BAPTIST HOMES SOCIETY

Continuing Care Retirement Community

Located at:

Providence Point
500 Providence Point Boulevard
Pittsburgh, Pennsylvania 15243
Phone: 412.489.3500

Disclosure Statement (October 2024)



This Disclosure Statement is not a contract and the provider reserves all rights to amend, revise, update and otherwise change the Disclosure Statement at any time, in accordance with applicable laws.

The issuance of a Certificate of Authority from the Pennsylvania Insurance Department does not constitute approval, recommendation or endorsement of the facility by the department, nor is it evidence of, nor does it attest to, the accuracy or completeness of the information set out in this Disclosure Statement.

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IMPORTANT INFORMATION FOR PROSPECTIVE RESIDENTS

Pursuant to the Pennsylvania Continuing Care Provider Registration and Disclosure Act, 40 P.S. Section 3207 et. sec. (the "Act"), this Disclosure Statement is being delivered to you at the time of or prior to your execution of a "Residence and Services Agreement," or at the time of or prior to your payment of any money to Baptist Homes Society, or as part of the organization's annual updated filing with the Pennsylvania Department of Insurance. A copy of the Residence and Services Agreement is attached. Your receipt of this Disclosure Statement creates no obligation on your part to execute and deliver the Residence and Services Agreement to the Baptist Homes Society, nor does it create any obligation on the part of Baptist Homes Society.

This Disclosure Statement contains a fair summary of the material enclosed and other terms of the documents purported to be summarized. This Disclosure Statement is furnished to prospective Residents and their representatives, and may not be relied upon by any other person.

Disclosure Statement Summary **Continuing Care Provider Registration and Disclosure Act**
1. Name and address of facility: Baptist Senior Services is the parent company of Baptist Homes Society which operates under the two trade names of Baptist Homes and Providence Point. Baptist Homes Society is licensed to operate a Continuing Care Retirement Community (CCRC),Providence Point, located at 500 Providence Point Boulevard, Pittsburgh, Pennsylvania 15243.
2. Name and address of provider: Baptist Homes Society is a Pennsylvania non-stock, not-for-profit, PA corporation located at 489 Castle Shannon Boulevard, Pittsburgh, Pennsylvania 15234-1482.
3. Admissions contacts: Providence Point Campus: Michelle Azinger, Marketing Coordinator Tel: 412-489-3550

4. Description of facilities:

Providence Point
Residential Area: Suburban
Number of Acres: 32, Scott Township
Types of residential units available:

- Three towers of residential living apartment and surrounding patio home residences
- A personal care residence with access to secure garden areas that includes a dedicated memory support unit
- A nursing center with all-private suites

5. Minimum age for admission:

Admission is restricted to persons 62 years of age or older. In cases of double occupancy, one person must be at least 62 years of age or older and the second person must be at least 60 years of age.

6. Affiliation with religious, fraternal, charitable, or other nonprofit organizations:

Baptist Homes Society was founded in 1910 as a cooperative effort of 90 American Baptist Churches, to provide services to both orphaned children and older adults. Though no longer affiliated with Baptist Churches, Baptist Homes Society maintains its tradition of Christian ethics.

Baptist Homes Society is an affiliated independent legal entity of Baptist Senior Services. Neither American Baptist Churches USA, Baptist Senior Services, nor Baptist Homes Foundation, which operates as a fundraising organization in support of Baptist Homes Society's mission, nor any of its affiliates are responsible for the liabilities, debts or any of the obligations of Baptist Homes Society.

7. Current resident population:

The current residence configuration on the Providence Point campus includes:

Residential Living	336
Personal Care	84
Nursing Care	42

8. Sample of fees for a standard one bedroom unit and one patio home residence:

2024 Entrance Fees and Monthly Fees – Sample						
		Entrance Fees			Monthly Fees	
Residence Type	Square Feet	90% Refund (Premium)	50% Refund (Traditional)	0% Refund (Classic)	LifeCare	Modified
Residential Living Apartments:						
Adams	761	$372,000	$308,600	$265,300	$3,834	$3,260
Second Person		25,000	25,000	25,000	$1,896	$1,280
Residential Living Patio Homes:						
Monroe	1,589	$762,800	$609,700	$505,400	$6,913	$6,293
Second Person		25,000	25,000	25,000	$1,896	$1,280

(End of Disclosure Statement Summary)

DISCLOSURE STATEMENT

1. NAME AND BUSINESS ADDRESS

Baptist Senior Services is the parent company of Baptist Homes Society which operates under the two trade names of Baptist Homes and Providence Point, and is licensed to operate a Continuing Care Retirement Community (CCRC) known as Providence Point.. Providence Point provides a continuum of services including residential living, personal care, and nursing care residences, as well as community amenities for wellness and social activities. Providence Point is located at 500 Providence Point Boulevard, Pittsburgh, Pennsylvania 15243.

2. HISTORY

Baptist Homes Society was formed in 1910 as a cooperative effort of 90 American Baptist churches throughout Western Pennsylvania and is a Pennsylvania not-for-profit, non-stock corporation, and an organization exempt from federal income tax under the provisions of Section 501(c)(3).

Baptist Homes Society's initial focus, service to orphans and the elderly, remained essentially unchanged during its first 40 years. However, after World War II, advances in medicine and health care, and sociological changes refocused Baptist Homes Society's emphasis to meet the health and housing needs of the older adult. On the Baptist Homes campus in Mt. Lebanon, an intermediate care unit was added in 1951, a Medicare certified nursing center in 1964 and a 100-residence federally subsidized residential living apartment building in 1979. The orphanage program was discontinued in 1972. In December 2022, the skilled nursing and personal care facilities were closed. The 100-residence federally subsidized residential living apartment building remains in operations on the campus.

In the 1980's, three changes further enhanced Baptist Homes Society's service to older adults and completed its continuum of care: a four-story addition to the nursing center, the renovation of the 54-room personal care residence, and the construction of a new chapel. In the 1990's and early 2000's, Baptist Homes Society responded to changing resident needs and expectations with the addition of an Alzheimer's Special Care Center.

In the early 2000's, the Board of Directors approved the development of a new, second campus for Baptist Homes Society, in order to expand the organization's ministry to

senior adults. This campus, Providence Point in Scott Township, was completed and became fully operational in 2009. By 2019, a third residential tower and a chapel were added to the Providence Point campus.

3. CONTROLLING PARTIES AND DESCRIPTION OF INTEREST IN OR OCCUPATION WITH BAPTIST HOMES SOCIETY

As an independent, non-stock, not-for-profit Pennsylvania Corporation, there are no individual or corporate owners of Baptist Homes Society; it is governed by a volunteer Board of Directors composed of local Pittsburgh leadership. Corporate duties of Baptist Homes Society include the development and maintenance of capital and operating budgets, personnel policies and all regulatory compliance. No other person or entity is responsible for the liabilities of Baptist Homes Society or for the fulfillment of its obligations to its residents.

The governing board is comprised of individuals from the Pittsburgh community who have backgrounds appropriate to their roles and responsibilities. Board Members are fully informed about the organization and actively participate in the board's work, including monitoring fiscal viability and relationships of the organization. A complete list of the Board Members is attached as **EXHIBIT A**.

The business experience of key management personnel, operating officers and controlling parties of Baptist Homes Society is attached as **EXHIBIT B**.

4. DISCLOSURE OF RELATED PARTY CONTRACTS

There are no professional services, firms, associations, trusts, partnerships or corporations in which such person has, or which has in such person, a 10% or greater interest and which it is presently intended will or may provide goods, leases or services to Baptist Homes Society of a value of $500 or more, within any year.

5. DISCLOSURE OF FELONY CONVICTIONS, FELONY CHARGES, CIVIL ACTIONS, COURT ORDERS, LICENSE SUSPENSIONS, ETC.

Neither the Provider, nor its Officers, or Directors have (a) been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable or enjoined in a civil action by final judgment if the felony or civil action involved fraud, embezzlement, fraudulent conversion or misappropriation of property; and neither are they (b) subject to a currently effective injunctive or restrictive order of a court of record, or within the past five years had any State or Federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, arising out of or relating to business activity or health care, including, without limitation, actions affecting a license to operate a foster care facility, nursing home, retirement home, home for the aged or facility registered under the Pennsylvania Continuing Care Provider Registration and Disclosure Act or a similar act in another state.

6. AFFILIATIONS WITH RELIGIOUS, FRATERNAL, CHARITABLE AND NON-PROFIT ORGANIZATIONS

Baptist Homes Society was founded in 1910 as a cooperative effort of 90 American Baptist Churches, to provide services to both orphaned children and older adults. American Baptist Churches USA have supported the mission of Baptist Homes Society throughout its history. Though no longer affiliated with Baptist Churches, Baptist Homes Society maintains its tradition of Christian ethics. Neither American Baptist Churches USA nor Baptist Homes Foundation or any of its affiliates are responsible for the liabilities, debts or any of the obligations of Baptist Homes Society.

Baptist Homes Society and Baptist Homes Foundation are affiliated independent legal entities of Baptist Senior Services. Baptist Homes Society operates the organization's Continuing Care Retirement Community and its two campuses. Baptist Homes Foundation operates as a fundraising organization designed to support the religious, charitable, and educational purposes of the Baptist Homes Society organization.

7. DESCRIPTION OF PHYSICAL PROPERTY

The Providence Point campus is located on 32 acres along a ridge overlooking Scott Township, a suburb of Pittsburgh. The current residential living residences include:

- One Bedroom/One Bath .....761 – 888 s.f.
- One Bedroom/Den/One and One Half Baths.....1,001 - 1,362 s.f.

- One Bedroom/Den/Two Bath ..... 1,307 s.f.
- Two Bedroom/Two Bath ..... 1,163 - 1,371 s.f.
- Two Bedroom/Two and One Half Baths..... 1,263 – 1,518 s.f.
- Two Bedroom/Den/Two and One Half Baths..... 1,492 – 2,106 s.f.
- Patio Homes/Two Bedrooms/Two Baths..... 1,589 – 1,995 s.f.
- Patio Homes/with Basement..... 3,614 – 3,990 s.f.

Providence Point provides residents with a lifestyle designed to meet their needs and the freedom to pursue personal interests. Providence Point offers 301 apartments, 35 patio homes, 42 private residences of nursing care, 43 private personal care residences, 41 private, dedicated memory support residences, common areas and amenities. Common areas include: dining in several venues; private dining room; library; mail center; billiards room; community room; lounges; card and game room; art studio; woodworking shop; theatre; fitness center; indoor pool and spa; bank; nondenominational chapel; and guest accommodations. There is a health clinic for residents and there are outdoor recreational areas including picnic/grilling areas, bocce court, and walking paths. Each apartment has access to one underground parking space with additional surface parking available, and each patio home has a two-car garage.

8. RESIDENT FEES

Payment of a One-Time Entrance Fee and the Residency Process:

Continuing care services are provided to residents of the residential living residences in return for payment of an Entrance Fee and Monthly Fee. An Entrance Fee is a one-time fee charged to residents seeking residency in residential living. The Entrance Fees and Monthly Fees are listed in **EXHIBIT C-1**.

To become a resident of Baptist Homes Society, a future resident will submit to the Review Committee an Application, Personal Health History form, Physician's Report of Physical Examination and a Confidential Financial Statement, on forms provided by Baptist Homes Society. The resident will be notified within 30 days of the decision of Baptist Homes Society.

Payment of the Entrance Fee :

At the time the Residence and Services Agreement is executed by future residents, they pay a deposit equal to Ten Percent (10%) of the Entrance Fee to reserve the selected residence. After a resident pays the 10% deposit, the resident's Entrance Fee will not change. On or before moving into the residence, the resident will pay the balance of the

Entrance Fee and the first month's Monthly Fee as explained in the Residence and Services Agreement.

Providence Point currently offers two health care plans. One is a **LifeCare Plan** and the other is a **Modified Health Care Plan** as described in the Residence and Services Agreement. A copy of the Residence and Services Agreement for Providence Point is attached as **EXHIBIT D**.

A resident may choose from one of the following:

- LifeCare Plan: Resident will pay the LifeCare Monthly Fee associated with the Entrance Fee Refund Plan chosen by the Resident. A co-resident will pay the LifeCare Plan Second Person Monthly Fee associated with the Entrance Fee Refund Plan chosen by the Resident. Should either Resident qualify for services in the Health Care Residence, as determined by Baptist Homes Society, such Resident shall pay the weighted average of the single occupancy Monthly Fee for the Entrance Fee Refund Plan chosen by the Resident. In addition to the LifeCare monthly Fee, charges will be made for ancillary services as described in the Residence and Services Agreement.

- Modified Health Care Plan: is only available to those residents who hold and maintain Long Term Care Insurance coverage acceptable to Baptist Homes Society. The Modified Health Care Plan is a modified fee-for-service agreement since the fees associated with personal care and nursing care are discounted from the current per diem charge when residing in the Health Care Residence, plus the cost of any ancillary services. Baptist Homes Society reserves the right to waive the Long Term Care Insurance requirement based on the resident's finances.

Reference should be made to the Providence Point Residence and Services Agreement for further information. See **EXHIBIT D**.

Refund Policy:

- ***Before Occupancy:*** The 10% deposit is fully refundable prior to occupancy.

Reference should be made to the Residence and Services Agreement for further information. See **EXHIBIT D**.

- ***After Occupancy:*** If the resident cancels the Residence and Services Agreement after occupancy, they will receive a refund in accordance with the refund plan chosen by

the resident and described in the Residence and Services Agreement. All refunds may be reduced by any amounts due Baptist Homes Society from the resident or for the costs to return the residence to its original condition, if necessary. Refunds are paid within 60 days of the receipt of a replacement Entrance Fee for the residence. The Entrance Fee may be used by Baptist Homes Society for any purpose consistent with the mission of Baptist Homes Society.

In cases of double occupancy, the permanent transfer from Providence Point and/or death of one resident will not terminate the Residence and Services Agreement as to the remaining resident. Refunds will not be paid until both residents have vacated the applicable residential living residence, are no longer residing in any level of care at Providence Point, and a replacement Entrance Fee for the residential living residence has been received.

Reference should be made to the Residence and Services Agreement for further information. See **EXHIBIT D**.

Monthly Fee:

In addition to the Entrance Fee, the resident agrees to pay a Monthly Fee payable to Baptist Homes Society, which provides access to the following services and amenities:

- Heat, electricity, water, sewer service
- Pre-wiring for cable and telephone
- Basic cable service
- Housekeeping services every other week (to include laundering and changing of flat linens)
- Scheduled local transportation
- Repair and maintenance of appliances, the residence, and all property of Baptist Homes Society
- Maintenance of all grounds and landscaping
- Real estate taxes (if any)
- Call devices and smoke detectors
- Social Activities Director
- One underground parking space per apartment (one additional designated surface parking space is available)
- Designated pet-friendly apartments/patio homes pursuant to current policy
- Appliances as listed: refrigerator, microwave, oven/stove, garbage disposal, washer/dryer
- Cable and TV hook-up

- Above and below kitchen cabinet lighting
- Access to fitness center, pool, spa, library, art studio, bocce court, and other common areas within the community
- Included in the monthly fee is an amount of Discretionary Dollars which may be used by the resident to purchase meals, catering services, guest meals, day spa services, and additional housekeeping and maintenance. Discretionary Dollars apply to each resident and must be used before a specified monthly deadline. Unused amounts cannot be transferred to the next month. Residents who are away from the campus for fifteen (15) consecutive days or more are eligible for a Discretionary Dollar credit.
- A choice of venues in which meals are served.

The amount of the Monthly Fee in effect at the time the Residence and Services Agreement is executed is clearly stated in the Residence and Services Agreement. It is expected that the Monthly Fee will be increased periodically to cover the increases in the cost of providing services to the residents. Residents will be given at least 30 days advance notice of any change in Monthly Fee, charges or services.

Miscellaneous Additional Services:

The Residence and Services Agreement describes services covered by the Monthly Fee and certain items available for an extra charge, such as beauty/barber shop, additional housekeeping, etc. A list of additional services offered is attached as **EXHIBIT E.**

9. PERSONAL CARE AND NURSING SERVICES

Residents will have priority access to nursing and/or personal care services over nonresidents in accordance with Baptist Homes Society's policy. Priority access is conditioned on the resident satisfying the financial and all other requirements for admission.

Upon transfer of a resident to Health Care for personal care or nursing care services, the resident fee will be based upon the chosen health care program:

- LifeCare Plan: Resident shall pay the weighted average of the single occupancy Monthly Fee associated with the Entrance Fee Refund Plan chosen by the Resident. In addition to the Monthly Fee, charges will be made for ancillary services as described in the Residence and Services Agreement.

- LifeCare Two Plan: (this plan was discontinued in January of 2012, however those who entered the community prior to that time with this plan receive the following benefits.) Resident shall pay the LifeCarePlan Two single occupancy Monthly Fee associated with the Entrance Fee Refund Plan chosen by the Resident. In the event of co-residents, the Resident transferring last shall pay the weighted average of the single occupancy Monthly Fee for the Entrance Fee Refund Plan chosen by the Resident. In addition to the LifeCare Monthly Fee, charges will be made for ancillary services as described in the Residence and Services Agreement.

- Modified Health Care Plan: Residents shall pay the current Modified Health Care Plan per diem charge when residing in a Health Care Residence, plus the cost of any ancillary services. Baptist Homes Society reserves the right to waive the Long Term Care Insurance requirement based on the resident's finances.

If the resident is permanently transferred to personal care or nursing care center/health care residence, the resident will no longer pay the Monthly Fee and, instead, shall pay the fee associated with the Entrance Fee Refund Plan. The resident may be required to sign an Admissions Agreement upon transfer to a personal care or nursing care center/health care residence.

If space is not immediately available at Providence Point, Baptist Homes Society will identify and assist the resident in making arrangements for a local personal care, assisted living, or nursing care facility.

Providence Point is not licensed to provide hospital-level care or psychiatric care, nor will it be responsible for the costs of physician care or hospitalization required by residents.

Inability to Pay: In cases where a resident's financial resources prove inadequate, the resident may request special financial consideration by Baptist Homes Society. It is the policy of Baptist Homes Society not to ask a resident to leave Providence point solely because of an inability to pay the full monthly charges. The Residence and Services Agreement provides a full explanation of the policy for financial assistance.

10. FREQUENCY AND AVERAGE DOLLAR AMOUNT OF EACH INCREASE IN PERIODIC RATES FOR THE PREVIOUS FIVE YEARS

The current rates for personal care and nursing care services are attached as **EXHIBIT F,** which includes a table showing the frequency and average dollar amount of each increase for the previous five years for nursing, personal care, and residential living.

11. AVERAGE ANNUAL COST OF PROVIDING SERVICES

The calculation of the average annual cost of providing services is attached as **EXHIBIT G.**

12. ESCROW AND RESERVE FUNDS

Reserve Funds

The Pennsylvania Department of Insurance requires Providers to maintain a reserve equal to the greater of the total of all projected principal and interest payments on any mortgage or long-term debt of the facility over a twelve-month period, or 10% of total operating expenses excluding depreciation and amortization. The amount of the reserve shall be computed only on the portion of the financing or expenses that are applicable to residents under continuing care agreements as of the most recent year-end. Funds sufficient to meet such requirements are retained, and such amounts are classified as operating reserves during each fiscal period.

Entrance Fee Escrow Account

Any entrance fee payments paid by a prospective resident prior to the date of occupancy of a residential living residence will be deposited into an escrow account pursuant to Pennsylvania law.

Providence Point uses an interest-bearing Entrance Fee Escrow Account. The Escrow Agent is S&T Bank, located at 12550 Perry Highway, Pittsburgh, PA 15237.

13. FINANCIAL STATEMENTS

The audited consolidated financial statements of Baptist Homes Society for years ending June 30, 2024 and June 30, 2023, are attached as **EXHIBIT H**. The audited consolidated financial statements were prepared by Baker Tilly US, LLP.

14. STATEMENT OF SOURCE AND APPLICATION OF FUNDS

In fiscal year 2014-2015, Baptist Homes Society refinanced the long-term debt associated with the development of Providence Point.

15. RESIDENCY AGREEMENT

The Residence and Services Agreement governs the relationship and explains the mutual obligations between the resident and Baptist Homes Society. All terms of the agreement are reflected in the Residence and Services Agreement and its attached exhibits.

Residents should review the Residence and Service Agreement for further explanation. See **EXHIBIT D**.

16. RIGHT TO RESCIND

Resident may rescind and terminate the Residence and Services Agreement without penalty or forfeiture within seven days of signing the Residence and Services Agreement. Residents are not required to move into the residential living residence before the expiration of this seven day period. To rescind their Residence and Services Agreement, resident must mail or deliver a signed and dated copy of a Rescission Notice or any other dated written notice, letter or telegram, stating their desire to rescind to Baptist Homes Society. A Notice of Right to Rescind is included in the Residence and Services Agreement.

17. RESIDENT RIGHT TO ORGANIZE

Residents shall have the right to elect a residents' council to represent the welfare and concerns of the residents. A representative of Baptist Homes Society designated by the Board of Directors will meet with the resident council during the year for purposes of

free discussion of topics related to living at Baptist Homes Society. Residents will be given at least seven days notice of all such meetings.

This Disclosure Statement was prepared on the basis of information available at the time of its publication and on assumptions believed to be realistic as of that date. Such information and assumptions are, of course, subject to change. Should there be a material change to the Project, this Disclosure Statement will be amended and distributed according to Pennsylvania Department of Insurance requirements.

Receipt

The undersigned hereby acknowledges delivery and receipt of Baptist Homes Society's Disclosure Statement dated _____ and all attachments including a copy of the Residence and Services Agreement and the Notice of Right to Rescind.

_____

Signature of First Resident

_____

Signature of Co-Resident

_____

Signature of Responsible Party/Family Member (if applicable)

_____

Date

BAPTIST HOMES SOCIETY
EXHIBIT "A"

BAPTIST SENIOR SERVICES/BAPTIST HOMES SOCIETY BOARD MEMBERS
2023-2024

Ms. Michelle Brennfleck
Attorney
Pittsburgh PA 15236

Mr. Brian Gongaware
Financial Planner
Wexford, PA 15090

Mr. Ray Kozlowski, Jr.
Attorney
Pittsburgh, PA 15228

Ms. Kari Resler
Exercise Physiologist
Pittsburgh, PA 15228

Susan Ruglovsky
Providence Point Resident
Pittsburgh, PA 15243

Mr. David F. Russey
Attorney
Pittsburgh PA 15222

Ms. Erin Stinner
Brand Strategist
Pittsburgh, PA 15317

Dr. John Sullivan
Hospital Administrator
Pittsburgh, PA 15243

Ms. Karen S. Timko
Attorney
Pittsburgh, PA 15228

Ms. Gabby Williams
Attorney
Pittsburgh, PA 15222

BAPTIST HOMES SOCIETY

EXHIBIT "B"

Business Experience of Key Management Personnel, Controlling Parties, and Operating Officers

Timothy L. Myers, CPA, is the President and CEO of Baptist Senior Services. Mr. Myers joined the organization in January 2022. Prior to Baptist Senior Family, he served as the CFO and COO for the Rockville, MD based Ingleside for six years; CFO for the Philadelphia-based Kendal Corporation for eight years; 10 years as CFO, Chief Operating Officer, and Partner for New Life Management and Development in Mount Laurel, NJ; a year as Director of Special Projects with Marriott Senior Living Services; and 10 years as a Senior Manager for KPMG. All of Mr. Myers' professional experience has been working with not-for-profit providers in the long-term care industry.

He received a BA in Accounting from Lycoming College in Williamsport, PA in 1987 and a Postgraduate Certificate in Ancient History and Religion from the University of Wales – Trinity Saint David in Carmarthen, Wales in 2015. He is a member of the Financial Advisory Panel of the Commission on Accreditation for Rehabilitation Facilities (CARF) and is a Certified Public Accountant in Pennsylvania. Mr. Myers is a member of the board of directors of Lycoming College.

Brent V. Foster, CPA, is Chief Financial Officer of Baptist Senior Services. Mr. Foster has a Bachelor of Science degree in Accounting from Indiana University of Pennsylvania. He is a Certified Public Accountant licensed in Pennsylvania and a member of the Pennsylvania Institute of Certified Public Accountants and the American Institute of Certified Public Accountants. Mr. Foster joined the organization in October 2006. Previously, Mr. Foster was a partner in a top 30 CPA firm. Mr. Foster's credentials include over 30 years of experience working with senior living and not-for-profit organizations. Mr. Foster is a member of the board of directors of Faith Affiliated Insurance Program.

Michelle Lobello, N.H.A., is the executive director of the Providence Point campus. She has been a Nursing Home Administrator for over 25 years. She has a B.S. in Gerontology with a minor in Social Work from California University of Pennsylvania. Prior to joining Baptist Homes, Ms. LoBello was the Administrator at Friendship Village of South Hills overseeing the skilled facility and the newly constructed assisted living. Ms. Lobello began her career in a faith-based long-term care facility as a volunteer in 8th grade, worked in the dietary department in high school and was a nursing assistant during college. Prior to becoming a nursing home administrator, she served as a Social Worker in long-term care.

BAPTIST HOMES SOCIETY

EXHIBIT "C-1"

Entrance Fees and Monthly Fees

Providence Point
A BAPTIST SENIOR FAMILY COMMUNITY

Entrance Fees— 2024 Rates

One-Bedroom Apartments

Apartment Residences	Residence Style	Sq. Ft.	CLASSIC First Person Fee*	TRADITIONAL First Person Fee**	PREMIER RETURN ON INVESTMENT First Person Fee***	Modified Monthly Fees	LifeCare Monthly Fees
Adams	1 bedroom, 1 bath	761	$265,300	$308,600	$372,000	$3,260	$3,834
Allegheny	1 bedroom, 1 bath	865	$285,600	$349,000	$424,100	$3,565	$4,186
Cambria	**1 bedroom, 1 bath**	**888**	**$318,600**	**$375,900**	**$453,900**	**$3,636**	**$4,254**
Lawrence	1 bedroom, 1 bath	892	$294,000	$360,000	$437,000	$3,608	$4,009
Cameron	**1 bedroom, 1.5 bath**	**1001**	**$372,200**	**$464,800**	**$527,800**	**$3,971**	**$4,414**
Bedford	**1 bed, 1.5 bath, den**	**1094**	**$342,000**	**$428,000**	**$537,000**	**$4,191**	**$4,670**
2nd-Person Entrance Fee	*Non-Refundable*	-	*$25,000*	*$25,000*	*$25,000*	*$1,288*	*$1,896*

***The Classic Entrance Fee,** less an initial 4% charge, shall be amortized at 2% per month for the first 48 months after which time the Entrance Fee is fully amortized and no refund is available.

****The Traditional Entrance Fee,** less an initial 4% charge, shall be amortized at 2% per month for 23 months. Thereafter, 50% of the Entrance Fee shall be refundable upon termination of the Residence and Services Agreement.

*****The Premier Entrance Fee**, less an initial 4% charge, shall be amortized at 2% per month for the first 3 months. Thereafter, 90% of the Entrance Fee shall be refundable upon termination of the Residence and Services Agreement.

MONTHLY FEES

The Monthly Fees quoted for the first person and second person include $603 in "Discretionary Dollars" for each Resident's personal use every month in any dining venue. "Discretionary Dollars" are flexible, meaning they can be used for many other personal services including beauty and barber services, and spa services as outlined in the Resident Handbook.

FOR MODIFIED AGREEMENTS

The "fee for service" (discounted from published pricing) for permanent transition into a private suite in the Healthcare Center is:

- **Personal Care:** $238 to $353 per diem
- **Specialized Care in the Memory Support Community:** $304 to $383 per diem
- **Skilled Nursing Care**: $475 per diem

FOR LIFECARE AGREEMENTS

The weighted average monthly fee for Personal Care, Memory Support and/or Skilled Care in the Healthcare Center in 2024 is $6,172 for permanent transition into a private Healthcare suite from Independent Living.

Life. UPLIFTED.

Providence Point
A BAPTIST SENIOR FAMILY COMMUNITY

Entrance Fees— 2024 Rates

One-Bedroom Apartments

Apartment Residences	Residence Style	Sq. Ft.	CLASSIC First Person Fee*	TRADITIONAL First Person Fee**	PREMIER RETURN ON INVESTMENT First Person Fee***	Modified Monthly Fees	LifeCare Monthly Fees
Fayette	1 bedroom, 1 bath	1115	$348,000	$436,000	$547,000	$4,259	$4,747
Butler	1 bed, 1.5 bath, den	1130	$353,100	$442,300	$554,600	$4,292	$4,739
Cameron D	1 bed, 1.5 bath, den	1159	$395,100	$505,100	$598,800	$4,387	$4,821
Chester I	1 bed, 1.5 bath, den	1163	$408,000	$510,600	$617,000	$4,414	$4,855
Montgomery	1 bedroom, 1.5 bath, den, sunroom	1223	$382,000	$479,000	$600,000	$4,645	$5,112
Venango	1 bed, 1.5 bath, den	1252	$391,000	$490,000	$614,000	$4,755	$5,232
Columbia	1 bed, 1.5 bath, den	1362	$436,700	$558,500	$667,900	$5,169	$5,688
2nd-Person Entrance Fee	*Non-Refundable*	-	*$25,000*	*$25,000*	*$25,000*	*$1,288*	*$1,896*

***The Classic Entrance Fee,** less an initial 4% charge, shall be amortized at 2% per month for the first 48 months after which time the Entrance Fee is fully amortized and no refund is available.

****The Traditional Entrance Fee,** less an initial 4% charge, shall be amortized at 2% per month for 23 months. Thereafter, 50% of the Entrance Fee shall be refundable upon termination of the Residence and Services Agreement.

*****The Premier Entrance Fee**, less an initial 4% charge, shall be amortized at 2% per month for the first 3 months. Thereafter, 90% of the Entrance Fee shall be refundable upon termination of the Residence and Services Agreement.

MONTHLY FEES

The Monthly Fees quoted for the first person and second person include $603 in "Discretionary Dollars" for each Resident's personal use every month in any dining venue. "Discretionary Dollars" are flexible, meaning they can be used for many other personal services including beauty and barber services, and spa services as outlined in the Resident Handbook.

FOR MODIFIED AGREEMENTS

The "fee for service" (discounted from published pricing) for permanent transition into a private suite in the Healthcare Center is:

- **Personal Care:** $238 to $353 per diem
- **Specialized Care in the Memory Support Community:** $304 to $383 per diem
- **Skilled Nursing Care:** $475 per diem

FOR LIFECARE AGREEMENTS

The weighted average monthly fee for Personal Care, Memory Support and/or Skilled Care in the Healthcare Center in 2024 is $6,172 for permanent transition into a private Healthcare suite from Independent Living.

Life. UPLIFTED.

Providence Point
A BAPTIST SENIOR FAMILY COMMUNITY

Entrance Fees– 2024 Rates

Two-Bedroom Apartments *(under 1500 sq. ft.)*

Apartment Residences	Residence Style	Sq. Ft.	*CLASSIC First Person Fee	**TRADITIONAL First Person Fee	***PREMIER First Person Fee	Modified Monthly Fees	LifeCare Monthly Fees
Chester II	2 bed, 2 bath	1163	$409,700	$509,500	$617,000	$4,414	$4,855
Armstrong	2 bed, 2 bath	1164	$359,900	$446,500	$546,600	$4,661	$5,268
Bradford	2 bed, 2.5 bath	1263	$386,400	$474,900	$587,100	$4,967	$5,598
Clarion	2 bed, 2 bath	1307	$388,400	$481,500	$592,600	$5,104	$5,723
Crawford	2 bed, 2 bath	1370	$449,200	$561,200	$695,900	$5,287	$5,884
Carbon	2 bed, 2 bath	1371	$449,200	$561,500	$695,100	$5,287	$5,884
Fulton	2 bed, 2.5 bath	1475	$422,400	$538,000	$660,600	$5,676	$6,301
Lancaster	2 bed, 2.5 bath, den	1492	$426,300	$543,300	$669,200	$5,741	$6,379
2nd-Person Entrance Fee	*Non-Refundable*	-	*$25,000*	*$25,000*	*$25,000*	*$1,288*	*$1,896*

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Providence Point
A BAPTIST SENIOR FAMILY COMMUNITY

Entrance Fees– 2024 Rates

Two-Bedroom Apartments *(above 1500 sq. ft.)*

Apartment Residences	Residence Style	Sq. Ft.	CLASSIC First Person Fee*	TRADITIONAL First Person Fee**	PREMIER RETURN ON INVESTMENT First Person Fee***	Modified Monthly Fees	LifeCare Monthly Fees
Clearfield	2 bed, 2.5 bath	1518	$429,800	$537,500	$675,800	$5,890	$6,536
Mercer	2 bed, 2.5 bath	1633	$482,000	$591,000	$723,000	$6,320	$6,972
Northampton	2 bed, 2.5 bath, den	1643	$517,300	$624,500	$754,700	$6,352	$6,988
Huntingdon	2 bed, 2.5 bath	1709	$501,000	$614,000	$747,000	$6,568	$7,278
Somerset	2 bed, 2.5 bath	1734	$507,900	$623,300	$757,400	$6,671	$7,408
Cumberland	2 bed, 2.5 bath, den	1746	$539,700	$671,700	$823,000	$6,326	$6,914
Centre	2 bed, 2.5 bath, den	1869	$556,400	$716,100	$861,900	$6,943	$7,372
Sullivan	2 bed, 2.5 bath, den	1873	$537,400	$656,200	$819,800	$7,177	$8,001
Westmoreland	2 bed, 2.5 bath, den	2106	$651,200	$767,800	$950,100	$7,974	$8,618
2nd-Person Entrance Fee	*Non-Refundable*	-	*$25,000*	*$25,000*	*$25,000*	*$1,288*	*$1,896*

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FOR LIFECARE AGREEMENTS

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Providence Point
A BAPTIST SENIOR FAMILY COMMUNITY

Entrance Fees– 2024 Rates

Patio Homes

Patio Home Residence	Residence Style	Sq. Ft.	CLASSIC First Person Fee*	TRADITIONAL First Person Fee**	PREMIER RETURN ON INVESTMENT First Person Fee***	Modified Monthly Fees	LifeCare Monthly Fees
Monroe	2 bed, 2 bath	1589	$505,400	$609,700	$762,800	$6,293	$6,913
Jefferson	2 bed, 2 bath	1807	$580,000	$697,600	$838,900	$7,363	$8,001
Jefferson with basement	2 bed, 2 bath	3614	$704,500	$860,000	$927,500	$7,363	$8,001
Washington	2 bed, 2 bath, den	1995	$640,400	$769,200	$910,600	$8,244	$8,893
Washington with basement	2 bed, 2 bath, den	3990	$778,200	$937,100	$997,600	$8,244	$8,893
2nd-Person Entrance Fee	*Non-Refundable*	-	*$25,000*	*$25,000*	*$25,000*	*$1,288*	*$1,896*

***The Classic Entrance Fee,** less an initial 4% charge, shall be amortized at 2% per month for the first 48 months after which time the Entrance Fee is fully amortized and no refund is available.

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MONTHLY FEES

The Monthly Fees quoted for the first person and second person include $603 in "Discretionary Dollars" for each Resident's personal use every month in any dining venue. "Discretionary Dollars" are flexible, meaning they can be used for many other personal services including beauty and barber services, and spa services as outlined in the Resident Handbook.

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FOR LIFECARE AGREEMENTS

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BAPTIST HOMES SOCIETY

EXHIBIT "C-2"

Entrance Fee and Refund Plans

(1) The 90% Entrance Fee Refund Plan (Premier Plan) stipulates that 4% of the Entrance Fee amortizes to Providence Point upon the Date of Occupancy of the residence chosen by the resident. For the first three months of occupancy, an additional 2% per month of the Entrance Fee shall amortize to Providence Point and will not be available to the resident as a refund. Thereafter, 90% of the Entrance Fee shall be refundable to the resident, subject to the refund terms in the Residence and Services Agreement.

(2) The 50% Entrance Fee Refund Plan (Traditional Plan) stipulates that 4% of the Entrance Fee amortizes to Providence Point upon the Date of Occupancy of the residence chosen by the resident. For the first 23 months of occupancy, an additional 2% per month of the Entrance Fee shall amortize to Providence Point and will not be available to the resident as a refund. Thereafter, 50% of the Entrance Fee shall be refundable to the resident, subject to the refund terms in the Residence and Services Agreement.

(3) The Amortizing Entrance Fee Refund Plan (Classic Plan) shall amortize to Baptist Homes Society by 4% upon the Date of Occupancy and by 2% per month for each month of occupancy thereafter. After 48 months, there will be no Entrance Fee refund available to the resident, subject to the Residence and Services Agreement.

Note: Actual Entrance Fee prices may vary for each individual residence. Entrance Fees presented may differ based upon the particular features and location of the residence. For example, some residences may include a view, floor, or balcony premium. Patio Homes may have basements which will be an additional charge. For information on the exact Entrance Fee for a particular residence, please contact a Providence Point Marketing Counselor at 412.489.3550.

EXHIBIT "D"

Residence & Services Agreement

Residence and Services Agreement

Providence Point
A BAPTIST SENIOR FAMILY COMMUNITY
500 Providence Point Blvd.
Pittsburgh PA 15243-1075
412-489-3500

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Providence Point

A BAPTIST SENIOR FAMILY COMMUNITY

RESIDENCE AND SERVICES AGREEMENT OF PROVIDENCE POINT LIFECARE RETIREMENT COMMUNITY PITTSBURGH, PENNSYLVANIA

This Residence and Services Agreement ("Agreement") is made this _____ day of _____, _____, by and between BAPTIST HOMES SOCIETY, d/b/a Providence Point, and _____ _____("Resident", "You" or "Your"). Should two persons desire to enter into this Agreement jointly, all references to "You", "Your" or "Resident" shall be read to include both persons equally as to benefits and obligations; each person shall be jointly and severally liable for all payments due under this Agreement.

Baptist Homes Society, Inc. operates a LifeCare retirement community known as Providence Point ("Providence Point") located in Scott Township, Pennsylvania, consisting of apartment residences, patio homes, a community center with common areas and amenities and a licensed healthcare center providing personal care, memory support services and nursing care.

You desire to reserve a residence in Providence Point, and have made the following choices regarding Your residence and applicable fees as reflected on the Resident Acceptance of Occupancy form, which is attached to this Agreement and incorporated by reference.

Residence Number and Type:_____(referred to as "Residence")

	First Person Name	**Second Person Name**
Entrance Fee (Current year dollars)	$	$
Entrance Fee Refund Plan		
Healthcare Plan (LifeCare Plan or Modified)		
Monthly Fee (Current year dollars)	$	$
Ten Percent (10%) Entrance Fee Deposit	$	

You and Providence Point agree as follows:

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

A. **Residence.** You shall have the lifetime exclusive right to occupy, use and enjoy Your Residence. The common areas and amenities provided at Providence Point are available for the use and enjoyment of all residents.

B. **Furnishings in the Residence.** Providence Point provides flooring, urgent call system, refrigerator with icemaker, stove, oven, dishwasher, microwave, washer and dryer, and other furnishings as described in Providence Point's current literature.

C. **Options and Custom Features in the Residence.** You may select options and custom features for the Residence after receiving approval from Management and paying for the options and custom features. You may be required to prepay for returning the Residence to its original condition should Providence Point deem that such customization chosen by You has rendered the Residence less marketable. In the event that a permit or architectural drawing is required for the customization, You agree to reimburse Providence Point for any and all fees related to the permit or drawing. Contractors performing such customization chosen by You will be required to follow our policies and procedures.

D. **Common Areas and Amenities.** Providence Point provides common areas and amenities for the use and benefit of all residents including: gated entrance; dining in several venues; private dining room; library; mail center; community room; lounges; card and game room; art studio; theater; exercise area; indoor swimming pool and spa; day spa with beauty/barber shop, massage therapy, and manicurist station; bank; woodworking shop; courtyards and walking paths; guest accommodations; private on-site personal care residences; private on-site healthcare residences and other common areas and amenities described in Providence Point's current literature.

E. **Parking.** Providence Point provides one designated under-building parking space for each apartment residence for a personal vehicle of a Resident with a valid driver's license and the physical and cognitive capability to operate the vehicle. Additional under-building parking may be available for an additional cost. Providence Point reserves the right to adjust the designated under-building or above-ground parking location based on Resident need. Above-ground resident parking is generally unassigned and open spaces are available to residents on a first-come, first-served basis. Above-ground parking spaces that are assigned for second person residents are clearly identified. Patio home residences are equipped with a two-car attached garage.

F. **Storage.** In addition to the space in each apartment, Providence Point provides an additional limited storage space for apartment residences. Patio home residences are equipped with an attic storage platform accessed by a pull-down staircase.

G. **Services and Programs:**

1. **Utilities.** Providence Point furnishes heating, air conditioning, electricity, basic cable service, water, sewer service, trash removal and wiring for telephone and cable television service. You are responsible for the charges related to telephone, internet and premium cable television service.

2. **Discretionary Dollars.** A Discretionary Dollar allowance is included per Resident in the Monthly Fee. While living in the Residence, such Discretionary Dollars may be used for a variety of services on the campus of Providence Point to include meals, catering, beauty and barber shop services, certain activities, additional housekeeping and maintenance assistance, and other services as stated in current Providence Point literature. The exact amount of the Discretionary Dollar allowance is stated in current Providence Point literature, and is subject to change with Thirty (30) Days notice. Your Date of Occupancy will occur during a Discretionary Dollar allowance billing cycle; therefore, a one-time adjustment will be made on your first bill in order to position you in the correct billing cycle. Reference should be made to Paragraph III.L.1 for application of the Discretionary Dollar allowance during temporary residence in the Healthcare Center. The cost of additional meals and services that exceed the Monthly Discretionary Dollar allowance will be billed to You on a monthly basis.

3. **Dining Services.** Three (3) full meals each day are available in a choice of dining venues. Discretionary Dollars may be used to pay for the cost of meals. Providence Point also provides catering services to Your Residence or to community center areas reserved by You for private use. You will be charged monthly for meals that exceed the Monthly Discretionary Dollars amount.

4. **Special Diets.** Upon approval of authorized staff, meals containing substitute or special diets are available to You in the Healthcare Center.

5. **Room Service.** Room service is available to the Residence for an additional fee. Upon approval of authorized staff, room service is available during an acute medical illness for meal delivery to the Residence at no charge.

6. **Housekeeping Services.** Providence Point provides housekeeping services every other week. Providence Point may require certain housekeeping activities to be conducted to preserve the Residence in good condition. You may purchase additional housekeeping time.

7. **Laundry.** Providence Point provides washers and dryers in the Residence. As part of housekeeping services, flat bed linen is washed and changed in Your Residence upon request.

8. **Groundskeeping.** Providence Point furnishes basic groundskeeping services including lawn, tree and shrubbery care. Depending on the availability of space, as determined by Providence Point, You may be permitted to plant and maintain certain areas designated for such purpose by Providence Point.

9. **Maintenance and Repairs.** Providence Point maintains and repairs its own improvements, furnishings, appliances and equipment. You are responsible for the cost of repairing damage to the property of Providence Point caused by You or any guests of Yours, ordinary wear and tear excepted.

10. **Transportation.** Providence Point provides local planned transportation for residents on a regularly scheduled basis. An additional charge may be made for transportation for special, personal or private group trips. Such personal transportation must be scheduled in advance and coordinated with the transportation schedule. The Resident Handbook contains detailed information regarding transportation services.

11. **Safety.** Staff is present at Providence Point Twenty-four (24) hours per day, every day. Urgent Response Systems, sprinkler systems and smoke detectors are located in each Residence. The Resident Handbook contains detailed information regarding safety policies and procedures for Providence Point.

12. **Activities.** Providence Point provides planned and scheduled social, recreational, spiritual, educational and cultural activities; arts and crafts classes; exercise, health and wellness programs; and other special activities. Some activities are offered for an additional charge.

13. **Concierge Services.** Providence Point provides concierge services.

14. **Administrative Services.** The Monthly Fee also includes the cost of personnel and administrative services to include those required to deliver services to residents, maintain and support required staff, comply with regulatory requirements, maintain the assets of Providence Point, and generally conduct prudent business practices.

15. **Property Taxes.** The Monthly Fee includes the cost of property taxes required of Providence Point and/or payment in lieu of taxes. Should the property tax obligations of Providence Point change, Providence Point may change the Monthly Fee accordingly.

16. **Healthcare Services:**

a. **Healthcare Center.** The Healthcare Center consists of licensed Personal Care and Licensed Nursing accommodations.

(1) **Personal Care Services.** Personal Care is licensed by the Commonwealth of Pennsylvania to provide assistance with activities of daily living to include: bathing, dressing, administration of medication, bed making, Three (3) Meals per day, housekeeping, personal laundry service, transportation and activities. Accommodations consist of private suites with a private bath.

(2) **Nursing Services.** Providence Point makes available routine nursing care in its licensed nursing center as may be deemed necessary by the attending staff physician and/or Medical Director. Services include Three (3) Meals per day, housekeeping, personal laundry service, assistance with activities of daily living and nursing services as ordered by the appropriate physician. High-acuity nursing or specialty-type nursing services, including specialized mental health care services, are not provided at Providence Point. Accommodations consist of private suites with private baths.

(3) **Staffing.** The Healthcare Center is staffed by resident aides, certified nursing assistants and licensed nurses Twenty-four (24) Hours per day.

(4) **Licensure.** Providence Point provides care to residents in each section of the Healthcare Center in keeping with respective Pennsylvania licensure requirements and limitations.

b. **Medical Director.** The overall coordination and supervision of Healthcare Services by Providence Point is provided by a Medical Director who is a licensed physician selected by Providence Point.

c. **Physician Services.** You are responsible for the cost of all physician services. You are free to choose your personal physicians.

17. **Outside Service Providers.** Should You choose to engage the services of an outside party, unaffiliated with Providence Point, for additional personal services delivered at Providence Point, You agree to abide by all

current Providence Point policies and procedures for the use of such Service Providers to include, but not be limited to, liability insurance, security screening, proper identification and disclosure. You also indemnify and hold harmless Providence Point for any actions of such Service Providers.

II. RESIDENCY REQUIREMENTS AND PROCEDURES

Residency requirements and procedures for Providence Point are as follows:

A. **Age.** It is the intent of Providence Point to provide housing for older persons as permitted by the Housing for Older Persons Act of 1995 (HOPA). Admission to Providence Point is restricted to persons 62 years of age or older at this time. In cases of double occupancy, one person must be at least 62 years of age or older and the second person must be at least 60 years of age or older.

B. **Date of Occupancy/Occupancy.** You will choose a Date of Occupancy within Ninety (90) Days of paying the Ten Percent (10%) Deposit reflected in Paragraph III.D.1 unless otherwise agreed upon in writing by both parties. You will become financially responsible for the Residence upon the Date of Occupancy as stated in the Resident Acceptance of Occupancy form. The Balance of the Entrance Fee is due and payable on or before the Date of Occupancy unless otherwise agreed to in writing by both parties. Upon Occupancy, Providence Point shall be obligated to provide You with the services and amenities outlined in this Agreement. Continued Occupancy shall be subject to ongoing payment of Your Monthly Fee and additional expenses. Occupancy shall continue until termination of this Agreement by either You or Providence Point as described in Paragraph VI. If you do not take possession of the Residence on the Date of Occupancy, Providence Point may offer the Residence to another prospective resident, unless other arrangements are agreed to in writing between You and Providence Point. Refunds of the Entrance Fee will be made in accordance with Paragraph VI.A.

C. **Health Requirements.** Upon application for residency at the time of the payment of the Ten Percent (10%) Deposit, you will submit the Physician's Report of Physical Examination form made by the Medical Director of Providence Point or by another physician approved by Providence Point. The report shall include a statement by the physician that You are capable of satisfying the applicable residential living criteria (the health, safety and related requirements for continued Occupancy of the Residence as described in the "Conditions of Occupancy" section of the Resident Handbook). You shall be responsible for the cost of such physical examinations. Providence Point reserves the right to require You to have a physical examination by a physician approved by Providence Point at any time prior to Occupancy. If, prior to Occupancy, Your health differs materially from that disclosed in Your Application for Admission and Physician's Report of Physical Examination made at the time of the Ten Percent (10%) Deposit, Providence Point shall have the right to decline Your

admission to the Residence and may offer You occupancy in the Healthcare Center, or offer You a full refund of Your Ten Percent (10%) Deposit, less any costs required to return the Residence to its original condition and any outstanding charges due from You to Providence Point.

D. **Financial Requirements.** To qualify for admission, You must demonstrate that You have assets and income sufficient to pay Your financial obligations under this Agreement and to meet Your ordinary living expenses. At any time, Providence Point, at its discretion, may require You to furnish additional, current financial information or to provide a statement of no adverse change from Your Confidential Financial Statement filed with the application for admission.

E. **Representations.** You affirm that the representations made in the General Information form, Personal Health History form and Confidential Financial Statement form are true and correct and may be relied upon by Providence Point as a basis for entering into this Agreement. Should such representations not be accurate, Providence Point reserves the right to decline admission, or to offer admission under alternative requirements and criteria.

F. **Decisions Regarding Transfer.** Providence Point will involve Resident and Resident's family and/or representatives to the extent practical in decisions regarding the transfer of Resident to appropriate venues of care and decisions regarding the safety and well-being of residents living at Providence Point. The role of Resident's family and/or representatives is advisory in nature. Providence Point shall have the final decision in all such matters, and such decisions shall be binding.

III. FINANCIAL ARRANGEMENTS

A. **Double Occupancy.** In situations of double occupancy, You are jointly and severally liable for each other's financial obligations and for all payments due under this Agreement. If one Resident dies or leaves Providence Point or if this Agreement is terminated as to one Resident for any reason, then both Residents and/or their estates shall remain jointly and severally liable for all financial obligations incurred by either Resident under this Agreement. In the event one Resident transfers to the Healthcare Center, this provision shall not be construed as a third party guarantee nor shall it impair such Resident's eligibility for Medicare benefits.

B. **Entrance Fee.** You agree to pay to Providence Point an Entrance Fee as a condition of becoming a Resident. Providence Point offers several Entrance Fee Refund Plans. Your choice of Entrance Fee Refund Plan is indicated on Page One (1) of this Agreement. In cases of double occupancy, the second person Entrance Fee is non-refundable and shall be fully amortized upon Occupancy. The cost of any options or custom features added to the Residence by You shall

not be considered part of the Entrance Fee and will not be refunded to You unless specifically indicated in an Addendum to this Agreement.

With the exception of Paragraph V.A.1, charges for care paid in one lump sum shall not be increased or changed during the duration of the agreed upon care, except for changes required by state or federal assistance programs.

C. **Entrance Fee Refund Plans:**

1. **The Ninety Percent (90%) Refund Plan ("Premier Return on Investment Plan").** Upon the Date of Occupancy, Four Percent (4%) of the Entrance Fee shall amortize to Providence Point and will not be available as a Refund to You. For the first Three (3) Months of Occupancy, an additional Two Percent (2%) per month of the Entrance Fee shall amortize to Providence Point and will not be available to You as a refund. Thereafter, Ninety Percent (90%) of the Entrance Fee shall be refundable to You upon termination of this Agreement for any reason, subject to the terms under Paragraph VI.E. of this Agreement. You shall also pay the Ninety Percent (90%) Refund Plan Monthly Fee for the Plan type you have chosen, either the LifeCare Plan or the Modified Healthcare Plan.

2. **The Fifty Percent (50%) Refund Plan ("Traditional Plan").** Upon the Date of Occupancy, Four Percent (4%) of the Entrance Fee shall amortize to Providence Point and will not be available as a Refund to You. For the first Twenty-three (23) Months of Occupancy, an additional Two Percent (2%) per month of the Entrance Fee shall amortize to Providence Point and will not be available to You as a refund. Thereafter, Fifty Percent (50%) of the Entrance Fee shall be refundable to You upon termination of this Agreement for any reason, subject to the terms under Paragraph VI.E. of this Agreement. You shall also pay the Fifty Percent (50%) Refund Plan Monthly Fee for the Plan type you have chosen, either the LifeCare Plan or the Modified Healthcare Plan.

3. **The Amortizing Plan ("Classic Plan").** Under the Amortizing Plan, upon the Date of Occupancy, Four Percent (4%) of the Entrance Fee shall amortize to Providence Point and will not be available to You as a refund. During the first Forty-eight (48) months of Occupancy, an additional Two Percent (2%) per month of the Entrance Fee shall amortize to Providence Point and will not be available to You as a refund. After Forty-eight (48) months of Occupancy, no refund of the Entrance Fee shall be made to You upon termination of this Agreement, subject to the terms under Paragraph VI.E. of this Agreement. You shall also pay the Amortizing Plan Monthly Fee for Plan type you have chosen, either the LifeCare Plan or the Modified Healthcare Plan.

D. **Terms of Payment of the Entrance Fee**. The terms of payment of the Entrance Fee shall be as follows:

1. **Ten Percent (10%) Deposit.** An amount equal to Ten Percent (10%) of the Entrance Fee for Your chosen Residence is due and payable upon execution of this Agreement. Such Deposit reserves the Residence for Your occupancy upon availability. The Entrance Fee charged to You for the Residence selected will not be changed after payment of the Ten Percent (10%) Deposit unless an addendum to agreement is attached.

2. **Ninety Percent (90%) Balance of the Entrance Fee.** The balance of the total Entrance Fee for the Residence will be due and payable on or before the Date of Occupancy. Occupancy shall not be deemed to have begun until receipt by Providence Point of the Balance of the Entrance Fee unless otherwise agreed to in writing by the parties.

E. **Monthly Fee.** In addition to the Entrance Fee, You agree to pay a Monthly Fee payable for the month in advance by the 10th day of each month. The Monthly Fee will be pro-rated for partial months. Upon choosing the Entrance Fee Refund Plan, You agree to pay a Monthly Fee, as reflected on the applicable Monthly Fee schedule, at the time of occupancy.

F. **Adjustments in the Monthly Fee and Services.** Providence Point reserves the right to increase the Monthly Fee. At least a Thirty (30) Day notice will be given to You before any adjustments in fees, charges or services.

G. **Away Allowance.** When You are away from Providence Point for Fifteen (15) consecutive days or more, and have notified Providence Point in advance, You will be credited with a current, published away allowance determined by Providence Point.

H. **Monthly Statements.** Providence Point furnishes You with a monthly statement showing the total amount of Monthly Fees and other charges owed by You which are due and payable by the 10th day of each month. Providence Point may charge interest at a rate of One and One-Half (1½%) Percent per month on any unpaid balance owed by You Twenty (20) Days after the due date. Resident shall be responsible for the payment of all actual attorneys' fees and costs incurred relative to the collection of any amounts past due in excess of Sixty (60) Days.

I. **LifeCare Plan.** Residents selecting the LifeCare Plan are bound by the following provisions:

1. **LifeCare Plan.** You will pay the LifeCare Monthly Fee associated with the LifeCare Plan. Second Residents will pay the LifeCare Plan Second Person Monthly Fee associated with the LifeCare Plan. Should either Resident qualify for services in the Healthcare Center, as determined by Providence Point, such Resident shall pay the estimated weighted average for healthcare associated with the LifeCare Plan. In addition to the estimated weighted average for healthcare, charges will be made for ancillary services as described in Paragraph III.K. The current estimated weighted average for healthcare shall be published in Providence Point literature.

J. **Modified Healthcare Plan.** Residents selecting the Modified Healthcare Plan are bound by the following provisions:

1. **Required Long Term Care Insurance.** To qualify for the Modified Healthcare Plan, You must demonstrate that You hold and maintain long term care insurance coverage acceptable to Providence Point unless otherwise agreed to in writing by both parties.

2. **Modified Healthcare Plan Monthly Fee.** Residents selecting the Modified Healthcare Plan shall pay the Monthly Fee associated with the Modified Healthcare Plan. The current Monthly Fee shall be published in Providence Point literature.

3. **Maintenance of Long Term Care Insurance Coverage.** Residents selecting the Modified Healthcare Plan must continue to maintain their covered status under the long term care insurance plan presented to and approved by Providence Point. Should You not maintain Your coverage to the same extent as that initially approved by Providence Point, You will remain under the Modified Healthcare Plan Monthly Fee.

4. **Modified Healthcare Plan Charges**. Residents selecting the Modified Healthcare Plan shall pay the current Modified Healthcare Plan per diem charge when residing in the Healthcare Center, plus the cost of any ancillary services or charges personal to the Resident. The current per diem charge shall be published in Providence Point literature.

K. **Additional Charges for Ancillary Services.** Charges in addition to the Monthly Fees may be made for ancillary services provided at Providence Point. Examples of such additional ancillary charges include, but are not limited to: meals or related dining services in excess of the Discretionary Dollars; prescription and non-prescription medications; surgical, podiatric, dental and optical services; physical examinations; physician services; laboratory tests; physical therapy,

occupational therapy and rehabilitative treatments; wheelchairs; other medical equipment and supplies; and any other medical services beyond that covered by Providence Point. Any professional services (medical or otherwise) contracted by You or on behalf of You shall be billed directly to You or Your assigned third party.

L. **Temporary and Permanent Residency in the Healthcare Center.** Providence Point will determine whether Your transfer to the Healthcare Center is permanent or temporary according to current policy and in consultation with You, Your physician and family, as is practical. You agree that Providence Point will have the right and ability to file for any healthcare reimbursement available to You on Your behalf.

1. **Temporary Residency in the Healthcare Center.** For the first Sixty (60) Days of a temporary stay in the Healthcare Center, You shall continue to pay the Monthly Fee for Your Residence. Upon the Sixty-first (61st) day of a temporary stay in the Healthcare Center, You shall pay the Monthly Fee for the Residence and the fee for the Healthcare Center associated with the Healthcare Plan, as previously chosen by You. Such Sixty (60) Day provision is limited to One Hundred (100) Days during each calendar year beginning January 1 and ending December 31, and shall renew each calendar year thereafter while You are a resident in the Residence. Upon temporary transfer to the Healthcare Center, the Discretionary Dollar allowance shall be applied to the cost of meals only; however, no deduction will be made to the Discretionary Dollar allowance if Your stay is covered by Medicare Part A or Part C (i.e., Medicare Advantage Plans).

2. **Permanent Residency in the Healthcare Center.** Upon determination by Providence Point that Your stay in the Healthcare Center is permanent, You agree to vacate the Residence, You will no longer pay the Monthly Fee and, instead, shall pay the fee for the Healthcare Center associated with the Healthcare Plan, as previously chosen by You, and subject to the terms under Paragraph V.D.

M. **Illness Away From Providence Point.** You agree to assume financial responsibility for hospital, medical and nursing care during any illness or accident occurring while away from Providence Point and to see that, upon Your return, full medical information is supplied to Providence Point for Your medical records file.

IV. TERMS OF OCCUPANCY

A. **Your Rights.** You have the right to occupy, use, and enjoy the Residence, common areas, amenities, programs and services of Providence Point during Occupancy. This Agreement does not transfer or grant to You any interest in the

real or personal property owned by Providence Point other than the rights and privileges as described in this Agreement.

B. **Policies and Procedures.** You will abide by Providence Point's policies and procedures and such amendments, modifications and changes of the policies and procedures as may hereafter be adopted by Providence Point. Such policies and procedures and current charges for services not included in the Monthly Fee will be printed in the Providence Point current literature, Disclosure Statement and Resident Handbook, which will be updated by Providence Point on a regular basis.

C. **Changes in the Residence, Services and Fees.** Providence Point has the right to change the Residence, the services offered and the fees charged. The Residence may not be used in any manner in violation of any zoning ordinances or other governmental law or regulation.

D. **Visitors.** Except for short-term visitors or guests, no person, including live-in aides, other than You may reside in the Residence without the approval of Providence Point.

E. **Occupancy by Two Residents.** In the event that two Residents occupy a Residence and one Resident terminates this Agreement because of permanent transfer to the Healthcare Center or death, this Agreement shall continue in effect as to the remaining or surviving Resident who shall have the option to retain the same Residence and pay the First Person Monthly Fee. Should the remaining or surviving Resident wish to move to another residence, the current policies of Providence Point governing said transfer will prevail. Refunds will not be paid until both Residents have vacated Providence Point, and all other terms and requirements regarding refunds under this Agreement have been met.

F. **Marriage or Cohabitation During Occupancy.**

1. **Another Resident.** If You desire to marry or cohabit with a person who is also a Resident, You may occupy either Residence and shall surrender the Residence not to be occupied by You. Refunds will be payable with respect to the Residence surrendered as described in Paragraph III.C. You will pay the Monthly Fee for double occupancy associated with the occupied Residence. Each Resident shall become jointly and severally liable for each other's financial obligations and for all payments due under the applicable Residence and Services Agreement and any applicable addenda.

2. **Non-Resident.** In the event that You desire to live with or marry a person who is not a resident of Providence Point, the proposed additional occupant may become a resident if such proposed additional occupant meets all the current requirements for admission to Providence Point,

enters into a current version of the Residence and Services Agreement with Providence Point, and pays the current Second Person Entrance Fee for the Residence. You and Your additional occupant shall pay the Monthly Fee for double occupancy associated with the Residence occupied by You. Your additional occupant and You shall be jointly and severally liable for each other's financial obligations and for all payments due under the addendum and this Agreement as described in Paragraph III.A. of this Agreement. If Your proposed additional occupant does not meet the requirements of Providence Point for admission, You may terminate this Agreement in the same manner as provided in Paragraph VI.B. hereof with respect to a voluntary termination.

G. **Divorce/Separation of Married Residents.** In the event that Residents, who were married to each other at the time of the execution of this Agreement, subsequently divorce and a dispute arises between the Residents over rights to any applicable refund, such refund shall be held by Providence Point until a legally binding property settlement is available or until the court with jurisdiction over the divorce proceeding shall issue an order to release such funds. The refund shall not be paid at the time one Resident permanently vacates the Residence and the other Resident remains in the Residence. The Resident who remains at Providence Point must retain and maintain sufficient assets/resources to provide for his/her future care. Consultation with Providence Point shall be necessary to determine the amount of resources needed for future care. The departing Resident shall remain jointly and severally liable for the remaining Resident's financial obligations under this Agreement.

H. **Separation of Unmarried Residents.** In the event that one Resident terminates this Agreement for any reason, the terminating Resident must ensure that the Resident who remains at Providence Point retains and maintains sufficient assets/resources to provide for his/her future care. Consultation with Providence Point shall be necessary to determine the amount of resources needed for future care. As described in Paragraph III.A. and Paragraph VI.F. of this Agreement, the departing Resident will remain jointly and severally liable for the financial obligations of the remaining Resident.

I. **Loss or Damage of Property.** Providence Point shall not be responsible for the loss or damage of any property belonging to You due to theft, disappearance, fire or any other cause. You shall carry insurance protection to cover personal loss. Providence Point shall insure all property within all residences and common areas belonging to Providence Point.

J. **Insurance and Assignments.** Before the Date of Occupancy and during Occupancy, You shall apply for, secure, and maintain coverage under Medicare Parts A and B and an additional hospital or medical insurance benefit program which supplements Medicare or other comparable insurance approved by Providence Point. You shall provide Providence Point with evidence of such

coverage, and You shall pay all premiums. To operate a vehicle, Resident shall maintain automobile liability insurance to cover liability and medical expenses arising from injury to the Resident or others.

You shall authorize, as necessary, any provider of hospital, medical, and health services to receive reimbursement under any and all reimbursement programs available to You.

If You are or become entitled to medical care and/or reimbursement from governmental agencies or insurance policies, You shall make application for such care and benefits, actively maintain such benefits, and You shall assign all insurance proceeds receivable to Providence Point to the extent necessary to reimburse Providence Point for all healthcare expenditures made by Providence Point on Your behalf.

K. **Right of Entry.** You hereby authorize employees or agents of Providence Point to enter the Residence for the purposes of repairs, regulatory inspections, fire drills, and in the event of an emergency.

L. **Rights to Property/Subordination.** The rights and privileges granted to You by this Agreement do not include any right, title or interest in any part of the personal property, land, buildings and improvements owned or administered by Providence Point. Your rights are primarily for services, with a contractual right of Occupancy. Nothing contained in this Agreement shall be construed to create the relationship of landlord and tenant between Providence Point and You. Any rights, privileges, or benefits under this Agreement, including Your right to a full or partial refund, shall be subordinate to any existing or subsequent mortgages or deeds of trust on any of the premises or to any other interest in the real property of Providence Point and to all amendments, modifications, replacements, or refinancing of any existing or subsequent mortgages or deeds of trust or to any liens or security interests held by secured creditors of Providence Point. This subordination provision means that the claims of secured creditors, in the event of Providence Point's bankruptcy or default on its financial obligations, shall be paid before You are entitled to receive any applicable refund. Upon request, You shall execute and deliver any document which may be required by Providence Point, or by the holder of any such mortgages or deeds of trust or other encumbrances, to effect such subordination or to confirm it.

M. **Residents' Council.** Residents of Providence Point have organized and are encouraged to participate in a Residents' Council and Residents' Committees which are open to all residents.

N. **Pets.** Pets may reside at Providence Point in accordance with current policies and procedures as outlined in the Resident Handbook, and upon completion of an Addendum to this Agreement. In the event that a pet passes away, the current Pet Addendum is null and void. The resident can request permission to obtain another pet by submitting a completed Pet Request Form to Administration. Final

approval to obtain a pet is at the sole discretion of Providence Point management and will be considered on a case by case basis with both resident and pet safety the priority. Upon approval, a new pet addendum will be required.

O. **The Operation of Vehicles.** Providence Point shall have an interest in the matter of Residents' on-going capabilities in the operation of automobiles and electric or motorized carts. The current policies and procedures for the use of automobiles and motorized carts at Providence Point are outlined in the Resident Handbook.

P. **Smoking.** For the safety and health of residents and employees, Providence Point is a smoke-free community. Residents and employees agree not to smoke while on community property and will communicate the smoke-free policy to their guests. Residents agree to notify Providence Point of any known violations of the smoking policy.

V. TRANSFERS OR CHANGES IN LEVELS OF CARE

A. **Voluntary Transfer Between Residences.** Upon approval by Providence Point, You may transfer from one residence to another. Prior to approval of such transfer, Providence Point may require that the Residence be reserved by a replacement resident. You shall have priority for selection of such residence over non-residents. There may be a fee charged for such a transfer.

1. **Transfer to a Residence with a Greater Entrance Fee.** Should You elect to transfer to a residence with a greater Entrance Fee, You will pay Providence Point an additional Entrance Fee equal to the difference between the Entrance Fee originally paid and the current Entrance Fee for the alternative residence. The alternate residence Entrance Fee shall be added to the initial Entrance Fee paid and shall be subject to the current amortization schedule of Your Entrance Fee Refund Plan selection indicated on Page One (1) of this Agreement. You will also pay the Monthly Fee associated with the alternative residence.

2. **Transfer to a Residence with a Lesser Entrance Fee.** Should You elect to transfer to a residence, which has a lesser Entrance Fee than You paid for Occupancy of the Residence initially designated under this Agreement, then, upon termination of this Agreement, the amount due to You from Providence Point is the remaining balance for the Entrance Fee originally paid for your initial residence. The amortization of the Entrance Fee shall continue to accrue to Providence Point based upon the terms of Your Entrance Fee Refund Plan selection indicated on Page One (1) of this Agreement. You will also pay the Monthly Fee associated with the alternate residence.

3. **Refunds Upon Transfer.** No refunds are paid upon transfer from one residence to another. Any funds due the Resident shall be paid in

accordance with the terms and conditions of Paragraph VI.E. of this Agreement.

B. **Transfer to the Healthcare Center.** You agree that Providence Point has the authority to determine that You should be transferred from one level of care to another level of care within Providence Point. Such determination shall be based on the professional opinion of Providence Point, and shall be made only after consultation to the extent practical with You, a representative of Your family, and Your attending physician.

C. **Transfer to Hospital or Other Facility.** If it is determined by Providence Point that You need care beyond that which can be provided by Providence Point, You may be transferred to a hospital or institution equipped to give such care. Such care, and transportation to receive such care, will be at Your expense. Such transfer will be made only after consultation to the extent possible with You, a representative of Your family, and Your attending physician.

D. **Surrender of Residence.** If a determination is made by Providence Point that any transfer described in Paragraph V.B. or V.C. is likely to be permanent in nature, You agree to vacate the Residence upon such transfer within Ninety (90) Days of written notice by Providence Point. During the first Thirty (30) Days of the Ninety (90) Day period, Providence Point will waive the Monthly Fee for Your Residence. From the Thirty-First (31st) Day through the Ninetieth (90th) Day, You will pay the Monthly Fee for the Residence, less the Discretionary Dollar allowance, on a pro-rata basis.

E. **Return to Residence After Transfer.** If Providence Point subsequently determines that You can resume occupancy in a residence comparable to that occupied by You prior to permanent transfer to the Healthcare Center or another facility, You shall have priority to such residence as soon as it becomes available. In the event You occupy a residence after being permanently transferred to the Healthcare Center, then You shall execute an addendum with Providence Point and pay the then current Monthly Fee for the residence. If you become eligible to occupy a residence after being permanently transferred to another facility, then You shall execute a new Residence and Services Agreement with Providence Point and pay the then current Entrance Fee and Monthly Fee for the residence.

F. **Entrance Fee Refunds.** Refunds of the Entrance Fee are made only under the terms specified in Paragraphs III.C. and VI.E. of this Agreement. Refunds will not be paid upon transfer from the Residence to the Healthcare Center.

VI. TERMINATION AND REFUND PROVISIONS

A. **Termination by You Prior to Occupancy.** After the lapse of the Seven (7) Day rescission period reflected in Paragraph VII. below, but prior to Occupancy, this Agreement may be terminated by You for any reason by giving written notice to

Providence Point. In the event of Your death, illness, injury or incapacity prior to Occupancy, then this Agreement shall automatically terminate. In the event of such termination, You shall receive a refund of the Entrance Fee paid by You, less any unpaid costs of any options and custom features selected by You and any restoration costs in accordance with the terms and conditions of Paragraph VI.E. of this Agreement.

Any such refund shall be paid by Providence Point within Sixty (60) Days following written receipt of Your request for such termination or automatic termination (as the case may be).

B. **Voluntary Termination After Occupancy.** At any time after Occupancy, You may terminate this Agreement by giving Providence Point Thirty (30) Days written notice of such termination. Any refunds due to You shall be payable as described in Paragraphs III.C. and VI.E.

C. **Termination Upon Death.** In the event of Your Death at any time after Occupancy, this Agreement shall terminate and the refund of the Entrance Fee paid by You shall be determined in the same manner described in Paragraphs III.C. and VI.E.

D. **Termination by Providence Point.** Providence Point may terminate this Agreement upon a determination of just cause and delivery of at least Thirty (30) Days Notice or such notice as is reasonable under the circumstances to You. Just cause may include, among other reasons, a material misrepresentation or omission made by You in Your General Information form, Personal Health History form, a Physician's Report of Physical Examination form or Confidential Financial Statement form; Your failure to make payment to Providence Point of any fees and charges due Providence Point within Sixty (60) Days of the date when due; Your failure to abide by the rules and regulations adopted by Providence Point; the breach of any of the terms and conditions of this Agreement; or a good faith determination in writing by the Medical Director and Executive Director of Providence Point that You are a danger to Yourself or others. In situations where You are a danger to Yourself or others, only such notice as is reasonably practicable under the circumstances will be provided to You, and termination may be effective immediately. The refund of the Entrance Fee paid to You shall be determined in the manner described in Paragraphs III.C. and VI.E. Also, Providence Point shall have the right to terminate this Agreement based on Providence Point's determination that Your condition will not permit adaptation to the living environment at Providence Point. In the event of such termination by Providence Point, Providence Point will refund the full Entrance Fee paid by You.

E. **Payment of Refunds.** Entrance Fee Refunds are payable upon Your move from the Providence Point campus and/or death, and the termination of this Agreement, but only after Providence Point has received a replacement Entrance Fee for Your most recently vacated Residence (i.e., apartment or patio home) from a new resident. Entrance Fee Refunds are not paid upon transfer to the Healthcare Center.

In cases of double occupancy, the permanent transfer from the Providence Point campus and/or death of one Resident will not terminate this Agreement as to the remaining Resident. Refunds shall not be paid until both Residents have vacated Providence Point and a replacement Entrance Fee for the Residence has been received. All refunds shall be paid to You or Your estate, or in cases of double occupancy, to the remaining Resident or Remaining Resident's estate, less any costs required to return the Residence to its original condition (normal wear and tear excepted); plus any costs owed by You to Providence Point; plus any costs required to remove and dispose of personal belongings left in the Residence; and within Sixty (60) Days of the receipt of a replacement Entrance Fee for the Residence. Providence Point may remove personal belongings deemed by Providence Point to have been abandoned by Resident, should such articles remain in the Residence Ninety (90) Days after the Date of Termination unless otherwise agreed to in writing by the parties.

F. **Further Obligations and Release Upon Termination.** Upon termination of this Agreement, Providence Point is released from any further obligations to You except for the delivery of personal property as limited by this Agreement, and the payment of any refund, if any refund is due. You are released from any further obligations to Providence Point after all of Your financial and indemnification obligations have been met under this Agreement. The provisions of Paragraph III.A. addressing joint and several liability for the financial obligations of Residents and the indemnification provision reflected in Paragraph X.N. survive the termination of this Agreement and shall remain in full force and effect.

VII. RIGHT OF RESCISSION

Notwithstanding anything herein to the contrary, this Agreement may be rescinded by You giving written notice of such rescission to Providence Point within Seven (7) Days following the execution of this Agreement. In the event of such rescission, You shall receive a full refund of the Entrance Fee paid by You. You shall not be required to move into Providence Point before the expiration of such Seven (7) Day period. Any such refund shall be paid by Providence Point within Sixty (60) Days following receipt of written notice of rescission pursuant to this paragraph.

VIII. FINANCIAL ASSISTANCE

Providence Point will not terminate this Agreement solely because Resident becomes unable to pay the Monthly Fee or any other charges or fees due to Providence Point, and will subsidize your payment of all such charges and fees, so long as your financial hardship was not caused by your willful dissipation of Your assets, you have exhausted all other forms of financial assistance from family and government subsidy programs, and Providence Point's Board of Directors determines that such subsidy may be provided without impairing the ability of Providence Point to operate on a sound financial basis. Any determination by Providence Point with regard to the granting of financial assistance shall be within the sole discretion of Providence Point. Residents receiving financial

assistance from Providence Point may be required to move to a residence with a lower Monthly Fee. Subsidies paid to You, and any costs associated with such subsidy, will be deducted from the refundable portion of the Entrance Fee due to You, when applicable.

IX. GRIEVANCE PROCEDURE

A. **Reporting Complaints.** If You believe that You are being mistreated in any way or Your rights have been or are being violated by staff or another resident, You may file a complaint with Providence Point and follow Providence Point's grievance procedure as described in the Resident Handbook. You are obligated to notify Providence Point of any such complaints, and to follow the grievance procedure before pursuing arbitration.

B. **Mandatory, Binding Arbitration.** Arbitration is a specific process of dispute resolution utilized instead of the traditional state or federal court system. Instead of a judge and/or jury determining the outcome of a dispute, a neutral third party ("Arbitrator(s)") chosen by the parties to this Agreement renders the decision, which is binding on both parties. Generally, an Arbitrator's decision is final and not open to appeal. The Arbitrator will hear both sides of the story and render a decision based on fairness, law, common sense and the rules established by the Arbitration Association selected by the parties. When Arbitration is mandatory, as it is under this Agreement, it is the only legal process available to the parties. Mandatory Arbitration has been selected with the goal of reducing the time, formalities and cost of utilizing the court system. You or, in the event of Your incapacity, Your authorized representative have the right to rescind this arbitration clause in accordance with the terms and conditions specified in Paragraph IX.B.8. of this Agreement.

1. **Contractual and/or Property Damage Disputes.** Any controversy, dispute, disagreement or claim of any kind or nature, arising from, or relating to this Agreement, or concerning any rights arising from or relating to an alleged breach of this Agreement, with the exception of (i) guardianship proceedings resulting from Your alleged incapacity; (ii) collection actions initiated by Providence Point for nonpayment; and (iii) disputes involving amounts in controversy of less than Twelve Thousand Dollars ($12,000), shall be settled exclusively by arbitration. This means that You will not be able to file a lawsuit in any court to resolve any disputes or claims that You may have against Providence Point. It also means that You are relinquishing or giving up all rights that You may have to a jury trial to resolve any disputes or claims against Providence Point. It also means that Providence Point is giving up any rights it may have to a jury trial or to bring claims in a court against You. Subject to Paragraph IX.B.6., the Arbitration shall be administered by ADR Options, Inc., in accordance with the ADR Options Rules of Procedure, and judgment on any award rendered by the arbitrator(s) may be entered in any court having appropriate jurisdiction. You acknowledge and understand

that there will be no jury trial on any claim or dispute submitted to arbitration, and You relinquish and give up Your rights to a jury trial on any matter submitted to arbitration under this Agreement.

2. **Personal Injury or Medical Malpractice.** Any claim that You may have against Providence Point for any personal injuries sustained by You arising from or relating to any alleged medical malpractice, inadequate care, or any other cause or reason while residing in Providence Point, shall be settled exclusively by arbitration. This means that You will not be able to file a lawsuit in any court to bring any claims that You may have against Providence Point for personal injuries incurred while residing in Providence Point. It also means that You are relinquishing or giving up all rights that You may have to a jury trial to litigate any claims for damages or losses allegedly incurred as a result of personal injuries sustained while residing in Providence Point. Subject to Paragraph IX.B.6., the Arbitration shall be administered by ADR Options, Inc., in accordance with the ADR Options Rules of Procedure, and judgment on any award rendered by the arbitrator(s) may be entered in any court having appropriate jurisdiction. You acknowledge and understand that there will be no jury trial on any claim or dispute submitted to arbitration, and You relinquish and give up Your right to a jury trial on any claims for damages arising from personal injuries to You which are submitted to arbitration under this Agreement.

3. **Exclusion from Arbitration.** Those disputes which have been excluded from mandatory arbitration (i.e., guardianship proceedings, collection actions initiated by Providence Point and disputes involving amounts in controversy of less than $12,000) may be resolved through the use of the judicial system. In situations involving any of the matters excluded from mandatory arbitration, neither You nor Providence Point are required to use the arbitration process. Any legal actions related to those matters may be filed and litigated in any court which may have jurisdiction over the dispute.

4. **Right to Legal Counsel.** You have the right to be represented by legal counsel in any proceedings initiated under this arbitration provision. Because this arbitration provision addresses important legal rights, Providence Point encourages and recommends that You obtain the advice and assistance of legal counsel to review the legal significance of this mandatory arbitration provision prior to signing this Agreement.

5. **Location of Arbitration.** The Arbitration will be conducted at a site selected by Providence Point, which may be at Providence Point or at a site within a reasonable distance of Providence Point.

6. **Time Limitation for Arbitration.** Any request for arbitration of a dispute must be requested and submitted to ADR Options, Inc., with notice to the other party, prior to the lapse of two (2) years from the date on which the event giving rise to the dispute occurred. ADR Options, Inc., is the designated arbitration agency that shall hear disputes specified in Paragraphs IX.B.(1-2) of this Agreement. ADR Options, Inc., is an impartial alternative dispute resolution organization that provides a panel of neutral third party arbitrators from which You and Providence Point, upon mutual agreement, shall select an arbitrator to facilitate dispute resolution. In the event ADR Options, Inc., is unable or unwilling to serve, then the request for Arbitration must be submitted to Providence Point within thirty (30) days of receipt of notice or other determination of ADR Options, Inc.'s, unwillingness or inability to serve as a neutral arbitrator. Providence Point shall select an alternative neutral arbitration service within thirty (30) days thereafter and the selected Arbitration Agency's procedural rules shall apply to the arbitration proceeding. The failure to submit a request for Arbitration to ADR Options, Inc., or an alternate neutral arbitration service selected by Providence Point, within the designated time (i.e., two (2) years) shall operate as a bar to any subsequent request for Arbitration, or for any claim for relief or a remedy, or to any action or legal proceeding of any kind or nature, and the parties will be forever barred from arbitrating or litigating a resolution to any such dispute. Contact information for ADR Options, Inc., is as follows:

Two Commerce Square, Suite 1100
2001 Market Street
Philadelphia, PA 19103-7044
Phone: (215) 564-1775/ (800) 364-6098
Fax: (215) 564-1822
Website: www.adroptions.com

7. **Allocation of Costs for Arbitration.** The costs of the arbitration shall be borne equally by each party, and each party shall be responsible for their own legal fees.

8. **Limited Resident Right to Rescind this Mandatory, Binding Arbitration Clause (Paragraph IX.B.(1-11) of this Agreement).** You or, in the event of Your incapacity, Your authorized representative have the right to rescind this arbitration clause by notifying Providence Point in writing within thirty (30) days of the execution of this Agreement. Such notice must be sent via certified mail to Providence Point, and the notice must be post-marked within thirty (30) days of the execution of this Agreement. The notice may also be hand-delivered to Providence Point within the same thirty (30) day period. The filing of a claim in a court of law within the thirty (30) days provided for above will automatically rescind the arbitration clause without any further action by You or Your authorized representative.

9. **Not a Condition of Admission or Continued Stay.** Mandatory arbitration is not required as a condition of admission or continued stay in Providence Point.

10. **Confidentiality.** You agree that, at all times, You will keep any information regarding the arbitration proceeding, including rulings, decisions and awards by the arbitrator, confidential and will not disclose voluntarily to any third party, except to the extent required by law. You are permitted to disclose that the matter has been resolved, without disclosing the results of the arbitration proceeding.

11. **Severability of Arbitration Clause (Paragraph IX.B.(1-11) of this Agreement).** If any provision of this arbitration clause is determined by a judicial or administrative tribunal of proper jurisdiction to be invalid or unenforceable, such provision shall be severed and the balance of this arbitration clause shall remain in full force and effect.

X. GENERAL

A. **Assignment.** Your rights and privileges under this Agreement to the Residence, common areas, amenities, services and programs of Providence Point are personal to You and may not be transferred or assigned. Resident consents to the collateral, or other, assignment by Providence Point of its right, title and interest in the Agreement.

B. **Management of Providence Point.** The absolute rights of management are reserved by Providence Point, its Board of Directors, and its administration as delegated by said Board of Directors. Providence Point reserves the right to accept or reject any person for residency. Residents do not have the right to determine admission, terms of admission, or terms of occupancy for any other applicant or resident.

C. **Entire Agreement.** This Agreement and its Addenda constitutes the entire agreement between Providence Point and You. Providence Point shall not be liable or bound in any manner by any statements, representations, or promises made by any person representing or assuming to represent Providence Point, unless such statements, representations, or promises are set forth in this Agreement or an Addendum to this Agreement.

D. **Successors and Assigns.** Except as set forth herein, this Agreement shall bind and inure to the benefit of the successors and assigns of Providence Point and Your heirs, executors, administrators, and assigns.

E. **Power of Attorney, Will and Healthcare Power of Attorney.** You agree to execute a general Power of Attorney designating a competent person as agent and you are strongly encouraged to execute a Healthcare Power of Attorney. You shall provide Providence Point with copies of Power of Attorney, Healthcare Power of Attorney and any Living Will associated with the Healthcare Power of Attorney prior to Occupancy. Additionally, it is recommended that you notify Providence Point of your current Will location.

F. **Transfer of Property.** You agree not to make any gift or other transfer of property for less than equal consideration for the purpose of evading Your obligations under this Agreement, or if such gift or transfer would render You unable to meet Your obligations to Providence Point.

G. **Governing Law.** This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

H. **Third Party Injuries and Claims.** You shall promptly notify Providence Point when You are injured as a result of the fault or negligence of a third party or parties. In the event that Providence Point provides care for any such injuries incurred by You as can be furnished by its employees and facilities, You hereby

assign to Providence Point any compensation that You may recover from such third party or parties to the extent necessary to reimburse Providence Point for the cost of such care furnished by Providence Point. You or Your legal representative shall have the duty to pursue diligently any and all proper claims for compensation due from a third party or parties for injury to You and to cooperate with Providence Point in collecting such compensation and reimbursing Providence Point for the cost of all such care provided to You.

I. **Severability and Forbearance.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of the Agreement shall be valid and enforceable to the fullest extent permitted by law. No act of forbearance or failure to insist upon prompt performance of any of the terms of this Agreement by Providence Point shall be construed as a waiver of rights granted to Providence Point, or limit Providence Point's ability to enforce all the provisions of this Agreement.

J. **No Waiver of Rights.** No act, agreement or statement of Resident, or of an individual purchasing care for a Resident under any agreement to furnish care to Resident, shall constitute a valid waiver of any provision of the Continuing Care Provider Registration and Disclosure Act of June 18, 1984, P.L. 391, No. 82, Sections 1-25, 40, P.S. Section 3201 et. seq., (Act 82), intended for the benefit or protection of Resident or the individual purchasing care for Resident.

K. **Casualty Loss.** In the event the Residence occupied by You or the building in which the Residence is located, is destroyed or so damaged by fire or other casualty so as to render the Residence or the building generally unfit for occupancy, Providence Point will endeavor in good faith to rebuild and replace the Residence and/or building with substantially similar accommodations unless doing so would threaten the financial viability of Providence Point. In the unlikely event that Providence Point determines that rebuilding threatens the financial viability of Providence Point so as to preclude replacement of the Residence or building, then Providence Point will strive to develop an alternative restoration plan in which it will exercise its best efforts to locate, identify or provide, if financially feasible as determined by Providence Point, reasonable alternative accommodations for any resident affected by such a catastrophic loss. In the event that Providence Point elects to terminate this Agreement, written notice of termination shall be given to You within Thirty (30) days from the date of the damage to the Residence. If notice of termination is not given, or if the damage does not render the Residence unfit for occupancy, Providence Point shall be obligated to rebuild or repair the damage to the Residence as soon as reasonably possible for occupancy by You, and this Agreement shall remain effective unless the parties may otherwise mutually agree. In the event You are unable to occupy the Residence for any period of time during any reasonably

necessary period of restoration of the Residence, the Monthly Fee shall be reduced proportionately, unless a vacant Residence is available for temporary occupancy by You. Providence Point shall not be liable for any damage, compensation or claim by reason of inconvenience or annoyance arising from the necessity of repairing any portion of the Residence or building, or the interruption in use of the Residence, or the termination of this Agreement by reason of the destruction of the Residence or building.

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

Executive Director
Providence Point
500 Providence Point Boulevard
Pittsburgh, PA 15243

M. **Acknowledgement of Document Receipt.** You acknowledge receipt of Providence Point's Disclosure Statement, Resident Handbook and Notice of Privacy Practices and Policies.

N. **Indemnification.** You shall indemnify and hold Providence Point harmless from and against, and are responsible to pay for, any damages, including its attorneys' fees and reasonable costs, including those incident to establishing the right to indemnification, arising from any injury to or death of any person or other resident, or arising from any damage to or loss of the property of any person or resident, caused by Your acts or omissions, to the fullest extent permitted by law.

IN WITNESS HEREOF, Providence Point has executed this Agreement and You have read, understand, and have executed this Agreement, and You have paid the Ten Percent (10%) Deposit for the Residence as of the day and year above written.

_____	_____
Witness	Resident
_____	_____
Witness	Resident

PROVIDENCE POINT

_____
Executive Director

_____
Date

_____
Representative from Providence Point

_____
Date

Addenda to the Agreement

1.	_____ Date	_____ Initials
2.	_____ Date	_____ Initials
3.	_____ Date	_____ Initials

BAPTIST HOMES SOCIETY

EXHIBIT "E"

Services Available for an Additional Charge
July 1, 2023

Copies / Faxes

Photocopy	$ 0.20 per page	Fax	$ 1.00

Communication Services

Telephone	$ 1.50 per day
Internet	1.50 per day
Wireless Internet Equipment	7.50 per month
Service Disconnect/Reconnect Fee	50.00 per occurrence
Emergency Pendant	16.00 per month
Emergency Pendant Replacement	220.00 each

Dietary / Catering

Chef	$53.00 per hour
Cook	30.00 per hour
Server	75.00 (4 hour minimum)
Room Service	5.40 per apartment/patio home for Residents only. Additional room service charges apply for large groups.

Special Event Set Up Fees

Table set up	$ 6.55 each
Chair set up	2.75 per chair
Table Skirting	21.80 each
Tablecloth	7.40 per table
Sterno	2.06 each
Coffee Urn	65.50 each
Punch Bowl	10.90 each
Chafers	32.75 each
China (complete setting)	22.40 per person
Tent Rental	89.40 each

Environmental Services

Mechanic	$50.00 per hour
Housekeeping	30.00 per hour
Maintenance	35.00 per hour
Recycling Bags	0.12 each
Sharps Container	5.00 each

IT Services

Computer Technical Support	$1.00 per minute (15-minute minimum)
Computer Clean Up	1.00 per minute (15-minute minimum)

Guest Room Charges

Overnight accommodations, including continental breakfast	$95.00 + tax

Transportation (6 am – 6 pm)*

Medical (0-5 mile radius)	No charge
Beyond 5-mile radius	$ 4.00 per mile
Personal*	4.00/mile
Wait Fee *(driver waits during medical/personal trip)*	60.00 per hour
Trip to Airport	75.00
Scheduled Trips/Events	
Weekly Scheduled Shopping/Church	No charge
Scheduled Events	Charges communicated by Event Planner prior to each event.

Other

Key/Fob Replacement	$ 60.00 per fob
	5.00 per mailbox key
	10.00 per residence key
Second Indoor Parking Garage Space	$110.00 per month

* Personal trips made during other hours can be made directly through taxi services or other transport providers.

Salon Charges

SALON PRICING

Effective January 1, 2024

LADIES:

Shampoo	$10
Shampoo and Set	$30
Shampoo, Blow Dry and Curling Iron	$30
Up Do's	$35
Hair Cut	$33
Hair Cut with Shampoo and Set	$55
Hair Cut with Blow dry and Iron	$55
Hair Cut with Shampoo and Blow dry	$43
Hair Color with Style	$70
Highlights (Style Extra)	$67
Perm with Style	$76
Hair Conditioning Treatments	$5
Comb Out	$15
Fermodyl Treatment	$8
Toppiks	$8
Temporary Color Rinses:	$3
Variety of Colors Available	

NAIL SERVICES:

Manicure	$25
Polish Change	$17
Finger Nails Cut	$18
Toe Nails Cut	$72
Pedicure	$45

MEN:

Hair Cut	$21
Beard and Mustache Trim	$17
Shaving with Electric Razor	$16

FACIAL WAXING:

Eye Brow Wax	$17
Lip Wax	$17
Chin Wax	$17
Paraffin Dip	$17

FACIALS:

1/2 Hour (Cleanse/exfoliate/massage/moisturizer)	$40
1 Hour (Cleanse/exfoliate/massage/moisturizer/mask)	$80

BAPTIST HOMES SOCIETY
EXHIBIT "F"

Table Showing Frequency and Average Dollar Amount of Each Increase in Periodic Rates for the Previous 5 Years (Personal Care, Memory Support and Nursing Care Rates)

Rate Increases	July 2020	July 2021	July 2022	July 2023	July 2023
Nursing Center	$13/day 4.0%	$13/day 4.0%	$22/day 5%	$23/day 5%	$25/day 5%
Fee for Service	$433	$446	$468	$491	$516
Modified Contract	$398	$410	$431	$452	$475
Personal Care	$0/day 0.0%	$7-10/day 3.0%	$10-16/day 5.0%	$11-17/day 5.0%	$11-18/day 5.0%
Fee for Service					
Level 1	$209	$217	$228	$239	$251
Level 2	$251	$261	$274	$288	$302
Level 3	$286	$298	$313	$329	$345
Level 4	$309	$321	$337	$354	$372
Modified Contract					
Level 1	$199	$206	$216	$227	$238
Level 2	$238	$248	$260	$273	$287
Level 3	$272	$283	$297	$313	$327
Level 4	$294	$305	$320	$336	$353
Memory Support	$0/day 0.0%	$5-6/day 2.0%	$14-17/day 5.0%	$14-19/day 5.0%	$14-19/day 5.0%
Fee for Service					
Level 1	$270	$276	$290	$305	$320
Level 2	$310	$316	$332	$349	$366
Level 3	$331	$337	$353	$372	$391
Level 4	$343	$349	$365	$384	$403
Modified Contract					
Level 1	$257	$262	$276	$290	$304
Level 2	$295	$300	$315	$332	$348
Level 3	$314	$320	$336	$353	$371
Level 4	$326	$332	$348	$365	$383

BAPTIST HOMES SOCIETY

EXHIBIT "G"

Average Cost of Providing Care and Services during the Most Recent 12 Months

EXPENSES The total expenses include salaries and wages, employee benefits, other expenses, depreciation, and interest	$45,180,484
Total Expenses Divide by: resident days	$45,180,484/ 178,320
Average annual cost per resident day	$253.37 X 366
Average annual cost per resident	$92,733

BAPTIST HOMES SOCIETY

EXHIBIT "H"

Audited Financial Statements

bakertilly

Baptist Senior Services and Controlled Entities d/b/a Baptist Senior Family

Consolidated Financial Statements
and Supplementary Information

June 30, 2024 and 2023

Baptist Senior Services and Controlled Entities
d/b/a Baptist Senior Family

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June 30, 2024 and 2023

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Independent Auditors' Report

To the Board of Directors of
Baptist Senior Services and Controlled Entities
d/b/a Baptist Senior Family

Opinion

We have audited the consolidated financial statements of Baptist Senior Services and Controlled Entities d/b/a Baptist Senior Family (the Corporation), which comprise the consolidated balance sheets as of June 30, 2024 and 2023, and the related consolidated statements of operations, changes in net deficit and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as of June 30, 2024 and 2023, and the changes in their net deficit and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 26 through 29 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net (deficit) assets and cash flows of the individual organizations and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Baker Tilly US, LLP

New Castle, Pennsylvania
September 27, 2024

Baptist Senior Services and Controlled Entities
d/b/a Baptist Senior Family

Consolidated Balance Sheets
June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	$ 1,144,738	$ 1,500,040
Assets whose use is limited	5,882,379	5,754,489
Accounts receivable, residents	1,070,853	1,361,295
Accounts receivable, entrance fees	1,337,360	2,500,510
Current portion of contributions receivable	10,000	1,000,000
Prepaid expenses and other current assets	601,952	615,108
Provision for credit losses		
Total current assets	10,047,282	12,731,442
Investments	4,575,997	2,462,569
Assets Whose Use Is Limited	5,610,584	6,897,107
Assets Whose Use Is Limited, Act 82 Reserves	8,691,008	8,827,962
Contributions Receivable	1,578,684	2,158,608
Property and Equipment, Net	175,759,161	177,322,282
Deferred Contract Acquisition Costs, Net	1,053,478	983,339
Other Assets	446,183	421,913
Total assets	$ 207,762,377	$ 211,805,222

	2024	2023
Liabilities and Net Deficit		
Current Liabilities		
Current maturities of long-term debt	$ 3,001,607	$ 2,853,709
Accounts payable, trade	1,360,375	1,526,129
Accrued payroll and related liabilities	329,138	221,320
Accrued interest	3,834,683	3,886,889
Accrued compensated absences	703,286	670,360
Total current liabilities	9,229,089	9,158,407
Long-Term Debt	147,664,433	150,464,210
Entrance Fee Deposits	1,181,210	967,980
Deferred Revenue From Entrance Fees	44,669,233	43,225,944
Refundable Entrance Fees	102,760,622	103,388,936
Other Liabilities	2,115,679	2,155,289
Total liabilities	307,620,266	309,360,766
Net (Deficit) Assets		
Without donor restrictions	(102,543,159)	(100,070,345)
With donor restrictions	2,685,270	2,514,801
Total net deficit	(99,857,889)	(97,555,544)
Total liabilities and net deficit	$ 207,762,377	$ 211,805,222

See notes to consolidated financial statements

Baptist Senior Services and Controlled Entities
d/b/a Baptist Senior Family

Consolidated Statements of Operations
Years Ended June 30, 2024 and 2023

	2024	2023
Operating Revenues		
Net resident service revenues	$ 39,809,874	$ 37,198,447
Other operating revenue	1,403,817	1,144,402
Provider Relief Funds	-	87,582
Net assets released from restrictions used for operations	36,491	144,633
Total operating revenues	41,250,182	38,575,064
Operating Expenses		
Provision for credit losses	22,927,826	22,470,223
Interest	8,820,802	9,271,358
Depreciation and amortization	8,109,148	7,668,006
Administration	5,096,532	5,331,988
Insurance	581,622	421,188
Total operating expenses	45,535,930	45,162,763
Operating loss	(4,285,748)	(6,587,699)
Nonoperating Revenues (Expenses)		
Contributions and special events	687,875	1,564,275
Investment income	1,598,210	767,615
Fundraising expenses	(392,639)	(360,843)
Loss on refinancing	-	(338,796)
Loss on disposal of property and equipment	(155,366)	-
Other nonoperating expenses	16,071	(13,241)
Total nonoperating revenues, net	1,754,151	1,619,010
Revenues less than expenses from continuing operations	(2,531,597)	(4,968,689)
Net Assets Released From Restrictions Used for Purchase of Property and Equipment	58,783	101,218
Discontinued Operations	-	(3,310,829)
Increase in net deficit without donor restrictions	$ (2,472,814)	$ (8,178,300)

See notes to consolidated financial statements

Baptist Senior Services and Controlled Entities
d/b/a Baptist Senior Family

Consolidated Statements of Changes in Net Deficit
Years Ended June 30, 2024 and 2023

	2024	2023
Net Deficit Without Donor Restrictions		
Revenues less than expenses from continuing operations	$ (2,531,597)	$ (4,968,689)
Net assets released from restrictions used for purchase of property and equipment	58,783	101,218
Discontinued operations	-	(3,310,829)
Increase in net deficit without donor restrictions	(2,472,814)	(8,178,300)
Provision for credit losses		
Contributions	249,240	54,027
Interest and dividends, net of investment fees	5,119	5,367
Realized and unrealized gains on investments	11,384	1,280
Net assets released from restrictions used for purchase of property and equipment	(58,783)	(101,218)
Net assets released from restrictions used for operations	(36,491)	(144,633)
Increase (decrease) in net assets with donor restrictions	170,469	(185,177)
Change in net deficit	(2,302,345)	(8,363,477)
Net Deficit, Beginning	(97,555,544)	(89,192,067)
Net Deficit, Ending	$ (99,857,889)	$ (97,555,544)

See notes to consolidated financial statements

Baptist Senior Services and Controlled Entities
d/b/a Baptist Senior Family

Consolidated Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Change in net deficit	$ (2,302,345)	$ (8,363,477)
Adjustments to reconcile change in net deficit to net cash provided by (used in) operating activities:		
Depreciation and amortization	8,109,148	8,013,937
Amortization of deferred financing costs	134,940	144,813
Amortization of original issue discount	66,890	67,865
Net realized and unrealized gains on investments and assets whose use is limited	(854,019)	(417,173)
Provision for credit losses	8,491	56,934
Amortization of entrance fees	(6,428,371)	(5,230,698)
Entrance fees used for healthcare services	(247,124)	(161,261)
Proceeds from nonrefundable entrance fees, resale units	8,338,824	4,782,594
Contributions receivable	1,569,924	(933,428)
Restricted contributions	(901,129)	(95,050)
Proceeds from sale of property and equipment	-	88,525
Loss on disposal of property and equipment	155,366	1,077,053
Changes in assets and liabilities:		
Accounts receivable, residents	281,951	(12,766)
Prepaid expenses and other current assets	13,156	(233,884)
Accounts payable, trade	(165,754)	(1,458,522)
Accrued payroll and related liabilities	107,818	(31,944)
Accrued interest	(52,206)	74,148
Accrued compensated absences	32,926	(53,020)
Other liabilities	(83,843)	(193,795)
Net cash provided by (used in) operating activities	7,784,643	(2,879,149)
Cash Flows From Investing Activities		
Purchase of property and equipment	(6,487,459)	(2,822,534)
Net change in assets whose use is limited	1,513,732	4,125,282
(Decrease) increase in other assets	(24,270)	107,510
Net (purchases) sales of investments	(1,255,747)	3,449,210
Net cash (used in) provided by investing activities	(6,253,744)	4,859,468
Cash Flows From Financing Activities		
Proceeds from refundable entrance fees, resale units	9,027,819	6,289,012
Proceeds from restricted contributions	249,240	45,050
Proceeds from collections, contributions receivable	651,889	50,000
Repayment of long-term debt	(2,853,709)	(2,834,798)
Refunds of entrance fees	(8,668,790)	(14,823,081)
Increase in entrance fee deposits	213,230	401,780
Deferred contract acquisition costs incurred	(284,073)	(122,796)
Net cash used in financing activities	(1,664,394)	(10,994,833)
Net decrease in cash, cash equivalents and restricted cash and cash equivalents	(133,495)	(9,014,514)
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	17,043,681	26,058,195
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 16,910,186	$ 17,043,681

See notes to consolidated financial statements

Baptist Senior Services and Controlled Entities
d/b/a Baptist Senior Family

Consolidated Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents		
Cash and cash equivalents	$ 1,144,738	$ 1,500,040
Assets whose use is limited, Act 82 reserves	8,691,008	8,827,962
Assets whose use is limited:		
Funds held under trust indenture	5,882,379	5,754,489
Escrow deposits	1,192,061	961,190
Total cash, cash equivalents and restricted cash and cash equivalents	$ 16,910,186	$ 17,043,681
Supplemental Disclosure of Cash Flow Information		
Interest paid	$ 8,671,178	$ 8,984,532
Disclosure of Noncash Financing Activity		
Debt repaid by sale of building	$ -	$ 1,174,087

See notes to consolidated financial statements

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Principles of Consolidation

Baptist Senior Services and Controlled Entities d/b/a Baptist Senior Family (the Corporation) are collectively a Christian-centered, not-for-profit organization, which provides healthcare-related and other supportive services to persons of all faiths who are in need because of age or disability. The consolidated financial statements include the following organizations, all located in Pennsylvania:

- Baptist Senior Services is a not-for-profit corporation established as a parent organization to provide administrative and management services to its controlled entities.

- Baptist Homes Society (BHS) is a not-for-profit corporation established to own and operate two continuing care retirement communities, "Baptist Homes" and "Providence Point", both located in Pittsburgh, Pennsylvania. Baptist Homes consists of 100 subsidized independent living apartments. Providence Point consists of 42 skilled nursing residences, 42 personal care residences, 20 memory support residences, 35 independent living patio homes and 291 independent living apartment residences. Effective October 2022, Baptist Homes closed 126 skilled nursing beds as well as 54 personal care residences.

  BHS received a Certificate of Authority from the Pennsylvania Insurance Department to operate as a Continuing Care Retirement Community (CCRC) under the Pennsylvania Continuing Care Provider Registration and Disclosure Act (Act 82).

- Baptist Homes Foundation (the Foundation) is a not-for-profit corporation established to raise and hold funds for the benefit of the Corporation and its controlled entities.

- Baptist Management Services, Inc. (BMS) is a for-profit corporation established to provide management services to unrelated healthcare organizations.

- Providence Home Care, Inc. (PHC) is a for-profit corporation established to provide home care services to residents of the Corporation's campuses. PHC closed operations in fiscal year 2023.

- Providence at Home (PAH) is a not-for-profit corporation established to provide care coordination, management and access to a comprehensive range of long-term care and services. The Certificate of Authority was received from the Pennsylvania Department of Insurance prior to June 30, 2021, and operations began in fiscal year 2022. PAH closed operations in fiscal year 2023.

All significant intercompany balances and transactions have been eliminated in consolidation. The Board of Directors of Baptist Senior Services appoints the board members of the affiliated entities and maintains reserve powers over those entities.

Subsequent Events

The Corporation evaluated subsequent events for recognition or disclosure through September 27, 2024, the date the consolidated financial statements were issued.

Use of Estimates

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

Cash, Cash Equivalents and Restricted Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, cash, cash equivalents and restricted cash and cash equivalents include investments in highly liquid debt instruments purchased with an initial maturity of three months or less.

Accounts Receivable, Residents

The Corporation assesses collectability on all resident accounts prior to providing services. An allowance for credit losses is recognized to reduce accounts receivable to its net realizable value for impairment of revenues for changes in resident credit worthiness. The allowance is estimated by management during periodic review of individual accounts and based on factors such as aging of the accounts receivable and anticipated collection of the consideration. Accounts are written off through credit loss expense when the Corporation has exhausted all collection efforts and accounts are deemed impaired. The allowance for credit losses was approximately $103,000 at June 30, 2024 and $122,000 at June 30, 2023.

Contributions Receivable

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the net present value of their estimated cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the pledges are received. Amortization of discounts is included in contributions with donor restrictions in the consolidated statements of changes in net deficit.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value based on quoted market prices. Investment income or loss (including net realized and unrealized gains and losses on investments, interest and dividends, net of investment fees) is included in revenues less than expenses unless restricted by donor or law. Interest income is recorded as earned on the accrual basis using the effective yield method. Dividends are recorded on the accrual basis based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade date basis.

Although the Corporation's investments are comprised of a variety of financial instruments, the related fair values, as presented in the consolidated financial statements, are subject to various market risks, including changes in the equity markets, the interest rate environment and economic conditions. Due to the level of risk associated with investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the fair value of investments reported in the accompanying consolidated balance sheets could materially change in the near term.

Assets Whose Use is Limited

Assets whose use is limited includes assets designated by donor restrictions; funds held under trust indenture; assets designated by the Board of Directors for workers' compensation claims; escrow deposits held for prospective residents of Providence Point; assets reserved to comply with requirements of Act 82; and residents' security deposits. Amounts available to meet current liabilities are classified as current assets in the consolidated balance sheets.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which generally range from 5 to 25 years for land improvements, 10 to 40 years for building and improvements, 5 to 15 years for permanent and moveable fixtures and 5 years for vehicles. The Corporation's capitalization policy is to review invoices in excess of $500 to determine if they should be capitalized. Depreciation expense was $7,895,214 in 2024 and $7,857,626 in 2023. Depreciation expense of $345,931 is included in discontinued operations on the accompanying consolidated statements of operations in 2023.

Impairment of Property and Equipment

Property and equipment are evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. If expected cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the assets. Management determined property and equipment was not impaired at June 30, 2024 and 2023.

Deferred Contract Acquisition Costs

The Corporation capitalizes costs of obtaining independent living contracts that would not have been incurred had the contract not been obtained (direct sales commissions). These costs are amortized over the annually adjusted estimated remaining life expectancy of the residents using the straight-line method. Contract acquisition costs of $284,073 and $122,796 were incurred in 2024 and 2023, respectively. Amortization was $213,934 in 2024 and $156,311 in 2023.

Deferred Financing Costs

Deferred financing costs are being amortized over the term of the long-term debt using the effective interest method and are reported in the accompanying consolidated balance sheets as a reduction of long-term debt. Amortization was $134,940 in 2024 and $144,813 in 2023, all of which was included as a component of interest expense in the accompanying consolidated statements of operations. In 2023, deferred financing costs of $28,503 related to the 2019 Mortgage were written off upon sale of the related building and are included in loss on disposal of property and equipment in the accompanying consolidated statements of operations.

Original Issue Discount

The original issue discount on the Series 2015 Bonds (Note 7) is being amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest method. The unamortized original issue discount is reported as a reduction of long-term debt. Amortization expense on the original issue discount was $66,890 in 2024 and $67,865 in 2023, and is included as a component of interest expense in the accompanying consolidated statements of operations.

Entrance Fee Deposits

Entrance fee deposits include deposits paid by prospective independent living residents. Entrance fee deposits were $1,181,210 at June 30, 2024 and $967,980 at June 30, 2023. The deposits are generally refundable if a continuing care contract is not executed.

Deferred Revenue From Entrance Fees

Under entrance fee plans for Providence Point's independent living units, entrance fees paid by a resident are either 100% nonrefundable, or 50%, 90% or 96% refundable to the resident or the resident's estate upon termination of the contract, re-occupancy of the unit and receipt of the replacement entrance fee. The nonrefundable portion is recorded as deferred revenue from entrance fees and is being amortized to income using the straight-line method over the annually adjusted estimated remaining life expectancy of the resident. The refundable portion is recorded as refundable entrance fees in the consolidated balance sheets.

Entrance fees under an existing residency agreement at Baptist Homes paid by a resident for an apartment are nonrefundable, and are being amortized over the annually adjusted estimated remaining life expectancy of the resident.

Contractual refund obligations under existing resident contracts were approximately $112,869,000 at June 30, 2024 and $113,561,000 at June 30, 2023.

Future Service Obligation

The Corporation calculates the present value of the net cost of future service and use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from entrance fees. If the present value of the net obligation to future service and use of facilities exceeds the deferred revenue from entrance fees, a liability is recorded with the corresponding charge to income. There is no estimated liability at June 30, 2024 and 2023.

Net Resident Service Revenues

Net resident service revenues are reported at the amount that reflects the consideration the Corporation expects to receive in exchange for goods and services provided. These amounts are due from residents or third-party payors and include variable consideration for retroactive adjustments, if any, under reimbursement programs. Performance obligations are determined based on the nature of the goods and services provided. Net resident service revenues are recognized as performance obligations are satisfied.

Net resident service revenues are primarily comprised of the following revenue streams:

Skilled Nursing

Skilled nursing revenues are derived from providing skilled nursing services to residents at a stated daily fee, net of any contractual adjustments from third-party payors. Skilled nursing revenues are recognized on a daily basis as services are rendered. The Corporation has determined that the services included in the daily fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided.

Personal Care

Personal care revenues are derived from providing personal care services to residents at a stated daily fee. Personal care revenues are recognized on a daily basis as services are rendered. The Corporation has determined that the services included in the daily fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided.

Independent Living

Independent living revenues are derived from: (a) stated monthly fees for providing housing to residents; and (b) the nonrefundable portion of entrance fee contracts entered into with residents. Independent living monthly fees are recognized on a month-to-month basis. The Corporation has determined that the services included in the monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided.

Independent living revenue from nonrefundable entrance fees received are recognized through amortization of the nonrefundable entrance fee using the straight-line method over the annually adjusted estimated remaining life expectancy of the resident. The unamortized portion is classified as deferred revenue from entrance fees in the consolidated balance sheets. Amortization of nonrefundable entrance fees included in net resident service revenues was $6,428,371 in 2024 and $5,230,698 in 2023. The guaranteed refund component of entrance fees is not amortized to income and is classified as refundable entrance fees in the accompanying consolidated balance sheets.

Ancillary Services

Ancillary service revenues are derived from services provided primarily to skilled nursing residents for pharmacy, physical therapy, occupational therapy, speech therapy and other healthcare related services, including home care services, at a stated fee, net of any contractual adjustments from third-party payors. Each service provided is capable of being distinct, and thus, the services are considered individual and separate performance obligations which are satisfied and recognized as services are provided. The Corporation is reimbursed for certain therapy services provided to Medicare Part B beneficiaries at the lesser of a published fee schedule or actual charges.

The Corporation's nursing facilities have agreements with third-party payors that provide for payments to the Corporation at amounts different from its established rates. A significant portion of the Corporation's net resident service revenues is derived from these third-party payor programs. A summary of the principal payment arrangements with major third-party payors follows:

Medicare - Nursing and ancillary services provided to Medicare Part A beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident-specific classification system that is based on clinical, diagnostic and other factors and the reimbursement methodology is subject to various limitations and adjustments. The Corporation is reimbursed for therapy services provided to Medicare Part B beneficiaries at the lesser of a published fee schedule or actual charges.

As described above, the Medicare Part A rates are based on clinical, diagnostic and other factors. The determination of these rates is partially based on the Corporation's clinical assessment of its residents. The Corporation is required to clinically assess its residents at predetermined time periods throughout the year. The documented assessments are subject to review and adjustment by the Medicare program.

Medical Assistance - Skilled nursing services provided to Medicaid beneficiaries are paid at prospectively determined rates per day or at rates negotiated with Medicaid Managed Care organizations. These rates vary according to a resident classification system that is based on clinical diagnosis and other factors, and the reimbursement methodology is subject to various limitations and adjustments. The Corporation's concentration of skilled nursing in Pennsylvania exposes it to the risk of changes in the state's Medicaid reimbursement system. Rates are calculated by Pennsylvania's Department of Human Services (DHS) on a quarterly basis. They are published in the Pennsylvania Bulletin prior to being finalized. Effective October 2022, the Corporation no longer participates in the Medicaid program.

The Corporation also entered into payment agreements with certain commercial insurance carriers and others. The basis for payment to the Corporation under these agreements includes prospectively determined rates per day and discounts from established charges.

Payment terms and conditions for the Corporation's resident contracts vary by contract type and payor source, although terms generally include payment to be made within 30 days. Resident service fee revenues for recurring and routine monthly services are generally billed each month as services are rendered. Resident service fee revenues for ancillary services are generally billed monthly in arrears. Additionally, nonrefundable entrance fees are generally billed and collected in advance of move-in. Revenues collected from residents in advance are recognized as deferred revenue until the performance obligations are satisfied and are included in deferred revenue from entrance fees in the accompanying consolidated balance sheets. The Corporation recognized approximately $5,863,000 in 2024 and $5,103,000 in 2023 of revenues that was included in the deferred revenue from entrance fees balance as of July 1, 2023 and 2022, respectively. The Corporation applies the practical expedient in Accounting Standards Codification (ASC) 606 and, therefore, does not disclose amounts for remaining performance obligations that have original expected durations of one year or less.

Benevolent Care

The Corporation provides services to residents who meet certain criteria under its benevolent care policy without charge or at amounts less than its established rates. Because the Corporation does not pursue collection of amounts determined to qualify as benevolent care, they are not reported as revenue.

The Corporation maintains records to identify and monitor the level of benevolent care it provides. The estimated costs of providing benevolent care are based upon the direct and indirect costs identified with the specific benevolent care services provided. The level of benevolent care provided by the Corporation amounted to approximately $207,000 in 2024 and $513,000 in 2023.

The Corporation also provides services to indigent residents under the Medical Assistance program at rates different from its established charges. The cost the Corporation incurred for these services was less than actual reimbursement by approximately $1,799,000 in 2023.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The Corporation 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 or has been met, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations and changes in net deficit as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying consolidated financial statements.

Net Assets (Deficit)

Net assets (deficit), revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets (deficit) and changes therein are classified and reported as follows:

Net Deficit Without Donor Restrictions - Net deficit available for use in general operations and not subject to donor restrictions. All revenue not restricted by donors and donor restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net deficit without donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Measure of Operations

The consolidated statements of operations include the determination of operating loss and revenues less than expenses from continuing operations as the performance indicator. Operating loss includes only those operating revenues and expenses that are an integral part of its program activities. Revenues less than expenses includes all operating revenues and expenses that are an integral part of its program's activities, as well as investment income, contributions and other nonoperating activities that are used to support its program activities.

Changes in net deficit without donor restrictions which are excluded from revenues less than expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets) and discontinued operations.

Income Taxes

Baptist Senior Services, BHS, the Foundation and PAH are tax-exempt, not-for-profit corporations under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal and state income taxes is required.

BMS and PHC are classified as single member LLCs and are considered disregarded entities for tax purposes. Any taxable income from BMS and PHC are paid via each corporation's individual tax return.

2. Contributions Receivable

The Foundation has received unconditional promises to give. The net present value of the contributions receivable due in excess of one year was recorded at discount rates ranging from 0.31% to 2.67% at June 30, 2024 and June 30, 2023.

The following summarizes the Foundation's contributions receivable at June 30:

	2024	2023
Contributions receivable due within:		
Less than one year	$ 10,000	$ 1,000,000
One to five years	996,913	1,598,802
More than five years	724,778	724,778
Total	1,731,691	3,323,580
Less discount to net present value	143,007	164,972
Total	$ 1,588,684	$ 3,158,608

3. Investments and Assets Whose Use is Limited

Investments and assets whose use is limited consist of the following at June 30:

	2024	2023
Cash and cash equivalents	$ 10,641,646	$ 6,905,467
Certificates of deposit	6,920,204	10,168,836
Equity mutual funds	1,981,567	1,414,717
Fixed income mutual funds	1,294,830	953,107
Common stocks	554,931	-
ETFs	250,961	-
Corporate bonds	19,220	-
Government bonds	384,162	-
Other	12,447	-
Total	22,059,968	19,442,127
Less assets whose use is limited	11,492,963	12,651,596
Less assets whose use is limited, Act 82 reserves**	5,991,008	4,327,962
Total investments	$ 4,575,997	$ 2,462,569

Assets whose use is limited are available for the following purposes at June 30:

	2024	2023
Funds held under trust indenture:		
Debt service reserve funds	$ 9,553,609	$ 9,434,730
Bond principal fund	2,033,221	1,910,497
Bond interest fund	3,849,158	3,843,992
Escrow deposits	1,192,061	961,190
Board designated for workers' compensation	611,334	601,417
Donor restricted	244,588	227,732
Total assets whose use is limited	17,483,971	16,979,558
Less current portion of assets whose use is limited	5,882,379	5,754,489
Less assets whose use is limited, Act 82 reserves**	5,991,008	4,327,962
Noncurrent portion of assets whose use is limited	$ 5,610,584	$ 6,897,107

**For the year ended June 30, 2024, the Organization designated $5,991,008 of the Act 82 reserves from the debt service reserve funds and the remaining $2,700,000 from cash and cash equivalents. For the year ended June 30, 2023, the Organization designated $4,327,962 of the Act 82 reserves from the debt service reserve funds and the remaining $4,500,000 from cash and cash equivalents.

Investment income without donor restrictions consists of the following for the years ended June 30:

	2024	2023
Interest and dividend income, net of investment expenses	$ 755,575	$ 351,722
Net realized gain on sales of investments	519,026	153,423
Net unrealized gain on investments	323,609	262,470
Total	$ 1,598,210	$ 767,615

In compliance with Act 82, the Corporation designated a portion of its cash and cash equivalents and a portion of its assets whose use is limited in 2024 and 2023 as "reserved" to meet the requirements of Act 82. The amount designated was $8,691,008 at June 30, 2024 and $8,827,962 at June 30, 2023. The amounts are reported as assets whose use is limited, Act 82 reserves on the consolidated balance sheets.

	2024	2023
Budgeted operating expenses for the year ending subsequent to June 30	$ 46,183,401	$ 46,237,065
Less budgeted depreciation and amortization expense	8,342,745	8,116,185
Expenses subject to minimum liquid reserve requirement	37,840,656	38,120,880
Percentage of residents subject to entrance fee agreements at June 30	73.91%	75.08%
Subtotal	27,968,029	28,621,157
Statutory requirement	10%	10%
Statutory minimum reserve requirement **(a)**	$ 2,796,803	$ 2,862,116
Debt service requirements for the year ending subsequent to June 30:		
Required principal payments on long-term debt	$ 3,001,607	$ 2,853,709
Interest expense on long-term debt	8,757,300	8,904,365
Total debt service requirements	11,758,907	11,758,074
Percentage of residents subject to entrance fee agreements at June 30	73.91%	75.08%
Statutory minimum reserve requirement **(b)**	$ 8,691,008	$ 8,827,962
Greater of **(a)** or **(b)** above	$ 8,691,008	$ 8,827,962

4. Fair Value Measurements and Financial Instruments

The Corporation measures its investments, assets whose use is limited and derivative financial instrument at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America. Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the Corporation for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets and other observable inputs.

Level 3 - Fair value would be based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows and other similar techniques.

The following table presents financial instruments measured at fair value at June 30, 2024:

	Fair Value	Level 1	Level 2	Level 3
Assets Reported at Fair Value				
Investments and assets whose use is limited:				
Cash and cash equivalents **	$ 13,341,646	$ -	$ -	$ -
Certificates of deposit	6,920,204	-	6,920,204	-
Equity mutual funds	1,981,567	1,981,567	-	-
Fixed income mutual funds	1,294,830	1,294,830	-	-
Common stocks	554,931	554,931	-	-
ETFs	250,961	250,961	-	-
Corporate bonds	19,220	-	19,220	-
Government bonds	384,162	-	384,162	-
Other	12,447	12,447	-	-
Total investments and assets whose use is limited	$ 24,759,968	$ 4,094,736	$ 7,323,586	$ -

The following table presents financial instruments measured at fair value at June 30, 2023:

	Fair Value	Level 1	Level 2	Level 3
Assets Reported at Fair Value				
Investments and assets whose use is limited:				
Cash and cash equivalents **	$ 11,405,467	$ -	$ -	$ -
Certificates of deposit	10,168,836	-	10,168,836	-
Equity mutual funds	1,414,717	1,414,717	-	-
Fixed income mutual funds	953,107	953,107	-	-
Total investments and assets whose use is limited	$ 23,942,127	$ 2,367,824	$ 10,168,836	$ -

** Cash and cash equivalents are included in the above table to reconcile to the total investments and assets whose use is limited lines on the consolidated balance sheets.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used at June 30, 2024 and 2023.

Certificates of deposit are valued using quoted market prices of similar securities.

Equity and fixed income mutual funds, common stocks and ETFs are valued at fair value based on quoted market prices for identical securities in active markets that the Corporation has the ability to access at the measurement date.

Corporate and government bonds are valued at fair value based on quoted market prices for the same or similar securities in active markets that the Corporation has the ability to access at the measurement date.

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

5. Liquidity and Availability of Resources

The following table reflects the Corporation's financial assets available for general expenditures within one year at June 30, 2024 and 2023. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Unavailable financial assets consist of assets designated by donor restrictions; funds held under trust indenture and loan agreement; assets designated by the Board of Directors for workers' compensation claims; escrow deposits held for prospective residents of Providence Point; assets reserved to comply with requirements of Act 82; project funds for construction projects; and residents' security deposits.

	2024	2023
Financial assets:		
Cash and cash equivalents	$ 1,144,738	$ 1,500,040
Accounts receivable, residents	1,070,853	1,361,295
Accounts receivable, entrance fees	1,337,360	2,500,510
Investments	4,575,997	2,462,569
Total financial assets	8,128,948	7,824,414
Less those unavailable for general expenditures within one year:		
Cash held to satisfy donor restrictions	-	53
Investments held to satisfy charitable gift annuity obligations and other donor restrictions	635,424	584,815
Total	$ 7,493,524	$ 7,239,546

As part of the Corporation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Corporation invests cash in excess of daily requirements in short-term investments.

In 2024 and 2023, the Corporation designated a portion of its cash and cash equivalents and a portion of its assets whose use is limited as "reserved" to comply with the requirements of Act 82. Although the Corporation does not intend to utilize the Act 82 reserves for general expenditures as part of its annual budget and approval process, amounts designated as Act 82 reserves could be made available as necessary. The Act 82 reserves do not have third-party restrictions or limitation on the withdrawal and subsequent liquidation of such funds.

As a requirement of its loan agreements, the Corporation maintains debt principal and interest funds of $5,882,379 at June 30, 2024 and $5,754,489 at June 30, 2023, which are included in assets whose use is limited in the accompanying consolidated balance sheets. These deposits are limited as to its use to the repayment of its long-term debt and interest expense.

6. Property and Equipment

Property and equipment consists of the following at June 30:

	2024	2023
Land and land improvements	$ 19,825,678	$ 19,780,758
Buildings and improvements	236,369,361	234,721,646
Permanent fixtures	7,173,855	6,871,645
Moveable fixtures	7,833,860	7,677,002
Vehicles	453,172	453,172
Total	271,655,926	269,504,223
Less accumulated depreciation	99,791,431	92,484,255
Total	171,864,495	177,019,968
Construction-in-progress	3,894,666	302,314
Property and equipment, net	$ 175,759,161	$ 177,322,282

7. Long-Term Debt

Long-term debt consists of the following at June 30:

	2024	2023
Revenue Refunding Bonds, Series 2015	$ 125,165,000	$ 127,050,000
Tax-Exempt Revenue Note, Series 2022A	23,858,636	24,681,666
Tax-Exempt Revenue Note, Series 2022B	4,828,918	4,974,597
Total	153,852,554	156,706,263
Less current portion	3,001,607	2,853,709
Less unamortized deferred financing costs	2,061,502	2,196,442
Less unamortized original issue discount	1,125,012	1,191,902
Long-term debt	$ 147,664,433	$ 150,464,210

Revenue Refunding Bonds, Series 2015

BHS entered into a loan agreement with Moon Industrial Development Authority to issue $137,885,000 of Revenue Refunding Bonds, Series 2015 (the Series 2015 Bonds) on behalf of BHS. The Series 2015 Bonds' proceeds were used by BHS to refinance long-term debt, to fund a debt service reserve fund and to pay the costs of issuance of the Series 2015 Bonds.

The Series 2015 Bonds are due in varying annual installments through 2051. Interest is payable in semi-annual installments (January 1 and July 1) at fixed rates ranging from 4.25% to 6.25%. The Series 2015 Bonds are secured by a first mortgage lien on BHS property and equipment, as well as substantially all of the assets of BHS.

Revenue Notes, Series 2022

BHS entered into a loan agreement with Moon Industrial Development Authority and Laurel Capital Corporation to issue $30,500,000 of notes (Series 2022 Notes) on behalf of BHS, consisting of: (a) $25,400,000 Tax-Exempt Revenue Note, Series 2022A (Series 2022A Note); and (b) $5,100,000 Taxable Revenue Note, Series 2022B (Series 2022B Note) (collectively, the Series 2022 Notes).The proceeds of the Series 2022 Notes were used by BHS to refinance the Series 2018 Notes, for future renovations on the Providence Point Campus, and to pay the costs of issuance of the Series 2022 Notes. The notes were issued under the Master Trust Indenture for the Series 2015 Bonds.

The Series 2022A Note is payable in 240 equal monthly installments of principal and interest, with interest charged at a fixed rate of 4.65%. The final payment is due in July 2042. The Series 2022B Note is payable in 240 equal monthly installments of principal and interest, with interest charged at a fixed rate of 5.88%. The final payment is due in July 2042.

The Series 2022 Notes are secured, on a parity basis, by a first mortgage lien on BHS property and equipment, a pledge of gross receipts, as well as substantially all of the assets of BHS.

Scheduled principal payments on long-term debt are as follows:

	Series 2015 Bonds	Series 2022A and B Revenue Notes	Total
Years ending June 30:			
2025	$ 1,985,000	$ 1,016,607	$ 3,001,607
2026	2,090,000	1,066,894	3,156,894
2027	2,205,000	1,119,690	3,324,690
2028	2,335,000	1,175,121	3,510,121
2029	2,470,000	1,233,322	3,703,322
Thereafter	114,080,000	23,075,920	137,155,920
Total	$ 125,165,000	$ 28,687,554	$ 153,852,554

Debt Covenants

Under the terms of the Master Trust Indenture for the Series 2015 Bonds, BHS is required to meet certain financial covenants, including maintaining a required debt service coverage ratio and liquidity ratio, as defined. BHS did not meet the required liquidity covenant at June 30, 2024. Failing to meet the liquidity covenant is not an event of default. All other covenants were met at June 30, 2024.

8. Self-Insured Workers' Compensation

The Corporation is self-insured against workers' compensation claims to $500,000. Coverage in excess of the self-insurance limit has been purchased from an independent insurance carrier. The Corporation has a trust fund of approximately $611,000 at June 30, 2024 and $601,000 at June 30, 2023 to cover future claims, and has available a $489,000 letter of credit with Dollar Bank. The Corporation accrued approximately $1,331,000 at June 30, 2024 and 2023 as an estimate of workers' compensation costs included in other liabilities on the consolidated balance sheets, based upon independent actuarial studies of its historical loss experience. The Corporation recognized expenses of approximately $557,000 in 2024 and $527,000 in 2023. Of this amount, $187,744 is included in discontinued operations in 2023.

9. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at June 30:

	2024	2023
Purpose restricted:		
Providence Point chapel, including pledges receivable	$ 2,059,625	$ 2,066,243
Pledges receivable, other	144,030	144,030
Scholarship	177,825	80,750
Other	154,525	74,513
Time restricted:		
Beneficial interest in remainder trust	100,000	100,000
Endowment fund	49,265	49,265
Total	$ 2,685,270	$ 2,514,801

The endowment fund is restricted for investment in perpetuity. The income from these assets is expendable to support activities of the Corporation.

10. Net Resident Service Revenues

Net resident service revenues consist of the following for the years ended June 30, 2024 and 2023. The Corporation disaggregates revenue from contracts with customers by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenues and cash flows as affected by economic factors:

	2024				
	Skilled Nursing	Personal Care	Independent Living	Ancillary Services	Totals
Medicare	$ 647,810	$ -	$	$ 695,802	$ 1,343,612
Commercial insurers	807,488	-		26,032	833,520
Private pay	4,308,958	4,894,323	21,916,874	84,216	31,204,371
Amortization	-	-	6,428,371	-	6,428,371
Total	$ 5,764,256	$ 4,894,323	$ 28,345,245	$ 806,050	$ 39,809,874

	2023				
	Skilled Nursing	Personal Care	Independent Living	Ancillary Services	Totals
Medicare	$ 923,045	$ -	$ -	$ 907,601	$ 1,830,646
Commercial insurers	1,075,134	-	-	19,456	1,094,590
Private pay	3,794,199	4,047,383	20,660,947	539,984	29,042,513
Amortization	-	-	5,230,698	-	5,230,698
Total	$ 5,792,378	$ 4,047,383	$ 25,891,645	$ 1,467,041	$ 37,198,447

Net resident service revenues included in discontinued operations on the consolidated statements of operations for the year ended June 30, 2023 was $2,245,156.

11. Retirement Plan

The Corporation sponsors a defined contribution retirement plan (the Plan) for its employees. Plan expense was approximately $281,000 in 2024 and $567,000 in 2023. Of this amount, $75,597 was included in discontinued operations in 2023.

12. Functional Expenses

The Corporation's primary program service relates to providing housing, health care and other related services to residents within its geographic location. Expenses by functional classification consist of the following for the year ended June 30, 2024:

	Program	Administrative	Total
Salaries and wages	$ 11,235,956	$ 2,717,378	$ 13,953,334
Payroll taxes and employee benefits	2,921,437	495,396	3,416,833
Professional fees and contracted services	3,429,594	1,293,124	4,722,718
Maintenance and utilities	2,550,564	5,351	2,555,915
Insurance	9,320	572,302	581,622
Interest	8,820,802	-	8,820,802
Depreciation and amortization	8,063,679	45,469	8,109,148
Supplies and other	2,794,144	581,414	3,375,558
Total expenses	$ 39,825,496	$ 5,710,434	$ 45,535,930

Expenses by functional classification consist of the following for the year ended June 30, 2023:

	Program	Administrative	Total
Salaries and wages	$ 10,489,267	$ 3,148,650	$ 13,637,917
Payroll taxes and employee benefits	2,534,277	456,906	2,991,183
Professional fees and contracted services	4,374,626	1,114,696	5,489,322
Maintenance and utilities	2,387,165	53,725	2,440,890
Insurance	7,164	414,024	421,188
Interest	9,213,499	57,859	9,271,358
Depreciation and amortization	7,546,696	121,310	7,668,006
Supplies and other	2,717,219	525,680	3,242,899
Total expenses	$ 39,269,913	$ 5,892,850	$ 45,162,763

The Corporation also incurred expenses for housing, health care and related services for residents included in discontinued operations on the consolidated statement of operations. Expenses related to discontinued operations by functional classification consist of the following for the year ended June 30, 2023:

	Program	Administrative	Total
Salaries and wages	$ 1,610,665	$ 146,253	$ 1,756,918
Payroll taxes and employee benefits	692,254	4,720	696,974
Professional fees and contracted services	621,573	131,295	752,868
Maintenance and utilities	236,905	-	236,905
Insurance	-	142,008	142,008
Depreciation and amortization	345,931	-	345,931
Supplies and other	394,714	731,072	1,125,786
Total expenses	$ 3,902,042	$ 1,155,348	$ 5,057,390

Certain categories of expenses are attributable to more than one program or supporting function. Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as square footage and time and effort.

13. Malpractice Insurance

The Corporation maintains insurance coverage, under an occurrence policy, of $1,000,000 per occurrence and $3,000,000 in the aggregate for professional and general liability.

14. Concentrations of Credit Risk

The Corporation maintains cash and cash equivalent accounts, which, at times, may exceed federally insured limits. The Corporation has not experienced any losses from maintaining cash and cash equivalent accounts in excess of federally insured limits. Management believes it is not subject to any significant credit risk on its cash and cash equivalent accounts.

The Corporation grants credit without collateral to its residents, many of whom are insured under third-party payor arrangements primarily with Medicare and various commercial insurance companies.

15. Commitments and Contingencies

Real Estate Taxes

As a not-for-profit corporation in the Commonwealth of Pennsylvania, the Corporation presently qualifies for exemption from real property taxes. However, a number of cities, municipalities and school districts in the Commonwealth of Pennsylvania have challenged and continue to challenge such exemption of not-for-profit corporations from real estate taxes. The possible future financial effect of this matter on the Corporation, if any, is not determinable.

Industry Developments

The senior living services industry is subject to numerous laws, regulations and administrative directives of federal, state and local governments and agencies. Compliance with these laws, regulations and administrative directives is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments for resident services previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future financial effects of this matter on the Corporation, if any, are not determinable.

16. Discontinued Operations

The Corporation incurred operating losses from continuing operations of approximately $6,588,000 for the year ended June 30, 2023 and operating losses from discontinued operations of approximately $2,602,000 for the year ended June 30, 2023. The Corporation's costs of labor have increased significantly due to workforce shortages and the increased cost of contract labor. Additionally, inflationary increases to supplies and other services have significantly increased nonlabor costs, while reimbursements from third parties has remained relatively static.

As a response to the various changes in the long-term care environment, the Corporation determined it was necessary to strategically re-position their overall operations and focus on the Providence Point operating division. This location is newer and provides a larger continuum of services in one location and operates a higher concentration of independent living units. This service line allows for more controlled costs associated with labor and provides for reimbursement rates controlled by management versus contracted rates with third-party payors, which have historically not adjusted to match the rising costs of providing health care services, specifically skilled care. This operating division will continue to service its much smaller existing population of skilled residents. Management feels this shift in strategic design will allow them to have a more viable, marketable and sustainable continuum of care model to service the needs of their local community.

In October 2022, operations of the skilled nursing and personal care facilities on the Baptist Homes campus ceased. The operations of these facilities have met the criteria of presentation as discontinued operations in accordance with generally accepted accounting principles. Management is assessing its options for future use of this property.

The following amounts related to discontinued operations are included in discontinued operations on the accompanying consolidated statements of operations for the year ended June 30, 2023:

Total operating revenues	$ 2,455,321
Total operating expenses	(5,057,390)
Loss on disposal of property and equipment	(708,760)
Total discontinued operations	$ (3,310,829)

Baptist Senior Services and Controlled Entities
d/b/a Baptist Senior Family
Consolidating Balance Sheet Schedule
June 30, 2024

	Baptist Senior Services	Baptist Homes Society	Baptist Homes Foundation	Baptist Management Services	Eliminations	Total
Assets						
Current Assets						
Cash and cash equivalents	$ (4,907)	$ 191,368	$ 881,043	$ 77,234	$ -	$ 1,144,738
Assets whose use is limited	-	5,882,379	-	-	-	5,882,379
Accounts receivable, residents	-	1,070,853	-	-	-	1,070,853
Accounts receivable, entrance fees	-	1,337,360	-	-	-	1,337,360
Current portion of pledges receivable	-	-	10,000	-	-	10,000
Prepaid expenses and other current assets	124,065	109,578	3,691	364,618	-	601,952
Due from affiliates	485,032	2,243,118	-	-	(2,728,150)	-
Total current assets	604,190	10,834,656	894,734	441,852	(2,728,150)	10,047,282
Investments	-	1,608,242	2,967,755	-	-	4,575,997
Assets Whose Use is Limited	611,334	4,754,662	244,588	-	-	5,610,584
Assets Whose Use is Limited, Act 82 Reserves	-	8,691,008	-	-	-	8,691,008
Pledges Receivable	-	-	1,578,684	-	-	1,578,684
Property and Equipment, Net	98,951	174,361,815	1,295,397	2,998	-	175,759,161
Deferred Contract Acquisition Costs, Net	-	1,053,478	-	-	-	1,053,478
Other Assets	274,270	39,913	132,000	-	-	446,183
Advances Receivable, Affiliate	-	-	5,019,400	-	(5,019,400)	-
Beneficial Interest in Net Assets of Foundation	10,104,150	-	-	-	(10,104,150)	-
Total assets	$ 11,692,895	$ 201,343,774	$ 12,132,558	$ 444,850	$ (17,851,700)	$ 207,762,377
Liabilities and Net Assets (Deficit)						
Current Liabilities						
Current maturities of long-term debt	$ -	$ 3,001,607	$ -	$ -	$ -	$ 3,001,607
Accounts payable, trade	502,587	774,557	24,531	58,700	-	1,360,375
Accrued payroll and related liabilities	40,784	288,354	-	-	-	329,138
Accrued interest	-	3,834,683	-	-	-	3,834,683
Accrued compensated absences	141,036	562,250	-	-	-	703,286
Due to affiliates	-	-	1,933,143	795,007	(2,728,150)	-
Total current liabilities	684,407	8,461,451	1,957,674	853,707	(2,728,150)	9,229,089
Long-Term Debt	-	147,664,433	-	-	-	147,664,433
Entrance Fee Deposits	-	1,181,210	-	-	-	1,181,210
Deferred Revenue From Entrance Fees	-	44,669,233	-	-	-	44,669,233
Refundable Entrance Fees	-	102,760,622	-	-	-	102,760,622
Advances Payable, Affiliate	-	5,019,400	-	-	(5,019,400)	-
Other Liabilities	1,881,261	163,684	70,734	-	-	2,115,679
Total liabilities	2,565,668	309,920,033	2,028,408	853,707	(7,747,550)	307,620,266
Net Assets (Deficit)						
Without donor restrictions	6,441,957	(108,576,259)	7,418,880	(408,857)	(7,418,880)	(102,543,159)
With donor restrictions	2,685,270	-	2,685,270	-	(2,685,270)	2,685,270
Total net assets (deficit)	9,127,227	(108,576,259)	10,104,150	(408,857)	(10,104,150)	(99,857,889)
Total liabilities and net assets (deficit)	$ 11,692,895	$ 201,343,774	$ 12,132,558	$ 444,850	$ (17,851,700)	$ 207,762,377

Baptist Senior Services and Controlled Entities
d/b/a Baptist Senior Family
Consolidating Balance Sheet Schedule
June 30, 2023

	Baptist Senior Services	Baptist Homes Society	Baptist Homes Foundation	Baptist Management Services	Providence at Home	Providence Home Care	Eliminations	Total
Assets								
Current Assets								
Cash and cash equivalents	$ 311,285	$ 503,797	$ 456,852	$ 228,106	$ -	$ -	$ -	$ 1,500,040
Assets whose use is limited	-	5,754,489	-	-	-	-	-	5,754,489
Accounts receivable, residents	-	1,361,295	-	-	-	-	-	1,361,295
Accounts receivable, entrance fees	-	2,500,510	-	-	-	-	-	2,500,510
Provision for credit losses	-	-	1,000,000	-	-	-	-	1,000,000
Prepaid expenses and other current assets	384,175	66,443	3,091	161,399	-	-	-	615,108
Due from affiliates	-	3,097,903	-	-	-	-	(3,097,903)	-
Total current assets	695,460	13,284,437	1,459,943	389,505	-	-	(3,097,903)	12,731,442
Investments	-	747,523	1,715,046	-	-	-	-	2,462,569
Assets Whose Use is Limited	601,417	6,067,958	227,732	-	-	-	-	6,897,107
Assets Whose Use is Limited, Act 82 Reserves	-	8,827,962	-	-	-	-	-	8,827,962
Pledges Receivable	-	-	2,158,608	-	-	-	-	2,158,608
Property and Equipment, Net	122,066	175,854,839	1,341,737	3,640	-	-	-	177,322,282
Deferred Contract Acquisition Costs, Net	-	983,339	-	-	-	-	-	983,339
Other Assets	250,000	39,913	132,000	-	-	-	-	421,913
Advances Receivable, Affiliate	-	-	5,019,400	-	-	-	(5,019,400)	-
Beneficial Interest in Net Assets of Foundation	9,909,625	-	-	-	-	-	(9,909,625)	-
Total assets	$ 11,578,568	$ 205,805,971	$ 12,054,466	$ 393,145	$ -	$ -	$ (18,026,928)	$ 211,805,222
Liabilities and Net (Deficit) Assets								
Current Liabilities								
Current maturities of long-term debt	$ -	$ 2,853,709	$ -	$ -	$ -	$ -	$ -	$ 2,853,709
Accounts payable, trade	458,483	987,661	20,365	59,620	-	-	-	1,526,129
Accrued payroll and related liabilities	-	221,320	-	-	-	-	-	221,320
Accrued interest	-	3,886,889	-	-	-	-	-	3,886,889
Accrued compensated absences	128,854	541,506	-	-	-	-	-	670,360
Due to affiliates	276,307	-	2,044,231	777,365	-	-	(3,097,903)	-
Total current liabilities	863,644	8,491,085	2,064,596	836,985	-	-	(3,097,903)	9,158,407
Long-Term Debt	-	150,464,210	-	-	-	-	-	150,464,210
Entrance Fee Deposits	-	967,980	-	-	-	-	-	967,980
Deferred Revenue From Entrance Fees	-	43,225,944	-	-	-	-	-	43,225,944
Refundable Entrance Fees	-	103,388,936	-	-	-	-	-	103,388,936
Advances Payable, Affiliate	-	5,019,400	-	-	-	-	(5,019,400)	-
Other Liabilities	1,884,602	190,442	80,245	-	-	-	-	2,155,289
Total liabilities	2,748,246	311,747,997	2,144,841	836,985	-	-	(8,117,303)	309,360,766
Net (Deficit) Assets								
Without donor restrictions	6,315,521	(105,942,026)	7,394,824	(443,840)	-	-	(7,394,824)	(100,070,345)
With donor restrictions	2,514,801	-	2,514,801	-	-	-	(2,514,801)	2,514,801
Total net (deficit) assets	8,830,322	(105,942,026)	9,909,625	(443,840)	-	-	(9,909,625)	(97,555,544)
Total liabilities and net (deficit) assets	$ 11,578,568	$ 205,805,971	$ 12,054,466	$ 393,145	$ -	$ -	$ (18,026,928)	$ 211,805,222

Baptist Senior Services and Controlled Entities
d/b/a Baptist Senior Family

Consolidating Schedule of Operations
Year Ended June 30, 2024

	Baptist Senior Services	Baptist Homes Society	Baptist Homes Foundation	Baptist Management Services	Eliminations	Total
Operating Revenues						
Net resident service revenues	$ -	$ 39,809,874	$ -	$ -	$ -	$ 39,809,874
Other operating revenue	3,303,767	1,086,680	-	254,739	(3,241,369)	1,403,817
Provision for credit losses used for operations	-	-	36,491	-	-	36,491
Total operating revenues	3,303,767	40,896,554	36,491	254,739	(3,241,369)	41,250,182
Operating Expenses						
Resident and general services	-	22,926,440	-	1,386	-	22,927,826
Interest	-	8,820,802	-	-	-	8,820,802
Depreciation and amortization	35,924	8,026,242	46,340	642	-	8,109,148
Administration	3,162,199	4,873,052	92	229,742	(3,168,553)	5,096,532
Insurance	34,297	533,948	9,320	4,057	-	581,622
Total operating expenses	3,232,420	45,180,484	55,752	235,827	(3,168,553)	45,535,930
Operating income (loss)	71,347	(4,283,930)	(19,261)	18,912	(72,816)	(4,285,748)
Nonoperating Revenues (Expenses)						
Contributions and special events	-	-	687,875	-	-	687,875
Investment income	11,752	1,245,950	340,508	-	-	1,598,210
Fundraising expenses	-	-	(465,455)	-	72,816	(392,639)
Loss on disposal of property and equipment	(463)	(154,903)		-		(155,366)
Other nonoperating revenues	-	-	-	16,071	-	16,071
Total nonoperating revenues, net	11,289	1,091,047	562,928	16,071	72,816	1,754,151
Revenues in excess of (less than) expenses from continuing operations	82,636	(3,192,883)	543,667	34,983	-	(2,531,597)
Net Assets Released From Restrictions Used for Purchase of Property and Equipment	-	-	58,783	-	-	58,783
Change in Beneficial Interest in Net Assets of Foundation	24,056	-	-	-	(24,056)	-
Transfers From (to) Affiliates	19,744	558,650	(578,394)	-	-	-
Change in net (deficit) assets without donor restrictions	$ 126,436	$ (2,634,233)	$ 24,056	$ 34,983	$ (24,056)	$ (2,472,814)

Baptist Senior Services and Controlled Entities
d/b/a Baptist Senior Family
Consolidating Schedule of Operations
Year Ended June 30, 2023

	Baptist Senior Services	Baptist Homes Society	Baptist Homes Foundation	Baptist Management Services	Providence at Home	Providence Home Care	Eliminations	Total
Operating Revenues								
Net resident service revenues	$ -	$ 36,745,925	$ -	$ -	$ 15,255	$ 437,267	$ -	$ 37,198,447
Other operating revenue	3,761,660	813,820	6,852	249,469	-	211,731	(3,899,130)	1,144,402
Provider Relief Funds	-	87,582	-	-	-	-	-	87,582
Net assets released from restrictions Provision for credit losses	-	-	144,633	-	-	-	-	144,633
Total operating revenues	3,761,660	37,647,327	151,485	249,469	15,255	648,998	(3,899,130)	38,575,064
Operating Expenses								
Resident and general services	-	22,039,284	-	2,288	47,745	380,906	-	22,470,223
Interest	-	9,202,978	4,442	63,938	6,079	-	(6,079)	9,271,358
Depreciation and amortization	58,798	7,504,628	46,820	53,129	4,631	-	-	7,668,006
Administration	3,686,348	4,887,498	29	302,825	211,821	61,158	(3,817,691)	5,331,988
Insurance	31,247	362,196	7,164	8,301	9,510	2,770	-	421,188
Total operating expenses	3,776,393	43,996,584	58,455	430,481	279,786	444,834	(3,823,770)	45,162,763
Operating (loss) income	(14,733)	(6,349,257)	93,030	(181,012)	(264,531)	204,164	(75,360)	(6,587,699)
Nonoperating Revenues (Expenses)								
Contributions and special events	-	403	1,563,872	-	-	-	-	1,564,275
Investment income (loss)	(8,891)	605,142	171,364	-	-	-	-	767,615
Fundraising expenses	-	-	(436,203)	-	-	-	75,360	(360,843)
Loss on refinancing	(1,320)	(45,309)	-	(292,167)	-	-	-	(338,796)
Other nonoperating revenues	-	-	-	-	(14,024)	783	-	(13,241)
Total nonoperating revenues (expenses), net	(10,211)	560,236	1,299,033	(292,167)	(14,024)	783	75,360	1,619,010
Revenues (less than) in excess of expenses from continuing operati	(24,944)	(5,789,021)	1,392,063	(473,179)	(278,555)	204,947	-	(4,968,689)
Net Assets Released From Restrictions Used for Purchase of Property and Equipment	-	-	101,218	-	-	-	-	101,218
Discontinued Operations	-	(3,310,829)	-	-	-	-	-	(3,310,829)
Change in Beneficial Interest in Net Assets of Foundation	41,787	-	-	-	-	-	(41,787)	-
Transfer From (to) Affiliate	103,033	653,461	(1,451,494)	-	854,487	(159,487)	-	-
Change in net (deficit) assets without donor restrictions	$ 119,876	$ (8,446,389)	$ 41,787	$ (473,179)	$ 575,932	$ 45,460	$ (41,787)	$ (8,178,300)