

North Carolina Medical Care Commission
Executive Summary of the CCRC's Community Improvement Relationships
Continuing Care Retirement Community (CCRC)

Organization: Carolina Adventist Retirement Systems, Inc.

Date: October 4, 2011

1. Statement of the CCRC's mission and commitment to charity care/community benefit.

Carolina Adventist Retirement Systems, Inc. ("CARS") is a faith-based Seventh-day Adventist organization dedicated to serving the healthcare and residential needs of our community while upholding Christian principles.

Our mission is:

- A. To do any and all things necessary or desirable to provide the aged and infirm with adequate housing, reasonable health care, and a measure of financial security;*
- B. To establish, operate, equip and maintain a home for aged and infirm men and women in such a manner as to provide services at the lowest possible cost and in such a manner as not to discriminate against the indigent; and*
- C. To carry out the purposes of the Seventh-day Adventist Church.*

CARS is committed to providing charity care related to unreimbursed healthcare and housing/services through its participation in the Medicaid and hospice programs and the maintenance of a resident assistance fund.

CARS is committed to providing community benefits primarily by partnering with other Seventh-day Adventist affiliated educational and healthcare organizations.

2. Describe geographic service area and target populations for community benefits.

CARS provides charity care to the following geographic service areas and target populations:

- 1. Unreimbursed Healthcare - to residents at our skilled nursing facilities in Candler, North Carolina (Buncombe County) on the Pisgah Valley Retirement Community ("PVRC") campus and in Elizabeth City, North Carolina (Pasquotank County) on the W.R. Winslow Memorial Home ("Winslow") campus through the Medicaid and hospice programs. Daily we provide services to approximately 70 and 90 indigent residents at PVRC and Winslow, respectively (~60% of total skilled nursing population) through the Medicaid program. Daily we provide services to approximately 6 and 7 residents at PVRC and Winslow, respectively (~5% of total skilled nursing population) through hospice programs.*

2. Unreimbursed Housing and Services - to assisted living and independent living residents at PVRC through a \$50,000 resident assistance fund designated by management and approved by the board and an on-site clinic available to all PVRC residents at no additional charge.

CARS provides community benefits to the following geographic service areas and target populations:

1. High School Education - to approximately 20 international high school students at Mount Pisgah Academy identified as requiring financial assistance for tuition through a work/study program and scholarships to approximately 5 graduating senior students annually. Mount Pisgah Academy is located on property adjacent to the PVRC campus.
 2. Evangelism - to approximately 160 Seventh-day Adventist churches in North and South Carolina through general financial support to the Carolina Conference of Seventh-day Adventists, Inc. (the "Conference") and to the Conference for the purpose of funding the salary and benefits for the pastor of the local Seventh-day Adventist church in Elizabeth City.
 3. Health Education - to approximately 150 individuals in the greater Candler, North Carolina community through an annual Health Fair, periodic wellness lectures, and a partnership with Enka High School which offers students in the school's Health Sciences classes to do on-site clinical training at PVRC.
 4. Multi-Generational Experiences - to approximately 300 children in Buncombe, Haywood, and Henderson counties in North Carolina through organized activities and events which pair children in grades Kindergarten - 8th grade from the Asheville-Pisgah Christian school with residents monthly, a Junior Volunteer program that equips middle-school-age youth with skills to interact with seniors, and an annual safe trick-or-treat environment for children at the PVRC skilled nursing facility where treats are distributed by the residents.
 5. Charitable Donations - to the general public in Camden, Buncombe, Henderson, Haywood, and Pasquotank counties in North Carolina through direct financial contributions and indirect events (e.g., yard sales, bake sales, clothing drives, blood banks) to fund raise on behalf of other not-for-profit community organizations such as hospital foundations, Council on Aging, and the Alzheimer's Association. For a time CARS also provided office space rent-free to Project Care, a not-for-profit program through the Council on Aging.
3. **Describe the relationships with agencies and organizations within the community.**
1. Carolina Conference of Seventh-day Adventists, Inc. - CARS is governed by the Executive Committee of the Board of Directors of the Conference. Each voting member of the Executive Committee of the Conference serves ex officio as a voting member of the

CARS Board of Directors and the President and Chief Executive Officer of CARS serves as a nonvoting member of the Board. CARS pays the Conference a monthly lease payment, which is valued above fair market value (i.e., a majority of the payment is a general contribution to the Conference). CARS also pays the Conference a monthly amount equal to one-half of the amount of the salary and benefits paid to the pastor of the local Seventh-day Adventist church in Elizabeth City.

2. Mount Pisgah Academy - Mount Pisgah Academy is a not-for-profit organization controlled by the Conference. Through a formal work/study program CARS hires students from Mount Pisgah Academy at its Candler campus. For licensure purposes, none of the students may be included in the staffing ratios for direct resident care; therefore, CARS must maintain a full nursing staff in addition to the student labor. CARS pays the students directly. The students, in turn, voluntarily provide their earnings to Mount Pisgah Academy. Additionally, CARS pays Mount Pisgah Academy an annual amount to be distributed as scholarships to graduating seniors specified by CARS.
3. Asheville-Pisgah Christian School - Asheville-Pisgah Christian School is operated by Asheville, North Carolina area Seventh-day Adventist churches and provides education in a Christian environment for children in Kindergarten through eighth grade. CARS provides opportunities for the children of the school to participate with residents in the PVRC skilled nursing facility in various monthly activities.
4. Enka High School - Enka High School is a Buncombe County public high school, which offers a Health Science class. A component of this class is clinical training on-site at the PVRC campus for which students receive a grade.
5. Park Ridge Hospital Foundation - Park Ridge Hospital is a hospital in Fletcher, North Carolina affiliated with the Seventh-day Adventist church. CARS provides an annual contribution to Park Ridge.
6. Buncombe County Council on Aging - The Buncombe County Council on Aging is a not-for-profit organization advocating for the needs of seniors in Buncombe County, North Carolina. For a few months in 2010 CARS provided rent-free office space to the Council on Aging's Project Care program.
7. Various - On the PVRC campus we host educational "Lunch and Learn" sessions to the greater Candler, North Carolina community, partnering with the following agencies as sponsors and speakers:
 - a. Home Instead Senior Care
 - b. PeopleFirst Rehabilitation
 - c. CarePartners
 - d. AARP
 - e. Always Best Senior Care
 - f. Buncombe County Council on Aging
 - g. State Health Insurance Plan

- h. American Red Cross*
- i. Moore Funeral Home*

4. List current community benefit programs.

Mount Pisgah Academy work/study program

Mount Pisgah Academy student scholarships

Asheville-Pisgah Christian School activities programs

Enka High School Health Sciences clinical practicum

Conference above-market lease payments

Conference assistance for local pastor

Park Ridge Hospital Foundation

Monthly educational "Lunch and Learn" sessions

The Medical Care Commission
Computation of Charity Care/Community Benefits
Organization Name: Carolina Adventist Retirement Systems, Inc.
FYE 9/30/2010

REVENUE

Net resident service revenue ⁽¹⁾	\$ 21,605,830
Amortization of entrance fees	103,914
Total Revenue	\$ 21,709,744

⁽¹⁾See attached page 22 of audited financial statements for Carolina Adventist Retirement Systems, Inc. (Consolidating Schedule of Operations and Changes in Net Assets)

CHARITY CARE

(A) Unreimbursed Health Care ⁽²⁾	\$ 857,143
(B) Unreimbursed Housing and Services (on-site clinic)	24,647
Total Charity Care	\$ 881,790

⁽²⁾See attached schedule of Unreimbursed Health Care Computation

COMMUNITY BENEFITS

(A) Services:	
Mount Pisgah Academy Work/Study Program	\$110,000
Monthly "Lunch and Learn" sessions	3,600
Asheville-Pisgah Christian School activities	500
Enka High School Health Science class practicum	500
Safe Trick-or-Treat for Candler community	500
(B) Charitable Donations:	
Mount Pisgah Academy Student Scholarships	6,500
Conference above-market lease payments	272,000
Conference assistance to local pastor	38,700
Park Ridge Hospital Foundation	1,500
Project Care in-kind office space	4,006
(C) Donated Volunteer Services	0
(D) Donations and Voluntary Payments to Government Agencies	0
Total Community Benefits	\$437,806

PERCENTAGE OF RESIDENT REVENUE

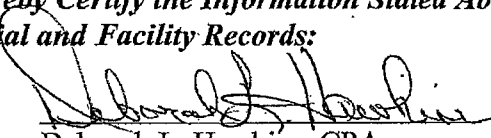
Total Community Benefits and Charity Care	\$ 1,319,596
Total Revenue	21,709,744
Percentage of Resident Revenue	6.08%

Organization Name: Carolina Adventist Retirement Systems, Inc. **County:** Buncombe
Facility Address: 95 Holcombe Cove Road; Candler, NC 28715

Facility Name: Pisgah Valley Retirement Community **County:** Buncombe
Facility Address: 95 Holcombe Cove Road; Candler, NC 28715

Facility Name: W.R. Winslow Memorial Home **County:** Pasquotank
Facility Address: 1075 US Highway 17 S; Elizabeth City, NC 27909-7628

By Signing Below We Hereby Certify the Information Stated Above is Correct and True as Supported by Our Financial and Facility Records:


Date 10-4-11
Deborah L. Hawkins, CPA
Treasurer/Chief Financial Officer

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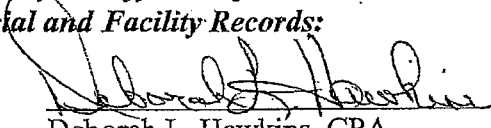
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