



## Prestwick Farms (Sample)

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Greensboro, NC 27407  
(336) 452-0036

# Community Report

## Community Snapshot

Parent Company	Prestwick Farms, Inc
Tax Status	Not-for-Profit
Number of Independent Residences	206
Number of Assisted Living / Personal Care Residences	40
Number of Skilled Nursing Beds	32
Accept Medicare	Yes
Accept Medicaid	No
Residency Contract Type(s) Available	Fee for Service

## About the Community

The community is situated on approximately 92 acres in Greensboro, North Carolina. This CCRC consists of apartments and free-standing cottages to accommodate independent living as well as licensed assisted, memory care unit, and skilled care facilities. The community is designed to create an environment that will enrich the lives of the people who live and work there.

### Housing Options

Number of Independent Residences	206
Number of Assistant Living/Personal Care Residences	40
Number of Skilled Nursing Beds	32

10 memory care units are included in the assisted living unit count.

### Ownership and Management

Year Established	1985
Parent Company	Prestwick Farms, Inc
Licensed Provider	Prestwick Farms, Inc
Third Party Manager	Does not apply
Affiliation	Religious

*Information in this profile was obtained from the 2015 disclosure statement submitted to the state of NC.*

## Financial Overview

The following information is based on the December 31, 2014 (latest available) Prestwick Farms, Inc. audited financial statements compared to nationally published 2014 median ratios for single-site CCRC's with Type C contracts.

	Community	National Median *	Benchmark
<b>Liquidity</b>			
<b>Days Cash on Hand</b>	<b>366.8</b>	298.0	Rating services suggest that greater than 450 days indicates considerable financial flexibility and less than 200 indicates less financial flexibility, which may be okay if debt burden is low.
<b>Debt</b>			
<b>Cash to Debt</b>	<b>46.8%</b>	51.8%	A high number indicates financial flexibility and protection against a decline in operating profit. Rating services generally look for 50% or higher.
<b>Debt Service Coverage</b>	<b>2.6</b>	2.7	Coverage of greater than 2.5x indicates a strong position, and coverage between 1.5x and 2.0x indicates adequate profitability and / or moderate leverage levels.
<b>Profitability</b>			
<b>Net Operating Margin</b>	<b>20.7%</b>	5.3%	Margins of 3% - 12% generally indicate the ability to provide adequate margin to cover debt service.
<b>Total Excess Margin</b>	<b>19.8%</b>	3.0%	Look for ratios between 2-4%. A negative ratio indicates no margin for error.

The above ratios should not be considered a complete analysis of a provider's overall financial condition, current or future. [Learn more](#) about other factors you should take into consideration.

\* Median ratios come from [CARF-CCAC 2015 Financial Ratios and Trend Analysis](#) report.

### Does the community have rated debt?

Yes. The community's or its parent company's debt is rated BBB+ by Fitch Ratings.

### Is there a future service obligation?

No.

### Other financial information:

The community holds \$6.4M in cash and investments restricted for use by state regulatory requirements and debt agreements which are not included in days cash on hand and cash to debt ratios.

## Contract Description

### Residency Contract(s) Offered

#### Fee for Service

Residents transitioning from independent living to assisted living, memory care, or nursing care will begin paying the then-current market rate for those services.

[Learn more](#) about various types of residency contracts offered by CCRCs.

### Entry Fee Refund Options(s)

*The following entry fee refund descriptions apply to Prestwick Farms (Sample)'s Fee for Service residency contract.*

#### Declining Balance Entry Fee

Resident or resident's estate will receive a refund of the entrance fee previously paid, without interest, less 2% for each month of residency or portion thereof for up to 50 months.

#### 50% Guaranteed Refund

Resident or resident's estate will receive a refund of the entrance fee previously paid by the resident, without interest, less 2% for each month of residency or portion thereof up to 25 months. After 25 months of residency, the refund will be 50% of the entrance fee. The entrance fees for this option range from \$24,300-\$324,000; monthly fees are the same as reported below.

#### 90% Guaranteed Refund

Resident or resident's estate will receive a refund of the entrance fee previously paid by the resident, without interest, less 2% for each month of residency or portion thereof up to 5 months. After 5 months of residency, the refund will be 90% of the entrance fee. The entrance fees for this option range from \$30,600-\$408,000; monthly fees are the same as reported below.

### Entry Fee Refund Requirements

#### Does the residential unit have to be re-occupied before a refundable entry fee will be paid?

Refunds will be paid after a replacement entrance fee is received for the vacated unit, or 24 months after cancellation, whichever occurs first.

#### Are monthly fees required to be paid until the residential unit is re-occupied?

No.

## Resident Fee Summary

The following fees correspond to the Fee for Service contract with a Declining Balance Entry Fee as described in the previous section. Other available contract options would likely have a different range of fees.

	Low-High	Second Occupant Fee
<b>Entry Fees:</b>	\$18,000 - \$240,000	\$8,000
<b>Independent Living Monthly Fees:</b>	\$1,400 - \$3,800	\$820
<b>Assisted Living Monthly Fees:</b>	\$4,400 - \$6,200	See note below*
<b>Skilled Care Daily Fees:</b>	\$225-\$265	See note below*

\* Second occupant fees for assisted living and skilled care are not presented because they can vary widely based on the type of contract and whether both occupants are receiving care simultaneously.

### What is the recent history of monthly fee increases?

Over the last 5 years monthly fees have averaged increases of 4% per year. Most recently fees increased 4% over the prior year. The community may adjust the monthly fee periodically in order to maintain the desired quality of service and to operate on a fiscally sound basis. The community will provide the resident with 30 days written notice in advance of any change in monthly fees. There are no caps on monthly fee increases.

### Is there an increased cost for private rooms in assisted living or skilled nursing care?

Fees reflect single occupancy, additional fees may apply for double occupancy. Fees for assisted living and skilled care reflect semi-private rates in cases where private and semi-private rooms are available. Contact the community directly for current pricing and possible incentives.

### How do monthly fees change if resident moves from independent living to assisted living or to skilled nursing care?

A single resident is entitled to 6 free days of temporary healthcare per year and will continue to pay only the single occupancy monthly fee for the living unit when using free days. If more temporary care is needed beyond the available free days, the resident will pay the current fee for healthcare plus the monthly fee for the living unit. If permanent care is necessary, the resident remains responsible for the monthly fee for the living unit plus the cost of healthcare unit until the living unit is surrendered at which time the resident will pay only the current healthcare fee. Extra charges for medical supplies and services apply.

Joint residents are each entitled to receive 6 free days of care and will pay only the joint monthly fee for the living unit while using free days. If more temporary care is needed beyond the available free days, the residents will continue to pay the joint monthly fee for the living unit plus the current fee for healthcare. Upon the permanent transfer of one resident to a higher level of care, the total monthly fee will consist of the single occupancy monthly fee for the resident who remains in the living unit plus the current healthcare fee for the resident receiving care. Extra charges for medical supplies and services apply.

## Healthcare and More

### Is Medicare accepted?

Yes, there are 32 medicare beds available.

### Medicare star rating:

5 out of 5 stars

### Is Medicaid accepted?

No

### Are residents allotted any number of days of care in the healthcare center before transitioning to pay healthcare rates?

Yes. Residents receive 6 per year days of care per year without paying healthcare rates.

### What is the process for determining if and when a resident should be transferred to a higher level of care?

When evaluating the resident's need to be transferred to a higher level of care, the community will consult with the resident to the extent possible, along with the resident's family, personal representative and attending physician. However, the community's decision is binding.

### Are all levels of care provided onsite?

Prestwick Farms offers licensed assisted and skilled care including a memory care unit.

### Can residents hire their own in-home care providers?

Residents are permitted to hire outside home health professionals with the approval of the community. All home health services provided to residents in living units are at the resident's expense.

### What happens if there is no space available in the health center when a resident requires a higher level of care?

A resident in need of care that can not be provided by the community will be transferred to a hospital or other care facility. The resident will be responsible for all healthcare costs associated with the transfer and will continue to pay the monthly fee for the living unit until it is surrendered.

### Can a resident encountering financial difficulties be forced to leave the community?

The community may offer financial assistance to a resident who has encountered financial difficulty provided the resident has managed his or her personal resources properly after taking occupancy. The resident will be required to submit to all relevant requests by the community in order to receive assistance and such assistance will be conditional on the community's ability to provide funds while operating on a sound financial basis.

## Questions to Ask

1. Can I obtain a current pricing schedule including any incentives that are available, and the current costs for assisted and skilled care?
2. Is the community offering any assistance in helping prospective residents sell their homes or pay the entrance fee?
3. Are there additional contracts or refund options available which are not included in this profile?
4. Is any portion of the entrance fee deductible for tax purposes? If so, how much?
5. Is there a wait list? If so, how long, and for which units?
6. Regarding refundable entry fees, if applicable, is the refundable % based on the entry fee I pay or on future entry fee amounts for my residence (which could be higher or lower)?
7. Is there a resident's association? How active are they in the community?
8. Do you have any plans for expansion or renovation? How is that to be financed?
9. What services are included in my base monthly fee?

## Disclosures

### Important Disclosure

The information in this report is not personalized investment advice and is not intended as an offer or solicitation for the purchase or sale of any financial instrument. Information and opinions do not take into account individual circumstances, objectives, or needs and are not intended as recommendations of particular facilities or strategies. You should evaluate this report in light of your own circumstances and seek the advice of a financial professional prior to making decisions based on the information contained in this report. While the information contained in this report has been obtained from sources believed to be reliable, its accuracy is not guaranteed. Neither the sender nor My LifeSite accepts any liability for any errors or omissions. Opinions and estimates are based on information available as of the date of these reports and are subject to change without notice.

### Sources and Methodology

The information in this report was obtained primarily through the review of the most current disclosure statements, sample resident agreements, and audited financial statements on file and made available to the public by the appropriate state reporting agency in states that require annual reporting, or from the community directly. Other sources of information include [www.medicare.gov](http://www.medicare.gov), the state government agency monitoring Continuing Care Retirement Communities (CCRCs) if applicable, and the Commission on the Accreditation of Rehabilitation Facilities (CARF). If specific information was not obtainable from these sources, the report indicates "Not provided".

The information is updated annually. For communities in states that require annual reporting, the report reflects the most current information submitted. Information is also updated throughout the year on the basis of written communication from the community.

Key ratios presented in the Financial Summary section of the report were computed by My LifeSite using information from the audited financial statements for the community or its parent company. The classification of certain items in the audited financial statements may differ among communities. Accordingly, for purposes of calculating ratios on a consistent basis, My LifeSite made certain reclassifications and assumptions where considered necessary. Ratio calculations are modeled after the definitions provided in the "2015 Financial Ratios & Trend Analysis of CARF-CCAC Accredited Organizations" prepared annually by CARF - CCAC as part of a joint project with ParenteBeard LLC, and Ziegler.

Ratios for the community are compared to National ratios for like communities based on primary contract type and whether the community is a single-site or part of a multi-site reporting entity. National ratios were obtained from the "2015 Financial Ratios and Trend Analysis of CARF-CCAC Accredited Organizations", reflecting data for accredited CCRCs as of December 31, 2014.

In general, no single ratio should be analyzed in isolation. Best practices dictate that ratios be looked at in combination with other ratios and with nonfinancial information to interpret the overall financial condition of the organization. In no way should the information contained in this report be interpreted as a "rating", "analysis", or "guarantee" regarding the financial stability of the community or its parent company.

Entry fees, monthly service fees, assisted living fees, and skilled nursing care fees reported in the Fee Summary and Contract Options sections of this report reflect information obtained from disclosure statements as indicated above, and may or may not reflect current prices.