

## **MINUTES**

### **MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA INC**

**May 10<sup>th</sup>, 2025**

The Board of Directors of the Masonic and Eastern Star Home of North Carolina Inc. convened its regular session at 9:00 am on Saturday May 10<sup>th</sup>, 2025.

#### **MESH BOARD MEMBERS PRESENT**

Mr. Gene Jernigan, Chairman; Mr. Steve Norris, DGM; Mr. Gilbert Bailey, SGW; Mr. Edward Johnson, II; Mr. Randy Browning, III; Mr. Joey Transou; Mr. Bryant Webster, Mr. Rick Patton, Mr. David Sawyer, Mrs. Amy Jo Fischer Hoth, WGM; Mr. Dennis Edwards, WGP; Mrs. Norma Underwood, AGM; Mrs. Linda Burris, Mr. Allen Hughes, Mr. David Griffith, and Mrs. Debbie Owen, PGM

#### **MESH BOARD MEMBERS ABSENT**

Mr. Robert Rideout, GM; Mr. Edward Earl Wells, Mr. Tommy Mills, Jr; Mr. David Sawyer, and Mrs. Linda Bonner,

#### **ALSO PRESENT**

Mr. Mark Lewis, Executive Director; Mrs. Archana Patel, Executive Assistant; Mrs. Tracy Armwood, Director of Human Resources; Mrs. Nikki Stafford, Director of Financial Services; Mr. Josh Hillegass, Administrator; Mrs. Debi Bryant, Director of Sales and Marketing; Mrs. Gina Prevost, Director of Community Life Services; Mr. Leonard Miller, Director of Environmental Services; Mrs. Misty McAden, Chaplain; Mrs. Crystal Condry, Director of Nursing; Mr. Jacob Elliott, Life Care Services; Mrs. Marie Dunn, LCS Regional Sales and Marketing Director; Mr. Bob Dellorfano, Resident; Mrs. Jo Ann Cox, Resident; Mr. George Troxler, Resident; Mrs. Barbara Krueger, Resident; Mrs. Lori Adams, GC; Mrs. Cheryl Haynes, AGC; Mr. Gary Handy, SGS; Mr. David Cashion, JGS; Mr. Ben Crissman, NCMF; Mr. David Wicker, PGM; Mr. George Marut, NCMF Director of Development; Mr. Steve Owen, Committee on WhiteStone; Mr. Jason Cauldwell, Committee on WhiteStone; Mr. Bobby Adams, Committee on WhiteStone; Mr. Jeff Bullington, Committee on WhiteStone; Mr. Clifford Shrewsbury, Committee on WhiteStone; Mr. Jeff Bullington, Committee on WhiteStone

## **INVOCATION**

Mrs. Misty McAden, Chaplain, led the invocation.

## **CALL TO ORDER**

Chairman, Mr. Gene Jernigan called the meeting to order at 9:00 am. A quorum was present.

## **MEETING MINUTES / BOARD COMMUNICATION**

**Motion: It was moved, seconded, and approved by majority to accept the minutes for the Regular Board Meeting February 15<sup>th</sup>, 2025.**

## **COMMITTEE REPORTS**

### **Audit Committee**

Mr. Gene Jernigan introduced Mr. Gilbert Bailey, Chairman of the Audit Committee to present the results of the audit of the 2024 fiscal year. The Audit Committee met prior to the Board Meeting and were presented with a clean audit. Mr. Ryan Beckman of Clifton Larson Allen (CLA) was next introduced to present the audit results.

Mr. Ryan Beckman directed the board to the packet provided, which highlighted that the WhiteStone audit resulted in an unmodified opinion, the highest level of assurance offered as auditors. The objectives of the audit team are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. In the opinion of the audit group, the financial statements present fairly, in all material respects, the financial position of the Home as of December 31, 2024, and the results of its operations, change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. There were no disagreements with management, and no significant difficulties encountered in conducting the audit. During testing, there were no material weaknesses or deficiencies noted with internal controls. Lastly, from a covenant perspective, the organization was in compliance with days cash on hand (DCOH) and debt service coverage ratio (DSCR).

Mr. Gilbert Bailey thanked Mrs. Nikki Stafford for all her efforts in achieving a clean audit. This

was echoed by Mr. Gene Jernigan.

Mr. Gilbert Bailey, as Chair of the Audit Committee, reported that the Audit Committee has voted to accept the audit of FY 2024 and makes this recommendation to the Board.

**Motion: It was moved, seconded, and approved by a majority to accept the financial audit of the 2024 fiscal year as presented.**

### **Finance Committee**

Mr. Gene Jernigan introduced Mr. Steve Norris, Chair of the Finance Committee, who introduced Mrs. Nikki Stafford, Director of Financial Services, to report on community finances through March 31, 2025, based on unaudited financials.

### **Net Operating Income (NOI):**

The 1<sup>st</sup> quarter closed with a NOI of 840k on a budgeted NOI of 46k for a positive variance of 794k.

### **Operating Revenues:**

- Revenue is over budget by 391k.
- Each care level is performing over budget. For IL, AL and MC this is related to census numbers exceeding budget and HC is due to payer rates.
- In March an adjustment was made to correct free care days for ALMC residents. This adjustment/correction went back to 11/2023. While revenue shows a budget variance of 96k that is related to this adjustment not actual revenue from occupancy.

### **Operating Expenses:**

- Operating expenses were under budget by 403k.

### **Debt Covenants:**

- Q1 debt covenants are 256 DCOH on a covenant of 150.
- DSCR is 5.36 for Q1 on a covenant of 1.20. This is a 12-month trailing calculation so financial activity from April 1, 2024 to March 31, 2025 is used for this calculation. All 1<sup>st</sup> generation entrance fees on the expansion building are excluded from this calculation.

- As a reminder debt covenants are calculated quarterly and reported on EMMA for bond holders to review. The final calculation is done on 12/31.
- Currently our maximum annual debt service (MADS) is 1.4M however, due to the 2020 bond financing that increases in the 1<sup>st</sup> year following stabilization which will be 12/31/2025 and will go to approximately 5.1M.

#### **Accounts Receivable:**

- Accounts receivable has improved during the quarter, although pending Medicaid applications continue to negatively impact AR. There is 333K outstanding related to Medicaid.
- Days in accounts receivable for January 20.60. March days in AR 17.10, which is slightly lower than LCS goal of 18.00.
- We are down to three Medicaid Pending Applications as we have just received approval for two of them that we have been working on for over a year.
- We have one Unmet Medical Needs in place and will issue two for the most recent approvals.

Mr. Gene Jernigan commented on the improvement in accounts receivable and thanked the Finance Team.

Mr. Gene Jernigan referred the board to the investment statements behind tab 3 and acknowledged that the investments are borderline as related to their allocations. Mr. Ben Crissman, of the NCMF Board, commented that the current plan with NCMF investments is to stay the course due to market volatility.

#### **Long Range Planning Committee**

Mr. Gene Jernigan introduced Mr. Joey Transou, Chair of the Long-Range Planning Committee. Mr. Joey Transou announced the Long Range Planning Committee will be meeting on May 15<sup>th</sup> from 3 to 4pm. The existing master plan will be distributed for review prior to the meeting. Additionally, the Gay Terrace project estimates, which were included in the 2025 Capital Budget, came back significantly higher than projected. The Finance Committee will be meeting to discuss a path moving forward with the project. The additional walk-in cooler and freezer project is underway and will be completed this year. Lastly, the dining buffet project has not yet started.

Mrs. Debi Bryant, Director of Sales and Marketing, provided an update on sales and marketing. Mrs. Bryant reported that the Sales and Marketing team remains fully staffed and continues strong and consistent sales activity. Meredith Cooper, WhiteStone's Marketing Coordinator, will be celebrating her two-year anniversary this month, while Monica Hurd celebrated three years a couple weeks ago. Mrs. Bryant reported during the first quarter WhiteStone achieved eight closings on a budget of six, and net sales totaling five on a budget of six. The momentum has continued beyond the first quarter, where we currently sit with nine closings and nine sales year to date. There are five upcoming move ins over the course of the next couple of months. First quarter occupancy ended at 95% occupied and 98% sold. There are currently one hundred and thirty-five depositors on the waitlist.

Mrs. Nikki Stafford commented that we experienced a number of residences turn over during the quarter, which the Sales Team quickly sold.

Mrs. Marie Dunn, Regional Director of Marketing and Sales of LCS, reported great pride in the WhiteStone Team and their ability to consistently produce.

### **Charity Committee**

Mr. Gene Jernigan recognized Mr. Mark Lewis to provide an update on charity.

Through March, our charity has totaled 368,841, which is under budget for the year by 18,450. Compared to this time last year, charity care is up 105,376. The Fraternal Friendship Program (formerly Masonic and Eastern Star Outreach Program) has accounted for approximately 23,608 in charity care through March, which is under budget by 6,392.

At present we are providing long-term financial assistance to seven (7) fraternal members through the Fraternal Friendship Program and twenty (20) WhiteStone residents. This includes sixteen (16) members residing in our independent living, three (3) in assisted living, and one (1) in memory care. There are additional applications being processed for assistance by the Director of Fraternal Friendship, Jenna Grant.

Also contained in tab 5 is the summary of contributions through March. Donations totaled 488,901, which was better than budget this year by 188,902, and up from this time last year by 196,264. Major contributions YTD are highlighted in yellow, including the 4th quarter hardship reimbursement for 2024 in the amount of 211,762. Additionally, there were two distributions from the endowment of Mrs. Betty Baberree totaling 183,953.

Mr. Gene Jernigan spoke to the Board Member donations through March and requested members that have not yet contributed to please make a donation in order to achieve our goal of 100% Board participation.

### **North Carolina Masonic Foundation**

Mr. Gene Jernigan recognized Mr. Ben Crissman, Member of the North Carolina Masonic Foundation Board, for remarks. Mr. Crissman commented to the unstable market, impacting investment accounts for the NCMF, but there are no concerns from the Board's perspective from an investment perspective. Western North Carolina relief continues to move forward and support is being provided by the NCMF.

Fraternal Friendship Program Update May 2025 - Since our last report, the Fraternal Friendship Program has gained strong momentum. We now have over 40 Lodge Points of Contact (POCs) actively engaged across the state. These POCs will convene later this month to align on goals, share best practices, and prepare for the next phase of rollout. Initial fundraising efforts have been successful, with Lodges beginning to make financial contributions and commit to ongoing support. While we are encouraged by early traction, we remain focused on expanding the program further and finalizing the processes and procedures needed to ensure its long-term success, sustainability, and scalability. Thank you for your continued support as we work to deepen care and connection within our Masonic family.

Mr. Gene Jernigan thanked Mr. Crissman and the NCMF Board for their support.

### **Resident Communication**

Mr. Mark Lewis directed the board to tab 7 of the board packet for minutes from committee meetings during the 1<sup>st</sup> quarter. Resident Council President, Mr. Alan Greenstein, was unable to attend the Board meeting today due to a scheduling conflict.

Mr. Mark Lewis announced a new resident committee on campus, the Recycling Committee. Which has been created to reignite the recycling efforts at the community, now that the City of Greensboro has again started to collect recyclable materials. Additionally, the WhiteStone Employee Gratitude Initiative has begun year two, and is continuing to collect donations that will be distributed to WhiteStone employees in December as recognition of their efforts.

## **Management Report**

Mr. Mark Lewis referred the board to tab 8 of the board packet for the management reports for the months January, February, and March.

Mrs. Tracy Armwood, Director of Human Resources, was introduced and presented the following update.

Turnover year to date is at 10.72, as compared to this time last year at 12.92%, which is a decrease of 2.2%. Healthcare turnover nationally is currently at 18.3%. The Food and Beverage Department is seeing the highest turnover rate at 18.6%, followed by Nursing at 14.7% and Administration at 11.8%. Some notable trends include 28% of turnover occurring within the first 90 days of employment, with 56% quitting without notice. Nationally, healthcare turnover within the first 90 days is 57%.

Overtime Trends: we continue to see significant increases in overtime year to year. Nursing consistently leads our community in overtime each pay period with food and beverage following 2<sup>nd</sup>. Turnover and staffing concerns are contributing factors to some of the overtime; however, we have also identified potential scheduling issues as well.

Recruiting: HR has processed 1,481 Candidates; conducted 177 Interviews; made 85 Offers which transitioned to 80 hires. Currently we have 35 openings. We had a successful onsite Grill and Chill job fair which resulted in 88 Candidates given on the spot interviews; 22 Offers were made by end of day and 14+ Candidates were scheduled for a second interview with the department team.

Retention: We have kicked off our First Friday Happy Hour with Mocktails and feature foodies for the staff. We also had a successful all staff Easter Hunt. We created Tik Tok videos of both events and shared on social media to show we continue to be a great place to work.

To continue to focus on recruitment and retention and address areas of attention revealed in our employee engagement survey, WhiteStone has developed a plan of action its leadership team will

be working together on to address concerns. They are Leadership Training; Retention and Turnover; Training and Development; Performance Management

Mr. Josh Hillegass, Health Center Administrator, was introduced to provide a report on the Health Center and Assisted Living.

#### 2025 Q1 Health Services Review

- Occupancy
  - Through Q1 of 2025, the Health Center has maintained a successful average occupancy rate of roughly 88% across the Care and Wellness Center, Assisted Living, and Memory Care.
- Financials
  - The success we've seen in occupancy has translated to the success we've seen financially across these levels of care. For 2025 Q1, across the three levels of care, we've created a Net Operating Income of \$201,676.

#### 2025 Q1 Care and Wellness Center Review

- Occupancy
  - We've seen a primarily stable census within our Care and Wellness Center, despite the frequent ins and outs that we see with our Short-Term Rehabilitation Program. This has allowed us to maintain an average occupancy rate of 89% throughout the 1<sup>st</sup> Quarter.
- Financials
  - Again, the focus on occupancy has translated into a successful quarter financially as well. For the 1<sup>st</sup> Quarter, the Care and Wellness Center had a Net Operating Income of \$266,746.
  - Skilled Reimbursement Rates have contributed significantly to this success as you can see our average daily rates for both Medicare and HMO remain high which allows for our success financial as we manage our Short-Term Rehabilitation Program.

#### 2025 Q1 Assisted Living & Memory Care Review

- Occupancy
  - Assisted Living and Memory Care continues with the trend of month-over-month growth as you can see here. Throughout the 1<sup>st</sup> Quarter, we maintained an average occupancy rate of 84%, but we've continued to see this occupancy grow.
- Financials
  - While census remains high, we do see a Net Operation Loss in Assisted Living and Memory Care of \$65,070. Part of this is contributed to the Free Care Days adjustment that has taken place for those Residents who have transitioned from our Independent Living to our Assisted Living and Memory Care.

#### Positive Reviews

- The positive news doesn't stop with our financial and occupancy performance, our Positive Review campaign has continued into 2025, and I'd like to take a moment to



highlight a few of the great reviews we've received from Residents and Families that have experienced our Care and Wellness Center, Assisted Living, and Memory Care.  
LCS Internship

- Marline Senessie
  - Marline is a current undergraduate student at North Carolina A&T State University majoring in Health Services Management with an expected graduation date of December 2025.
  - She has worked here in Greensboro as the Concierge for TerraBella, an Assisted Living Community. We look forward to her joining our team this Summer, and we hope to give her valuable insight into Senior Living.

#### Survey

- Results:
  - 6 Total Deficiencies
    - F685 – Treatment/Devices to Maintain Hearing/Vision
      - D Level Citation
    - F689 – Free of Accident Hazards/Supervision/Devices
      - G Level Citation
    - F758 – Free from Unnecessary Psychotropic Medications/PRN Use
      - E Level Citation
    - F760 – Residents are Free of Significant Medication Errors
      - D Level Citation (Past Non-Compliance)
    - F836 – License/Comply with Federal/State/Local Law/Professional Standards
      - E Level Citation
    - F842 – Resident Records – Identifiable Information
      - D Level Citation
  - Summary of Deficiencies:
    - F685 & F842
      - Resident was missing hearing aids that were not communicated to the Leadership Team, and in addition, the Nursing Team had been documenting the application and removal of the missing hearing aids.
    - F689
      - HealthPro Heritage Therapy Staff were working on strengthening with a Resident who did not want to utilize the Therapy Gym. They were utilizing a sit-to-stand lift not per the manufacturer's instructions which led to a bruise.
    - F758
      - Resident was placed on an antipsychotic medication by the Hospital Physician, but it did not have a supporting diagnosis, our team did not clarify the diagnosis with the Provider.
    - F760

- Resident received a dose of insulin that was intended for another Resident.
  - F836
    - Nurse's licensure lapsed in 2024, but Nurse was not aware of the lapse and believed it was due for renewal in 2025. Nurse was out on FMLA when the licensure lapsed which contributed to the oversight.
- Plan of Correction:
  - For each deficiency identified, the Interdisciplinary Team has developed a plan of correction that includes the following plan:
    - Address how corrective action will be accomplished for those Residents found to have been affected by the deficient practice.
    - Address how the Center will identify other Residents having the potential to be affected by the same deficient practice.
    - Address what measures will be put into place or systemic changes made to ensure that the deficient practice will not recur.
    - Indicate how the Center plans to monitor its performance to make sure that solutions are sustained.
  - Crystal to provide an overview of the Plans of Correction, Action Steps taken, and the Health Center Team's approach to maintaining compliance.
- While our team is disappointed with the results of this Survey, I do want to provide perspective on the Survey process across the Country:
  - Average Number of Citations:
    - United States: 9.6
    - North Carolina: 7
  - While the results give us something to continue to work towards, our community remains above the average in the Survey Process. I speak for our whole team when I share our commitment to continuing to maintain compliance and move the community in a positive direction.

Mr. Mark Lewis reported on the online reputation management initiative. We started out the year with a reputation score of 757 but now sit at 772. The goal for 2025 is to achieve a reputation score over 800.

Mr. Jacob Elliott, LCS Director of Operations Management, was introduced for an update from Life Care Services. The following state and federal policy updates were provided:

## Overview

Thank you for the opportunity to provide a brief update on policy and regulatory trends that could impact WhiteStone and the broader senior living sector. This summary focuses on four key areas: tariffs and supply chain, immigration, Social Security administration, and Medicare/Medicaid developments.

## **1. Tariffs & Supply Chain**

Tariff policies continue to fluctuate, creating potential pricing volatility, particularly for CapEx and certain medical supplies. Our Group Purchasing Organization, CPS, is surveying top vendors and providing weekly updates. While some vendors like McKesson have preemptively addressed tariff risks, others are still evaluating. We're monitoring closely and working with vendors to find cost-effective alternatives when needed.

## **2. Immigration**

The HR team has issued updated policies on handling visits from Immigration Enforcement Officers. While there have been no direct impacts at our communities, a few vendors have reported workforce disruptions. These disruptions seem to be more prevalent in certain regions, and we would not anticipate a noticeable impact in the Greensboro market. We are monitoring this to avoid service interruptions.

## **3. Social Security**

SSA operational delays—stemming from office closures and stricter ID verification—are causing minor issues for some seniors. While we haven't seen significant impacts yet, although we have received numerous reports from residents experiencing more difficulty in communicating with their local social security administration offices.

## **4. Medicare/Medicaid**

Medicare Advantage reforms and new minimum staffing requirements are being reviewed, which could impact reimbursement and labor costs. Medicaid access may tighten in some states due to budget constraints. We are staying closely connected to industry groups to monitor implications.

## **Conclusion**

We remain proactive in addressing these evolving challenges by tracking policy changes, engaging vendors, and coordinating with industry stakeholders. Our focus is to minimize disruption and ensure continuity of quality care for our residents. I welcome any questions or comments.

Mr. Mark Lewis presented the Worthy Grand Matron, Amy Jo Fischer Hoth, Worthy Grand Patron, Dennis Edwards, and Mrs. Linda Burris with a small token of appreciation for their work on the Board.

Mr. Dennis Edwards, Worthy Grand Patron, expressed appreciation for serving on the Board of Directors. Furthermore, he commented on the progress he's seen at the community while serving and commended the staff for their dedication.

Mrs. Amy Jo Fischer Hoth, Worthy Grand Matron, commented on a bittersweet day after serving on the Board for six years. Enough words cannot be said for the great work at this community. Furthermore, she expressed appreciation for being able to serve on the board.

Mr. Steve Norris, DGM, reported that this year marks his seventh year as serving on the board. He commented on the history of the home and the time and talent that serve this community. The community goes above and beyond to serve its Brothers and Sisters. Benjamin Franklin once stated, "Masonic labor is purely a labor of love. He who seeks to draw Masonic wages in gold and silver will be disappointed. The wages of a Mason are in the dealings with one another; sympathy begets sympathy, kindness begets kindness, helpfulness begets helpfulness, and these are the wages of a Mason,"

Mr. Gene Jernigan thanked those in attendance before adjourning to Executive Session.