



# **Disclosure Statement**

**Pittsboro Christian Village, Inc.**

**Provider: Pittsboro Christian Village, Inc.**

**Date of Disclosure Statement: 09/30/2025**

**Last Date for Delivery: 03/09/2027**

- **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 Pittsboro Christian Village to penalties under Article 64A.**

## Financial Snapshot: Key Ratios for Pittsboro Christian Village, Inc.

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

*Fiscal Year Ended September 30, 2025 (FY), with comparative historical and prospective periods*

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3	NC 25 <sup>th</sup> % <sup>1</sup>	NC 50 <sup>th</sup> % <sup>1</sup>	NC 75 <sup>th</sup> % <sup>1</sup>
<b>DCOH</b>	363	257	272	467	283	298	—	—	—
<b>CUSH</b>	24.8x	19.42x	22.87x	95.6x	24.89x	89.79x	—	—	—
<b>OR</b>	99%	102%	90%	74%	95%	95%	—	—	—
<b>NOM</b>	-26%	-25%	-26%	-19%	-18%	-17%	—	—	—
<b>NOM-A</b>	-17%	-14%	-5%	-14%	-13%	-13%	—	—	—
<b>DSCR</b>	2.14x	1.73x	8.44x	3.99x	2.66x	9.17x	—	—	—
<b>CD</b>	6.21x	6.86x	17.77x	95.6x	n/a	n/a	—	—	—
<b>CED</b>	2.76x	2.69x	.6x	1.72x	.12x	.12x	—	—	—

Pittsboro Christian Village maintains a strong liquidity position, providing substantial operational flexibility while management executes planned margin improvements through measured rate adjustments and disciplined expense management. Occupancy stability and sustained waitlist activity further support the provider's financial outlook.

### 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.

<sup>1</sup> **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.

- **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.

## Table of Contents

1. Provider Identification.....	1
2. Organizational Structure .....	2
3. Key Persons and Management Personnel.....	2
4. Governing Body and Oversight .....	6
5. Related Parties .....	7
6. Relationships with Religious, Charitable, or Other Organizations .....	7
7. Other Persons Responsible for Obligations .....	8
8. Obligated Groups .....	8
9. Debt Covenants and Compliance.....	8
10. Third-Party Management Arrangements .....	8
11. Real Property Leases .....	8
12. Endowment Funds.....	8
13. Description and Location of the Community .....	8
14. Living Units by Level of Care .....	9
15. Continuing Care at Home Program .....	9
16. Resident Population Served .....	9
17. Occupancy Rates .....	10
18. Semiannual Resident Meetings .....	10
19. Resident Property Rights .....	11
20. Services Provided Under the Contract .....	11
21. Resident Fees.....	13
22. Refundable Entrance Fee Obligations .....	16
23. Financial Hardship Policies .....	18
24. Contract Cancellation and Refund Policies .....	19
25. Re-occupancy of Units.....	21
26. Resident Relocation .....	21
27. Admission and Continuation Standards.....	22
28. Age and Insurance Requirements .....	23
29. Reserve Funding and Refund Security.....	24
30. Expansion and Renovation Plans .....	26
31. Audit Opinion and Timeliness .....	26
32. Audited Financial Statements .....	26

33. Five-Year Prospective Financial Statements .....	26
34. Variances from Prospective Financial Statements .....	26
35. Key Financial Metrics .....	27
36. Actuarial Opinion and Balance .....	30
37. Most Recent Department Examination Report.....	30
38. Other Material Information .....	30
39. Contract Forms and Attachments .....	31
Appendix A — Audited Financial Statements .....	33
Appendix B — Five-Year Prospective Financial Statements.....	34
Appendix C — Statement of Actuarial Opinion .....	35
Appendix D — Representative Contract(s) .....	36
Appendix E — Examination Report.....	37
Appendix F — Statutory Ratio and Supporting Definitions .....	38

## 1. Provider Identification

### Legal Responsibility for Continuing Care

Pittsboro Christian Village, Inc. is the 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)

Pittsboro Christian Village, Inc. conducts business under the name "Pittsboro Christian Village." The name "Pittsboro Christian Village" is a trade name only and does not represent a separate legal entity. Pittsboro Christian Village Inc. remains legally responsible for providing continuing care and performing all obligations under continuing care contracts.

Item	Information
<b>Legal Provider Name:</b>	Pittsboro Christian Village, Inc.
<b>Doing Business As (DBA):</b>	Pittsboro Christian Village
<b>Business Address:</b>	1825 East Street, Pittsboro, NC 27312
<b>Telephone Number:</b>	(919) 542-3151
<b>Legal Entity Type:</b>	Nonprofit corporation organized under the laws of North Carolina
<b>For-Profit / Nonprofit Status:</b>	Nonprofit
<b>Federal Tax Status:</b>	Tax-exempt under Section 501(c)(3) of the Internal Revenue Code
<b>Ownership Type:</b>	Privately owned and controlled nonprofit organization. The provider is not part of any publicly held or publicly traded corporate system.
<b>Tax Filing Status:</b>	Current on all required federal and state tax filings
<b>Ownership / Control:</b>	Pittsboro Christian Village, Inc. has no parent organization and operates as a standalone nonprofit corporation

## 2. Organizational Structure

### 2.1 Single-Entity Organization Status

Pittsboro Christian Village, Inc. has no parent organization and operates as a standalone nonprofit corporation

### 2.2 Controlling Person

Item	Information
<b>Name:</b>	Pittsboro Christian Village, Inc.
<b>Business Address:</b>	1825 East Street, Pittsboro, NC 27312
<b>Telephone Number:</b>	(919) 542-3151

## 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 Pittsboro Christian Village, Inc.

Name / Role	Education	Experience	Length of Service
<b>Ronald Taylor - President</b>	Association of Applied Technology in Mechanical Drafting and Design, Central Carolina Technical Institute / B.S. in Civil Engineering, NC State University	40+ years in progressive management roles in an engineering consulting firm. President of Hazen and Sawyer with a staff of over 1,800.	Board of Director 13 years 4 months (since 06/09/2012); currently serves as President of Pittsboro Christian Village
<b>Roy Arrowsmith - Vice President</b>	B.S. in Accounting and Economics, Edinboro University, Edinboro, PA	40 years of various financial positions in manufacturing, regional, and global levels. Manager of Strategic Planning for all levels of Lord Corporation.	Board of Director 11 years 11 months (since 11/02/2013); currently serves as Vice President of Pittsboro Christian Village
<b>Wayne Jones - Secretary</b>	High School Diploma, Alamance Christian School	25 years management of a field service organization with Veritiv / P&L responsibility for up to 10 million dollars / Hold a limited electrical license for North Carolina for 30 years	Board of Director 3 years 11 months (since 10/30/2021); currently serves as Secretary of Pittsboro Christian Village
<b>Richard Caldwell - Treasurer</b>	B.S. Accounting, University of Maryland / CPA, North Carolina	8 years of case manager of largest American Corporations and Life Insurance Taxation course of Hofstra University	Board of Director 13 years 11 months (since 11/05/2011); currently serves as Treasurer of Pittsboro Christian Village

**Business Address:** 1825 East Street, Pittsboro, NC 27312

**Disclosure:** None of the Officers reported any Outside Interests or Adverse Disclosures.

### 3.2 Community Management – Pittsboro Christian Village, Inc.

Name / Role	Education	Experience	Length of Service
<b>Andrew Boom – Executive Director</b>		10 Years in public education, 5 years in campus leadership at an Assisted Living Community in IA	1 year (since 10/01/2024); employed by Pittsboro Christian Village serves the provider as Executive Director

**Business Address:** 1825 East Street, Pittsboro, NC 27312

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

### 3.3 Board of Directors — Pittsboro Christian Village, Inc.

Name / Role	Education	Experience	Length of Service
<b>Skip Denny – Director</b>	B.S. in Nuclear Engineering, University of CA / M.S. in Nuclear Engineering , Georgia Institute of Technology, GA	Professional Engineer (Mechanical) licensed in WA, NC, TX, AZ / 40+ years in design, construction, licensing, & operations of domestic nuclear plants.	10 days (since 09/20/2025)
<b>James Gibbons – Director</b>	Bachelor of Science Degree in Journalism, BSJ / Extensive work toward Master of Fine Arts in fiction writing, University of Pittsburgh	40 years copywriter, broadcast producer, creative director / Co-founder and President/Creative Director of Gibbons Peck Marketing Communication	13 years, 11 months (since 11/05/2011)
<b>Robert Glendinning – Director</b>	B.S. in Electrical Engineering	Experience in organizing a small LLC company, 20 year practice of visiting nursing home patients weekly.	1 year (since 09/21/2024)
<b>Mark Kolchin – Director</b>	B.A. Economics, Business Administration, Wheaton College	Educational Sales/Representative, Executive Administration, Bible Teacher	10 days (since 09/20/2025)
<b>June Peck – Director</b>	B.S. Biology, Wheaton College / BSN, Rush University / MSN, FNP, UNC-CH	Retired Nurse, medical missionary, Family Nurse Practitioner in family practice	1 year (since 09/21/2024)
<b>Rod Sharp – Director</b>	MBC Biblical Studies Moorlands College, England	55 years Pastoral Ministry, Volunteer Chaplain Forsyth Medical Center, NC	14 years, 10 months (since 12/04/2010)
<b>Angus Steinson – Director</b>	Diploma – Licensed Carpenter, Conestoga College of Applied	12+ years Carpenter, Project Developer, & Preconstruction	2 years (since 09/16/2023)

Name / Role	Education	Experience	Length of Service
	Arts & Technology / Certified Carpentry Apprenticeship, Safety & Management Instructor	Manager in building projects for independent and assisted living facilities / 12+ years Insurance Adjuster	

**Business Address:** 1825 East Street, Pittsboro, NC 27312

**Disclosure:** James Gibbons reported his Outside Interest in owning more than 10% of Gibbons Peck Marketing Communication, which has provided strategic, creative, branding, and consultation services since prior to November 2011.

### **3.4 10% + Ownership Interests**

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

Pittsboro Christian Village, Inc. is organized as a nonprofit corporation and therefore has no equity ownership interests. No individual holds a ten percent (10%) or greater beneficial interest in Pittsboro Christian Village, Inc.

## **4. Governing Body and Oversight**

### **4.1 Provider Governing Body**

Pittsboro Christian Village, Inc. is governed by a Board of Directors not to exceed eleven persons at any given time. The Board is responsible for the overall direction and oversight of Pittsboro Christian Village's operations, financial condition, and resident welfare. Its duties include:

- Reviewing and approving budgets and financial reports.
- Ensuring compliance with applicable laws, regulations, and contractual obligations.
- Overseeing the quality of resident care and services, including safety and satisfaction.
- Monitoring risks to Pittsboro Christian Village's solvency and operations.

#### **4.1.1 Selection of Members**

Directors shall be chosen from among the Members at any annual or a special meeting of the Members, Directors, and Officers. Directors shall be elected to serve for a period of six years and may be reappointed for up to three consecutive terms. Officers of the Board

(President, Vice President, Treasurer, and Secretary) are elected by the Board from among its directors to serve for a period of three years.

#### **4.1.2 Oversight of Management and Operations**

The Board delegates day-to-day operations of Pittsboro Christian Village to the Executive Director and senior management employed by Pittsboro Christian Village. The Board maintains oversight through:

- Regular review of financial and operating reports.
- Approval of major contracts, capital projects, and debt issuances.
- Semi-annual board meetings and periodic committee reports.
- Evaluation of management performance and compliance with the management agreement.

#### **4.1.3 Committees**

The Pittsboro Christian Village Board maintains standing committees for:

- **Finance:** budget review, financial performance monitoring.
- **Benevolent Fund:** review, approval, oversight of residents receiving financial assistance.
- **Facilities:** oversight of building projects, strategic planning for future infrastructure.
- **Membership:** search committee for potential new members
- **By-Laws:** responsible for update of By-Laws as needed
- **Marketing:** design of marketing materials and branding

### **5. Related Parties**

Pittsboro Christian Village has no relationships with related parties under common control with its controlling person, Pittsboro Christian Village, Inc.

### **6. Relationships with Religious, Charitable, or Other Organizations**

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

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

## **7. Other Persons Responsible for Obligations**

No other person or entity is responsible for the financial or contractual obligations of Pittsboro Christian Village, Inc.

## **8. Obligated Groups**

No other person or entity is responsible, directly or indirectly, for the financial or contractual obligations of Pittsboro Christian Village, Inc.

## **9. Debt Covenants and Compliance**

As of September 30, 2025, Pittsboro Christian Village, Inc. is in full compliance with all covenants contained in debt agreements.

## **10. Third-Party Management Arrangements**

Pittsboro Christian Village does not employ an unrelated third-party manager to operate Pittsboro Christian Village. Day-to-day operations are carried out by the Executive Director and senior management employed by Pittsboro Christian Village.

## **11. Real Property Leases**

Pittsboro Christian Village does not lease any of the real property that makes up Pittsboro Christian Village, Inc.

## **12. Endowment Funds**

In September 1991, Pittsboro Christian Village received funds for an endowment. Ninety percent of any interest, dividends, or other income earned on the principal of the endowment fund is distributed to the benevolent fund. At year-end the balance in the endowment fund of \$197,544 is to be held in perpetuity.

## **13. Description and Location of the Community**

Pittsboro Christian Village, Inc. is located at 1825 East Street, Pittsboro, North Carolina 27312.

Pittsboro Christian Village was first incorporated on April 4, 1952, as Pittsboro Christian Home, Inc. for the care of dependent and neglected children and other worthy persons. The Articles of Incorporation were amended on October 6, 1986, to align with the change to caring for Christian retirees.

Today, the campus includes apartment-style residences, cottages, a central community building, and an assisted living facility. Shared amenities include a dining room, fitness center, a library, auditorium, meeting rooms, landscaped courtyards, outdoor recreation areas, and gardens.

## **14. Living Units by Level of Care**

As of September 30, 2025, Pittsboro Christian Village included:

- 67 independent living units
  - 15 - Cottages
  - 4 - Heritage Homes
  - 5 - Legacy Homes
  - 4 - Patio Homes
  - 10 - One Bedroom Apartments
  - 2 - Two Bedroom Apartments
  - 24 - Studio Apartments
  - 3 - Two Room Studio Apartments
- 40 assisted living units
  - 8 units currently unavailable or repurposed
  - 32 available units

## **15. Continuing Care at Home Program**

Pittsboro Christian Village does not provide a Continuing Care at Home (CCaH) program.

## **16. Resident Population Served**

As of September 30, 2025, the resident population served by Pittsboro Christian Village under continuing care contracts was as follows:

- 85 residents in independent living
- 24 residents in assisted living

As of September 30, 2025, the community maintained a waitlist of 104 prospective applicants for independent living. This level of interest reflects sustained demand for the Village's housing and services and supports management's expectation of stable occupancy over time. Placement on the waitlist does not guarantee admission and does not create contractual rights.

## **17. Occupancy Rates**

The combined occupancy rates for Pittsboro Christian Village, on the last day of the fiscal year (September 30<sup>th</sup>) for the past five fiscal years were as follows:

**Table 17.1 – Historical Occupancy Rates**

<b>Fiscal Year-End</b>	<b>Independent Living &amp; Assisted Living (%)</b>
9/30/2025	96.59%
9/30/2024	91.01%
9/30/2023	90.80%
9/30/2022	92.05%
9/30/2021	92.22%

## **18. Semiannual Resident Meetings**

Pittsboro Christian Village holds meetings with residents at least twice each year, as required by law.

### **Fiscal Year 2025 Meeting Dates**

- January 10, 2025
- March 15, 2025
- July 17, 2025
- September 20, 2025

As required by law, an independent member of the provider's board of directors was present at each of the meetings (Andrew Boom on January 10, 2025, March 15, 2025, July 17, 2025, and Ronald Taylor on September 20, 2025).

## **19. Resident Property Rights**

Residents do not hold ownership or property rights in the real estate of Pittsboro Christian Village. Residency and access to services are governed solely by the continuing care contract.

## **20. Services Provided Under the Contract**

Pittsboro Christian Village offers 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**

Health Care Services offered to Pittsboro Christian Village Independent Living Residents residing in apartments include access to an emergency call bell system.

Health Care Services offered to Pittsboro Christian Village Assisted Living Residents include 24-hour nursing, medication management, three balanced meals per day, snacks, transportation to medical appointments, coordination with residents' personal physicians and assistance with activities of daily living.

### **20.2 Continuing Care Retirement Community (CCRC) Contracts**

Residents living on the Pittsboro Christian Village, 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 – Independent Living Homes**

- Complete maintenance of the building (including painting and carpeting when needed), plumbing, wiring, heating and cooling systems, and appliances furnished by PCV. (Not including electric usage)
- Cablevision
- Wireless internet
- Water and sewer Service
- Walkway, driveway, and street maintenance
- Lawn care
- Programmed and informal activities
- Mail Service

#### **20.2.2 Services Available at Additional Charge – Independent Living Homes**

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

- Transportation
- Resident meals in the Dining Room
- Guest meals in the Dining Room

#### **20.2.3 Services Included in Monthly Fees – Independent Living Apartments**

- Three meals per day per person
- Utilities except telephone
- Cablevision
- Wireless internet
- Weekly housekeeping
- Complete maintenance of the building, plumbing, wiring, and heating and cooling systems
- Emergency call system
- Fire and smoke alarm system
- Laundry facilities
- Linen service
- Programmed and informal activities
- Mail service

#### **20.2.4 Services Available at Additional Charge – Independent Living Apartments**

- Short term in the Care Home (Assisted Living) when beds are available at a reduced rate for a maximum of 180 days.
- Transportation
- Meals delivered to room (when necessary)
- Guest meals in the Dining Room

#### **20.2.5 Services Included in Monthly Fees – Assisted Living**

- Administer prescribed medications
- Three meals per day per person with miscellaneous snacks
- Personal laundry service
- Housekeeping
- Mail service
- Meals served in room when needed
- Programmed and informal activities
- Utilities except private telephone

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

#### **20.2.6 Services Available at Additional Charge – Assisted Living**

- Guest meals in the Dining Room

### **20.3 Continuing Care at Home (CCaH) Contracts**

Pittsboro Christian Village does not offer Continuing Care at Home (CCaH) Contracts.

### **20.4 Delivery of Services**

Core residential and assisted living services are provided directly by Pittsboro Christian Village. Certain therapies (physical, occupational, and speech) are furnished under contract with independent third parties.

## **21. Resident Fees**

Nonancillary fees at Pittsboro Christian Village consist of required, ongoing fees such as application fees, entrance fees, and monthly service fees. The following tables show Pittsboro Christian Village's current fee schedules, along with historical information on entrance fee and monthly fee increases over the past five fiscal years.

## 21.1 CCRC Contracts

CCRC contracts represent continuing care contracts for residents who live at the Pittsboro Christian Village campus.

**Table 0.1: Current Monthly Fees (CCRC Contracts)**

<b>Unit Type – Independent Living</b>	<b>Single Occupant</b>	<b>Double Occupant</b>
Northeast Wing Studio Apartment	\$2,375	\$3,175
North Wing Studio Apartment	\$2,475	\$3,275
Northeast Wing Two-Room Studio Apartment	\$2,500	\$3,175
North Wing One Bedroom Apartment	\$2,600	\$3,400
Northeast Wing One Bedroom Apartment	\$2,000	\$2,800
Cottage	\$2,175	\$2,175
Patio Home	\$2,375	\$2,375
Heritage Home	\$2,525	\$2,525
Legacy Home	\$2,875	\$2,875
<b>Unit Type – Assisted Living</b>	<b>Single Occupant</b>	<b>Double Occupant</b>
Care Home Single Room	\$5,525	N/A
Care Home Double Room	\$5,800	\$10,300

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 contracts)**

Fiscal Year-End	Average % Increase	Average \$ Increase	Frequency
09/30/2025	5.1%	\$120	Annual
09/30/2024	4.9%	\$108	Annual
09/30/2023	6.6%	\$139	Annual
09/30/2022	3.1%	\$64	Annual
09/30/2021	2.3%	\$45	Annual

**Table 21.3: Current Entrance Fees (CCRC Contracts)**

Unit Type – Independent Living	Entrance Fee (Single)	Entrance Fee (Double)
Northeast Wing Studio Apartment	\$40,000	\$45,000
North Wing Studio Apartment	\$50,000	\$55,000
Northeast Wing Two-Room Studio Apartment	\$45,000	\$50,000
North Wing One Bedroom Apartment	\$70,000	\$75,000
Northeast Wing One Bedroom Apartment	\$45,000	\$50,000
Cottage	\$95,000	\$120,000
Patio Home	\$105,000	\$130,000
Heritage Home	\$115,000	\$140,000
Legacy Home	\$155,000	\$180,000

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

**Table 21.4: Historical Increases in Entrance Fees (CCRC contracts)**

Fiscal Year-End	Average % Increase	Average \$ Increase	Frequency
09/30/2025	0.0%	\$0	As Needed
09/30/2024	0.0%	\$0	As Needed
09/30/2023	0.0%	\$0	As Needed
09/30/2022	0.0%	\$0	As Needed
09/30/2021	0.0%	\$0	As Needed

## 21.2 CCaH Contracts

Pittsboro Christian Village does not offer Continuing Care at Home (CCaH) Contracts.

## 21.3 Household Composition Changes

If a resident marries while residing in a living unit, an additional application fee is required for the new resident, based on the applicable fee schedule at the time of entry. The monthly fee is adjusted to the two-person rate. If the additional resident does not meet admission requirements, they may not be admitted under a continuing care contract.

## 21.4 Transfer Fees and Resale Fees

Pittsboro Christian Village does not charge a transfer fee if a resident transfers to a different independent living unit. No resale fees are charged because residents do not hold ownership rights in their living units.

# 22. Refundable Entrance Fee Obligations

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

A Resident paying the lump sum RREF receives a reduction in his/her monthly fee that is equal to .44% to .81% times the lump sum paid, depending on his/her age at the time of admission. (See the residency credit factor described in the table below). If a husband and wife are admitted to PCV's facilities, the age of the younger spouse is used in determining the credit for a couple. The amount of the credit is fixed and remains the same as long as the husband or wife lives at PCV even though the resident may move to other accommodations at PCV. The credit continues in the same amount for the survivor in the event of death of a spouse. The credit is non-assignable to anyone whose name is not

affixed to the Resident Master Contract. If a Resident marries after entering living accommodations at PCV, the residency credit factor shall be reduced if the new spouse is younger than the existing Resident by substituting a new residency credit factor based on the age of the younger spouse at the time of the younger spouse's date of initial residency. In the event of such a marriage, the existing and new Resident shall execute a new Resident Master Contract which shall provide terms and conditions substantially similar to the existing Resident Master Contract, with appropriate adjustments for a second occupant of any facility. In the event any existing Resident marries, PCV may require the existing Resident and his or her spouse to move to other accommodations at PCV to accommodate both Residents.

## **22.1 Conditions for Refunds**

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

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

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

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

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

**Residency Credit Factor:**

Age	81+	80-77	76-74	73-71	70-67	66-61	60-55
Credit	.81%	.76%	.68%	.61%	.55%	.50%	.44%

## **22.2 Refund Obligations as of September 30, 2025**

As of September 30, 2025, Pittsboro Christian Village had no entrance fee refunds that were contractually due or payable. No refunds were contractually due or past due at year-end. Obligations will be satisfied in accordance with contract terms within the first three years of residency.

# **23. Financial Hardship Policies**

## **23.1 Policies for Residents Unable to Pay**

It is the policy of Pittsboro Christian Village to permit residents to remain in the community if they become unable to pay monthly fees through no fault of their own, provided they have first fully applied their available assets and income. Residents are not discharged or relocated solely due to financial hardship once admitted under a continuing care contract.

## **23.2 Sources of Financial Support**

- Churches and Individuals:** The benevolent fund of Pittsboro Christian Village is supported and sustained through the generous donations of various churches and individuals.

### **23.3 Conditions or Limitations**

- Eligibility for benevolent care is determined through a confidential financial review conducted by the Executive Director of Pittsboro Christian Village with oversight from the board of directors.
- Assistance is subject to the availability of funds and is not guaranteed.
- Residents must annually recertify financial need to continue receiving assistance.

### **23.4 Narrative**

In fiscal year 2025, Pittsboro Christian Village distributed \$311,452 in benevolent care support to Pittsboro Christian Village residents. Pittsboro Christian Village maintains restricted assets designated for benevolent care, subject to donor restrictions and the discretion of the board. This fund is supported through on-going charitable contributions.

Pittsboro Christian Village remains committed to supporting residents who experience financial hardship while maintaining prudent financial stewardship. Benevolent care is reviewed regularly by management and the Board of Directors to ensure that assistance levels remain aligned with the Village's long-term financial capacity. Historical support has been consistent with expectations and has not materially impacted liquidity or operations.

## **24. Contract Cancellation and Refund Policies**

### **24.1 Provider-Initiated Cancellation**

Pittsboro Christian Village 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:
  - Persistent nonpayment of monthly fees occurs;
  - 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:**

A resident may cancel at any time.

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

A resident may voluntarily cancel by providing 15 days' written notice.

## **24.3 Refunds Upon Cancellation**

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

The nonrefundable \$500 application fee will be retained by Pittsboro Christian Village, to cover administrative costs.

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

The nonrefundable \$500 application fee will be retained by Pittsboro Christian Village, to cover administrative costs.

Refundable entrance fees, if any, are returned in accordance with Section 22 once all contractual conditions are satisfied, including re-occupancy of the living unit when applicable.

Nonrefundable portions of entrance fees are retained by Pittsboro Christian Village.

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 a resident dies before moving into the community, the nonrefundable \$500 application fee will be retained by Pittsboro Christian Village, to cover administrative costs.

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

The nonrefundable \$500 application fee will be retained by Pittsboro Christian Village, to cover administrative costs.

Refundable entrance fees, if any, are returned in accordance with Section 22 once all contractual conditions are satisfied, including re-occupancy of the living unit when applicable.

Nonrefundable portions of entrance fees are retained by Pittsboro Christian Village.

Prepaid monthly fees are prorated to the date the living unit is vacated or services cease, and any remaining balance is refunded.

## **25. Re-occupancy of Units**

A living unit at Pittsboro Christian Village may be reassigned 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 higher level of care:** When a resident moves from one independent living unit to another independent living unit, or from independent living to assisted living and the contract permits the original living unit to be reassigned.

### **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 subject to contract terms, including potential delay periods and re-occupancy conditions

## **26. Resident Relocation**

Residents of Pittsboro Christian Village 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 more supportive level of care, such as assisted living.
- **Safety and Accessibility:** When the current living unit no longer meets the resident's safety or accessibility needs (for example, due to mobility limitations or inability to safely navigate stairs).

## **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.

# **27. Admission and Continuation Standards**

## **27.1 Admission Requirements**

Admission to Pittsboro Christian Village is subject to both health and financial screening at the time of application. Residents must be at least 55 years of age and maintain a testimony of faith in the Lord Jesus Christ for salvation.

### **27.1.1 CCRC Contracts**

- **Financial Standards:** Applicants must demonstrate sufficient resources to reasonably cover the entrance fee and projected monthly fees for the chosen living unit.
- **Health Standards:** Applicants for independent living must be capable of living safely and independently at the time of entry, with or without reasonable accommodations. A current medical history and health assessment completed by the applicant's physician is required. Applicants requiring immediate assisted living care are not eligible for independent living entry.

### **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. Residents are not admitted for initial occupancy prior to the execution of a contract with Pittsboro Christian Village.

## **28. Age and Insurance Requirements**

### **28.1 Age Requirements**

- The minimum age for admission to Pittsboro Christian Village, under a continuing care contract is 55 years.
- There is no maximum age limit for admission, provided the applicant meets the health and financial eligibility standards described in Section 27 - Admission and Continuation Standards.

### **28.2 Insurance Requirements**

Applicants for CCRC contracts:

- Are encouraged, but not required, to obtain renters insurance

- Long-term care insurance is not required but may be considered in satisfaction of certain financial eligibility criteria on a case-by-case basis.

### 28.3 Special Conditions

- Exceptions to the minimum age requirement may be considered by the Executive Director on a case-by-case basis if a younger applicant is married to an eligible applicant.

## 29. Reserve Funding and Refund Security

### 29.1 Cash and Investments

As of September 30, 2025, Pittsboro Christian Village, Inc. held \$1,648,102 in unrestricted cash and investments.

At year-end, unrestricted cash and investments supported a Days Cash on Hand of 297 days, representing approximately eight months of projected operating expenses without new revenues.

### 29.2 Investment Management and Oversight

- **Oversight Body:** Finance Committee of the Board of Directors of Pittsboro Christian Village, Inc.
- **Day-to-Day Management:** Executive Director
- **Experience:** Finance Committee members average 10 years of financial oversight and investment policy.
- **Policy and Controls:** Investments are managed under a Board-approved policy emphasizing liquidity and capital preservation. Permitted holdings include cash, cash equivalents, U.S. Treasury/agency securities, investment-grade bonds, and broadly diversified public funds/ETFs.

### 29.3 Statutory Operating Reserve Requirement

As of September 30, 2025, Pittsboro Christian Village unit occupancy rate was 96.59%. Based on this level of occupancy, the required statutory operating reserve was 25% of projected operating costs for the next 12 months.

**Table 29.1: Statutory Operating Reserve Calculation (as of September 30, 2025)**

Component	Amount
Total projected operating expenses	\$3,334,187
Add: Debt service (principal and interest)	\$97,320

Component	Amount
Less: Depreciation and amortization	(\$295,294)
<b>Net projected operating costs</b>	<b>\$3,136,213</b>
Applicable reserve percentage based on occupancy	25%
<b>Required operating reserve</b>	<b>\$782,000</b>
Unrestricted cash & investments on hand	\$1,505,266
<b>Excess above required reserve</b>	<b>\$723,266</b>

**Summary:** The required statutory operating reserve was \$782,000. Pittsboro Christian Village held \$1,505,266 in unrestricted cash and investments, providing an excess cushion of \$723,266 above the statutory minimum.

## 29.4 Refund Security (Entrance Fee Refunds)

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

- \$723,266 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.

Pittsboro Christian Village, Inc. is not required by statute to escrow entrance fees and does not maintain escrow accounts for this purpose.

**Table 29.2: Unrestricted Cash and Investment Summary as of September 30, 2025**

Category	Amount	Notes
Total unrestricted cash & investments	\$1,505,266	All liquid balances (cash and investments)
Less: Required operating reserve	<b>\$782,000</b>	Must be maintained; release requires regulatory approval
Less: Board-designated for refunds	(\$0)	Internal designation; unrestricted under GAAP
Excess unrestricted cash and investments above operating reserve and board designated refund reserve	\$723,266	Available for operations and refund needs (outside of designated reserves)

## **30. Expansion and Renovation Plans**

As of September 30, 2025, the Board of Directors of Pittsboro Christian Village approved plans to construct one single family home on the Northeast portion of campus. Construction is estimated to be completed by the end of calendar year 2026. This project is funded through gifts and donations made to Pittsboro Christian Village. The project is not expected to materially impact liquidity. The project will not require additional debt.

## **31. Audit Opinion and Timeliness**

The financial statements of Pittsboro Christian Village for the fiscal year ended September 30, 2025, were audited by Foard and Company, PA (Charlotte, NC).

- **Timeliness:** The audit was completed and issued within 150 days of fiscal year-end, meeting statutory requirements.
- **Audit Opinion:** The independent auditor issued an unqualified opinion (a “clean” audit opinion) on the financial statements.

## **32. Audited Financial Statements**

The audited financial statements of Pittsboro Christian Village for the fiscal year ended September 30, 2025, are attached hereto as Appendix A and form an integral part of this Disclosure Statement. These statements include the balance sheet, statement of operations, statement 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 Pittsboro Christian Village, Inc. for the period 2026 through 2030 are attached hereto as Appendix B. These statements were prepared and compiled by Foard and Company, PA, and include a summary of significant assumptions and accounting policies.

## **34. Variances from Prospective Financial Statements**

For the fiscal year ended September 30, 2025, management reviewed the results of operations for Pittsboro Christian Village, Inc. 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 09/30/25**

Category	Projected Amount	Actual Amount	Variance	Explanation
Independent Living Occupancy	94%	91.5%	-2.5%	Slower-than-expected absorption of units following campus renovations.
Entrance Fee Receipts	\$100,000	\$465,000	465%	Lower occupancy previous year led to more than expected openings that were filled in FY2025
Staffing Costs	\$1,888,576	\$1,924,806	1.9%	Low staffing previous year, did not anticipate filling all open positions that quickly.
Debt Service	\$190,338	\$121,858	-64%	Used a board approved portion of the entrance fees to aggressively pay off debt.

## 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	363	257	272	467	283	298
CUSH	24.8x	19.42x	22.87x	95.6x	24.89x	89.79x

**Narrative – Provider Only:**

Liquidity declined primarily due to capital expenditures and accelerated debt reduction.

A quick recovery is projected beginning FY 2027 as the provider is projected to retire all long-term debt in FY 2027.

Occupancy levels and waitlist activity indicate that current pricing remains below market-clearing levels, providing opportunity for future rate alignment without reliance on debt.

**Table 35.1A: Liquidity Ratios – Obligated Group**

Pittsboro Christian Village has no affiliated entities and does not participate in an obligated group financing structure. All financial ratios presented reflect the standalone operations of Pittsboro Christian Village.

## 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	99%	102%	90%	74%	95%	95%
NOM	-26%	-25%	-26%	-19%	-18%	-17%

Ratio	FY-2	FY-1	FY	FY+1	FY+2	FY+3
NOM-A	-17%	-14%	-5%	-14%	-13%	-13%

#### Narrative – Provider Only:

Operating margins have been negatively impacted by intentional management decisions to maintain resident rates below prevailing market levels while strengthening staffing coverage and service capacity. These actions reflect the Village's mission-driven approach and commitment to resident care rather than deterioration in demand or occupancy. Management has implemented measured rate adjustments and expense controls, and prospective financial statements reflect gradual improvement in operating performance over the forecast period. Strong liquidity further supports operational stability during this transition.

**Table 35.2A: Profitability Ratios – Obligated Group**

Pittsboro Christian Village has no affiliated entities and does not participate in an obligated group financing structure. All financial ratios presented reflect the standalone operations of Pittsboro Christian Village.

### 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	2.14x	1.73x	8.44x	3.99x	2.66x	9.17x
CD	6.21x	6.86x	17.77x	95.6x	n/a	n/a
CED	2.76x	2.69x	.6x	1.72x	.12x	.12x

#### Narrative – Provider Only:

The provider maintains healthy coverage and is rapidly reducing debt. The provider is on schedule to retire all long-term debt by the end of FY27.

Capital-expenditure ratios remain strong indicating adequate reinvestment in campus infrastructure. The goal is to continue to reinvest using gifts and donations, without taking on additional debt.

#### **Table 35.3A: Capital Structure Ratios – Obligated Group**

Pittsboro Christian Village has no affiliated entities and does not participate in an obligated group financing structure. All financial ratios presented reflect the standalone operations of Pittsboro Christian Village.

#### **35.4 Overall Summary**

Pittsboro Christian Village demonstrates improving liquidity, improving profitability, and conservative leverage with the debt reducing quickly. Projected performance indicates stable or modestly improving results through FY 2028, with sufficient capacity to fund operations, service debt, and support ongoing capital renewal.

### **36. Actuarial Opinion and Balance**

An actuarial opinion is not required for Pittsboro Christian Village for the current reporting year under applicable North Carolina CCRC regulations.

### **37. Most Recent Department Examination Report**

The North Carolina Department of Insurance has not conducted a financial or market conduct examination of Pittsboro Christian Village, Inc. pursuant to Article 64A of the North Carolina General Statutes. The Village operates in compliance with applicable regulatory requirements and remains subject to examination at the discretion of the Department.

### **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 Pittsboro Christian Village, Inc. 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**

Pittsboro Christian Village offers continuing care contracts. Representative forms of each are attached hereto as Appendix D.

### **39.1 Continuing Care Contracts**

Pittsboro Christian Village offers an entrance fee continuing care contract for independent living residents. Residents may elect to participate in the Refundable Resident Entry Fee program. Under this program, the entrance fee is amortized over a three-year period, with a pro rata refund available during the first three years of residency, not to exceed ninety percent (90%) of the initial entrance fee. No refund is payable after the three-year period.

Residents who decline the program are required to pay a one-time non-refundable entrance fee of \$3,500. This fee does not create a future refund obligation for the provider. All other material terms of the independent living contract are substantially similar. A representative form of the contract is included in Appendix D.

### **39.2 Continuing Care at Home (CCaH) Contracts**

Pittsboro Christian Village does not offer Continuing Care at Home (CCaH) Contracts.

## **Appendix Index**

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

Appendix A — Audited Financial Statements.....	33
Appendix B — Five-Year Prospective Financial Statements .....	34
Appendix C — Statement of Actuarial Opinion .....	35
Appendix D — Representative Contract(s) .....	36
Appendix E — Examination Report .....	37
Appendix F — Statutory Ratio and Supporting Definitions .....	38

## **Appendix A — Audited Financial Statements**

***Pittsboro Christian Village, Inc.***

***Financial Statements***

***Year Ended September 30, 2025***

**FOARD**   
EST. 1964

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***Pittsboro Christian Village, Inc.*****Table of Contents****September 30, 2025**

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	<b>Page</b>
Independent Auditors' Report .....	1-2
Audited Financial Statements:	
Statement of Financial Position.....	3
Statement of Activities .....	4
Statement of Functional Expense .....	5
Statement of Cash Flows.....	6
Notes to Financial Statements .....	7-14

## INDEPENDENT AUDITORS' REPORT

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

### Opinion

We have audited the accompanying financial statements of Pittsboro Christian Village, Inc. (the "Organization" - a nonprofit organization), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pittsboro Christian Village, Inc. as of September 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis of Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

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

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

Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Pittsboro Christian Village, Inc.  
Pittsboro, North Carolina

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

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

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

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 10, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Foard & Company, P.A.*  
February 6, 2026

# Pittsboro Christian Village, Inc.

## Statement of Financial Position

September 30, 2025, With Prior Year Comparative Totals

	2025	2024
<b><u>Assets</u></b>		
Current Assets:		
Cash and equivalents	\$ 1,020,404	\$ 874,548
Investments	587,620	514,937
Sales tax receivable	23,249	8,114
Prepaid expenses	32,597	42,729
<b><i>Total Current Assets</i></b>	<b>1,663,870</b>	<b>1,440,328</b>
Non-Current Assets:		
Investments: Operating Reserve Requirement (asset limited as to use)	755,000	691,000
<b><i>Total Non-Current Assets</i></b>	<b>755,000</b>	<b>691,000</b>
Property and equipment, net	5,404,518	5,402,406
<b><i>TOTAL</i></b>	<b>\$ 7,823,388</b>	<b>\$ 7,533,734</b>
<b><u>Liabilities and Net Assets</u></b>		
Current Liabilities:		
Accounts payable	\$ 55,958	\$ 20,115
Accrued expenses	95,059	82,142
Current portion of long-term debt	87,975	79,816
<b><i>Total Current Liabilities</i></b>	<b>238,992</b>	<b>182,073</b>
Long-Term Liabilities:		
Long-term debt, net of current portion	121,858	274,656
Deferred revenue - refundable entrance fees	120,412	105,775
Deferred revenue - nonrefundable entrance fees	1,411,652	1,165,889
<b><i>Total Liabilities</i></b>	<b>1,892,914</b>	<b>1,728,393</b>
Net Assets:		
Without Donor Restrictions:		
Undesignated	4,460,552	4,518,618
Designated for operating reserve	755,000	691,000
Total Without Donor Restrictions	5,215,552	5,209,618
With donor restrictions	714,922	595,723
<b><i>Total Net Assets</i></b>	<b>5,930,474</b>	<b>5,805,341</b>
<b><i>TOTAL</i></b>	<b>\$ 7,823,388</b>	<b>\$ 7,533,734</b>

# Pittsboro Christian Village, Inc.

## Statement of Activities

Year Ended September 30, 2025, With Prior Year Comparative Totals

	Year Ended September 30, 2025			
	Without Donor Restrictions	With Donor Restrictions	TOTALS	2024
<b>Support and Revenue:</b>				
Resident fees, net	\$ 2,303,792	\$ -	\$ 2,303,792	\$ 2,138,401
Amortization of deferred entrance fees	204,600	-	204,600	184,052
Contributions	452,390	381,705	834,095	418,187
Investment income (loss)	102,648	48,947	151,595	223,526
Other	35,107	-	35,107	23,130
Gain (loss) on disposal of fixed assets	350	-	350	(57,378)
Net assets released from restriction	311,453	(311,453)	-	-
<b>Total</b>	<b>3,410,340</b>	<b>119,199</b>	<b>3,529,539</b>	<b>2,929,918</b>
<b>Expenses:</b>				
Program services	2,911,990	-	2,911,990	2,432,408
Management & general	492,416	-	492,416	526,899
<b>Total</b>	<b>3,404,406</b>	<b>-</b>	<b>3,404,406</b>	<b>2,959,307</b>
<b>CHANGE IN NET ASSETS</b>	<b>5,934</b>	<b>119,199</b>	<b>125,133</b>	<b>(29,389)</b>
<b>NET ASSETS, BEGINNING</b>	<b>5,209,618</b>	<b>595,723</b>	<b>5,805,341</b>	<b>5,834,730</b>
<b>NET ASSETS, ENDING</b>	<b>\$ 5,215,552</b>	<b>\$ 714,922</b>	<b>\$ 5,930,474</b>	<b>\$ 5,805,341</b>

# Pittsboro Christian Village, Inc.

## Statement of Functional Expense

Year Ended September 30, 2025, With Prior Year Comparative Totals

	Year Ended September 30, 2025				
	Program Services	Management & and General	Totals	2024	
Expenses:					
Salaries	\$ 1,608,827	\$ 315,979	\$ 1,924,806	\$ 1,540,473	
Payroll taxes	134,577	12,631	147,208	119,657	
Food and supplies	330,715	-	330,715	296,380	
Utilities	201,863	12,282	214,145	249,502	
Buildings and grounds	160,690	602	161,292	181,457	
Insurance	105,320	48,829	154,149	114,847	
Interest	14,881	-	14,881	23,115	
Laundry	31,221	-	31,221	21,976	
Professional services	2,818	19,034	21,852	28,830	
Office expense	-	33,720	33,720	21,609	
Equipment leases	4,989	9,395	14,384	15,945	
Vehicle expense	12,314	-	12,314	12,707	
Advertising	-	7,683	7,683	8,154	
Dues and subscriptions	-	3,311	3,311	3,060	
Training and education	4,427	416	4,843	5,599	
Licenses	2,482	4,874	7,356	173	
Postage	-	4,335	4,335	3,748	
Property taxes	-	762	762	2,909	
Miscellaneous	1,435	7,789	9,224	17,832	
Computer	-	7,566	7,566	5,281	
Depreciation	295,431	3,208	298,639	282,053	
<b>TOTAL EXPENSES</b>	<b>\$ 2,911,990</b>	<b>\$ 492,416</b>	<b>\$ 3,404,406</b>	<b>\$ 2,955,307</b>	

# Pittsboro Christian Village, Inc.

## Statement of Cash Flows

Year Ended September 30, 2025, With Prior Year Comparative Totals

	2025	2024
<b><u>Operating Activities</u></b>		
Change in net assets	\$ 125,133	\$ (29,389)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	298,639	282,053
Contributions restricted for long-term purposes	(381,705)	(100,298)
Amortization of deferred entrance fees	(204,600)	(184,052)
Entrance fees received net of refunds	465,000	205,000
(Gain) Loss on disposal of property	(350)	57,378
Realized and unrealized (gains) losses on investments	(104,075)	(186,323)
Change in operating assets and liabilities:		
Receivables	(15,135)	(1,630)
Prepaid expenses	10,132	(17,321)
Accounts payable	35,843	10,111
Accrued expenses	12,917	24,704
<b><i>Cash Flows From Operating Activities</i></b>	<b>241,799</b>	<b>60,233</b>
<b><u>Investing Activities</u></b>		
Purchase of property and equipment	(300,751)	(757,598)
Proceeds from sale of property	350	-
Purchase of investments	(40,540)	(32,588)
Proceeds from the sale of investments	7,932	-
<b><i>Cash Flows From Investing Activities</i></b>	<b>(333,009)</b>	<b>(790,186)</b>
<b><u>Financing Activities</u></b>		
Contributions restricted for long-term purposes	381,705	100,298
Principal payments on long-term debt	(144,639)	(105,805)
<b><i>Cash Flows From Financing Activities</i></b>	<b>237,066</b>	<b>(5,507)</b>
<b><i>CHANGE IN CASH AND EQUIVALENTS</i></b>	<b>145,856</b>	<b>(735,460)</b>
<b><i>CASH AND EQUIVALENTS - BEGINNING</i></b>	<b>874,548</b>	<b>1,610,008</b>
<b><i>CASH AND EQUIVALENTS - ENDING</i></b>	<b>\$ 1,020,404</b>	<b>\$ 874,548</b>

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# **Pittsboro Christian Village, Inc.**

## **Notes to Financial Statements**

**September 30, 2025**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### *Nature of activities*

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

#### *Income tax status*

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

#### *Basis of presentation*

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

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

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

#### *Revenue recognition*

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

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

# **Pittsboro Christian Village, Inc.**

## **Notes to Financial Statements**

**September 30, 2025**

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### *Entrance agreements*

The residency entrance fee is set by the Board of Directors and is due in full at the time residency is established. Under the agreement the Organization agrees to make a pro-rata refund of the entrance fee calculated to the nearest whole month, on a decreasing basis over the first three years of residency, up to 90 percent of the initial resident entry fee. At year-end the potential refundable amount is \$120,412, however, management believes the potential for refund is minimal based on historical information. For financial statement purposes, entrance fees are recorded as a liability on the accompanying balance sheet as "Deferred Revenue - Entrance Fees" and amortized to revenue over a period equal to 91 years less the age of the youngest spouse at entry. The board annually reviews the amortization calculation for appropriateness. At year-end the portions of entrance fees that have not been earned and that are in excess of the contingent refund listed above is \$1,411,652.

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

### *Donated services and goods*

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

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

### *Cash and equivalents*

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

### *Investments*

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

### *Receivables*

Receivables are recorded at net realizable value. The Organization utilizes the current expected credit loss ("CECL") methodology to evaluate receivables. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts. Management assesses the collectability of receivables on an individual account basis and writes off any amounts deemed uncollectible. Therefore, no allowance for uncollectible accounts is provided. The balances at year-end are expected to be collected within the following year.

# **Pittsboro Christian Village, Inc.**

## **Notes to Financial Statements**

**September 30, 2025**

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### *Property and equipment*

Property is recorded at cost if purchased or fair value if donated, subject to a \$2,500 capitalization policy. Depreciation is provided by charges to operations using the straight-line method at rates designed to amortize the cost of the assets over their estimated useful lives, which range from 3 to 40 years. Major renewals and improvements are charged to the property accounts, while replacements, maintenance, and repairs, which do not improve or extend the life of the assets, are expensed currently.

### *Leases*

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

### *Functional expense*

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

### *Use of estimates*

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

### *Advertising costs*

The Organization expenses advertising costs as incurred.

### *Prior-year comparative totals*

The financial statements include certain prior-year summarized information, which is presented for comparative purposes only. Accordingly, such information should be read in conjunction with the Organization's 2024 financial statements, from which the summarized information was derived.

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**Pittsboro Christian Village, Inc.**  
**Notes to Financial Statements**  
**September 30, 2025**

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## **NOTE 2 - INVESTMENTS**

At year-end, investments consist of the following:

Exchange Traded Funds	\$ 390,993
Mutual Funds	<hr/> 951,627
	<hr/> \$ 1,342,620

*Fair value measurements*

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

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

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

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

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

## **NOTE 3 - PROPERTY AND EQUIPMENT**

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

Land and land improvements	\$ 1,323,374
Buildings and improvements	9,382,946
Furniture, fixtures, and equipment	1,317,690
Vehicles	<hr/> 253,349
	12,277,359
Less - accumulated depreciation	<hr/> 6,872,841
	<hr/> \$ 5,404,518

# **Pittsboro Christian Village, Inc.**

## **Notes to Financial Statements**

**September 30, 2025**

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### **NOTE 4 - STATUTORY OPERATING RESERVE REQUIREMENT**

Under regulations of the North Carolina Insurance Commission, CCRC's are required to maintain an operating reserve equal to 25 percent of the total occupancy costs, as defined, projected for the 12-month period following the period covered by the most recent annual financial statement filed with the North Carolina Department of Insurance, if the occupancy levels are in excess of 90 percent. If the occupancy levels are less than 90 percent, the operating reserve requirement is 50 percent of total occupancy costs, as defined. The Organization has historically maintained an occupancy level in excess of 90 percent. As of year-end, the Organization had an occupancy level of 96.59 percent and an operating reserve of \$755,000, which represented 25 percent of total occupancy costs, as defined.

### **NOTE 5 - REVENUE FROM CONTRACTS WITH RESIDENTS**

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

Deferred revenue – entrance fees:

Beginning of year	\$ 1,271,664
Collected during the year	465,000
Recognized as revenue during the year	(204,600)
End of year	<u>\$ 1,532,064</u>

### **NOTE 6 - LONG-TERM DEBT**

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

Maturities of the note are as follows:

Year ending September 30:

2026	\$ 87,975
2027	92,937
2028	28,921
	<u>\$ 209,833</u>

#### Interest expense

During the year, the Organization incurred and paid interest expense of \$14,881.

# **Pittsboro Christian Village, Inc.**

## **Notes to Financial Statements**

**September 30, 2025**

### **NOTE 7 - NET ASSETS**

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

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

Benevolent Assistance Fund	\$ 39,327
Building Fund	476,586
Perpetual - Endowment	<u>199,009</u>
	<u>\$ 714,922</u>

#### *Endowment fund*

In September 1991, the Organization received funds for an endowment. Ninety percent of any interest, dividends, or other income earned on the principal of the endowment fund is distributed to the benevolent fund. At year-end the balance in the endowment fund of \$197,544 is to be held in perpetuity.

#### *Restricted activity by fund*

	Benevolent Assistance Fund	Building Fund	Endowment Fund	Totals
Beginning balance	\$ 196,185	\$ 201,870	\$ 197,668	\$ 595,723
Contributions	136,865	244,840	-	381,705
Investment income	5,843	29,876	13,228	48,947
Expenditures – Residents	(311,453 )	-	-	(311,453 )
Transfer	<u>11,887</u>	<u>-</u>	<u>(11,887)</u>	<u>-</u>
	<u>\$ 39,327</u>	<u>\$ 476,586</u>	<u>\$ 199,009</u>	<u>\$ 714,922</u>

### **NOTE 8 - RETIREMENT PLAN**

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

### **NOTE 9 - CHARITY CARE**

#### *Property tax status*

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

# **Pittsboro Christian Village, Inc.**

## **Notes to Financial Statements**

**September 30, 2025**

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

Gross revenue for the year	\$ 3,529,539
Less - other revenue:	
Contributions	\$ 834,095
Investment income	151,595
Gain on disposal of assets	350
Miscellaneous	<u>35,107</u>
	<u>1,021,147</u>
Net operating revenue	2,508,392
Charity care paid through benevolent assistance fund	<u>\$ 311,453</u>

## **NOTE 10 - CONTINGENCIES**

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

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

## **NOTE 11 - CONCENTRATION OF CREDIT RISK**

### *Cash and equivalents*

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

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# **Pittsboro Christian Village, Inc.**

## **Notes to Financial Statements**

**September 30, 2025**

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### *Investments*

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

### *Revenue*

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

## **NOTE 12 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization has \$1,631,273 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash and equivalents of \$1,020,404, investments of \$587,620, and receivables of \$23,249. This amount does not include funds the Organization is required to maintain as an operating reserve of \$755,000 as described in Note 4 above. Financial assets of \$714,922 are subject to donor restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

## **NOTE 13 - SUBSEQUENT EVENTS**

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

## **Appendix B — Five-Year Prospective Financial Statements**

***Pittsboro Christian Village, Inc.***

***Forecasted Financial Statements***

***Year Ended September 30, 2026, 2027, 2028, 2029 and 2030***

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**Pittsboro Christian Village, Inc.****Table of Contents****For the Five Years Ending September 30, 2030**

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	<b>Page</b>
Independent Accountants' Compilation Report .....	1
Compiled Forecasted Financial Statements:	
Forecasted Statement of Financial Position .....	2
Forecasted Statement of Activities.....	3
Forecasted Statement of Cash Flows.....	4
Summary of Significant Forecast Assumptions and Accounting Policies .....	5-8



## INDEPENDENT ACCOUNTANTS' COMPILED REPORT

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

Management is responsible for the accompanying forecasted financial statements of Pittsboro Christian Village, Inc. (the Organization - a nonprofit organization), which comprises the statements of financial position, activities, and cash flows as of September 30, 2026, 2027, 2028, 2029 and 2030, and for the years then ending, and the related summaries of significant assumptions and accounting policies in accordance with guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards of Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the forecast nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these forecasted financial statements or the assumptions. The forecasted results may not be achieved, as there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and these differences may be material.

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

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

*Foard & Company, P.A.*

February 6, 2026

**Pittsboro Christian Village, Inc.**

**Forecasted Statement of Financial Position**

**September 30, 2026, 2027, 2028, 2029 and 2030**

	2026	2027	2028	2029	2030
<b><u>ASSETS</u></b>					
Current Assets:					
Cash and equivalents	\$ 940,590	\$ 862,060	\$ 853,400	\$ 876,279	\$ 902,030
Investments	762,220	948,876	1,156,835	1,364,353	1,570,694
Sales tax receivable	23,481	23,716	23,953	24,193	24,435
Prepaid expenses	32,923	33,252	33,585	33,921	34,260
<b>Total Current Assets</b>	<b>1,759,214</b>	<b>1,867,904</b>	<b>2,067,773</b>	<b>2,298,746</b>	<b>2,531,419</b>
Non-Current Assets:					
Investments: Operating Reserve					
Requirement (asset limited as to use)	782,000	804,000	812,000	828,000	853,000
<b>Total Non-Current Assets</b>	<b>782,000</b>	<b>804,000</b>	<b>812,000</b>	<b>828,000</b>	<b>853,000</b>
Property and Equipment:					
Land and improvements	1,323,374	1,323,374	1,323,374	1,323,374	1,323,374
Buildings and improvements	9,400,446	9,417,946	9,435,446	9,452,946	9,470,446
Furniture, fixtures, and equipment	1,335,190	1,352,690	1,370,190	1,387,690	1,405,190
Vehicles	253,349	253,349	253,349	253,349	253,349
<b>Total</b>	<b>12,312,359</b>	<b>12,347,359</b>	<b>12,382,359</b>	<b>12,417,359</b>	<b>12,452,359</b>
Less - accumulated depreciation	7,168,135	7,466,382	7,767,611	8,071,852	8,379,135
<b>Property and Equipment (net)</b>	<b>5,144,224</b>	<b>4,880,977</b>	<b>4,614,748</b>	<b>4,345,507</b>	<b>4,073,224</b>
<b>TOTAL ASSETS</b>	<b>\$ 7,685,438</b>	<b>\$ 7,552,881</b>	<b>\$ 7,494,521</b>	<b>\$ 7,472,253</b>	<b>\$ 7,457,643</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>					
Current Liabilities:					
Accounts payable	\$ 57,357	\$ 58,791	\$ 60,261	\$ 61,768	\$ 63,312
Accrued expenses	97,435	99,871	102,368	104,927	107,550
Current portion of long-term debt	92,937	28,921	-	-	-
<b>Total Current Liabilities</b>	<b>247,729</b>	<b>187,583</b>	<b>162,629</b>	<b>166,695</b>	<b>170,862</b>
Long-Term Liabilities:					
Long-term debt, net of current portion	28,921	-	-	-	-
Deferred - refundable entrance fees	-	-	-	-	-
Deferred - nonrefundable entrance fees	1,413,030	1,283,996	1,144,962	995,928	836,894
<b>Total Liabilities</b>	<b>1,689,680</b>	<b>1,471,579</b>	<b>1,307,591</b>	<b>1,162,623</b>	<b>1,007,756</b>
Net Assets:					
Without Donor Restrictions:					
Undesignated	4,484,538	4,533,498	4,616,250	4,707,776	4,807,556
Designated	782,000	804,000	812,000	828,000	853,000
<b>Total Without Donor Restrictions</b>	<b>5,266,538</b>	<b>5,337,498</b>	<b>5,428,250</b>	<b>5,535,776</b>	<b>5,660,556</b>
With Donor Restrictions	729,220	743,804	758,680	773,854	789,331
<b>Total Net Assets</b>	<b>5,995,758</b>	<b>6,081,302</b>	<b>6,186,930</b>	<b>6,309,630</b>	<b>6,449,887</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 7,685,438</b>	<b>\$ 7,552,881</b>	<b>\$ 7,494,521</b>	<b>\$ 7,472,253</b>	<b>\$ 7,457,643</b>

**Pittsboro Christian Village, Inc.**

**Forecasted Statement of Activities**

**Years Ending September 30, 2026, 2027, 2028, 2029 and 2030**

	2026	2027	2028	2029	2030
<b><u>NET ASSETS WITHOUT DONOR RESTRICTIONS</u></b>					
Support and Revenue:					
Resident fees, net	\$ 2,567,623	\$ 2,657,490	\$ 2,750,502	\$ 2,846,770	\$ 2,946,407
Amortization of deferred entrance fees	219,034	229,034	239,034	249,034	259,034
Contributions	348,000	348,000	348,000	348,000	348,000
Investment income	201,600	208,656	215,959	223,518	231,341
Other	63,216	65,429	67,719	70,089	72,542
<b>Total Support and Revenue</b>	<b>3,399,473</b>	<b>3,508,609</b>	<b>3,621,214</b>	<b>3,737,411</b>	<b>3,857,324</b>
Expenses:					
Salaries	1,911,104	1,968,437	2,027,490	2,088,315	2,150,964
Payroll taxes	150,900	155,427	160,090	164,893	169,840
Food and supplies	319,800	329,394	339,276	349,454	359,938
Utilities	206,703	212,904	219,291	225,870	232,646
Buildings and grounds	160,920	165,748	170,720	175,842	181,117
Insurance	127,555	131,382	135,323	139,383	143,564
Interest	9,345	4,383	310	-	-
Laundry	26,083	26,865	27,671	28,501	29,356
Professional services	22,500	23,175	23,870	24,586	25,324
Office expense	25,118	25,872	26,648	27,447	28,270
Equipment leases	10,330	10,640	10,959	11,288	11,627
Vehicle expense	11,700	12,051	12,413	12,785	13,169
Advertising	13,350	13,751	14,164	14,589	15,027
Dues and subscriptions	1,200	1,236	1,273	1,311	1,350
Training and education	6,300	6,489	6,684	6,885	7,092
Licenses	7,805	8,039	8,280	8,528	8,784
Postage	4,800	4,944	5,092	5,245	5,402
Property taxes	7,000	7,210	7,426	7,649	7,878
Miscellaneous	4,800	4,944	5,092	5,245	5,402
Computer	11,580	11,927	12,285	12,654	13,034
Depreciation	295,294	298,247	301,229	304,241	307,283
<b>Total Expenses</b>	<b>3,334,187</b>	<b>3,423,065</b>	<b>3,515,586</b>	<b>3,614,711</b>	<b>3,717,067</b>
Change in Net Assets	65,286	85,544	105,628	122,700	140,257
<b>NET ASSETS, BEGINNING</b>	<b>5,930,472</b>	<b>5,995,758</b>	<b>6,081,302</b>	<b>6,186,930</b>	<b>6,309,630</b>
<b>NET ASSETS, ENDING</b>	<b>\$ 5,995,758</b>	<b>\$ 6,081,302</b>	<b>\$ 6,186,930</b>	<b>\$ 6,309,630</b>	<b>\$ 6,449,887</b>

**Pittsboro Christian Village, Inc.**

**Forecasted Statement of Cash Flows**

**Years Ending September 30, 2026, 2027, 2028, 2029 and 2030**

	2026	2027	2028	2029	2030
<b><u>OPERATING ACTIVITIES</u></b>					
Change in net assets	\$ 65,286	\$ 85,544	\$ 105,628	\$ 122,700	\$ 140,257
Adjustments to reconcile change in net assets to cash flows from operating activities:					
Depreciation	295,294	298,247	301,229	304,241	307,283
Amortization of deferred entrance fees	(219,034)	(229,034)	(239,034)	(249,034)	(259,034)
Entrance fees received net of refunds	100,000	100,000	100,000	100,000	100,000
(Increase) decrease in operating assets:					
Receivables	(233)	(235)	(237)	(239)	(242)
Prepaid expenses	(327)	(329)	(333)	(336)	(339)
Increase (decrease) in operating liabilities:					
Accounts payable	1,399	1,434	1,470	1,507	1,544
Accrued expenses	2,376	2,436	2,497	2,558	2,623
<b><i>Net Cash Flows From Operating Activities</i></b>	<b><i>244,761</i></b>	<b><i>258,063</i></b>	<b><i>271,220</i></b>	<b><i>281,397</i></b>	<b><i>292,092</i></b>
<b><u>INVESTING ACTIVITIES</u></b>					
Purchase of property and equipment	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
Purchases of investments	(201,600)	(208,656)	(215,959)	(223,518)	(231,341)
<b><i>Net Cash Flows From Investing Activities</i></b>	<b><i>(236,600)</i></b>	<b><i>(243,656)</i></b>	<b><i>(250,959)</i></b>	<b><i>(258,518)</i></b>	<b><i>(266,341)</i></b>
<b><u>FINANCING ACTIVITIES</u></b>					
Principal payments on long-term debt	(87,975)	(92,937)	(28,921)	-	-
<b><i>Net Cash Flows From Financing Activities</i></b>	<b><i>(87,975)</i></b>	<b><i>(92,937)</i></b>	<b><i>(28,921)</i></b>	<b><i>-</i></b>	<b><i>-</i></b>
<b><u>CHANGE IN CASH</u></b>	<b><i>(79,814)</i></b>	<b><i>(78,530)</i></b>	<b><i>(8,660)</i></b>	<b><i>22,879</i></b>	<b><i>25,751</i></b>
<b><u>CASH - BEGINNING</u></b>	<b><i>1,020,404</i></b>	<b><i>940,590</i></b>	<b><i>862,060</i></b>	<b><i>853,400</i></b>	<b><i>876,279</i></b>
<b><u>CASH - ENDING</u></b>	<b><i>\$ 940,590</i></b>	<b><i>\$ 862,060</i></b>	<b><i>\$ 853,400</i></b>	<b><i>\$ 876,279</i></b>	<b><i>\$ 902,030</i></b>

# **Pittsboro Christian Village, Inc.**

## **Summary of Significant Forecast Assumptions and Accounting Policies**

**For the Five Years Ending September 30, 2030**

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### **Note 1 - Nature of Activities and Projections**

#### General

The accompanying financial forecast presents, to the best knowledge and belief of the management (“Management”) of Pittsboro Christian Village, Inc. (the “Organization”) the expected financial position, changes in net assets, and cash flows of the Organization as of and for each of the five years ending September 30, 2030. Accordingly, the accompanying forecast reflects Management’s judgment as of February 6, 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 the Organization’s annual disclosure statement in accordance with Chapter 58, Article 64, of the North Carolina General Statutes. Accordingly, this report should not be used for any other purpose. The assumptions disclosed herein are those that Management believes are significant to the prospective financial statements. The Organization recognizes that there will be differences between prospective and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

#### Background of the Organization

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

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code with respect to its exempt function income and is classified as other than a private foundation. Management has concluded that as of September 30, 2025, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

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

### **Note 2 - Significant Accounting Policies**

#### Basis of presentation

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

#### Receivables

Receivables are recorded at net realizable value with no allowance for credit losses.

#### Investments

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

# **Pittsboro Christian Village, Inc.**

## **Summary of Significant Forecast Assumptions and Accounting Policies For the Five Years Ending September 30, 2030**

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### *Property and equipment*

Property is recorded at cost if purchased or fair value if donated, subject to a \$2,500 capitalization policy. Depreciation is provided by charges to operations using the straight-line method at rates designed to amortize the cost of the assets over their estimated useful lives, which range from 3 to 40 years. Major renewals and improvements are charged to the property accounts, while replacements, maintenance, and repairs, which do not improve or extend the life of the assets, are expensed currently.

### *Entrance agreements*

The residency entrance fee is set by the Board of Directors and is due in full at the time residency is established. Under the agreement the Organization agrees to make a pro-rata refund of the entrance fee calculated to the nearest whole month, on a decreasing basis over the first three years of residency up to ninety percent of the initial resident entry fee. For financial statement purposes, entrance fees are recorded as a liability on the accompanying balance sheet as "Deferred Revenue - Entrance Fees" and amortized to revenue over a period equal to 91 years less the age of the youngest spouse at entry. The board annually reviews the amortization calculation for appropriateness. Effective January 1, 2026, the amortization period is 92 years.

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

### *Contributions*

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

### *Resident fees*

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

### *Use of estimates*

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

### *Concentration of credit risk*

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

# **Pittsboro Christian Village, Inc.**

## **Summary of Significant Forecast Assumptions and Accounting Policies For the Five Years Ending September 30, 2030**

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### **Note 3 - Summary of Significant Balance Sheet Assumptions**

#### *Property and equipment*

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

#### *Long-term debt*

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

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

Maturities of the note are as follows:

Year ending September 30:

2026	\$ 87,975
2027	92,937
2028	28,921
	<hr/>
	\$ 209,833

#### *Statutory operating reserve requirement*

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

#### *Contingencies*

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

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

# **Pittsboro Christian Village, Inc.**

## **Summary of Significant Forecast Assumptions and Accounting Policies For the Five Years Ending September 30, 2030**

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### *Obligation to provide future services*

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

### **Note 4 - Summary of Statement of Operating Assumptions**

#### *Resident fees*

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

#### *Contributions*

Management assumes contributions to remain consistent during the forecast period.

#### *Investment income*

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

#### *Operating expenses*

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

## **Appendix C — Statement of Actuarial Opinion**

*Pittsboro Christian Village is not required to obtain a Statement of Actuarial Opinion under current statutory requirements and therefore has not completed one.*

## **Appendix D — Representative Contract(s)**

## RESIDENT MASTER CONTRACT

NORTH CAROLINA  
CHATHAM COUNTY

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

### WITNESSETH

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

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

### SELECT ONE OF THE FOLLOWING:

#### A. North Wing One (1) Room Studio Apartments

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

**1. Basic Services**

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

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

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

**2. Extra Charge Services**

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

**B. North Wing One (1) Bedroom Apartments**

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

**1. Basic Services**

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

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

**2. Extra Charge Services.**

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

**C. North Wing Two (2) Bedroom Apartments**

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

**1. Basic Services.**

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

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

**2. Extra Charge Services.**

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



## **D. Northeast Wing One (1) Room Studio Apartments**

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

### **1. Basic Services.**

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

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

### **2. Extra Charge Services.**

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



## **E. Northeast Wing Two (2) Room Studio Apartments**

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

### **1. Basic Services**

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

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

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

**2. Extra Charge Services**

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



**F. Northeast Wing Two (2) Room Efficiency Apartments**

**1. Basic Services**

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

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

**2. Extra Charge Services**

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

## **G. Cottages**

The following services are provided in Cottages:

### **1. Basic Services**

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

### **2. Extra Charge Services**

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

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

## **H. Patio Homes**

The following services are provided in Patio Homes:

### **1. Basic Services**

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

## **2. Extra Charge Services**

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

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

## **I. Heritage Homes**

The following services are provided in Heritage Homes:

### **1. Basic Services**

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

### **2. Extra Charge Services**

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

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

## **J. Legacy Homes**

The following services are provided in Legacy Homes:

### **1. Basic Services**

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

### **2. Extra Charge Services**

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

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

## **K. Care Home (Assisted Living)**

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

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

- j. Wireless Internet
- k. Local telephone service
- l. Call bell system
- m. Assist residents, when necessary, on an individual basis with their personal hygiene, eating, walking, going up and down steps, corresponding, shopping and scheduling medical and business appointments
- n. Provide regular medical and therapeutic care approved by the resident's physician and within the limits of PCV's capability
- o. Provide quality nursing care 24 hours a day
- p. Evacuate all residents in an emergency situation
- q. Provide therapeutic diets
- r. Provide transportation and assistance for medical, shopping, business, and recreational needs
- s. Provide wheelchair and assistance with walking and transferring to semi-ambulatory residents.
- t. Provide diaper changing, ostomy maintenance, and other hygienic needs of incontinent residents including the needed incontinence supplies.

**2. Fees.** Resident agrees to pay a fee of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) on the day Resident moves into his living quarters which fee is for occupancy of the living quarters here-in-below described and services to be received for the days remaining in the month of \_\_\_\_\_ 20\_\_\_\_\_. Resident agrees to pay subsequent fees of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) per month on or before the fifth business day of each subsequent month for the term of this Contract.

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

**SELECT ONE OF THE FOLLOWING:**

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

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

G. You are entitled to occupancy of a Cottage located at \_\_\_\_\_ on \_\_\_\_\_ Street and the services specified under *Services section G*. Your cottage has the following features: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

H. You are entitled to occupancy of a Patio Home located at \_\_\_\_\_ Love Street and the services specified under *Services Section H*. Your home has two bedrooms with closets, a full bath and a half bath, a large living/dining room, kitchen, dayroom, walk in storage room, and laundry area. There is a carport and a covered patio at the front door, and an open patio on the back of the home.

I. You are entitled to occupancy of a Heritage Home located at \_\_\_\_\_ Love Street and the services specified under *Services section I*. Your Heritage Home has three bedrooms with walk-in closets, two full baths, laundry, kitchen and great room. There is an attached garage and covered front porch.

J. You are entitled to occupancy of a Legacy Home located at \_\_\_\_\_ Love Street and the services specified under *Services section J*. Your home has three bedrooms with closets, two full baths, a large living/dining room, kitchen, walk in storage room, and laundry area. There is a garage and a patio at the front door, and a deck on the back of the home.

K. You are entitled to occupancy of a room, number \_\_\_\_\_, located in the Care Home (Assisted Living) and the Assisted Living Services specified under *Services section K*. Your room is a room provided with your own private bath and closet. Your room opens to a hallway that leads to the central parlor and dining area. Heating and air conditioning are provided and included.

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

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

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

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

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

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

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

9. Affiliation. The Resident understands that PCV is not owned, operated, or controlled by any denomination, church or group of churches, and that no church, denomination or group of churches is responsible for debts or other obligations of PCV. Members and directors associated with this ministry are generally called brethren because they prefer to be called by a term that embraces all of their fellow Christians. They are associated with a number of local churches in North Carolina and around the world each of which is individual in its administration, without federation or union. PCV is a faith ministry looking to God to supply needs for the care of Christians with limited financial resources.

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

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

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

**13. Marriage.** If a single Resident (regardless of whether Resident was single either at or subsequent to the execution of this Contract) marries while occupying any living quarters at PCV, the couple will be subject to the second occupant fee, if such fee is applicable to the living quarters they are to occupy. Upon such marriage, PCV may require the Resident to move to other living quarters at PCV. Neither the existing Resident nor the new Resident shall be required to pay any additional Non-refundable or Refundable Resident Entry Fee. PCV and the existing Resident and his or her new spouse shall terminate this Contract and execute another contract in lieu thereof upon substantially similar terms and provisions with reasonable changes and modifications, including a move from one facility at PCV to another, which may be requested by PCV in order to accommodate both Residents. The new spouse of any existing Resident must meet the same entrance requirements as any other applicant. If the new spouse is not qualified for admission, PCV reserves the right immediately to dismiss the existing Resident and terminate this Contract. If the existing Resident has paid a Refundable Resident Entry Fee and such dismissal and termination occur subsequent to the expiration of three (3) years from the date of initial residency of the existing Resident, said existing Resident shall not be entitled to a refund of said fee. If such dismissal occurs prior to the expiration of said three (3) year period, PCV shall make a pro rata refund of said Entry Fee for each year of non-residency in said three

(3) year period to the Resident, provided, that the maximum refund shall not exceed ninety percent (90%) of the initial Resident Entry Fee. Provided further, that PCV reserves the right to delay the cash refund for a period of one (1) year or until a new Resident occupies the facility vacated, whichever is the later. In the event a new contract is executed as provided herein above, then for purposes of measuring the three (3) year period to determine the refund of any portion of said Refundable Resident Entry Fee, the date of initial residency shall be that of the existing Resident as determined under this existing Contract. The date of initial residency shall not be changed as a result of the execution of a new contract.

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

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

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

**17. Death.** If Resident (if the term Resident as used in this Contract includes more than one person, then the term Resident for the purposes of this paragraph shall be deemed to be only one of such residents) dies before occupying a living unit at PCV, or if on account of illness, injury or incapacity, the Resident is precluded from occupying a living unit at PCV under the terms of this contract, this contract shall be automatically cancelled and the Resident or legal representative of the Resident shall receive a refund of all money and property transferred to PCV, less (1) those nonstandard costs specifically incurred by PCV at the request of Resident and described in this Contract. If a husband and wife have executed this Contract and one of them subsequently dies, the surviving Resident shall have the option of (1) retaining the same accommodation with the monthly cost of care changed to the rate for single occupancy (if such accommodation then has a single occupancy rate) or (2) moving to another residence when available and paying the monthly rate for single occupancy of the new residence.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**34. Resident Grievance.** Each resident shall be afforded the unobstructed right and opportunity to present a grievance to the Administration of the Village. Any resident who has a complaint, grievance, suggestion, or recommendation regarding the policies of PCV procedures, services, accommodations, benefits, or personal care practices on behalf of himself/herself or others shall voice the complaint to the Executive Director or an employee on duty orally or in writing and allow time for corrective action be completed or explanation for non-action. If a resident feels that a complaint has not been given fair consideration, he/she may make an appeal in writing to the Executive Director. If a resident still feels that a complaint has not been given fair consideration, he/she may make an appeal to the President of the Board of Directors, or Chatham County Department of Social Services, Adult Home Supervisor, as applicable.

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

PITTSBORO CHRISTIAN VILLAGE, INC

By: \_\_\_\_\_  
Executive Director \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_ Resident Signature \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_ Resident Signature \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_ Witness (Print) \_\_\_\_\_

\_\_\_\_\_ Witness Signature \_\_\_\_\_ Date \_\_\_\_\_

## REFUNDABLE RESIDENT ENTRY FEE AGREEMENT

NORTH CAROLINA  
CHATHAM COUNTY

This Refundable Resident Entry Fee Agreement (hereinafter referred to as "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Pittsboro Christian Village, Inc., a North Carolina not-for-profit corporation (hereinafter called "PCV") and \_\_\_\_\_, (hereinafter called "Resident") and the same is attached to and made a part of "The Resident Master Contract" between PCV and above named resident(s) dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Type of Unit	North Studio	North One Bedroom	North Two Bedroom	Northeast Studio	Northeast Two Room Studio	Northeast Efficiency	Cottage	Patio Home	Heritage Home	Legacy Home
<b>Single</b>	\$50,000	\$70,000	\$80,000	\$40,000	\$45,000	\$45,000	\$95,000	\$105,000	\$115,000	\$155,000
<b>Couple</b>	\$55,000	\$75,000	\$85,000	\$45,000	\$50,000	\$50,000	\$120,000	\$130,000	\$140,000	\$180,000

**Credit Factor Table**

Age	81+	80-77	76-74	73-71	70-67	66-61	60-55
Credit	.81%	.76%	.68%	.61%	.55%	.50%	.44%

If this agreement is for two persons, youngest spouse: \_\_\_\_\_

Resident Date of Birth: \_\_\_\_\_ Current Age: \_\_\_\_\_

Type of Unit being occupied: \_\_\_\_\_

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

## **2. Fee Refunds Resident Entry.**

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

If Resident (if the term Resident as used in this Contract includes more than one person, then the term Resident for the purposes of this paragraph shall be deemed to be only one of such residents) dies before occupying a living unit at PCV, or if on account of illness, injury or incapacity, the Resident is precluded from occupying a living unit at PCV under the terms of this contract, this contract shall be automatically cancelled and the Resident or legal representative of the Resident shall receive a refund of all money and property transferred to PCV, less (1) those nonstandard costs specifically incurred by PCV at the request of Resident and described in this Contract. If a husband and wife have executed this Contract and one of them subsequently dies, the surviving Resident shall have the option of (1) retaining the same accommodation with the monthly cost of care changed to the rate for single occupancy (if such accommodation then has a single occupancy rate) or (2) moving to another residence when available and paying the monthly rate for single occupancy of the new residence.

In the event Resident or PCV shall terminate the Resident Master Contract as provided therein subsequent to the expiration of three (3) years from the date of this Agreement, Resident shall not be entitled to a refund of any portion of said Entry Fee. In the event Resident or PCV shall terminate the Resident Master Contract as provided therein before the expiration of three (3) years from the date of this Agreement, PCV agrees to make a pro rata refund of said Entry Fee calculated to the nearest whole month, so that one third (1/3rd) of the Resident Entry Fee for each year of non-residency in the first three (3) year period shall be refunded to the Resident, provided, that the maximum refund shall not exceed ninety percent (90%) of the initial Resident Entry Fee. Provided further, PCV reserves the right to delay the cash refund for a period of one (1) year or until a new Resident occupies the facility vacated, whichever is the later.

**B. Death.** If the Resident (or survivor if this Agreement is for two (2) persons) dies subsequent to the expiration of three (3) years from the date of this Agreement, there shall be no refund. If the Resident (or surviving Resident if the Agreement is for two (2) persons) dies before the expiration of three (3) years from the date of this Agreement, PCV shall either (1) make a payment to the surviving Resident's estate, calculated to the nearest whole month, so that one third (1/3rd) of the Resident Entry Fee for each year of non-residency in the first three (3) year period shall be paid; provided that the maximum refund shall not exceed ninety percent

(90%) of the Resident Entry Fee; provided further, PCV reserves the right to delay cash refunds to the estate for a period of one (1) year or until a new Resident occupies the facility vacated, whichever is later; or (2) make no refund. The parties hereby agree that in the event Resident or surviving Resident dies prior to the expiration of said three (3) year period:

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

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

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

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

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

PITTSBORO CHRISTIAN VILLAGE, INC

Executive Director Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Resident Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Resident Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Witness Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Witness Printed Name: \_\_\_\_\_ Date: \_\_\_\_\_

## **Appendix E — Examination Report**

*The North Carolina Department of Insurance has not conducted a financial or market conduct examination of Pittsboro Christian Village, Inc. pursuant to Article 64A of the North Carolina General Statutes. The Village operates in compliance with applicable regulatory requirements and remains subject to examination at the discretion of the Department.*

## 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.