

Quarterly  
Bond Program Compliance Report  
on the  
Health Care Facilities Finance Act Program  
Administered by the  
NC Medical Care Commission

FYE 2014 Examinations  
As of July 31, 2016

# Summary of FYE 2014 Examinations Completed 5/1/2016 to 7/31/2016

Total Examinations Completed

**12**

Limited Examinations Due to Defeasance

1. *McDowell Nursing Center*

**No Findings**

*(4 of the 11)*

*Appalachian Regional Healthcare System, Inc.*

*Arbor Acres United Methodist Retirement Community, Inc.*

*Lower Cape Fear Hospice, Inc.*

*Southminster, Inc.*

# Non-Compliance with Financial Calculation

Financial Calculation	CCRC	Hospital
Available Reserve Ratio	No Findings	NA
Days Cash on Hand (DCOH)	No Findings	No Findings
Long Term Debt Service Coverage Ratio (LTDSCR)	No Findings	No Findings
Debt Service Coverage Ratio	No Findings	Chatham Hospital, Inc.
Marketing Ratio	No Findings	NA
Occupancy Ratio	No Findings	NA
Operating Ratio	No Findings	NA
Total Debt to Capitalization	NA	No Findings
Trade Accounts Payable	NA	No Findings
Unrestricted Net Assets to Outstanding LT Indebtedness	NA	No Findings

# Extraordinary/Atypical

Facility	Type	Extraordinary/Atypical Event
Chatham Hospital, Inc.	Hospital	1) Bond Trustee did not properly maintain the balance in the Mortgage Reserve Fund in accordance with the Mortgage Reserve Fund Schedule.
Hugh Chatham Memorial Hospital, Inc.	Hospital	1) Audited Financial Statements submitted to the Commission did not include the supplemental information as required per the Master Trust Indenture. 2) Calculation of the Long Term Debt Service Coverage Ratio was not in accordance with the definition in the Master Trust Indenture.

# Document Not Filed

Facility	Type	Number of Documents Not Filed
Chatham Hospital, Inc.	Other	<ul style="list-style-type: none"><li>• 1 document required per the Loan Agreement</li></ul>
Galloway Ridge, Inc.	CCRC	<ul style="list-style-type: none"><li>• 1 document required per the Loan Agreement</li></ul>
Penick Village	CCRC	<ul style="list-style-type: none"><li>• 2 documents required per the Loan Agreement</li></ul>

# Late Filing: Document Not Prepared Until Notified

Facility	Type	Number of Documents Not Prepared Until Notified
Chatham Hospital, Inc.	Hospital	<ul style="list-style-type: none"><li>• 2 documents required per the Loan Agreement.</li></ul>

# Late Filing: Document Prepared but Not Filed Until Notified

Page 1 of 2

Facility	Type	Number of Documents Prepared but Not Filed Until Notified
Aldersgate United Methodist Retirement Community, Inc.	CCRC	<ul style="list-style-type: none"><li>• 11 documents required per the Loan Agreement</li></ul>
Carolina Meadows, Inc.	CCRC	<ul style="list-style-type: none"><li>• 9 documents required per the Loan Agreement</li></ul>
Chatham Hospital, Inc.	Hospital	<ul style="list-style-type: none"><li>• 3 documents required per the Loan Agreement</li></ul>
Galloway Ridge, Inc.	CCRC	<ul style="list-style-type: none"><li>• 13 documents required per the Loan Agreement</li></ul>
Penick Village	CCRC	<ul style="list-style-type: none"><li>• 4 documents required per the Loan Agreement</li></ul>

# Late Filing: Document Prepared and Filed Without Notification

Facility	Type	Number of Documents Prepared and Filed Without Notification
Aldersgate United Methodist Retirement Community, Inc.	CCRC	3 documents required per the Loan Agreement
Carolina Meadows, Inc.	CCRC	2 document required per the Loan Agreement
Galloway Ridge, Inc.	CCRC	11 documents required per the Loan Agreement
Hugh Chatham Memorial Hospital, Inc.	Hospital	2 documents required per the Loan Agreement
Whitestone	CCRC	2 documents required per the Loan Agreement



# Secondary Market Disclosure

Facility	Type	Findings
Aldersgate United Methodist Retirement Community, Inc.	CCRC	The following information was not filed until notified of the need to file: <ul style="list-style-type: none"> <li>• Balance Sheet, Income Statement, Statement of Cash Flows and the Long Term Debt Service Coverage Ratio for the first, second and fourth quarter.</li> <li>• Available reserve ratio, occupancy statistics, schedule of rates and charges, days cash on hand, historical payor mix and the abbreviated narrative for all four quarters.</li> </ul>
Chatham Hospital, Inc.	Hospital	The following information was not filed until notified of the need to file: <ul style="list-style-type: none"> <li>• Audited financial statements</li> <li>• Certain financial and statistical data</li> </ul>
Galloway Ridge, Inc.	CCRC	The annual skilled nursing rate reported for the Health Care Center did not distinguish between the Life Care Rate and the Market Rate. The CCRC corrected the rate and filed the proper failure to file notice.

# Questions



# Contact Information

## Contact Information:

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