forecasted based on the management assumptions below:

Program Services - Program service expenses include grants to other organizations for mission purposes, scholarships, mission education and leadership development programs, advocacy and expenses related to pensions, property repairs and maintenance, and other service center expenses. Management assumes grants to other organizations to decrease slightly throughout the forecasted period. Management assumes mission programs to remain constant throughout the forecast period based on 2025 results. Management assumes pension expenses to decline eight percent annually during the forecasted period due to mortality in the closed plan. During 2026, management assumes an increase of $1,200,000 related to the recognition of the 2026 UWFaith Assembly program expenses and a decrease of $1,200,000 in 2027 based on reduction in Assembly program services expenses. Management assumes an additional $1,000,000 of other program services expenses in fiscal year 2030 related to UWFaith Assembly expenses. Management assumes all other program services expenses, to include property repairs and maintenance and other publication/distribution center expenses, to remain consistent with the 2026 budget during the forecast period.

Brooks-Howell Home - Expenses related to Brooks-Howell Home are recorded as incurred. Brooks-Howell Home expenses include primarily salaries, related employee benefits, and raw food costs. Management expects resident related operating expenses for BHH to increase at a rate consistent with that of resident service revenue. The primary resident service expenses are administration, food service, maintenance, environmental services, nursing services, social services, human resources, marketing, activities expenses, and ancillary services. Expenses for 2026 are based on the approved 2026 budget and expenses from 2027 through 2030 are based on the projected BHH budgets, which were prepared by management.

Depreciation Expense - Depreciation is expected to increase in 2026 and through the remaining forecasted period due to the addition of a new generator and Medicare wing for the BHH facility, which was approved by the UWFaith board in 2021 and 2022. In addition, BHH is repairing its roof due to damage from Hurricane Helene. BHH completed the generator project in the third quarter of 2025. The Medicare wing construction began in the third quarter of 2025 and is expected to be placed in service in the fourth quarter of 2026. The total cost of the generator, the Medicare construction, and the roof repairs is expected to be approximately $1,100,000, $2,000,000, and $850,000 respectively; therefore, an increase to annual depreciation expense will be approximately $55,000 in 2026, and $143,000 in 2027. The assumption is for the construction in progress related to the Medicare wing and new roof to be placed in service at the end of 2026; therefore, a full year of depreciation expense will be added in 2027 as well as throughout the remaining of the forecasted period.

Supporting Services - Management assumes supporting services to be approximately $4,385,000 in 2026 based on the 2026 budget and increase by 1% each year after throughout the remainder of the forecasted period.

Current Assets and Current Liabilities

Management has assumed working capital components based on UWFaith's historical trends, which are outlined in the following table:

Table 1
Working Capital

	Approximate Historical % of Annual	
Receivables	24%	certain operating revenues
Inventories and other assets	2%	total operating expenses
Accounts payable and accrued expenses	7%	total operating expenses

Source: Management

5. Summary of Significant Statement of Financial Position Assumptions

Assets Limited as to Use - Management assumes assets limited as to use to be as follows for the years ending December 31, 2026 through 2030:

Table 2
Assets Limited as to Use
(in thousands of dollars)

	2026	2027	2028	2029	2030
Restricted investments	$1,800	$1,800	$1,800	$1,800	$1,800
Statutory operating reserve (1)	2,946	1,582	1,656	1,720	1,775
Assets limited as to use	$4,746	$3,382	$3,456	$3,520	$3,575

Source: Management

Notes: (1) Management assumes the statutory operating reserve requirement to be 50% of BHH's operating expenses for fiscal year 2026 (adjusted for non-cash items) based on an assumed occupancy rate for independent living units of BHH less than 90 percent. Management assumes the statutory operating reserve requirement to be 25% for fiscal years 2027 through 2030 (adjusted for non-cash items) based on an assumed occupancy rate for independent living units of BHH more than 90 percent for 2027 through 2030.

Land, Buildings, and Equipment - Management assumes no gain or loss from the sale or disposal of land, buildings, and equipment. Management assumes routine capital additions of $250,000 for UWFaith in each of the years ending December 31, 2026 through 2030 and $284,000 in 2026, $100,000 in 2027, and $250,000 thereafter for BHH. In addition, a new Medicare wing of approximately $2,000,000 is expected to be constructed and a roof repair project of approximately $850,000. The construction on the Medicare began in the third quarter of 2025 and is expected to continue through the second quarter of 2026. Therefore $1,066,000 is expected in 2026 to complete the Medicare wing project. The repairs on the roof began in 2026 and are expected to be complete at the end of 2026 and paid with insurance proceeds of $850,000. Forecasted activity for each of the years ending December 31, 2026 through 2030 as follows:

Table 3
Schedule of Property and Equipment
(in thousands of dollars)

	2026	2027	2028	2029	2030
Beginning balance	$ 24,356	$ 26,806	$ 27,156	$ 27,656	$ 28,156
Capital additions	2,450	350	500	500	500
Total capital costs	26,806	27,156	27,656	28,156	28,656
Accumulated depreciation	(17,317)	(18,275)	(19,233)	(20,191)	(21,149)
Property and equipment, net	$ 9,489	$ 8,881	$ 8,423	$ 7,965	$ 7,507

Source: Management

Deferred Revenue - Refundable - Management assumes amounts related to deferred revenue - nonrefundable to be approximately $120,000 in 2026, which is consistent with other years. Management then expects for deferred revenue - nonrefundable to remain constant throughout the forecasted period. Management assumes an additional $1,000,000 of deferred revenue- refundable during 2029 related to the collection of registration fees for the 2030 Assembly.

Annuities Payable - Management assumes amounts related to annuities payable to decrease two percent annually throughout the forecast period.

Assets Held for Others - Management assumes amounts related to assets held for others to remain constant throughout the forecast period.

Accrued Postretirement and Pension Benefit Costs – Management assumes amounts related to accrued postretirement and pension benefit costs to decrease eight percent annually throughout the forecasted period, based on a closed plan

UNITED WOMEN IN FAITH

SUPPLEMENTAL DISCLOSURE

UNITED WOMEN IN FAITH
SUPPLEMENTAL DISCLOSURE

BROOKS-HOWELL HOME
FORECASTED STATEMENTS OF FINANCIAL POSITION
FOR EACH OF THE FIVE YEARS ENDING DECEMBER 31, 2030
(IN THOUSANDS OF DOLLARS)

	December 31,				
	2026	2027	2028	2029	2030
Assets					
Current assets:					
Cash and cash equivalents	$ 1,564	$ 2,825	$ 4,546	$ 6,940	$ 9,754
Accounts receivable - residents	137	151	170	188	201
Accounts receivable - other	11	11	11	11	11
Inventories	115	126	132	137	141
Total current assets	1,827	3,113	4,859	7,276	10,107
Restricted assets:					
Assets limited as to use - current portion	-	-	-	-	-
Total restricted assets	-	-	-	-	-
Other assets:					
Investments	648	693	742	794	850
Assets limited as to use - long-term	752	760	768	776	784
Total other assets	1,400	1,453	1,510	1,570	1,634
Land, buildings, and equipment, net	4,020	3,801	3,732	3,663	3,594
Total assets	$ 7,247	$ 8,367	$ 10,101	$ 12,509	$ 15,335
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	$ 162	$ 177	$ 185	$ 192	$ 197
Accrued wages and related liabilities	258	283	295	306	315
Agency funds	-	-	-	-	-
Long-term debt - current maturities	-	-	-	-	-
Total current liabilities	420	460	480	498	512
Long-term liabilities:					
Long-term debt - less current maturities	-	-	-	-	-
Deferred revenue - refundable	-	-	-	-	-
Deferred revenue - nonrefundable	-	-	-	-	-
Total long-term liabilities	-	-	-	-	-
Total liabilities	420	460	480	498	512
Net assets:					
Without donor restrictions	5,991	7,059	8,761	11,139	13,939
With donor restrictions	836	848	860	872	884
Total net assets	6,827	7,907	9,621	12,011	14,823
Total liabilities and net assets	$ 7,247	$ 8,367	$ 10,101	$ 12,509	$ 15,335

See the accompanying Independent Accountant's Compilation Report and
Summary of Significant Forecast Assumptions and Accounting Policies.

UNITED WOMEN IN FAITH
SUPPLEMENTAL DISCLOSURE

BROOKS-HOWELL HOME
FORECASTED STATEMENTS OF ACTIVITIES
FOR EACH OF THE FIVE YEARS ENDING DECEMBER 31, 2030
(IN THOUSANDS OF DOLLARS)

	Year Ending December 31,				
	2026	2027	2028	2029	2030
Operating revenues and support:					
Resident services	$ 6,833	$ 7,574	$ 8,489	$ 9,406	$ 10,030
United Women in Faith support and grants	26	26	26	26	26
United Methodist Women grant	1,066	-	-	-	-
Healthcare revenues	-	-	-	-	-
Amortization of entrance fees	-	-	-	-	-
Contributions	12	12	12	12	12
Investment earnings	98	105	112	120	128
Other operating revenue	850	10	18	25	33
Total operating revenues and support	8,885	7,727	8,657	9,589	10,229
Operating expenses:					
Nursing services	1,925	2,356	2,400	2,484	2,575
Food services	-	750	866	881	898
Administration	2,088	1,735	1,851	1,925	1,976
Environmental services	468	451	462	473	486
Maintenance	1,071	735	704	746	760
Social service	-	-	-	-	-
Human resources	129	76	79	81	85
Marketing	115	94	101	111	121
Activities	96	81	96	99	101
Depreciation	176	319	319	319	319
Other expense	-	50	65	80	96
Resident ancillary	-	-	-	-	-
Staff house	-	-	-	-	-
Home care	-	-	-	-	-
Total operating expenses	6,068	6,647	6,943	7,199	7,417
Increase in net assets	2,817	1,080	1,714	2,390	2,812
Net assets, beginning of year	4,010	6,827	7,907	9,621	12,011
Net assets, end of year	$ 6,827	$ 7,907	$ 9,621	$ 12,011	$ 14,823

See the accompanying Independent Accountant's Compilation Report and
Summary of Significant Forecast Assumptions and Accounting Policies.

UNITED WOMEN IN FAITH
SUPPLEMENTAL DISCLOSURE

BROOKS-HOWELL HOME
FORECASTED STATEMENTS OF CASH FLOWS
FOR EACH OF THE FIVE YEARS ENDING DECEMBER 31, 2030
(IN THOUSANDS OF DOLLARS)

	Year Ending December 31,				
	2026	2027	2028	2029	2030
Cash flows from operating activities:					
Increase in net assets	$ 2,817	$ 1,080	$ 1,714	$ 2,390	$ 2,812
Adjustments to reconcile increase in net assets to net cash provided by operating activities:					
Contribution of nonfinancial asset	(1,066)				
Depreciation	176	319	319	319	319
Change in investments	(42)	(45)	(49)	(52)	(56)
Change in working capital	(146)	15	(5)	(5)	(3)
Net cash provided by operating activities	1,739	1,369	1,979	2,652	3,072
Cash flows from investing activities:					
Purchase of land, buildings, and equipment	(1,134)	(100)	(250)	(250)	(250)
Change in assets limited as to use	(7)	(8)	(8)	(8)	(8)
Net cash used in investing activities	(1,141)	(108)	(258)	(258)	(258)
Cash flows from financing activities:					
Net cash provided by financing activities	-	-	-	-	-
Increase in cash and cash equivalents	598	1,261	1,721	2,394	2,814
Cash and cash equivalents, beginning of year	966	1,564	2,825	4,546	6,940
Cash and cash equivalents, end of year	$ 1,564	$ 2,825	$ 4,546	$ 6,940	$ 9,754

See the accompanying Independent Accountant's Compilation Report and
Summary of Significant Forecast Assumptions and Accounting Policies.

UNITED WOMEN IN FAITH
SUPPLEMENTAL DISCLOSURE
BROOKS-HOWELL HOME

Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2030

1. General

Brooks-Howell Home ("BHH") is a part of United Women in Faith (the "UWFaith") and principally provides housing, health care, and other related services to residents through the operation of a retirement facility containing 39 residential apartments, 21 suites, 1 cottage, and 58 licensed nursing care beds, located in Asheville, North Carolina. UWFaith owns the property and provides operating support; however, no rent is paid to UWFaith for the use of the property. Contracts for services provided by BHH are in the name of United Women in Faith. BHH manages the day-to-day operations under the direction of UWFaith. The forecasted statements of activities of BHH includes only those day-to-day operations at BHH. Other transactions that occur between residents and UWFaith are not recorded on the BHH financial statements. BHH operates in the State of North Carolina under provisions of a Certificate of Authority.

The mission of BHH is to serve retired missionaries, deaconesses, and staff of UWFaith, a certain number of retirees from other divisions of The United Methodist Church, and a limited number of health care patients from the community.

BHH follows the same significant accounting policies as UWFaith.

2. Summary of Significant Statement of Activities Assumptions

Operating Revenue and Support

Management used the 2026 Board approved budget as the basis for the forecasted operating revenue for 2026. All other years are forecasted based on management assumptions below:

UNITED WOMEN IN FAITH
SUPPLEMENTAL DISCLOSURE
BROOKS-HOWELL HOME

Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2030

Resident Services & United Women in Faith Support - In accordance with the strategic plan, management expects to have 28 skilled nursing beds in use in 2026 and 40 skilled nursing beds in use in 2027 through 2030. Construction on the Medicare wing began in the third quarter of 2025 and is expected to be placed in service in the fourth quarter of 2026. UWFaith will be providing varying support as needed through the forecasted period with the addition of grants totaling $2,000,000 to be used for the Medicare wing construction. Of this amount, $896,000 has been received in 2025 and the remaining $1,066,000 is expected to be received in 2026. The Medicare wing is expected to open at the end of 2026 and generate an additional 100,000 in revenue in 2026 and an additional $1,300,000 in 2027 increasing by 5% each year after throughout the forecast period. Additionally, there is a roof repair expected to start in 2026 and be completed by the end of 2026 estimating $850,000 to be paid by insurance. As a result, this will generate $850,000 in other operating revenue and additional $43,000 in depreciation expense beginning in 2027.

Investment Earnings - Investment earnings for 2026 and throughout the remainder of the forecast have been forecasted to increase approximately seven percent annually to be in line with the five-year historical average.

Other Revenues – Anticipated $850,000 increase in 2026 for a roof repair that will be paid for by insurance. Other revenues are anticipated to remain consistent with the 2026 budget for the remaining forecasted period.

Operating Expenses

Management used the 2026 Board approved budget as the basis for the forecasted operating expenses for 2026. All other years are forecasted based on management assumptions or management projections below:

Brooks-Howell Home Expenses - Expenses related to Brooks-Howell Home are recorded as incurred. Brooks-Howell Home expenses include primarily salaries, related employee benefits, and raw food costs. Management expects resident related operating expenses for BHH to increase at a rate consistent with that of resident service revenue. The primary resident service expenses are administration, food service, maintenance, environmental services, nursing services, social services, human resources, marketing, activities expenses, and ancillary services. Expenses for 2026 are based on the approved 2026 budget and expenses from 2027 through 2030 are based on the projected BHH budgets, which were prepared by management.

UNITED WOMEN IN FAITH
SUPPLEMENTAL DISCLOSURE
BROOKS-HOWELL HOME

Summary of Significant Forecast Assumptions and Accounting Policies

For Each of the Five Years Ending December 31, 2030

3. Summary of Significant Statement of Financial Position Assumptions

Accounts Receivable - Management assumes resident accounts receivable to be approximately 2% of total resident service revenue throughout the forecasted period based on historical average. Management assumes non-resident accounts receivable to remain consistent throughout the forecast period.

Inventories - Management assumes inventories to remain at approximately 1.90% of total operating expenses, based on historical average.

Land, Buildings, and Equipment - Management assumes routine capital additions of $284,000 in the year ending December 31, 2026, $100,000 in the year ending December 31, 2027, and $250,000 in each of the years ending December 31, 2028 through 2030. In addition, management assumes significant BHH capital additions for the Medicare wing of $2,000,000. The Medicare wing construction began in the third quarter of 2025 and is expected to be completed in the second quarter of 2026. $896,000 capital additions for the Medicare wing were recognized in 2025. The remaining $1,066,000 will be recognized in 2026. The corresponding depreciation is expected to increase in 2027 and then remain consistent through the remainder of the forecasted period. Additionally, there is a roof repair expected to start in 2026 and be completed by the end of 2026 estimating $850,000 to be paid from insurance proceeds. As a result, this will generate $850,000 in other operating revenue and additional $43,000 in depreciation expense beginning in 2027.

Assets Limited as to Use - Management assumes assets limited as to use to remain relatively consistent throughout the forecasted period, with increases of approximately one percent annually.

Investments - Management assumes investments to increase seven percent throughout the forecasted period, based on historical average.

Accounts Payable and Accrued Liabilities - Management assumes accounts payable will remain at approximately 6% of total non-payroll operating expenses based on historical average. Management also assumes accrued wages and related liabilities to remain at approximately 7% of total payroll expenses based on historical average. Based on a 5-year average, payroll has approximated 60% of total operating expense.

Appendix C — Statement of Actuarial Opinion

N/A

Appendix D — Representative Contracts

BROOKS-HOWELL

ADMISSION AGREEMENT FOR
OUTREACH MINISTRY
HEALTH CENTER RESIDENT

266 Merrimon Avenue
Asheville, NC 28801-1218

Telephone (828) 253-6712
FAX (828) 367-7978
Email: sowens@brookshowell.org

ACCOMMODATIONS

BHH shall provide accommodations in a nursing care unit in accordance with the health needs of **Resident** and shall provide three meals a day and snacks as scheduled.

HEALTH CARE

BHH shall provide nursing care in accordance with **BHH** procedures, rules, and regulations. **BHH,** in consultation with its medical consultants, reserves the right to designate **Resident**'s level of care as required by medical necessity and the state and/or federal rules and regulations governing the operation of nursing facilities.

MEDICAL SERVICES

Resident shall have the right to select a physician, provided that said physician agrees to follow the policies and procedures of the **BHH**, laws and licensure of the State of North Carolina, and the federal guidelines as applicable. **BHH** maintains a professional relationship with **BHH's** Medical Director, a licensed North Carolina physician who makes routine rounds at **BHH**. If **Resident's** present physician is not willing to come to **BHH** and upon **Resident's** request, **BHH** will recommend **Resident** to **BHH's** Medical Director for consideration as a new patient.

CONSULTATION SERVICES

BHH shall provide the following, at **Resident's** expense, primary physician care, medical supplies, prescription drugs, consultative services (mental health, dental, optometry, podiatry, and wound care), occupational therapy, speech therapy, physical therapy, and other special services. If any of these services are ordered by the primary care physician, **Resident** will be made aware of this referral, and provided an opportunity to decline the service.

USE OF PRIVATE DUTY STAFF

If **Resident** chooses to use private duty staff at any time during his/her stay at **Brooks-Howell Home, Resident** will inform the Director of Nursing. **Resident** understands that the private duty staff must be approved by **BHH,** in accordance with the Private Duty/Sitter Policy established by **BHH** and will act under the supervision of **BHH** Director of Nursing. A copy of this policy and requirements may be obtained from the Admissions Director. Compensation for such services shall be the responsibility of the **Resident**.

MEDICAL SUPPLIES

_____(Initial) **Resident** understands that **BHH** will provide medical supplies and medical equipment needed to ensure **Resident's** care needs are met. These supplies and equipment will be billed to **Resident** at the current market value. Some medical equipment may have a daily/weekly/or monthly charge.

PHONE/INTERNET SERVICE

The following services are also offered at a fee.

1.Accept _____ Decline _____ Phone Service through Verizon Charges dependent upon elected services. Disconnection fee is approximately $134 (per Verizon).

2. Accept _____Decline _____Wi-Fi Service ($30.00 a month)

LAUNDRY SERVICE

BHH provides bed linens, towels and daily laundry service for Health Center residents. The resident's family or **BHH** may do the laundry.

ALL CLOTHING BROUGHT INTO THE HEALTH CENTER MUST BE CLEARLY LABELED WITH THE RESIDENT'S NAME (regardless of who does the laundry).

_____(Initial) Family/Responsible Party will do laundry (I understand that I must provide a fire-retardant plastic hamper with lid in the room), if not handled timely, the facility will do laundry for 0.75 cents per day.

OR

_____ (Initial) Brooks-Howell will perform laundry services for $30.00 monthly, and this will appear on Resident's monthly bill.

BEAUTY SALON SERVICES

_____ (Initial) **Resident** understands that **BHH** has beautician services onsite. **Resident** is aware that these services are an additional charge. If **Resident** chooses to use the salon at **BHH**, the charges for these services will appear on my **BHH** bill.

ADDITIONAL OBLIGATIONS OF RESIDENT

Resident shall accept full responsibility for personal possessions brought into **BHH** and shall conform to and abide by the rules and regulations of the **BHH** now or hereafter adopted by **BHH** for the conduct and care of residents under its supervision.

RECEIPT OF HEALTH CENTER RESIDENT HANDBOOK

_____ (Initial) **Resident** has been provided a copy of the Health Center Resident Handbook and understands that this handbook contains important facility policies regarding **Resident's** stay in the Health Center at **BHH.** Any questions about the Resident Handbook should be discussed with the Director of Nursing.

RECEIPT OF RESIDENT RIGHTS

_____ (Initial) **Resident** acknowledges that he/she has received a copy of, has reviewed, and understands the Resident Rights. It is important for all residents of Health Care Facilities to be familiar with their Resident Rights. Resident Rights are located in the Health Center Resident Handbook and posted throughout the facility.

CPR ACKNOWLEDGEMENT

_____ (Initial) In compliance with North Carolina regulations, **BHH** will ensure that nursing staff are trained and up to date with CPR training either through the American Heart Association or the American Red Cross programs and will maintain current staff certifications on file. A copy of the CPR policy is included in the Health Center Resident Handbook.

ADVANCE DIRECTIVES

Advance Directives are legal documents that enable **Resident** to give direction for his/her future medical care if **Resident** becomes physically or mentally unable to do for themselves. Advance Directives include the Living Will, Health Care Power of Attorney, Do Not Resuscitate Orders and the MOST form. **BHH** has the above documents and will gladly work with **Resident's** physician in having these forms completed if requested. **BHH** can also assist with "end of life" planning.

BHH is required to have on record a preferred funeral home.

Funeral Home Selection: _____

_____ (Initial) **Resident** has provided **BHH** with copies of **Resident's** Advance Directives.

FLU VACCINE

BBH offers flu vaccines annually to residents residing in the Health Center.

_____(Initial) **Resident** agrees to receive a yearly Flu Vaccine, as directed by **Resident's** physician.

OR

_____ (Initial) **Resident DOES NOT** agree to the Flu Vaccine as **Resident** has a known:

☐ Allergy to eggs | ☐ Previous Flu Vaccine Reaction | ☐ MD advised against |

☐ Guillian-Barre Syndrome

SIGNING OUT PROCESS

_____(Initial) **Resident** has reviewed the "Signing Out Process" located in the Health Center Resident Handbook and it is understood that **Resident** or responsible party of **Resident** must formally sign out any time he/she leaves the unit. This ensures that staff members are aware of location/destination of the **Resident** and best way to reach him/her. This process is in place to guarantee the safety of the Health Center residents.

SAFEKEEPING OF PERSONAL PROPERTY

_____(Initial) **BHH** is committed to the safekeeping of **Resident's** personal property and therefore strongly discourages residents from keeping valuable possessions, such as jewelry, cash, credit card, etc., in their rooms. **BHH** shall not be responsible for the loss of any property belonging to **Resident** due to theft, mysterious disappearance, fire or any other cause. **BHH** is not responsible for any missing or damaged hearing aids, dentures, or glasses. It is strongly recommended that personal insurance is obtained on these small items as they can easily be misplaced or damaged during the Health Center stay.

CELEBRATION OF LIFE NOTICES

_____ (Initial) **Resident AGREES** to allow **BHH** to share with the **BHH** community the date of **Resident's** passing and information about his/her memorial/funeral arrangements.

OR

_____ (Initial) I **Resident DOES NOT WANT BHH** to share **Resident's** passing or memorial arrangements with the community

HOSPITALIZATIONS

_____ (Initial) **Resident AGREES** to allow **BHH** to share with the residents of **BHH** (only if directly asked), if **Resident** has been sent to the hospital or long-term care facility and what that room number is.

OR

_____ (Initial) **Resident DOES NOT WANT BHH** to share any information about **Resident's** hospitalization or long-term care facility placement.

PHOTO/MEDIA RELEASE

_____ (Initial) **Photo/Media Release: Resident** understands that for identification purposes **Resident's** photo will be obtained and attached to his/her medical record at **BHH**. In addition to this required photo, **Resident is** aware that **BHH** may use photos, video, and **Resident's** name/ministry/profession in print, digital, and social media marketing materials for **BHH**.

OR

_____ (Initial) **Resident DOES NOT WANT** to have his/her photo used for any purpose other than for medical record purposes.

LONG TERM CARE INSURANCE

_____ (Initial) **Resident** understands that **BHH** will file billing claims to Long-Term Care Insurance if requested by **Resident**. **The initial claim must be submitted by the beneficiary or responsible party.** Subsequent claims can be submitted by **BHH**.

Long-Term Care Insurance is as follows:

Policy Holder:

_____

Last Name First Name Initial

Insurance Company Name: _____

_____ _____ _____

Policy Number Group Number Claim Number

_____ _____

Insurance Phone Number Insurance Fax Number

Claim Mailing Address:

_____

_____

RELEASE OF INFORMATION

Resident hereby authorizes the release of medical records from **all previous and current health care providers** to be disclosed to **BROOKS-HOWELL HOME.** This release is to ensure continuity of care and treatment. **Resident** understands that the specific type of information to be disclosed includes:

History & Physical, Progress Notes, Immunization Records, Allergies, Labs, Cultures, Diagnostic Studies, Current Medication Listing, Medication Administration Records, Treatment Records, Consultations, Nurses Notes, Therapy Notes, Diagnosis Listing, Surgical Reports, and Discharge Summary.

Resident also authorizes release of information to Medicare, Medicaid, Social Security, or Private Insurance. **Resident** understands that he/she can cancel this consent at any time except to the extent that action has already been taken.

Resident/Representative Signature: _____

Print Name: _____

Relationship to Resident: _____ Date: _____

RESIDENT ADMISSION AGREEMENT SIGNATURES

Resident agrees to the above stated consents, authorizations, acknowledgements, and polices that are adopted by **BHH**, and the administrators of **BHH** with regard to the use and operation of **BHH** and agree that this document stands for this admission and all subsequent admissions until amended.

Resident/Representative Signature: _____

Print Name: _____ Relationship to Resident: _____

Date: _____

BROOKS-HOWELL HOME REPRESENTITIVE

By: _____ Date: _____

BROOKS-HOWELL
A retirement community that is called, served, and serving still

RESIDENCE AND CARE AGREEMENT

THIS RESIDENCE AND CARE AGREEMENT (the "Agreement") is made this _____ day of _____, 20___ (the "Effective Date"), by and between United Methodist Women, a New York corporation, dba Brooks-Howell Home hereinafter called the "Corporation", "we", "us", "our" or "Brooks-Howell" and _____ _____, hereinafter called "Resident", "you" or "your" (if husband and wife or two other persons enter into this Agreement, the word "Resident", "you" or "your" shall apply to them both jointly and severally unless the context otherwise requires).

WHEREAS, the Corporation owns and operates a continuing care retirement community located at 266 Merrimon Avenue, Asheville, North Carolina, known as "Brooks-Howell Home", hereinafter referred to as "Brooks-Howell"; and

WHEREAS, Resident is desirous of becoming a resident of Brooks-Howell and to use and enjoy the facilities, programs and services provided by the Corporation subject to the terms and conditions of this Agreement.

NOW, THEREFORE, subject to the terms and conditions set forth in this Agreement, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Resident and the Corporation agree as follows:

I. ACCOMMODATIONS AND SERVICES

Subject to the terms and conditions set forth in this Agreement, the Corporation agrees to provide the Resident the living accommodations, services and programs at Brooks-Howell described as follows:

A. Living Accommodation. Unit number _____ _____, a _____ _____ type of living accommodation, located _____ in Brooks-Howell (hereinafter referred to as the "Living Accommodation"). Resident has the exclusive right to occupy and use the Living Accommodation, subject to the terms and conditions set forth in this Agreement. Resident, with the prior written consent of the Corporation and subject to the terms and conditions of this Agreement, may from time-to-time transfer from one Living Accommodation in Brooks-Howell to another. In the event of such a transfer, the reference to the "Living Accommodation" designated above will be automatically amended to reflect such a transfer.

B. Utilities. We will provide basic cable television, heating, air conditioning, lights, water, sewer, electricity and trash removal. The Resident is responsible for any internet and additional television services or installation charges. Telephones and telephone services are the responsibility of the Resident.

C. **Furnishings and Appliances**. We will provide emergency signal equipment and other fixtures and appliances as described in the literature published by the Corporation from time-to-time regarding Brooks-Howell. All other furniture and furnishings for the Living Accommodation shall be provided by the Resident and shall be maintained by you at your risk.

D. **Meals**. We will make meals available to the Resident as follows:

1. Independent Living Residents. Brooks-Howell will make available one meal per day served in the dining room. The cost of the meals are not included in the Resident's Monthly Fee. The Resident is responsible for the cost of the meal at the established rate which is billed monthly. The Corporation may change established rates from time to time upon a thirty (30) day notice.

   Independent Residents residing in the Bethea Suites will receive Two (2) meals per day which is included in the Resident's Monthly Fee.

2. Residents Residing in the Health Center. The Corporation will make available three (3) nutritionally well-balanced meals each day to Residents residing in the Corporation's Health Center (defined below). The cost of these meals is included in the published per diem rate.

E. **Housekeeping Services**. We agree to maintain the Living Accommodation by providing one (1) hour weekly housekeeping services, including vacuum cleaning, dusting, cleaning of baths and kitchens, and trash removal. Optional services such as deep cleaning may be purchased by the Resident at an additional fee.

F. **Laundry**. We will provide, change, and launder any bed and bath linens provided by Brooks-Howell (if any) on a regular basis. Personal laundry service is available weekly for an additional fee, which will be billed monthly. Convenient laundry facilities will be provided free of charge for personal laundry.

G. **Maintenance and Repairs**. We will maintain and keep in repair the improvements, furnishings and equipment owned by the Corporation. The Resident will be responsible for the cost of repairing any damage to property of the Corporation caused by the Resident or any guest of the Resident, ordinary wear and tear excepted. Any structural or physical change or redecoration of any kind within the Living Accommodation will require the prior written approval of the Corporation. The cost of any change, including any subsequent cost to return the living unit to its original condition in the event of such change, or cost of redecoration, will be paid by the Resident. Any such improvement or change will be owned by the Corporation and will not be considered in determining the amount of any refund (if any) to the Resident upon termination of this Agreement.

H. **Groundskeeping**. We will furnish basic grounds keeping service for the grounds of Brooks-Howell, including lawn, tree and shrubbery care. Subject to written approval by us, Residents may plant and maintain certain areas designated for such purpose by us in accordance with our policies and procedures. The cost of these plantings and maintenance of such plantings will be at your expense.

I. **Parking**. We will provide parking areas for the Resident's personal vehicle (limited to one vehicle for each individual Resident) and parking for guests.

J. **Common Facilities**. The Resident shall have access to certain common facilities which may include dining rooms, a mail room, a multi-purpose room, lounges, sitting areas, wellness center, indoor warm water therapy pool and whirlpool, library, craft and art studio, woodworking shop, resident computer room, on-site beauty and barber salon, outdoor venues and other common facilities as described in the then current literature of Brooks-Howell, any of which such common facilities may be subject to change from time to time at the sole discretion of Brooks-Howell. Use of the common facilities will be available for use by the Resident, and such use shall be subject to change or restriction from time to time at the sole discretion of Brooks-Howell. The Resident will be responsible for dining and applicable activity charges.

K. **Transportation**. Brooks Howell will arrange transportation for Brooks Howell sponsored events or activities. Additional charges may be incurred for some events.

L. **Activities**. Social, recreational, spiritual, educational and cultural activities will be provided for the Residents. Additional charges may be incurred for some activities.

M. **Health Center Access**. Should you require long-term care services that are provided at Brooks-Howell, you may access these services on the following basis:

1. The Corporation's Health Center or any other health center at Brooks-Howell (the "Health Center") is available for the benefit of Residents. The Corporation is currently licensed by the North Carolina Department of Health and Human Services, Division of Services Regulation to operate 58 health care beds under a nursing home license for Residents who are temporarily ill or who require long term care. Private accommodations are available in the Health Center. The Corporation will establish and publish per diem rates and charges, which are subject to change from time-to-time, for the accommodations and services in the Health Center.

2. A twenty-four (24) hour nursing staff will be maintained in the Health Center.

3. The overall coordination and provision of health care services by the Corporation will be provided by a Medical Director who will be a licensed physician selected by the Corporation.

4. Charges for the Health Care accommodations and services described above in this Paragraph I M shall be as set forth in Paragraph II F.

5. Residents may choose their own personal physicians and will be responsible for charges for services by such physicians and any consultants. Other health care services may be made available to the Resident at Brooks-Howell's sole discretion and at the Resident's expense, including, but not limited to: pharmacy services; surgical, dental and optical services; laboratory tests; physical therapy; occupational therapy, including

therapeutic activities; rehabilitative treatments; audiology services; podiatry services; dermatology services; and wheelchairs and other medical equipment and supplies. The cost of such services shall not be covered by the charges described in Paragraph II F.

6. The Resident acknowledges that the services provided by the Corporation cannot protect the Resident from the effects of the natural aging process or the everyday, normal risks of living. In addition, the Resident acknowledges that the Resident's particular health condition may cause the Resident to be particularly susceptible to certain risks and dangers. The Resident further acknowledges that the services provided by us do not include 24 hour, one-on-one monitoring of each Resident. If a Resident desires to have a dedicated caregiver at all times, the Resident may wish to consider engaging a companion, sitter or private duty nurse, or certified nursing assistant in accordance with subparagraph 9 of this Paragraph I M.

7. We will make good faith efforts to provide our routine services to the Resident, including those prescribed by the Resident's attending physician. A Resident has a right to refuse treatment. However, should a Resident refuse to comply with recommended treatments or with physician's orders, the Resident assumes the risk of any adverse outcomes associated with such refusal. We shall not be expected to coerce or intimidate the Resident into accepting such services or complying with physician orders. Residents and their families or legal representatives are strongly encouraged to participate in the planning of the Residents' care, both with the attending physician and the Corporation.

8. Resident authorizes Brooks-Howell to provide those health care-related services that are specifically set forth in this Agreement. Resident also authorizes Brooks-Howell to obtain all necessary clinical and/or financial information from Resident's attending physician, and any other health care providers treating Resident, including, but not limited to, any hospital or nursing facility from which Resident may be transferring or may transfer in the future and hereby authorizes such health care provider(s) to provide such health care information to Brooks-Howell.

9. The Resident shall not employ any companion, sitter, private duty nurse or certified nursing assistant without prior notification to the Corporation. We shall have no responsibility to review, approve or otherwise opine as to the qualifications or abilities of any service providers engaged by the Resident.

   All companions, sitters, private duty nurses and certified nursing assistants engaged by the Resident, as well as the Resident's visitors, are subject to the rules and regulations in effect at Brooks-Howell. All companions, sitters, private duty nurses, and certified nursing assistants will act in accordance with the Resident's plan of care for any resident in the Health Center. We may expel or refuse admission to any such individual who, in

our judgment, poses a threat to the health, safety, welfare or peace of Brooks-Howell, its residents, its staff or anyone else.

The Resident shall pay all expenses (including for meals) of the individuals engaged by the Resident. Resident acknowledges that the Corporation is not responsible for any losses, damages, costs, claims, liabilities and expenses suffered by the Resident, the Corporation, other residents or other persons, including attorney fees and court costs, arising from the services, actions, inactions, or statements of any sitters, companions, private duty nurses, and certified nursing assistants engaged by the Resident.

10. We will notify your physician when emergency medical care is necessary. If acute medical care is necessary or upon physician's or your request, you will be transferred to a local hospital emergency room. In the event of an emergency, Brooks-Howell's staff will summon emergency medical services to assist you by calling "911" or otherwise summoning appropriate medical personnel from outside Brooks-Howell. You authorize Brooks-Howell to provide to you any care and assistance deemed by Brooks-Howell to be in your best interests under the circumstances and to take any such action that is reasonably prudent in the event of an emergency, subject to any advance directives contained in a document that you have furnished to the Corporation.

11. Brooks-Howell shall maintain a health record for Resident that contains health and other personal information that is pertinent to the services which Brooks-Howell is providing. All information and records regarding Resident are confidential and are only disclosed in accordance with applicable law, including the HIPAA Privacy Rule. Resident may review Resident's health record and authorize others to review the Resident's health record.

N. **Other Services**. Other services may be available at an additional charge or cost. With respect to services not listed, consult Brooks-Howell's schedule of charges or the Finance Office.

O. **Limitations to Services**. You hereby acknowledge and agree that the Corporation is prohibited by law from furnishing certain types of services, based upon applicable statutes, administrative regulations, and interpretations of statutes and regulations. You agree that if you need services that the Corporation is not legally authorized or does not otherwise provide, you may be discharged from Brooks-Howell. Except as otherwise expressly stated in this Agreement, you are responsible to arrange and pay for health and medical care services not provided by the Corporation, including, without limitation, assisted living services, hospital services, physicians' services, private duty personnel, medications, vitamins, eye glasses, eye examinations, hearing aids, ear examinations, dental work, dental examinations, orthopedic appliances, laboratory tests, x-ray services or any rehabilitative therapies.

P. **Professional Management of Brooks-Howell and its Facilities**. We will employ management and staff and/or agents to manage the operations of Brooks-Howell and its facilities.

II. FINANCIAL ARRANGEMENTS

A. **Entrance Fee**. Resident agrees to pay us [a non-refundable] Entrance Fee as a condition of becoming a resident of Brooks-Howell. In addition, a non-refundable application fee of three-hundred dollars ($300) is required.

Standard Entrance Fee $_____

B. **Monthly Fee**. In addition to the Entrance Fee and any other charges or expenses under this Agreement, Resident agrees to pay a Monthly Fee during the term of this Agreement, which shall be payable in advance by the 5th day of each month. As of the date of this Agreement, the Corporation projects that the Monthly Fee associated with the Living Accommodation will be approximately $_____ per month, and an additional $_____ per month if a second Resident occupies the Living Accommodation. The Monthly Fee may be adjusted by the Corporation during the term of this Agreement as described in Paragraph II C below.

C. **Adjustments in the Monthly Fee**. The Monthly Fee is made to provide the facilities, programs and services described in this Agreement and is intended to meet the cost of debt service, insurance, maintenance, administration, staffing and other expenses associated with the establishment, operation and management of Brooks-Howell. The Corporation shall have the authority to adjust the Monthly Fee from time to time during the term of this Agreement as we in our discretion deem necessary in order to reflect changes in the costs of providing the facilities, programs and services described herein consistent with operating on a sound financial basis and maintaining the quality of services called for herein. In the event that it should be determined that the Corporation is required to pay ad valorem taxes upon its property, the Monthly Fee may be adjusted to reflect the amount of such taxes. Any increases in the Monthly Fee or other charges or expenses may be made by the Corporation upon thirty (30) days written notice to the Resident.

D. **Charges for Other Services**. You will be billed for other services selected either at the time they are rendered or with the next billing cycle. The payment procedures for other service charges, including the imposition of late fees and interest, are the same as for the Monthly Fee. By signing this Agreement, you hereby acknowledge receipt of a copy of Brooks-Howell's schedule of current fees for other services. Brooks-Howell may, in its sole discretion, adjust the fees, charges or expenses for other services for any reason upon providing thirty (30) days advance written notice to Residents.

E. **Monthly Statements**. We will furnish you with monthly statements showing the total amount of fees and other charges and expenses owed by you, which shall be payable by the 5th of the month. Late payments are subject to an interest charge of one and one-half percent (1.5%) per month from the first of the month. You, and your current and future responsible parties (i.e., power(s) of attorney, executor(s)) on your behalf, from your assets and income, agree to pay all costs, expenses, and reasonable attorneys' fees, in the event the same must be expended in the collection of any sums due and owed by you to the Corporation.

The Corporation may terminate this Agreement if you have a past due amount upon thirty (30) days written notice. Termination of this Agreement does not end the obligation of you or your estate to pay all amounts due, no matter when incurred.

The Corporation reserves the right, with thirty (30) days' notice, to change the billing date and the payment due date. For a partial first month, the Monthly Fee is pro-rated on a per diem basis. Thereafter, Monthly Fees are paid in advance and are pro-rated at termination.

You will, from time to time, upon the request of Brooks-Howell, authorize any provider of medical and health services, including Brooks-Howell, to receive reimbursement as provided under any or all Federal, State, and local benefits for which you may be eligible or entitled, and any supplementary insurance programs. If requested by Brooks-Howell, you will, from time to time, make assignments to the provider of medical and other health services of all benefits otherwise accruing to you under any or all Federal, State, and local benefits for which you may be eligible or entitled, and any supplementary insurance programs to compensate for services rendered. Resident irrevocably authorizes Brooks-Howell to make claims and to take other actions to secure receipt by Brooks-Howell of all payments from a third-party payor to reimburse Brooks-Howell for its charges and expenses for the stay and care of Resident. You shall be responsible for paying any and all deductibles, co-payments and costs for any non-covered service.

F. <u>Health Center Fees and Charges</u>.

1. We will establish and publish per diem rates and charges for the accommodation and services in the Health Center described in Paragraph I M.

2. If a resident transfers to the Health Center and wishes to continue to retain his or her independent living accommodations also, the Resident will be responsible for paying full Monthly Fees and daily fees for both the independent living and health care accommodations, respectively.

3. Brooks-Howell does not accept Medicare Part A, Part B, Medicare Advantage Plans or Medicaid in our Health Center.

G. <u>Financial Assistance</u>.

1. <u>Subsidy</u>. In connection with its charitable mission, it is the desire of the Board of Directors of the Corporation to not terminate a Residence and Care Agreement solely because of a Resident's financial inability to continue to pay the Monthly Fee or other charges by reason of circumstances beyond the Resident's control. Any disposition of Resident's assets in any way other than for care at Brooks-Howell or related living/medical expenses to the extent that Resident cannot adequately provide for Resident's expenses or care will nullify this desire on the part of the Corporation and entitle the Corporation to terminate Resident's right to reside in Brooks-Howell.

   The Corporation will make reasonable efforts to acquire the funds necessary to meet Brooks-Howell's fees for care. However, the resources of the

Corporation to provide care for Residents are not unlimited, and the Corporation reserves the right to terminate the residency of any person, including Resident, who cannot pay the full cost of Brooks-Howell's Monthly Fees, daily fees and other charges and expenses in connection with such person's stay and care at Brooks-Howell.

In the event that a Resident presents facts which in the opinion of the Corporation justify special financial consideration, the Corporation will give careful consideration to subsidizing in whole or in part the Monthly Fees, daily fees and other charges and expenses payable by the Resident hereunder so long as such subsidy can be made without impairing the ability of the Corporation to attain its objectives while operating on a sound financial basis. The Corporation may require Resident to apply for Medicaid or other public assistance programs prior to providing any financial subsidy to Resident.

In the event that the Corporation may subsidize in whole or in part the Monthly Fees, daily fees and other charges and expenses payable by the Resident hereunder, the Resident may be required to execute a separate Financial Assistance Agreement with the Corporation.

In the event that we continue to provide the services to you under the terms of this Agreement despite your financial inability to continue to pay the Monthly Fees, daily fees and other charges and expenses payable under the terms of this Agreement, the Corporation shall be entitled to require you to move to a smaller or less costly Living Accommodation.

Any determination by the Corporation with regard to the granting or continuation of financial assistance shall be within the sole discretion of the Corporation.

2. Resident Support Fund. The Corporation has established a fund which will be used to assist Residents who would otherwise not be able to live at Brooks-Howell. Such fund may be used for the purposes of providing financial assistance in accordance with this Agreement.

3. Recovery of Subsidies Provided by the Corporation. When a Resident dies or moves out of Brooks-Howell, if the Resident's fees and expenses have been subsidized wholly or partly by the Corporation, the Resident or Resident's estate, if any, will be liable to the Corporation for the full amount of the subsidy the Resident received for the entire time of residency. This paragraph will apply whether or not the Resident is in residence at Brooks-Howell at the time of death. This Agreement will operate as a lifetime assignment, transfer, and conveyance to the Corporation of so much of Resident's property as is necessary to cover such liability. Any amount due the Corporation under this paragraph may be deducted from any refund payable to Resident or to the Resident's estate, if any.

III. ADMISSION REQUIREMENTS

The requirements for admission to Brooks-Howell include the following:

A. **Age**. Brooks-Howell does not unlawfully discriminate in admission decisions or with respect to residents on the basis of race, color, gender, disability, national origin, religion or sexual orientation. Admission is restricted to persons 62 years of age or older, except that in the case of double occupancy one person must be at least 62 years of age and the second resident shall be at least 60 years of age.

B. **Application, Health History and Financial Statement**. The Resident shall submit for review by the Admissions Review Committee appointed by the Corporation an Application for Admission, a Personal Health History, a Medical Certificate and a Confidential Financial History on forms furnished by Brooks-Howell within 14 days of application.

C. **Personal Interview**. The Resident shall have an interview with a representative from Brooks-Howell prior to taking residency at Brooks-Howell. Upon review of all information required to be furnished herein, additional personal interviews may be requested by us.

D. **Notification**. We will review the Application for Admission, the Personal Health History, the Medical Certificate, the Confidential Financial History and the results of the Personal Interview and will notify the Resident whether the Resident meets the admissions requirements. We will also notify the Resident as early as possible of the date on which the Living Accommodation is expected to be available for occupancy. Until the Corporation accepts an Application for Admission in writing, the Corporation reserves the right to accept or reject an Application for Admission in the sole discretion of the Corporation for any reason other than unlawful discrimination.

E. **Health Requirements**. Prior to admission for residency at Brooks-Howell, the Resident shall submit a report of a physical examination of the Resident made by a physician selected by the Resident. Such report shall include a statement by such physician that the Resident is in good health, is able to take care of himself or herself in residential living activities and the Resident's health profile does not present a significant risk of intensive or imminent increased health care needs. We may require the Resident to have another physical examination by the Medical Director or by another physician approved by us. The Resident shall be responsible for the costs of all physical examinations. If the health of the Resident as disclosed by such physical examination differs materially from that disclosed in the Resident's Application for Admission and Personal Health History, we will have the right to decline admission of the Resident and to terminate this Agreement, or in our discretion, to permit the Resident to take occupancy of accommodations at Brooks-Howell suitable to the needs of the Resident.

F. **Financial Requirements**. The Resident must have assets and income which will be sufficient under foreseeable circumstances to pay the financial obligations of the Resident under this Agreement and to meet ordinary living expenses of the Resident. We may require the Resident to furnish current financial information and copies of state and federal tax returns at any time prior to and subsequent to occupancy. You, your current and future responsible parties (i.e., power(s) of attorney, executor(s), trustee(s)), will abide by any and all financial arrangements made with us

for the purpose of securing your ability to pay any and all charges and expenses for residing at Brooks-Howell. You agree not to make any gift, expenditure or other transfer of assets for the purpose of evading your obligations under this Agreement, or if such gift or transfer would render you unable to meet such obligations under this Agreement. Gifts, expenditures or transfers of assets in this manner, which result in your inability to meet your financial obligations in accordance with this Agreement, will entitle Brooks-Howell to terminate this Agreement with thirty (30) days' notice, and you or your responsible parties, as applicable, will be liable for any unpaid amounts.

G. Representations. The Resident affirms that the representations made in the Application for Admission, Personal Health History and Confidential Financial History are true and correct and may be relied upon by the Corporation as a basis for entering into this Agreement. Brooks-Howell has accepted Resident based on the information contained in Resident's Application for Admission, Personal Health History and Confidential Financial History and has agreed to enter this Agreement based on such information. Resident hereby affirms that all the information provided in the Resident's Application is true and correct to the best of the knowledge of each person who signs the Agreement, and each also acknowledges that any material misrepresentation or omission in Resident's Application for Admission, Personal Health History and Confidential Financial History shall render this Agreement voidable at the option of Brooks-Howell. Resident agrees to submit updated copies of the information requested in the Resident's Application for Admission, Personal Health History and Confidential Financial History when requested by Brooks-Howell from time to time during the term of this Agreement.

H. Mental Illness, Severe Dementia, Dangerous Communicable Disease, Drug or Alcohol Abuse. Brooks-Howell is not designed to care for persons who have an active mental illness, severe dementia, a dangerous communicable disease, or who require treatment for drug or alcohol abuse. Should Brooks-Howell, in consultation with the Medical Director, determine that your physical or mental illness, or that your condition as a result of drug or alcohol abuse, is such that your continued presence is either dangerous or detrimental to your life, health or safety, or the life, health, peace or safety of others in the community, then Brooks-Howell may transfer you to another facility, and/or require you to terminate your residency at Brooks-Howell.

I. Sex Offender Registry. Resident hereby acknowledges that it is the policy of the Corporation to conduct sex offender screening for every prospective resident, regardless of independent status or level of care, at the time of application for admission to Brooks-Howell and again prior to entering into a Residence and Care Agreement. If the screening shows that the prospective resident is identified as a sex offender, the Corporation will deny admission of the prospective resident on that basis and not execute a Residence and Care Agreement. In addition, Resident hereby acknowledges and agrees that if, after the Corporation and Resident have entered into this Agreement, Brooks-Howell becomes aware that Resident is listed on any sex offender registry, the Corporation may terminate this Agreement with Resident and remove Resident from Brooks-Howell. If there is more than one Resident who is a party to this Agreement, the termination of this Agreement in such instance shall only apply to the Resident listed on the sex offender registry.

J. Independent Living and Long-Term Care Only. Resident hereby acknowledges that Brooks-Howell only provides independent living and long-term care accommodations and

related services, and that Brooks-Howell is not licensed to and does not offer or provide adult care home or assisted living beds and services.

IV. TERMS OF RESIDENCY

A. Rights of Resident. Subject to the terms and conditions of this Agreement, the Resident has the right to occupy and enjoy the Living Accommodation described in Paragraph I A of this Agreement during the Resident's lifetime unless this Agreement shall be terminated as provided herein. It is understood that this Agreement does not transfer or grant any interest in the real or personal property owned by the Corporation other than the right to the use or occupancy of the Living Accommodation subject to and in accordance with the terms hereof. The Resident agrees that the rights of the Resident under this Agreement are subject to and subordinate and junior to the rights of a lender under any mortgage or deed of trust now or hereafter executed by the Corporation creating a lien on any property of the Corporation at Brooks-Howell. Upon request, you agree to execute, acknowledge and deliver to such lender or lenders such further written evidence of such subordination as such lenders may reasonably require.

B. Policies, Rules and Regulations. You understand and agree that: (i) in order for Brooks-Howell to operate in the best interests of the entire community, it is essential that we have the cooperation of and compliance with applicable policies, rules, and regulations by you, your family, guests, responsible party and others who may intervene, speak or act or purport to intervene, speak or act, for or on behalf of you or who may come on the premises of Brooks-Howell in any capacity or for any purpose in connection with or as a result of your residency at Brooks-Howell; (ii) a continuing or repeated failure or refusal by any such persons to so cooperate and comply may result in a determination by Brooks-Howell that it is impracticable or impossible for Brooks-Howell to continue to accommodate you as a Resident; and (iii) upon such determination by Brooks-Howell, we shall have the right to terminate this Agreement. We reserve the right to amend or change our policies, rules, and regulations, including, without limitation, those pertaining to Brooks-Howell, from time to time at its sole discretion. By signing this Agreement, you or your responsible party acknowledges receipt of a copy of the Resident Handbook.

C. Changes in Living Accommodations. You understand that you acquire no ownership in any property at Brooks-Howell under this Agreement; also, that no particular room or unit in the Health Center is subject to reservation or permanent assignment, and that we may change your room or unit assignment in the Health Center. Though we retain the right to change your room or unit assignment, we agree that we will make changes only as we find such changes to be necessary or advisable. In addition to our right, in our sole discretion, to move you from one unit in the Health Center to another, we have the right to change the Living Accommodation to meet requirements of any applicable statutes, laws, or regulations. We also reserve the right to relocate you to another accommodation when deemed necessary in order for the Corporation to fulfill its strategic, financial or other obligations. In such instance, we will use reasonable efforts to relocate you to an accommodation of the same or similar type as your accommodation, and we will pay all required packing and moving costs, and all reasonable refurbishing costs necessary to achieve substantial comparability between your accommodation and any new accommodation to which you may be relocated. The Living Accommodation may not be used for commercial

purposes. The Living Accommodation may not be occupied or used in any manner in violation of any ordinance, law, or regulation.

D. **Guests and Visitors**. Except for short-term visitors or guests residing in the Living Accommodation for a period of two weeks or less, no person other than the Resident may reside in the Living Accommodation without our written approval. Visitors and guests may not reside in the Living Accommodation if the Resident is out of town, on vacation or otherwise not physically present at Brooks-Howell. At all times, you shall be responsible for any injury to yourself or to others or damage to your property or the property of others or Brooks-Howell caused by you or your guest(s). Brooks-Howell reserves the right and authority to limit or terminate the stay of any guest at any time and for any reason.

E. **Loss or Damage of Property**. Brooks-Howell shall not be responsible for the loss of any property belonging to you due to theft, fire, water damage, or any cause beyond the control of Brooks-Howell. You shall also be responsible for any loss or damage that you or your guests cause to property at Brooks-Howell, excluding ordinary wear and tear. You hereby agree to indemnify and reimburse Brooks-Howell for any loss or damage suffered by Brooks-Howell because of your or your guests' or invitees' acts or omissions.

F. **Relationship Between Residents and Staff**. Brooks-Howell is built on mutual respect and instructs its staff to be cordial and helpful to Residents. The relationship is to remain professional. Staff must not be delayed or deterred by Residents in the performance of their duties. Management is solely responsible for the supervision of staff. Complaints or requests for special assistance must be made to the appropriate supervisor. Giving gratuities or bequests to staff or staff's families is not permitted. Residents will not employ the Corporation's staff nor hire former Corporation's staff without the prior written consent of the Corporation.

G. **Right of Entry**. Brooks-Howell recognizes your right to privacy and shall limit entry to your Living Accommodation to legitimate emergencies and to scheduled work, including housekeeping, repairs, maintenance, and inspections. You hereby authorize our staff or agents to enter your Living Accommodation upon reasonable notice (except in the case of an emergency where notice shall not be required) for all such purposes.

H. **Changes in Occupancy Involving Two Residents**. If two Residents share an on-campus Living Accommodation and one of them permanently transfers to the Health Center, one of them dies, or the Residence and Care Agreement is terminated with respect to one of them, the remaining or surviving Resident has the option to remain in the same Living Accommodation or move to a smaller Living Accommodation. Following any such change, the remaining Resident will be responsible for the Monthly Fee applicable to a single Resident in the occupied Living Accommodation.

I. **Health Insurance**. Brooks-Howell is a private pay community only. Brooks-Howell does not accept Medicare Part A, Part B, Medicare Advantage Plans or Medicaid. Brooks-Howell recommends that Residents shall maintain Medicare Part A, Medicare Part B and one supplemental health insurance policy or equivalent insurance coverage and shall furnish us with evidence of such coverage upon request. It is the Resident's responsibility to confirm that the primary and supplemental health insurance policies recognize us as a health care provider, or you

will assume the financial responsibility for services provided that otherwise could be covered. You will be responsible for a lapse in health insurance coverage. If you do not have insurance coverage, we will charge you for any costs of medical and other health care services provided that otherwise would have been covered by insurance. You are responsible for the payment of all deductibles, co-insurance payments and costs for any non-covered service.

J. Other Insurance Requirements. The Resident agrees to maintain the following insurance coverages:

1. property insurance on the Resident's personal property located within the Resident's Living Accommodation or elsewhere within the premises of Brooks-Howell;

2. personal liability insurance with a liability limit of at least $100,000 per occurrence; and

3. automobile liability insurance with limits required by state law on any vehicle owned by the Resident.

The Resident agrees to furnish us upon request certificates of insurance from the insurance companies providing the insurance coverages required.

K. Marriage/Addition of a Second Resident While a Resident. If a Resident, while occupying a Living Accommodation, marries or chooses to cohabitate with another person who is already a Resident occupying a separate Living Accommodation, both Residents may, with the prior written consent of Brooks-Howell, share either of their Living Accommodations. The unoccupied Living Accommodation would be surrendered and no refund will be payable with respect to the Living Accommodation surrendered except as described below in Article VI Termination and Refund Policies. The couple would then pay the Monthly Fee for double occupancy associated with the Living Accommodation they choose to occupy. If the couple elects to retain their two separate residences, then they will continue to pay the single monthly accommodation fees for their residences.

If a Resident marries or elects to share their Living Accommodation with a person who is not currently a resident of Brooks-Howell, that person may become a resident of Brooks-Howell if they meet all of the then-current requirements for admission, pay an Application Fee, enter into a current version of the Residence and Care Agreement, and pay an Entrance Fee equal to an amount determined by Brooks-Howell. In such cases, the Resident and newly admitted individual will be responsible for the Monthly Fee for double occupancy for the shared Living Accommodation. If the non-Resident second person does not meet admission requirements, the Resident may terminate the Residence and Care Agreement in accordance with the procedures outlined below in Article VI Termination and Refund Policies—Voluntary Termination.

L. Combination of Living Accommodations. From time to time, Brooks-Howell may determine that it is desirable to combine a one-bedroom, studio, or deluxe studio Living Accommodation with an adjoining unit to create a single, larger combined Living Accommodation. This decision may be based on various operational, design, or occupancy considerations.

If Brooks-Howell makes such a determination and the Resident occupies one of the units designated for combination, the Resident will be required to vacate their current Living Accommodation within a reasonable time following written notice from Brooks-Howell.

Upon receiving such notice, the Resident will have the option to:

1. Transfer into the newly combined Living Accommodation once it is ready for occupancy, or

2. Transfer to a Living Accommodation of the similar type as the one previously occupied, when one becomes available.

If the Resident elects to move into the combined Living Accommodation, he or she will be required to pay any additional Entrance Fee at the time of occupancy, and thereafter will pay the Monthly Fee established for the combined unit.

If the Resident chooses instead to transfer to a unit of the similar type as previously occupied, Brooks-Howell will, if needed, repaint the unit at its own expense prior to the Resident's occupancy.

M. **Transfer to Another Living Accommodation**. The Resident may transfer from a Living Accommodation occupied by the Resident to a different Living Accommodation at Brooks-Howell which becomes available upon payment of such applicable fees at the time of transfer, consent by the Corporation and compliance with such guidelines regarding transfers as may be adopted by the Corporation, which fees and guidelines may be changed from time to time by the Corporation. The right to reserve Independent Living Accommodations becoming available for occupancy at Brooks-Howell, including without limitation, priority among current Residents, will be subject to and in accordance with the Corporation's then current guidelines and fees, which may be subject to change from time to time in the Corporation's sole discretion.

N. **Renovations or Reconstruction of Living Accommodations**. Brooks-Howell is dedicated to maintaining the Living Accommodations and all other facilities of Brooks-Howell in a good state of repair. It recognizes the possibility that at some time in the future it may be necessary to make major renovations to, or reconstruction of one or more of, the residential Living Accommodations or Health Center Accommodations at Brooks-Howell requiring that a Resident vacate a unit affected by the construction work. In such event, Brooks-Howell would continue to provide to the Resident affected the same services customarily provided to Residents and would bear the costs incurred by the Resident in any such move. Brooks-Howell would under such circumstances provide to the Resident other accommodations which would be comparable to the extent practicable to the Resident's Living Accommodation being renovated or reconstructed although an accommodation may be larger or smaller or of a different type.

O. **Moving Costs**. Except as otherwise set forth in this Agreement, you are responsible for arranging and paying for all packing and moving costs for moves into, within, and out of Brooks-Howell. At our sole discretion, assistance may be provided by Brooks-Howell at an additional cost.

P. **Power of Attorney**. You agree to execute and maintain in effect a durable power of attorney that is valid under North Carolina law and will survive your incapacity or disability. This durable power of attorney will designate an attorney-in-fact and an alternate attorney-in-fact who will act for you in managing your financial affairs and in filing for insurance or other benefits under private and public assistance programs as full and complete a manner as you could do if acting personally for yourself. You will deliver a copy of a fully executed power of attorney to us prior to occupancy. You will not revoke or amend this durable power of attorney except upon execution of a replacement durable power of attorney, a fully executed copy of which will be delivered to us. This document also may address at your option, other affairs, such as decisions concerning medical care.

Q. **Will**. You agree to execute a Will, and to provide to us a copy of such sections of the Will and any revisions, as applicable during the term of this Agreement, to document the name(s) of the person(s) to be contacted in the event of your death (i.e., executor(s)). In the event of your death, while you are a resident of Brooks-Howell under this Agreement, only the executor(s) named in your Will (or such person or entity designated by such executor(s)) will be allowed to remove or dispose of your furnishings and belongings in your Living Accommodation and any related storage areas at Brooks-Howell. Members of your family or those to whom you have granted power of attorney will not be allowed access to your personal property after your death unless they are the executor(s) named in your Will or the executor(s) designee.

R. **Funeral and Burial**. We will not be responsible for making funeral or burial arrangements, and we are not responsible for any related expenses.

S. **Advance Directives**. You are required to execute a Living Will and a Health Care Power of Attorney and to deliver a fully executed copy thereof to Brooks-Howell, as well as any revisions as applicable, during the term of this Agreement.

T. **Appointment of Guardian**. If you become unable to care for your business and financial affairs, we reserve the right to institute action for the determination of your incompetence and the appointment of a guardian to fulfill the terms of this Agreement; unless such needed arrangements have already been made. The cost of the legal proceedings, including attorneys' fees, shall be paid by you or your estate.

U. **Emergency Notifications**. You agree to provide Brooks-Howell with the following information prior to the date of occupancy as well as updates of this information during the term of this Agreement:

- Names, addresses, and phone numbers of persons to notify in an emergency (minimum of two are required);
- Names of persons having the right of entry into your residence;
- Name, address, and phone number of funeral home (prior arrangements are encouraged);
- Names, addresses, and phone numbers of lawyer and executor;
- Names, addresses, and phone numbers for powers of attorney; and
- Names, addresses, and phone numbers for emergency pet contacts, if applicable.

V. TRANSFERS OR CHANGES IN LEVELS OF CARE

A. Transfer to Health Center. The Resident agrees that the Corporation shall have authority to determine that the Resident should be transferred from the Resident's Living Accommodation to the Health Center for long-term care, and whether such transfer shall be temporary or permanent in nature. Such determinations shall be based on the professional opinion of the Medical Director and the opinion of the Executive Director of Brooks-Howell and shall be made only after consultation to the extent practical with the Resident, a representative of the Resident's family or the health care power of attorney of the Resident and the Resident's attending physician. In the event of a permanent transfer to the Health Center, your Entrance Fee will not be subject to refund at the time of the transfer. Entrance Fees are subject to refund when a resident leaves the community in accordance with Article VI of this Agreement.

B. Transfer to Hospital or Other Facility. If it is determined by the Medical Director and the Executive Director that the Resident needs care beyond that which can be provided by the facility and personnel of Brooks-Howell, the Resident may be transferred to a hospital, center or institution equipped to give such care, which care will be at the expense of the Resident. Such transfer of the Resident will be made only after consultation to the extent possible with the Resident, a representative of the Resident's family or the health care power of attorney of the Resident and the Resident's attending physician.

In the event it becomes necessary for you to be transferred to a hospital, Brooks-Howell will provide any information available to meet the provisions of any hospital admissions agreement, and you agree that Brooks-Howell has the right to provide such information, which may include part or all of your records.

C. Surrender of Living Accommodation. If a determination is made by the Corporation that any transfer described in this Article V is permanent in nature, the Resident agrees to surrender the Living Accommodation or the accommodation in the Health Center occupied by the Resident prior to such transfer.

You are responsible for the costs of transfer and moving as well as the Monthly Fees or daily fee through the last day of occupancy for the Living Accommodation being vacated. For the purposes of this Section V. C., occupancy is defined as the later of the last day that a Resident either resides in the Living Accommodation or the last day that the Resident's furnishings or belongings occupy the Living Accommodation or a storage area at Brooks-Howell.

If the Corporation subsequently determines upon the opinion of the Medical Director and the Executive Director that the Resident can resume occupancy in accommodations comparable to those occupied by the Resident prior to such transfer, the Resident shall have priority to such accommodations as soon as they become available, and you will be responsible for applicable fees, charges and expenses as determined by the Corporation.

VI. TERMINATION AND REFUND PROVISIONS

A. Prior to Occupancy. This Agreement may be terminated by the Resident at any time prior to taking occupancy at Brooks-Howell for any reason by giving written notice to the Corporation. In the event that the Resident terminates this Agreement after the Rescission Period

(defined below) and prior to occupancy, the Resident will receive a refund of the Entrance Fee paid by the Resident, less a non-refundable fee equal to 5% of the total amount of the Entrance Fee as described in Paragraph II A, provided, however, that no fee or charge will be made if such termination is due to the death of the Resident's spouse, less any non-standard or other costs and expenses incurred by the Resident that are unpaid.

This Agreement will terminate automatically at any time prior to the date that the Resident takes occupancy if: (a) the Resident dies before occupying a living unit in Brooks-Howell (or, if there are two Residents, both Residents die before occupying a living unit in Brooks-Howell); or (b) on account of illness, injury or incapacity, the Resident is precluded from occupying a living unit at Brooks-Howell under the terms of this Agreement. In the event of such automatic termination, the Resident shall receive a refund of the full Entrance Fee paid by the Resident less any non-standard or other costs and expenses incurred by the Resident that are unpaid, less a service charge equal to the greater of $3,000 or two percent (2%) of the Entrance Fee paid. Any such refund shall be paid by the Corporation within sixty (60) days following termination pursuant to this paragraph.

B. **Trial Period**. The first sixty (60) days of occupancy at Brooks-Howell will be considered to be a trial period. During such sixty (60) day period, the Resident will have the right to terminate this Agreement by giving the Corporation written notice of such termination. In the event of such termination, or in the event of the death of the Resident during such sixty (60) day period, the Resident (or the Resident's estate) shall receive a full refund of the Entrance Fee paid, less a non-refundable fee equal to 5% of the total amount of the Entrance Fee as described in Paragraph II A. During such a sixty (60) day period, the Corporation shall have the right to terminate this Agreement based on the Corporation's determination that the Resident's physical or mental condition or emotional adjustment will not permit adaptation to the living environment at Brooks-Howell. In the event of such termination, the Corporation will refund the full Entrance Fee paid to the Corporation. Any refund due the Resident under this paragraph shall be paid within sixty (60) days after the Living Accommodation has been vacated by the Resident.

C. **Voluntary Termination**. At any time after the expiration of the first sixty (60) days of occupancy at Brooks-Howell, the Resident may terminate this Agreement by giving the Corporation thirty (30) days prior written notice of such termination. If such termination shall occur within twelve (12) months after the date of occupancy by the Resident, the Resident shall receive a refund in an amount equal to the full Entrance Fee paid to the Corporation less 5% thereof for each full calendar month or portion thereof which has elapsed from the date of occupancy to the effective date of termination, less a non-refundable fee equal to 5% of the full Entrance Fee and less any non-standard or other costs and expenses incurred by the Resident that are unpaid; provided that in no event shall a Resident who has elected the 50% Refund Entrance Fee Option be entitled to a refund of less than 50% of the Entrance Fee paid by such Resident, except for any unpaid non-standard costs and accrued expenses that will be deducted, and in no event shall a Resident who has elected the 90% Refund Entrance Fee Option be entitled to a refund of less than 90% of the Entrance Fee paid by such Resident, except for any unpaid non-standard costs and accrued expenses that will be deducted. Unless the Resident has elected the 50% Refund Entrance Fee Option or the 90% Refund Entrance Fee Option, no refund of the Entrance Fee shall be paid to the Resident after the first twelve (12) months of occupancy. Any refund due the Resident under this paragraph will be made at such time as such Resident's Living Accommodation shall have

been reserved by a prospective Resident and such prospective Resident shall have paid to the Corporation such prospective Resident's full Entrance Fee.

D. **Termination Upon Death**. In the event of the death of the Resident at any time after the expiration of the first sixty (60) days of the Resident's occupancy at Brooks-Howell, and such deceased Resident is not survived by a second occupant residing at Brooks-Howell who has signed this Agreement, this Agreement shall terminate and, subject to the Resident's continuing obligations described herein below, the portion, if any, of the Entrance Fee paid by the Resident to be refunded shall be determined in the same manner described in Paragraph VI C above. In the event of the death of the Resident at any time after the after the expiration of the first sixty (60) days of the Resident's occupancy at Brooks-Howell, and such Resident is survived by a second occupant residing at Brooks-Howell who has signed this Agreement, then this Agreement shall not terminate and no refund will be payable hereunder. In the event a refund becomes due under this Paragraph VI D, the date of the Resident's death shall determine the termination date. Any refund due the Resident's estate under this paragraph will be made at such time as such Resident's Living Accommodation shall have been reserved by a prospective Resident and such prospective Resident shall have paid to the Corporation such prospective Resident's full Entrance Fee; provided, however, that the Resident's estate shall continue to be obligated to pay the applicable Monthly Fee for such Resident's Living Accommodation until such Resident's Living Accommodation is vacated and left in good condition except for normal wear and tear. Resident's Living Accommodation is considered vacated on the later of the last day that a Resident either resides in the Living Accommodation or the last day that the Resident's furnishings or belongings occupy the Living Accommodation or a storage area at Brooks-Howell.

E. **Termination by the Corporation**. We may terminate the Residence and Care Agreement at any time: (i) if there has been a material misrepresentation or omission made by the Resident in the Resident's Application for Admission, Personal Health History or Confidential Financial Statement; (ii) your failure to perform any of your obligations under this Agreement, including your obligation to pay your Monthly Fee and other fees, charges or expenses; (iii) if the Resident's conduct is abusive or disruptive toward members of the Corporation's staff or is disruptive or is detrimental to the health, safety or welfare of the Resident or other Residents or to other Residents' peaceful enjoyment of Brooks-Howell; (iv) you, your guests, or your personal service providers fail to abide by the rules, regulations, policies and procedures of Brooks-Howell, as described in the Resident Handbook or in such other documents or publications as may be provided from time-to-time, as they now exist or as they may later be amended by Brooks-Howell in its sole discretion; (v) the discharge is necessary for your welfare and your needs cannot be met by the Corporation; (vi) if you refuse to relocate as may be required by the Corporation in accordance with this Agreement; or (vii) if, after Brooks-Howell and Resident have entered into this Agreement, Brooks-Howell becomes aware that Resident is listed on any sex offender registry. In the event of termination for any of such causes, the portion, if any, of the Entrance Fee paid by the Resident to be refunded shall be determined in the same manner as in the case of voluntary termination by the Resident after the Rescission Period, and such refund will be made at such time as such Resident's Living Accommodation shall have been reserved by a prospective Resident and such prospective Resident shall have paid to the Corporation such prospective Resident's full Entrance Fee.

Following termination of this Agreement pursuant to this Section VI.E., you will be responsible for paying the Monthly Fee and/or daily fee for the applicable Living Accommodation for the full notice period and for each day of occupancy.

Except in cases of emergency, you will receive a notice of the termination by the Corporation at least thirty (30) days prior to the effective date of termination.

F. Condition of Living Accommodation. At the effective date of termination of this Agreement, the Resident shall vacate the Living Accommodation and shall leave it in good condition except for normal wear and tear. You or your estate shall be liable to the Corporation for any cost incurred in restoring the Living Accommodation to good condition except for normal wear and tear. Such costs may be deducted from any refundable portion of the Entrance Fee due to you or your estate, if any.

G. Abandoned Living Accommodation. You may be deemed to have abandoned the Living Accommodation and terminated this Agreement if you do not occupy a residence at Brooks-Howell for a period of one continuous year.

H. Temporary Absence. Temporary absence because of illness, trips or otherwise will not affect your rights to retain occupancy of a Living Accommodation, as long as applicable Monthly Fees are paid.

I. Removal of Personal Property. In the event of termination of this Agreement, you agree to surrender the Living Accommodation and any storage areas, which were occupied by you within thirty (30) days of the notice of termination.

We reserve the right to remove your belongings from the Living Accommodation and any storage areas. You will pay a reasonable storage fee or the actual cost of external storage, whichever is applicable. We are not responsible for any damages incurred to your property if storage becomes necessary. Unclaimed property will become the property of the Corporation after thirty (30) days following the termination of this Agreement and will be disposed of at the sole discretion of the Corporation.

In the event of your death, while you are a Resident of Brooks-Howell under this Agreement, only the executor(s) named in your Will (or such person or entity designated by such executor(s)) will be allowed to remove or dispose of your furnishings and belongings in your Living Accommodation and any related storage areas at Brooks-Howell. Members of your family or those to whom you have granted Power of Attorney will not be allowed access to your personal property after your death, unless they are the executor(s) named in your Will or a designee of the executor(s).

J. Release from Obligations from Termination. Upon termination of this Agreement, Brooks-Howell is released from any further obligations to you except for the payment of any refund which may be due under this Agreement, if any.

VII. RIGHT OF RESCISSION

Notwithstanding anything herein to the contrary, this Agreement may be rescinded by the Resident giving written notice of such rescission to the Corporation within thirty (30) days following the later of the execution of this Agreement or the receipt of a disclosure statement that meets the requirements of Section 58-64A-150 of the North Carolina General Statutes ("Rescission Period"). In the event of such rescission, the Resident shall receive a full refund of the Entrance Fee paid by the Resident less any Monthly Fees or portion thereof applicable to any period a Living Accommodation was actually occupied by the Resident, less any unpaid non-standard costs or other unpaid expenses incurred by the Resident, and less a service charge equal to the greater of $3,000 or two percent (2%) of the Entrance Fee paid. The Resident shall not be required to move into Brooks-Howell before the expiration of such 30-day period. Any such refund shall be paid by the Corporation within sixty (60) days following receipt of written notice of rescission pursuant to this paragraph.

VIII. GENERAL

A. Assignment. This Agreement and the rights and privileges of the Resident under this Agreement to the facilities, services and programs of the Corporation are personal to the Resident and may not be transferred or assigned by the Resident or otherwise.

B. Management of the Corporation. The absolute rights of management are reserved by the Corporation, its Board of Directors and its administrators as delegated by said Board of Directors. The Corporation reserves the right to accept or reject any person for residency. Residents do not have the right to determine admissions or terms of admission of any other Resident. Resident acknowledges the right of the Corporation to contract for the various services as provided by this Agreement, including, but not limited to, management services for the Corporation.

Subject to the terms and conditions of this Agreement, this Agreement gives Resident the right to live in Brooks-Howell and to receive or have access to the services and amenities described in the Agreement. However, it does not give Resident the rights of a "tenant" as that term is defined by North Carolina state law. The Corporation retains the exclusive authority to make all management decisions with regard to the management of the Corporation and Brooks-Howell, including decisions about admission and discharges, setting charges, the Corporation's and Brooks-Howell's policies and procedures, and the scope of services offered by the Corporation, consistent with law.

C. Entire Agreement; Counterparts. This Agreement, together with any schedules, attachments, exhibits or addenda thereto, constitutes the entire contract between the Corporation and the Resident. The Corporation shall not be liable or bound in any manner by any statements, representations or promises made by any person representing or assuming to represent the Corporation, unless such statements, representations or promises are set forth in this Agreement or in an amendment to this Agreement signed by the Corporation and by you. This Agreement may be executed in counterparts, each of which shall be deemed an original and together shall constitute one and the same agreement. This Agreement and any amendments hereto, to the extent signed and/or delivered by means of a facsimile machine, electronic mail or other electronic means,

shall be treated in all manners and respects and for all purposes as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

D. **Successors and Assigns**. Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of the Corporation and shall bind the heirs, executors, trustees, responsible parties, powers of attorney, and administrators of you.

E. **Transfer of Property**. The Resident agrees not to make any gift, expenditure or other transfer of property for the purpose of evading the Resident's obligations under this Agreement or if such gift, expenditure or transfer would render such Resident unable to meet such obligations.

F. **Governing Law**. This Agreement shall be governed by the laws of the State of North Carolina without regard to conflict of laws principles. Except to the extent that the parties have agreed to an alternative mechanism for the resolution of a dispute, to the full extent permitted by law, any action, suit, or proceeding arising out of or relating to this Agreement shall be brought and enforced in the courts of the State of North Carolina located in Buncombe County or of the United States District Court for the Western District of North Carolina, and the parties hereby irrevocably submit to the exclusive jurisdiction of such courts and irrevocably waive any objection that they may now or hereafter have to the laying of venue of any such action or proceeding in such courts.

G. **Uncontrollable Interruption of Service**. No breach of the Corporation's obligations under this Agreement and no liability for injury to you shall result from an interruption of, or failure to provide, the contracted services under this Agreement due to an act of God or other cause beyond the reasonable control of the Corporation, specifically including, but not limited to, strikes or other forms of labor disturbances, government regulations and/or embargoes, shortages of labor or materials, fire, flood, earthquake, inclement weather, epidemic or pandemic, or acts of the Resident.

H. **Indemnity**. You accept full responsibility for any injury or damage caused to others, or suffered by you, as a result of your own acts or omissions, and those of your guests or invitees. You agree to indemnify, defend and hold Brooks-Howell and its respective directors, officers, agents, representatives, and employees (also referred to as team members) harmless from claims, damages, or expenses, including attorneys' fees and court costs, resulting from any injury or death to persons and any damages to property caused by, resulting from, attributable to or in any way connected with your acts or omissions or those of your guests, including, but not limited to, private duty nurses, companions, or others.

I. **Limitation on Liability**. You understand and agree that the services provided by the Corporation and others within Brooks-Howell are not designed to protect you from the everyday, normal risks and responsibilities of living, including, but not limited to, such general accidents and situations such as falling, choking on food, and weight loss and/or dehydration resulting from your failure to partake of food and drink. Additionally, you understand and agree that the services provided by the Corporation do not include one-on-one monitoring of you and that your expectations will be consistent with this understanding. The Corporation shall exercise

reasonable care toward you based on your known condition. However, you agree that the Corporation is not an insurer of your welfare and safety. You agree that you will exercise due care to protect yourself from harm.

J. **Severability**. The invalidity of any restriction, condition or other provision of this Agreement, or any part of the same, shall not impair or affect in any way the validity or enforceability of the rest of this Agreement.

K. **Tax Considerations**. You should consult with your tax advisor regarding the tax considerations associated with this Agreement.

L. **Amendments and Partial Invalidation**. Generally, this Agreement can be changed only by mutual written consent. However, the Corporation reserves the right, upon thirty (30) days prior written notice to Resident, to modify or amend this Agreement whenever doing so is necessary to correct errors, omissions, or inconsistencies, to provide clarification of intent, or to conform the documents to the requirements of local, state, or federal laws and regulations applicable to the Corporation, in particular, or to residential life care communities, in general, or whenever doing so is deemed by the Corporation to be in the best interest of the Corporation and the residents in light of changes in health insurance laws and coverages and/or local, state or federal tax laws or regulations.

M. **Behavior Deemed Harmful to Brooks-Howell**. If Resident is deemed competent and capable of controlling his or her behaviors and engages in behaviors deemed by the Executive Director of the Corporation to be disruptive, hostile, illegal, or otherwise harmful to others or to Brooks-Howell, the Corporation reserves the right to terminate this Agreement. If such a circumstance arises, the Corporation will discuss the matter thoroughly with Resident to provide Resident with knowledge of the behaviors deemed intolerable by the Corporation. The Corporation will provide Resident a written warning to desist from the behavior or any similarly disruptive, hostile, illegal, or harmful behavior. Upon determination that Resident is continuing to engage in the behaviors against which Resident has been warned, the Corporation will have the right to terminate this Agreement.

N. **Waivers**. Neither the failure nor any delay on the part of any party to exercise any right, remedy, power, or privilege ("Right") under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any Right preclude any other or further exercise of the same or of any Right, nor shall any waiver of any Right with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

O. **Notice Provisions**. Any notices, consents, or other communications to the Corporation hereunder (collectively "notices") shall be in writing and addressed as follows:

Attn: Executive Director
Brooks-Howell Home
266 Merriman Avenue
Asheville, NC 28801

The address of the Resident for the purpose of giving notice is the address appearing after the signature of the Resident below.

P. **Survival**. Those rights and obligations that have accrued as a result of the operation of this Agreement shall survive its termination, as shall those rights and obligations that by their terms survive termination and any provisions that must survive to give effect to their terms, as shall any obligation of Resident to pay costs or expenses of his or her stay at Brooks-Howell that remain unpaid as of such termination.

Q. **Capacity**. This Agreement has been executed on our behalf by our duly authorized representative, and no officer, trustee, agent, or employee of ours shall have any personal liability hereunder to you under any circumstances. If Resident is, or becomes, unable to understand or communicate his or her health care or financial decision, and is determined by Resident's attending physician to be incapacitated, then in the absence of Resident's prior designation of an authorized legal representative, or upon the unwillingness or inability of a designated legal representative to act, Brooks-Howell shall have the right to commence a legal proceeding to adjudicate Resident incapacitated and to have a court appoint a guardian for Resident. The cost of the legal proceedings, including attorneys' fees, shall be paid by Resident or Resident's estate.

R. **Gender**. Throughout this Agreement, the use of the masculine gender shall include the feminine, and the use of the singular shall include the plural.

S. **Interpretation**. Headings are for convenience and reference purposes only and shall not affect the interpretation of any provision of this Agreement.

IX. MANDATORY ARBITRATION

A. Introduction

Arbitration is a process of dispute resolution that can be used in place of the traditional state or federal court system. Instead of a judge and/or jury determining the outcome of a dispute, a neutral third party or parties (known as the arbitrators) are selected by the parties to the dispute to make a decision, which is binding on both sides. Typically, the decision of the arbitrators is final and not subject to appeal. Arbitration is a private process, protecting the confidentiality interests of all parties. In addition, because there are no long court dockets to deal with, disputes are usually resolved much more quickly in arbitration. The arbitrator or arbitrators will hear both sides of the dispute and render a decision based on law, fairness, common sense and the rules established by the parties' agreement.

B. Terms

The parties have selected Mandatory Arbitration for inclusion in this Agreement in order to resolve health care-related and personal injury claims and disputes, with the goal of reducing the time, formalities and costs of resolving them for both parties. The normal judicial process is available for all other claims and disputes. The terms of the Mandatory Arbitration provision follow.

IN ACCORDANCE WITH THE TERMS OF THE FEDERAL ARBITRATION ACT, THE PARTIES HEREBY AGREE THAT ANY CLAIM OR DISPUTE ARISING OUT OF OR RELATED TO THE PROVISION OF MEDICAL OR MENTAL HEALTH CARE SERVICES TO THE RESIDENT BY THE CORPORATION AND ANY CLAIM OR DISPUTE ARISING OUT OF OR RELATED TO ANY PHYSICAL, PSYCHOLOGICAL OR EMOTIONAL INJURY EXPERIENCED BY THE RESIDENT WHICH THE RESIDENT CLAIMS WAS THE RESULT IN WHOLE OR IN PART OF ANY SERVICE PROVIDED BY, OR ACT OR OMISSION OF, THE CORPORATION UNDER THE TERMS OF THIS AGREEMENT, REGARDLESS OF HOW ANY SUCH CLAIM OR DISPUTE MAY BE CHARACTERIZED AND WHETHER ANY SUCH CLAIM OR DISPUTE SOUNDS IN CONTRACT OR TORT OR IS BASED UPON STATUTORY RIGHT, SHALL BE SUBJECT TO FINAL AND BINDING ARBITRATION AS PROVIDED HEREIN AND SHALL NOT BE THE SUBJECT OF A LAWSUIT OR RESORT TO JUDICIAL PROCESS EXCEPT TO THE EXTENT THAT APPLICABLE LAW PROVIDES FOR JUDICIAL REVIEW OF ARBITRATION PROCEEDINGS OR THE JUDICIAL ENFORCEMENT OF ARBITRATION AGREEMENTS AND AWARDS.

The agreement to arbitrate in this Article IX shall not limit the Resident's right to file a grievance or complaint, formal or informal, with the Corporation or any appropriate state or federal agency. The parties agree that any claim or dispute arising between them that is not subject to the agreement to arbitrate in this Article IX shall be brought exclusively before a court of competent jurisdiction in Buncombe County, North Carolina.

The arbitration required by this Article IX shall occur at a place agreed upon by the parties, or in the absence of such agreement, at Brooks-Howell. Except as otherwise provided herein or agreed upon by the parties, the arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. ("JAMS"), 555 13th Street, N.W., Washington, D.C. 20004, 202-942-9180, http://www.jamsadr.com, and shall be conducted pursuant to the JAMS Comprehensive Arbitration Rules and Procedures or, if unavailable, the comparable JAMS Arbitration Rules then in effect. In the event that JAMS is unavailable to administer the arbitration, the parties shall endeavor in good faith to choose an alternative arbitration service provider by mutual agreement. In the absence of such mutual agreement, the parties shall each select one (1) arbitrator, who shall in turn select a third, neutral arbitrator, and the parties shall proceed to arbitrate their dispute in an arbitration proceeding conducted by these three arbitrators under the JAMS Comprehensive Arbitration Rules and Procedures or, if unavailable, the comparable JAMS Arbitration Rules in effect at the time that the dispute between the parties arises. Those tasks or services that otherwise would have been performed or provided by JAMS under the JAMS Arbitration Rules shall be determined by agreement of the parties and, absent such agreement, by a majority vote of the three arbitrators.

The parties agree that damages awarded, if any, in an arbitration conducted pursuant to this Article IX shall be determined in accordance with the provisions of the state or federal law applicable to a comparable civil action, including any prerequisites to, credit against or limitations on, such damages. The arbitrator's award will consist of a written statement stating the disposition of each claim. The award will also provide a concise written statement of the essential findings and conclusions on which the award is based.

It is the intention of the parties to this Agreement that the provisions of this Article IX shall inure to the benefit of and bind the parties, their representatives, successors and assigns, including the agents, employees and servants of the Corporation, and all persons whose claims are derived through or on behalf of the Resident, including that of any parent, spouse, child, guardian, executor, administrator, legal representative, or heir of the Resident.

All claims based in whole or in part on the same incident, transaction, or related course of care or services provided by the Corporation to the Resident, shall be arbitrated in one proceeding. A claim shall be waived and forever barred if it arose prior to the date upon which notice of arbitration is given to the Corporation or received by the Resident, and is not presented in the arbitration proceeding.

THE PARTIES UNDERSTAND AND AGREE THAT BY ENTERING INTO THIS AGREEMENT THEY ARE GIVING UP AND WAIVING THEIR CONSTITUTIONAL RIGHT TO HAVE ANY CLAIM DECIDED IN A COURT OF LAW BEFORE A JUDGE AND A JURY.

The parties understand and agree that any issue or dispute relating to the agreement to arbitrate in this Article IX shall be governed by the Federal Arbitration Act. The parties further understand and agree that the Agreement evidences a transaction in interstate commerce within the meaning of, and is subject to, the Federal Arbitration Act.

The Resident understands that he or she has the right to seek legal counsel concerning the agreement to arbitrate in this Article IX specifically and this Agreement in general. The Resident also has the right to receive an explanation or clarification of the agreement to arbitrate in this Article IX specifically and this Agreement in general. The Resident enters into this Agreement and all of its provisions, including the arbitration provision contained in this Article IX, voluntarily.

The provisions of this Article IX shall survive termination of this Agreement by either party for any reason and shall remain in effect for all care and services subsequently rendered at Brooks-Howell, even if such services are rendered following the Resident's discharge and readmission to Brooks-Howell.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the Effective Date.

NOTICE

BECAUSE THE AUTHORITY TO ENTER INTO CONTINUING CARE CONTRACTS GRANTED BY THE NORTH CAROLINA DEPARTMENT OF INSURANCE IS NEITHER A GUARANTEE OF PERFORMANCE BY THE PROVIDER NOR AN ENDORSEMENT OF ANY CONTINUING CARE CONTRACT PROVISIONS, PROSPECTIVE RESIDENTS MUST CAREFULLY CONSIDER THE RISKS, BENEFITS AND COSTS BEFORE SIGNING A CONTINUING CARE CONTRACT AND ARE STRONGLY ENCOURAGED TO SEEK FINANCIAL AND LEGAL ADVICE BEFORE DOING SO.

THE UNDERSIGNED RESIDENT ACKNOWLEDGES RECEIPT OF A COPY OF BROOKS-HOWELL'S CURRENT DISCLOSURE STATEMENT (AND IF RECEIVED IN ELECTRONIC FORM, RESIDENT ACKNOWLEDGES RESIDENT AUTHORIZED RECEIPT OF THE DISCLOSURE STATEMENT IN ELECTRONIC FORM). THE DISCLOSURE STATEMENT WAS RECEIVED PRIOR TO THE EXECUTION OF THIS AGREEMENT OR PRIOR TO OR AT THE TIME OF THE TRANSFER OF ANY MONEY OR OTHER PROPERTY TO BROOKS-HOWELL, WHICHEVER OCCURRED FIRST.

United Methodist Women dba Brooks-Howell Home

By: _____

Name: _____

Title: _____

_____ (SEAL)
Resident

_____ (SEAL)
Resident

_____
Current Address: Street

_____
City, State, Zip Code

_____
Telephone

Appendix E — Examination Report

N/A

Appendix F — Statutory Ratio and Supporting Definitions

This Appendix reproduces certain statutory definitions referenced in Section 35 — Key Financial Metrics. The definitions below are quoted verbatim from N.C. Gen. Stat. §§ 58-64A-5 and 58-64A-145 and are provided for reference only.

Adjusted Net Operating Margin Ratio. *"A profitability ratio that measures the margin generated from the core operations of a provider and net cash proceeds from entrance fees. The quotient shall be calculated by dividing the sum of resident operating income and net proceeds from entrance fees by the sum of resident revenue and net cash proceeds from entrance fees."* (G.S. 58-64A-145(1))

Annual Debt Service. *"The current year's capitalized interest cost plus interest expense and scheduled principal payments, excluding any balloon principal payment amounts and any portion of the annual debt service that has been or will be funded by debt for the payment of debt service."* (G.S. 58-64A-5(7))

Average Daily Cash Operating Expenses. *"The total expenses of a provider incurred in the conduct of the provider's business over a defined period of time, divided by the number of days in that period. For purposes of this definition, 'total expenses' includes interest expense, but excludes depreciation expense, amortization expense, realized or unrealized nonoperating losses or expenses, bad debt expense, and other noncash expenses."* (G.S. 58-64A-145(2))

Capital Expenditures as a Percentage of Depreciation Ratio. *"A capital structure ratio that indicates the level of capital reinvestment by a provider. The quotient shall be computed by dividing total purchases of property, plant, and equipment by total depreciation expense."* (G.S. 58-64A-145(3))

Cushion Ratio. *"A liquidity ratio that measures a provider's ability to pay its annual debt service using its unrestricted cash and investments. The quotient shall be computed by dividing unrestricted cash and investments by annual debt service."* (G.S. 58-64A-145(4))

Days Cash on Hand Ratio. *"A liquidity ratio that measures the number of days of cash operating expenses a provider could cover using its existing unrestricted cash and investments. The quotient shall be computed by dividing unrestricted cash and investments by average daily cash operating expenses."* (G.S. 58-64A-145(5))

Debt Service Coverage Ratio. *"A capital structure ratio that measures a provider's ability to pay annual debt service with cash flow from net cash revenues and net entrance fee receipts. The quotient shall be calculated by dividing the sum of total excess of revenues over or under expenses plus interest expense, depreciation expense, amortization expense, other noncash operating losses or expenses, and net cash proceeds from entrance fees, minus entrance fee amortization, entrance fee refunds contractually past due, and other noncash operating gains or revenues divided by annual debt service. Entrance fees received from the initial residents of independent living units at a continuing care retirement community that have been financed in whole or in part with the proceeds of indebtedness shall be excluded from the net proceeds from entrance fees up to an*

amount equal to the aggregate of the principal amount of the indebtedness." (G.S. 58-64A-5(17))

Net Cash Proceeds from Entrance Fees. *"Total entrance fees received less entrance fees refunded, and less initial entrance fees received for new independent living units."* (G.S. 58-64A-5(30))

Net Operating Margin Ratio. *"A profitability ratio that measures the margin generated from the core operations of a provider. The quotient shall be calculated by dividing resident operating income by resident revenue."* (G.S. 58-64A-145(7))

Operating Ratio. *"A profitability ratio that measures whether current year cash operating revenues are sufficient to cover current year cash operating expenses without the inclusion of cash from entrance fee receipts. The quotient shall be computed by dividing total operating expenses, excluding depreciation expense and amortization expense, by total operating revenues, excluding amortization of entrance fees and other deferred revenue."* (G.S. 58-64A-145(8))

Prospective Financial Statements. *"Financial forecasts or financial projections, including the summaries of significant assumptions and accounting policies prepared by an independent certified public accountant."* (G.S. 58-64A-5(38))

Resident Expense. *"Total operating expenses excluding interest expense, depreciation expense, amortization expense, and income taxes."* (G.S. 58-64A-145(10))

Resident Revenue. *"Total operating revenue excluding interest and dividend income, entrance fee amortization, and contributions."* (G.S. 58-64A-145(11))

Unrestricted Cash and Investments. *"The sum of the provider's unrestricted cash, cash equivalents and investments, and any provider restricted funds that are available to pay debt or to pay operating expenses. For purposes of this definition, the assets serving as the operating reserve required by G.S. 58-64A-245 shall be considered unrestricted."* (G.S. 58-64A-145(12))

Unrestricted Cash and Investments to Long-Term Debt Ratio. *"A capital structure ratio that (i) measures a provider's position in available cash and marketable securities in relation to its long-term debt and (ii) measures a provider's ability to withstand annual fluctuations in cash. The quotient shall be calculated by dividing unrestricted cash and investments by total long-term debt, less the current portion of long-term debt."* (G.S. 58-64A-145(13))

Source: N.C. Gen. Stat. §§ 58-64A-5 and 58-64A-145 (Session Law 2025-58). If the statutory definitions are amended, the statute as amended controls.