

**Brooke Grove Retirement Village  
Certificate of Registration Renewal  
October 2025**

**Disclosure Statement  
2025**

**BROOKE GROVE FOUNDATION, INC.**  
**d/b/a Brooke Grove Retirement Village**

**DISCLOSURE STATEMENT**

**October 2025**



**EQUAL HOUSING OPPORTUNITY**

Issuance of a certificate of registration by the Maryland Department of Aging does not constitute approval, recommendation, or endorsement of a continuing care retirement community by the Department, nor is it evidence of, nor does it attest to, the accuracy or completeness of the information set forth in this Disclosure Statement.

Brooke Grove Foundation, Inc. will promptly amend its disclosure statement if in the opinion of the provider or the Department, an amendment is necessary to prevent the disclosure statement from containing any material misstatement of fact or omission of a material fact required by this regulation.

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## **Disclaimer**

This Disclosure Statement sets forth information required to be disclosed by Title 10 of the Human Services Article of the Annotated Code of Maryland. The information provided is in response to specific topics identified in the statute, and Brooke Grove Foundation, Inc. makes no representation that all material information related to Brooke Grove Foundation, Inc. is set forth in this Disclosure Statement.

In addition, this Disclosure Statement attempts to summarize the Residence and Care Agreement. Any discrepancy between the statements made in this Disclosure Statement and the Residence and Care Agreement shall be governed by the terms of the Residence and Care Agreement.

**BROOKE GROVE FOUNDATION, INC.  
d/b/a Brooke Grove Retirement Village**

**DISCLOSURE STATEMENT**

**October 2025**

**The following statement is given in compliance with Title 10 of the Human Services Article of the Maryland Code.**

**This statement is also available on the Brooke Grove Foundation Website at [www.bgf.org](http://www.bgf.org)**

**I. PROVIDER AND FACILITY INFORMATION**

**A. Name, Address, and Description of Provider and Community**

Brooke Grove Foundation, Inc.  
d/b/a Brooke Grove Retirement Village 18100 Slade School Road  
Sandy Spring, Maryland 20860

Brooke Grove Foundation, Inc. d/b/a Brooke Grove Retirement Village, a Maryland not-for-profit corporation ("BGF") provides housing and care for older adults on a continuum that includes independent living, assisted living, long-term skilled nursing, short-term rehabilitative, and respite care. BGF operates one comprehensive care facility "BGRNC", Brooke Grove Rehabilitation and Nursing Center, seven assisted living facilities "Sandy Spring Assisted Living" and "Sandy Spring Independent Living" on its Sandy Spring, Maryland campus.

BGF owns and operates a continuing care retirement community (the "Community") in Sandy Spring, Maryland. The Community is located in a pastoral setting on approximately 220-acres of land owned by BGF which comprises the campus (the "Campus"). The Campus consists of independent living units with access to assisted living and comprehensive nursing care on a fee-for-service basis.

## **B. History and Mission**

BGF has a history and a tradition of excellence. When registered nurse Eleanor Howe Marston opened her home on April 1, 1950, to two older adults in need of nursing care, a tradition of excellence was begun.

With a history rich in "firsts," the Sandy Spring, Maryland Campus became the home to the first licensed group home for the elderly in Montgomery County, Maryland. Carl Howe, son of founder Eleanor Howe Marston, and Chairman of BGF's Board of Trustees for more than 50 years, was the first Chairman of the Maryland State Board of Examiners for Nursing Home Administrators. Under Mr. Howe's leadership, standards which regulate the nursing home industry were established after which he became the first licensed nursing home administrator in the State of Maryland.

BGF is a faith-based organization and as such expects all staff and residents to honor and respect its Christian heritage and values. While not operated by a religious organization or formally affiliated with one, BGF's founder intended the company to always encompass Jesus' teachings, which can be summarized in the two following statements:

***Love one another. Treat other people in the same manner in which you would like to be treated.***

Based on these fundamental Christian beliefs, BGF adopted its mission statement. BGF's mission is to provide continuing care services to a diverse group of older adults in a warm, congenial atmosphere founded and operated under the core values of, and in the spirit of, Christian beliefs. BGF's mission statement is:

***We touch people's lives by providing excellence in service, showing respect and radiating kindness.***

***We touch people's lives by offering a practical, sensitive response to people's need for physical, emotional and spiritual support.***

***We touch people's lives by continuing the compassionate, healing ministry of Jesus Christ.***

***We touch people's lives by sharing comfort and joyfully embracing the human family.***

### **C. Description of Facility**

In 2004, BGF became a continuing care retirement community with the opening of the Independent Living Community. The Independent Living Community consists of 40 cottages divided up into clusters of duplexes in spacious neighborhood settings. Westbrooke Clubhouse serves as the Community Center. The Independent Living Community utilizes nine (9) assisted living beds and five (5) comprehensive care beds already in existence.

Currently, there is a 190-bed comprehensive nursing care facility located on the Campus known as Brooke Grove Rehabilitation and Nursing Center ("BGRNC"). BGRNC was originally constructed in 2000. In 2017, Brooke Grove opened a newly constructed, uniquely modern, two-story rehabilitation wing attached to the original building.

Our rehabilitation wing boasts spacious private rooms with shared or private luxury baths. Large patient room windows offer healing views of Brooke Grove's pastoral setting from colorful sunrises to stunning sunsets. Natural light-filled dining rooms are found on both floors of the new wing.

Our nursing center for long-term, skilled and memory support residents, is ever evolving to provide person-centered care in neighborhood-like settings with private and semi-private rooms. An intimate setting supports the social needs of these residents. Each neighborhood dining room has its own dining room with wide window views of the soothing, outdoor setting.

All of BGRNC includes many features that enhance quality of life. The building's expansive footprint offers a variety of healing and living opportunities. Spaces include numerous common areas, dining rooms,

indoor and outdoor gathering places, special event venues, two salons and a spa, a dental suite, and large therapy gyms equipped with state-of-the-art rehabilitation equipment.

The assisted living facilities on the Campus are organized into two clusters of buildings, The Meadows and The Woods, which feature a home-like environment with large private rooms with private bathrooms and other amenities. The assisted living facilities provide services to residents who need assistance with the activities of daily living and/or residents in need of memory support.

The Campus is located on Maryland Route 108 in Sandy Spring, Maryland. The access point to the Campus is Slade School Road. The property is comprised of pastures, woodlands and a stream. Approximately forty (40) acres of the land is dedicated to forest conservation.

Adding to the country-estate-like charm of the Campus are several homes. "Old Sharon" is a registered Montgomery County historical site. The house was built in the 1790s by Isaac Briggs, a surveyor, engineer and friend of Thomas Jefferson. Old Sharon was restored by BGF in the 1980s. The property known as the Slade School house was also built in the late 1800s.

#### **D. Organizational Structure and Management**

Brooke Grove Foundation, Inc., ("BGF") is a Maryland not-for-profit corporation recognized by the Internal Revenue Service as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code. BGF is managed under the direction of a board with a maximum number of eleven (11) members.

BGF's Bylaws require that the majority of the members of its Board of Trustees be independent directors and the majority of its board be Seventh-day Adventist church members in good standing. One member of the board is a resident of the continuing care retirement community and that board position is considered an internal board member.

The current Chairman of the BGF Board is Thomas Wetmore, a member of BGF's board of directors since 1995. Mr. Wetmore is a specialist in nonprofit and healthcare organizational law and holds a Juris Doctor degree from the National Law Center of George Washington University in Washington, D.C.

The President of BGF is Wesley Malin. Mr. Malin assumed the office of the president on August 11, 2025, following the retirement of Dennis Hunter after 29 years of service. Mr. Malin has over 40 years' experience in the senior living/long term care industry. Prior to joining BGF in 2019, Mr. Malin worked in various healthcare roles at Hillhaven Healthcare Management from 1980 to 2001 and served as Chief Operating Officer from 2001-2019. Mr. Malin is a licensed nursing home administrator in the state of Maryland. He has served on various boards and advisory committees including Lifespan Network, HFAM and the Maryland Department of Health.

Day-to-day management of the continuing care retirement community is under the direction of Patricia Anderson Gomez, a licensed nursing home administrator, a certified assisted living manager, and a 35 year employee of BGF. She is serving in the role of Vice President of Operations and has direct responsibility for the day-to-day operations of independent living.

## **II. AFFILIATION**

BGF is not now and has not previously been affiliated with any religious denomination, charitable or other nonprofit organization since it began as a private not-for-profit organization in 1950, and no other organization is responsible for the financial and contractual obligations of BGF.

## **III. DESCRIPTION OF FEES**

### **A. Entrance Fee**

***Carefully read the Residence and Care Agreement for the conditions that must be satisfied before Brooke Grove is required to pay the entrance fee refund.***

Under the terms of the BGF Residence and Care Agreement, the resident pays an Entrance Fee and a Monthly Charge. The portion of the Entrance Fee to be re-funded after the Occupancy Date, if any, is not held in trust or escrow for the benefit of Resident(s) after Occupancy Date. BGF assigns an Entrance Fee to each type of independent living accommodation. The entrance fee refund is conditioned on re-occupancy of the unit. If it has not been reoccupied within 9 months of the date of contract termination, BGF will submit a written report to the resident(s) stating that the unit has not been reoccupied and outline the efforts made to reoccupy the unit. This notification will continue every six months until the unit has been reoccupied.

The following entrance fees are available at BGF:

**1. Ninety Percent (90%) and Fifty Percent (50%) Entrance Fee**

a. Ninety Percent (90%) Refundable Entrance Fee. Upon termination of this Agreement for any reason, including death, a Ninety Percent Refundable Entrance Fee Resident is entitled to a Ninety Percent (90%) refund of the Entrance Fee subject to any additional charges outstanding and owing to BGF through the effective date of termination if the Resident terminates the Residence and Care Agreement.<sup>1</sup> Additionally, the entrance fee refund is subject to the re-occupancy of the independent living unit. If resident permanently transfers to assisted living or the skilled nursing and rehabilitation center, the entrance fee remains with BGF and is refundable in accordance with Section IX.D.6 of the Residence and Care Agreement, and may be subject to a deduction in accordance with Section IX.D.8 of the Residence and Care Agreement.

b. Fifty Percent (50%) Refundable Entrance Fee. Upon termination of this Agreement for any reason, including death, a Fifty Percent (50%) Refundable Entrance Fee Resident is entitled to a fifty percent (50%) refund of the Entrance Fee subject to any additional charges outstanding and owing to BGF through the effective date of termination if the resident terminates the Residence and Care Agreement. Additionally, the entrance fee refund is subject to the re-occupancy of the independent living unit. If resident permanently transfers to assisted living or the skilled nursing and

rehabilitation center, the entrance fee remains with BGF and is refundable in accordance with Section IX.D.6 of the Residence and Care Agreement and may be subject to a deduction in accordance with Section IX.D.8 of the Residence and Care Agreement.

## **2. Seventy-Two (72) Month Declining Balance Entrance Fee**

Upon termination of this Agreement for any reason, including death, a Seventy-Two (72) Month Declining Balance Entrance Fee Resident shall be entitled to a refund of that portion of the Entrance Fee that has not amortized at the time of such termination subject to additional charges outstanding and owing to BGF through the effective date of termination if the resident terminates the Residence and Care Agreement.\* Additionally, any entrance fee refund is subject to the re-occupancy of the independent living unit. If residents permanently transfer to assisted living or the skilled nursing and rehabilitation center, the entrance fee remains with BGF and is refundable in accordance with Section IX.D.6 of the Residence and Care Agreement and may be subject to a deduction in accordance with Section IX.D.8 of the Residence and Care Agreement. For purposes of calculating a refund for the Seventy-Two (72) Month Declining Balance Entrance Fee, any portion of a month of occupancy will be considered a full month.

### **B. Monthly Charge**

The resident is also required to pay BGF a monthly charge. A monthly charge is assigned to each type of living accommodation based on single or double occupancy. See fee schedules, Exhibit F, for past and present monthly charges including second person monthly fees. The monthly charge may be adjusted from time to time by BGF, in its discretion, based upon operating costs and other financial needs of BGF upon FORTY-FIVE (45) DAYS prior written notice to residents.

When a resident relocates to assisted living or comprehensive care on a temporary or a permanent basis, the resident pays for the services received in these healthcare settings on a fee-for-service basis.

### **C. Periodic Fees**

Residents are not required to pay any parking fees. In addition to the entrance fee, monthly and 2nd person fee, other fees incurred by Independent Living Residents include gas, electric, telephone, television provider, internet service, and additional charges as Resident opts for other services available. In addition to the monthly charge and 2nd person fees, there are no other required periodic fees charged to Residents in Independent Living at this time. Please see attached fee schedules for periodic fees in our healthcare settings in Assisted Living and our Nursing and Rehabilitation Center.

### **D. Included Healthcare-related Services**

If a resident chooses to install a landline, their cottage will be equipped with a Lifeline® Emergency Response System in the event of a health emergency inside the Resident's cottage. In order to promote health and wellness and facilitate a pro-active approach to staying independent, fitness assessments and wellness programming is available to all Independent Living Residents and is directed by a Certified Fitness Trainer. If at any time, a Resident suffers a change in healthcare status, an assessment by a Registered Nurse is available at no extra charge. Residents in Independent Living have priority access to other levels of care in our healthcare settings should needs change.

### **E. Healthcare-related Services Available at an Additional Charge**

Residents have priority access to all other levels of care in the event of a healthcare emergency, need or change in health status. All charges associated with a stay at one of our healthcare settings is in addition to the monthly charges for independent living. Please see attached fee schedules for healthcare-related services available at an additional charge in our healthcare settings in Assisted Living and the Brooke Grove Rehabilitation and Nursing Center.

If a Resident has a long-term care insurance policy, request that advisors review the policy and the continuing care agreement to determine

whether there are potential areas of duplication or areas where benefits can be coordinated.

#### **IV. OPERATING RESERVE AND INVESTMENT**

Human Services Article§ 10-420(b)(1)(ii) requires that continuing care retirement communities create an operating reserve of 25% of annual net operating expenses effective 1/1/2023. This excludes beds not part of the continuing care retirement community. BGF began funding this operating reserve as of the end of the fiscal year, June 30, 2006. BGF deposited the operating reserve funds in a commercial money market savings account with Fulton Bank, which invests in low risk investment vehicles such as money market funds which invest in high quality, short term debt obligations issued by the U.S. government, banks and corporations.

The funds are extremely liquid in the judgment of BGF. The operating reserve fund investments are reviewed monthly by management and annually by BGF's Board of Trustees. See Exhibit C, at end of Disclosure Statement, to view letter from BGF's accounting firm for further information regarding the operating reserve.

#### **V. CERTIFIED FINANCIAL STATEMENT**

The auditor for BGF is Gross Mendelsohn. The official audit results are presented annually with comments to the full BGF Board of Trustees and are attached to this Disclosure Statement as Exhibit A.

#### **VI. LONG-TERM FINANCING AND RENEWAL AND REPLACEMENT**

The Montgomery County, Maryland Economic Development Revenue Bonds (2025) were used entirely for the refinance of the Economic Development Revenue Bonds (2015). The bonds require monthly principal and interest payments at the index floating rate as defined in the agreement. The bonds mature in January 2050. The Foundation has a swap agreement that effectively fixed the interest rate on the bond.

Regarding renewal and replacement funds, our independent living cottages were constructed between 2004 and 2008. Assisted living homes are also younger buildings. The present skilled nursing facility replaced a

previous facility and was built in 2000. The new 70 beds rehabilitation building was completed in 2018. We do not foresee the need for a replacement fund currently due to the young age of the independent living homes. The matter of update, renewal, and refurbishment is an ongoing process in which we are continually engaged to both maintain a current home-like atmosphere in all of our facilities as well as maintain the longevity of the buildings themselves.

For a more detailed explanation of long-term financing, please refer to Exhibit A.

## **VII. CASH FLOW FORECAST STATEMENT**

See Exhibit B for projected cash flow statements for the current and next two fiscal years.

## **VIII. GOVERNANCE**

BGF, as a not-for-profit corporation, is managed under the direction of its Board of Trustees. The Board is comprised of two groups of members, i.e., internal Board members and external Board members. Internal Board members consist of the President, Secretary, and Treasurer. All are currently employees of BGF. External Board members are selected from the community at large. External Board members receive no compensation for their services.

BGF's Bylaws require that the external members of the Board be members of the Seventh- day Adventist Church.

As a not-for-profit, non-stock corporation, no individual person owns an equitable or beneficial interest in BGF.

<u>Board of Trustees</u>	<u>Occupation</u>
Thomas Wetmore	Retired Attorney, SDA Church
Wesley Malin	President/BGF Employee
Joviah Ndahayo	Accountant, Adventist Development/Relief Agency
Kevin Davidson	Retired Insurance Professional

Carolyn Brooks  
Kelly Mazzeo  
Audrey Jewett

Character Counts, Washington County  
Director Echelon Academy, Sandy Spring  
IL Resident Board Member

None of the members of the Board of Trustees of BGF nor any officers nor any member of the senior management team has ever been: (i) convicted of a felony or pleaded nolo contendere to a felony charge; (ii) held liable or enjoined in any civil action by a final judgment in any action involving fraud, embezzlement, fraudulent conversion or misappropriation as a fiduciary; or (iii) subject to an effective injunctive or restrictive order of a court of record or (iv) within the past ten (10) years had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency, arising out of or relating to business activity or health care, including actions affecting a license to operate any facility or service for aging, impaired or dependent persons.

No person has a 10% or greater equity or beneficial interest in Goodwill or financial interest in an entity which is anticipated to provide goods, premises, or services to the facility or BGF of a value of \$10,000 or more within any fiscal year.

## **IX. MANAGER**

BGF is not managed by a third-party manager or management company.

## **X. MEETING WITH RESIDENTS AND RESIDENTS' ASSOCIATION**

The Director of Independent Living conducts monthly meetings with the residents of the continuing care retirement community to continually promote communication and collaboration between the community and management in reference to operations, significant changes, and future organizational goals. Additionally, Brooke Grove Foundation will engage the President, Vice President of Finance, and Vice President of Operations to attend quarterly meetings with the residents. At the meetings, the leadership team will summarize the provider's operations, review any significant changes, goals and objectives, and answer any questions from

the residents in attendance. A financial report summarizing our most current audited financial report is provided at one of the quarterly meetings annually.

See Exhibit D for a list of the dates of the meetings held by the Director of Independent Living with the Residents as well as upcoming dates for the quarterly meetings with officers of the governing body.

The Community has an active Resident's Association with a CCRC resident- elected president and executive committee, bylaws written by the founding members, as well as committees as appointed by the president. Our Community's Resident Association collaborates with those members of the operations and management staff in an effort to work toward and achieve common goals. The following is a partial list of committees formed by the Resident's Association thus far:

- Food Committee
- Program Committee
- Care Committee
- Hospitality Committee

Please note that each resident committee is chaired by a resident who works directly with a member of the Independent Living management team.

The Resident's Association meets for 4 general meetings per year. The Executive Committee of the Resident's Association meet as deemed appropriate and necessary by the ILRA president. The Director of Independent Living is invited by the president and generally attends Executive Committee meetings and general meetings of the Resident's Association.

**XI. SUMMARY OF BASIC SERVICES**

The resident's rights under the Residence and Care Agreement are not pro- prietary and do not include any right, title or interest in the real or personal property of BGF, nor does any resident have the right to transfer,

convey, assign or divide his or her rights under the Residence and Care Agreement. The resident's rights are primarily for services with a contractual right to occupancy.

### *Residential Facilities and Services*

The following benefits and services are available to all CCRC residents at no extra fee:

- an independent living accommodation
- independent living units with neutral-colored walls, wall-to-wall carpeting, washer, dryer, window blinds, range, dishwasher, garbage disposal and refrigerator in the kitchen area, bathroom, individual thermostatic control for heating and air conditioning, pre-wiring for a telephone and pre-wiring for cable television reception
- garage for independent living units
- free parking for resident and resident's guests in designated areas
- use of all public rooms and outdoor areas including walking trails
- one meal Monday through Friday or equivalent allowance for independent living residents except on holidays and other closures per Resident Handbook
- home-delivered meals as needed
- housekeeping services every two weeks in the independent living units
- exterior window washing annually
- trash and recycling removal
- installation and monitoring of Lifeline® emergency response system (landline required)
- waste management excluding hazardous waste, furniture, appliances

- maintenance of all buildings, grounds, recreation areas and equipment, except as noted in the Residence and Care Agreement
- specified landscaping services per Resident Handbook
- periodic re-decoration and replacement of BGF's common area equipment and furnishings
- scheduled transportation for certain local shuttle services
- designated transportation to BGF-sponsored events
- activities planning and facilitation
- preventive care services including periodic weight/blood pressure check
- access to memory support programming
- specified fitness classes
- use of community center per hours of operation and Resident Handbook guidelines
- individual curbside mail delivery to independent living cottages
- guests welcome to stay with residents per Resident Handbook guidelines
- copier use and access to facsimile services

Services or items not listed above are not included as part of the services and items received under the monthly charge. The following services are available to CCRC residents of BGF for purchase at additional cost on an individual basis:

- beauty salon and barber shop located in healthcare settings
- individualized wellness assessment, fitness program or fitness class
- personal fitness trainer
- rehabilitation program
- additional housekeeping services

- transportation to appointments arranged in advance in assisted living and comprehensive care units
- additional in-home repair/handyman services
- wheelchair rental
- landscaping including the care and maintenance of flower bed(s) dedicated for personal use by resident
- group trips arranged for special cultural, social, sporting, and scenic excursions
- additional and guest meals
- cots/crib rental and set-up
- internet service
- gas and electric utilities
- television service and in Independent Living units, Verizon FIOS

Residents in an independent living accommodation may receive a credit for one meal per day if the resident will be away from the Community for fourteen (14) or more consecutive days. Residents may obtain a credit for unused meals for a maximum of thirty (30) meal credits per Resident annually starting with day fifteen (15) of absence provided that resident gives BGF advance written notice that he or she will be away. (If residents are hospitalized, notice is required to be given as soon as practicable.) Meal credits may be redeemed for guest meals at Westbrooke Clubhouse.

There is no credit for unused meals, including substitute meals or Resident's de- signee carrying meals out of the Clubhouse on behalf of an absent Resident, when Resident is voluntarily absent from the community for a period less than four- teen (14) days.

If a resident relocates to an assisted living unit or comprehensive care unit on a temporary basis, the resident will sign another agreement and pay the monthly charge for the independent living accommodation in addition to the daily rate for the new accommodation and for any additional

services that are required. If space is not available for assisted living or comprehensive care at the Community and residents are transferred to an outside facility, the residents will pay BGF the monthly charge and daily rate for the assisted living or comprehensive care unit, as applicable, and BGF will pay the outside facility.

If the resident transfers on a permanent basis to our assisted living or comprehensive care, the resident will enter into a new agreement for the type of accommodation that he or she is entering and be responsible for the daily fee. Continuing Care Residents of Brooke Grove Retirement Village are not required to pay the \$4000 one-time entrance fee otherwise charged to residents moving into Assisted Living.

## **XII. AMENDMENT OF DISCLOSURE STATEMENT**

BGF will amend this Disclosure Statement if, at any time, BGF or the Department of Aging is of the opinion that an amendment is necessary to prevent the Disclosure Statement from containing any material misstatement of facts, as required by Title 10 (424-425) of the Continuing Care Act to be stated in this Disclosure Statement, or omits a material fact required by Title 10- 424 of the Continuing Care Act to be stated in this Disclosure Statement. This disclosure statement was updated in October 2025 in compliance with Amendments made by the MDOA.

## **XIII. RENOVATION/EXPANSION/NEW DEVELOPMENT**

Brooke Grove completed construction of a new two-story rehabilitation wing and the replacement of the Sharon wing of Brooke Grove Rehabilitation and Nursing Center in 2017 and 2018.

## **XIV. NO SURCHARGE**

BGF does not currently impose any surcharge on a routine basis.

## **XV. ASSISTED LIVING INFORMATION**

As part of its continuing care, BGF will offer assisted living. BGF is licensed as a Level 3- High Level of Care Assisted Living Program. Services provided in the assisted living program are provided in accordance with the assisted living agreement.

## **A. Name, Address, and Description of Assisted Living Facility**

BGF operates The Woods and The Meadows assisted living facilities on its Campus at the following addresses: 1641, 1639, 1637, 1635, and 1614 Hickory Knoll Road, Sandy Spring, MD 20860. Within each house there are 16 private rooms and private bathrooms with shared living and dining space.

## **B. Relationship with Providers**

BGF has no relationship with other providers or services affecting residents in the assisted living facilities except for contractual services such as x-ray services, ambulance transport services, pharmacy services, transfer agreements with nearby hospitals, and rehabilitation services.

## **C. Special Programming/Training**

BGF provides training to staff in a number of ways. All staff training is provided on an ongoing basis through scheduled in-services. BGF also encourages staff members to obtain additional professional training by sponsoring its own scholarship program.

## **D. Locks, Security, Right to Enter**

1. Locks for storage - Each assisted living unit is equipped with a locking bedside cabinet.
2. Locks for the resident's room - At the resident's request, locks may be installed on the entry door to the resident's assisted living unit so long as the resident is able to manage the use of a key.
3. Security procedures to protect the subscriber and the subscriber's property- The assisted living facilities are monitored by personnel who make rounds  
  
and are available 24 hours a day. Smoke alarms, emergency alarms and doors to the assisted living facilities are monitored by staff.
4. The provider's right to enter a subscriber's room - BGF has the right to enter resident's assisted living accommodation to carry out its duties including the performance of housekeeping duties, response to

emergencies and smoke alarms, entry in the event that a resident is reported missing or not having responded to a call, and maintenance procedures. BGF recognizes each resident's right to privacy and therefore limits its entry to legitimate provision of services and, on notice, for routine housekeeping and maintenance services.

### **E. Care and Access to Equipment**

BGF monitors the health status of its assisted living residents. With the permission of the resident or resident's representative, BGF will arrange for and oversee the resident's medical care and the provision of essential or desired equipment and supplies. Residents are responsible for the costs of all medical equipment and supplies except for those provided by BGF in accordance with the terms of the resident's assisted living agreement. Residents are provided with a schedule of charges listing the durable medical equipment ("DME") and supplies that are available from BGF.

At the request of the resident or the resident's representative, BGF will also assist in coordinating/obtaining DME and associated supplies that are not provided or made available by BGF and ascertaining the cost from the outside vendor. The purchase and/or rental of such DME/supplies are the financial obligation and responsibility of the resident or the responsible party.

### **F. Assisted Living Grievance Procedure**

A copy of the resident's rights is posted in a conspicuous location in each of the assisted living facilities. In addition, a copy is provided to each resident upon admission. Residents have full access to the Ombudsman program. The phone numbers and addresses of the appropriate regulatory agencies are posted in the assisted living facilities and are made available to residents.

There are written policies and procedures in place which prohibit abuse, neglect or exploitation of residents. Any allegation of abuse, neglect or exploitation is promptly reported to the appropriate local and State agencies which may include law enforcement, the Department of Aging, the

Department of Health and Mental Hygiene or the Adult Protective Services Unit of the Montgomery County Department of Social Services.

### **G. Material Changes in Assisted Living Program**

Brooke Grove Foundation evaluated several other assisted living programs in an effort to determine best practices for the provision of assisted living care to Seniors, particularly those with memory support needs. As a result of its research some changes in staffing and programming were implemented to better serve Residents with dementia and higher acuity needs and further enhance its assisted living home-like environments and grounds. Brooke Grove Foundation will continue to re-search best practices and use its discoveries to improve the efficient delivery of assisted living care to our assisted living Residents.

### **XVI. INTERNAL GRIEVANCE PROCEDURE**

Brooke Grove Foundation has established an internal grievance procedure to address resident grievances. A resident or group of residents collectively may submit a grievance in writing to the Director of Independent Living/Vice President of Operations. BGF will send a written acknowledgment to the resident or group of residents within five days after receipt of the written grievance. BGF will assign personnel to investigate the grievance. A resident or group of residents who file a written grievance are entitled to a meeting with management of BGF within 30 days after receiving the written grievance, in order to present the grievance. BGF will provide a response in writing within 45 days after receiving the written grievance as to the investigation and resolution of the grievance. Within 30 days after BGF provides its response to the grievance, a resident, group of residents, or BGF may seek mediation through one of the community mediation centers in the State of Maryland or another mediation provider. If a resident, group of residents, or BGF seeks mediation under the preceding sentence, the mediation shall be nonbinding.

The Independent Living Director will present copies of written grievances, if there are any, to the IL member of the Board of Directors on a quarterly basis. The IL member of the Board of Directors will maintain documentation

of written grievances filed and provide the Executive Director with an aggregated, de-identified summary of internal grievances filed, whether a grievance went to mediation and the outcome of the mediation, and the final disposition of each filed grievance.

**Brooke Grove Retirement Village**  
**Certificate of Registration Renewal October 2025**  
**Exhibit A**

**Certified Financial Statement**

Audited Financial Statement, Auditors Report,  
Financial Position, Operations and Changes in Net Assets,  
Statements of Cash Flows

**BROOKE GROVE FOUNDATION, INC.**  
**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2025 AND 2024**

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## Independent Auditor's Report

To the Board of Directors  
Brooke Grove Foundation, Inc.

### **Opinion**

We have audited the accompanying financial statements of Brooke Grove Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of operations and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brooke Grove Foundation, Inc. as of June 30, 2025 and 2024, and the changes 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.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Brooke Grove Foundation, Inc. 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 Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Independent Auditor's Report (Continued)**

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives 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 auditor's 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 generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Brooke Grove Foundation, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Brooke Grove Foundation, Inc.'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.

*Gross, Mendelsohn & Associates, P.A.*

Baltimore, Maryland  
October 27, 2025

**BROOKE GROVE FOUNDATION, INC.**  
**Statements of Financial Position**  
**June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 15,637,162	\$ 5,572,250
Accounts receivable (net of allowance for credit losses of 2025 - \$1,209,661, and 2024 - \$558,624)	6,069,920	5,772,688
Due from third-party payor, net	-0-	60,829
Other receivables	58,270	95,921
Deposits	256,441	131,789
Prepaid expenses	167,222	316,213
Total Current Assets	<u>22,189,015</u>	<u>11,949,690</u>
<b>Property, net of accumulated depreciation</b>	<u>43,650,814</u>	<u>56,282,682</u>
<b>Other Assets</b>		
Operating lease right-of-use assets	122,731	48,358
Cash and cash equivalents, restricted, bond sinking fund	-0-	306,761
Cash and cash equivalents, restricted, operating reserve	760,600	721,700
Letter of credit	508,000	-0-
Escrow receivable	1,000,000	-0-
Total Other Assets	<u>2,391,331</u>	<u>1,076,819</u>
 <b>Total Assets</b>	 <u>\$ 68,231,160</u>	 <u>\$ 69,309,191</u>

	<u>2025</u>	<u>2024</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 4,923,768	\$ 5,300,555
Contract liabilities	312,730	146,736
Due to third-party payor, net	54,665	-0-
Deposits on unoccupied independent living units	49,500	47,500
Current maturities of operating lease liabilities	26,845	28,784
Current maturities of deferred entrance fees	788,181	750,648
Notes payable	163,221	163,221
Current maturities of long-term debt	493,201	1,198,867
Total Current Liabilities	<u>6,812,111</u>	<u>7,636,311</u>
<b>Non-Current Liabilities</b>		
Operating lease liabilities, net of current maturities	95,886	19,574
Deferred entrance fees, net of current maturities	6,007,577	6,235,050
Long-term debt, net of current maturities	25,171,285	31,377,181
Refundable entrance fees	4,945,142	5,392,386
Interest rate swap agreement	1,055,799	-0-
Total Non-Current Liabilities	<u>37,275,689</u>	<u>43,024,191</u>
<b>Total Liabilities</b>	<b>44,087,800</b>	<b>50,660,502</b>
<b>Commitments and Contingencies (Notes 11, 12 and 13)</b>		
<b>Net Assets Without Donor Restrictions</b>	<u>24,143,360</u>	<u>18,648,689</u>
<b>Total Liabilities and Net Assets</b>	<u><b>\$ 68,231,160</b></u>	<u><b>\$ 69,309,191</b></u>

The accompanying notes are an integral part of these financial statements.

**BROOKE GROVE FOUNDATION, INC.**  
**Statements of Operations and Changes in Net Assets**  
**Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Without Donor Restrictions</b>		
<b>Support and Revenue</b>		
Health services	\$ 34,434,497	\$ 42,711,655
Assisted living and services	10,705,713	12,759,518
Independent living and services	1,903,182	1,874,282
	<u>47,043,392</u>	<u>57,345,455</u>
Gain on unit turnover	366,505	431,288
Amortization of entrance fees	753,648	758,876
Government grants	-0-	3,253
Contributions	3,364	23,400
Net investment return	518,886	423,266
Miscellaneous revenue	47,015	59,490
	<u>1,689,418</u>	<u>1,699,573</u>
Total Support and Revenue	<u>48,732,810</u>	<u>59,045,028</u>
<b>Operating Expenses</b>		
Program services:		
Health services	34,245,274	42,606,232
Assisted living	8,962,699	10,867,211
Independent living	2,080,249	2,037,926
Total Program Services	<u>45,288,222</u>	<u>55,511,369</u>
Supporting services:		
Management and general	5,417,902	6,399,560
Total Expenses	<u>50,706,124</u>	<u>61,910,929</u>
<b>Loss from Operations</b>	<u>(1,973,314)</u>	<u>(2,865,901)</u>
<b>Other Income (Loss)</b>		
Gain on disposal of facilities	8,464,261	-0-
Gain on disposal of property	-0-	1,967
Gain on lease termination	496	-0-
Rental income	59,027	83,881
Termination of interest rate swap agreement	-0-	14,500
Change in value of interest rate swap agreement	(1,055,799)	(111,942)
Net Other Income (Loss)	<u>7,467,985</u>	<u>(11,594)</u>
<b>Change in Net Assets</b>	<u>5,494,671</u>	<u>(2,877,495)</u>
<b>Net Assets Without Donor Restrictions at Beginning of Year</b>	<u>18,648,689</u>	<u>21,526,184</u>
<b>Net Assets Without Donor Restrictions at End of Year</b>	<u>\$ 24,143,360</u>	<u>\$ 18,648,689</u>

The accompanying notes are an integral part of these financial statements.

**BROOKE GROVE FOUNDATION, INC.**  
**Statements of Functional Expenses**  
**Years Ended June 30, 2025 and 2024**

	2025				
	Program Services			Supporting Services	
	Health Services	Assisted Living	Independent Living	Management and General	Total
Personnel expenses:					
Salaries	\$ 12,179,184	\$ 4,308,900	\$ 555,315	\$ 4,090,950	\$ 21,134,349
Payroll taxes	1,025,412	373,134	50,209	136,882	1,585,637
Employee benefits	1,150,570	639,974	71,195	95,254	1,956,993
Total personnel expenses	14,355,166	5,322,008	676,719	4,323,086	24,676,979
Contract services	5,122,489	1,642,790	158,641	371,710	7,295,630
Depreciation	1,663,224	390,524	697,732	21,889	2,773,369
Physician and rehabilitation expenses	2,628,738	26,224	-0-	-0-	2,654,962
Interest, net	2,601,475	-0-	-0-	-0-	2,601,475
Resident personal care, food and other expenses	888,312	386,718	245,088	-0-	1,520,118
Supplies	998,884	262,130	63,796	160,470	1,485,280
Provision for credit losses	1,453,057	11,767	31	-0-	1,464,855
Pharmacy	1,378,216	38	-0-	-0-	1,378,254
Utilities	700,050	290,309	71,217	9,353	1,070,929
Insurance	702,732	277,482	43,674	-0-	1,023,888
Laboratory, radiology and transportation	641,181	-0-	-0-	-0-	641,181
Advertising and marketing	320,742	145,566	25,456	93,245	585,009
Taxes and licenses	173,439	80,909	37,882	3,617	295,847
Medicaid quality assessment fee	259,735	-0-	-0-	-0-	259,735
Telephone	132,937	67,330	11,804	12,942	225,013
Equipment rental	136,856	13,759	27,748	17,969	196,332
Legal	-0-	-0-	-0-	181,867	181,867
Dues and subscriptions	-0-	-0-	-0-	98,536	98,536
Minor equipment	55,515	26,229	7,109	7,477	96,330
Bank fees	-0-	-0-	-0-	85,176	85,176
Travel	26,275	16,875	7,688	26,701	77,539
Miscellaneous	6,251	2,041	5,664	3,864	17,820
Total Expenses	<u>\$ 34,245,274</u>	<u>\$ 8,962,699</u>	<u>\$ 2,080,249</u>	<u>\$ 5,417,902</u>	<u>\$ 50,706,124</u>

**2024**

<b>Program Services</b>		<b>Supporting Services</b>		
<b>Health Services</b>	<b>Assisted Living</b>	<b>Independent Living</b>	<b>Management and General</b>	<b>Total</b>
\$ 14,544,707	\$ 5,207,606	\$ 555,354	\$ 5,036,136	\$ 25,343,803
1,235,696	451,354	51,621	155,031	1,893,702
1,176,198	687,368	56,419	91,233	2,011,218
16,956,601	6,346,328	663,394	5,282,400	29,248,723
9,082,300	1,927,831	177,259	396,090	11,583,480
1,969,017	501,916	688,590	20,452	3,179,975
3,248,203	33,081	-0-	-0-	3,281,284
2,467,239	-0-	-0-	-0-	2,467,239
1,086,200	531,530	210,926	-0-	1,828,656
1,348,702	328,206	65,386	256,967	1,999,261
571,922	40,000	-0-	-0-	611,922
1,559,662	1,152	-0-	-0-	1,560,814
807,582	333,183	52,934	9,536	1,203,235
563,465	245,166	48,542	-0-	857,173
721,074	-0-	-0-	-0-	721,074
424,747	262,488	23,270	47,005	757,510
165,382	77,981	35,278	4,039	282,680
1,102,812	-0-	-0-	-0-	1,102,812
182,860	123,930	13,985	12,243	333,018
115,982	22,679	28,065	11,650	178,376
-0-	-0-	-0-	73,032	73,032
-0-	-0-	-0-	125,740	125,740
153,709	50,616	16,093	10,091	230,509
-0-	-0-	-0-	115,395	115,395
59,601	39,726	7,631	25,870	132,828
19,172	1,398	6,573	9,050	36,193
<b>\$ 42,606,232</b>	<b>\$ 10,867,211</b>	<b>\$ 2,037,926</b>	<b>\$ 6,399,560</b>	<b>\$ 61,910,929</b>

The accompanying notes are an integral part of these financial statements.

**BROOKE GROVE FOUNDATION, INC.**  
**Statements of Cash Flows**  
**Years Ended June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 5,494,671	\$ (2,877,495)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Provision for credit losses	1,464,855	611,922
Depreciation	2,773,369	3,179,975
Gain on disposal of facilities	(8,464,261)	-0-
Gain on disposal of property	-0-	(1,967)
Gain on unit turnover	(366,505)	(431,288)
Amortization of entrance fees	(753,648)	(758,876)
Non-cash interest expense	810,289	227,255
Change in value of interest rate swap agreement	1,055,799	111,942
Changes in operating assets and liabilities:		
Accounts receivable	(1,762,087)	(1,324,320)
Grants receivable	-0-	165,956
Due from third-party payor, net	60,829	(60,829)
Other receivables	37,651	(60,275)
Deposits	(124,652)	(105,571)
Prepaid expenses	148,991	(67,375)
Operating lease right-of-use assets	39,344	27,844
Escrow receivable	(1,000,000)	-0-
Accounts payable and accrued expenses	(272,720)	1,212,620
Contract liabilities	165,994	33,303
Due to third-party payor, net	54,665	(76,456)
Operating lease liabilities	(39,344)	(27,844)
Net Cash Used in Operating Activities	<u>(676,760)</u>	<u>(221,479)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from disposal of facilities	19,554,213	-0-
Proceeds from disposal of property	-0-	10,000
Purchases of property	(1,335,520)	(1,884,424)
Net Cash Provided by (Used in) Investing Activities	<u>18,218,693</u>	<u>(1,874,424)</u>
<b>Cash Flows from Financing Activities</b>		
Payments for letter of credit	(508,000)	-0-
Refunds of deposits on unoccupied independent living units	2,000	4,000
Payments for deferred finance costs	(520,499)	(178,203)
Proceeds from note payable	-0-	163,221
Proceeds from long-term debt	26,398,000	-0-
Principal payments on long-term debt	(33,599,352)	(1,303,709)
Refundable entrance fees received	1,204,320	691,460
Payments of refundable entrance fees	(721,351)	(485,909)
Net Cash Used in Financing Activities	<u>(7,744,882)</u>	<u>(1,109,140)</u>
<b>Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash</b>	<b>9,797,051</b>	<b>(3,205,043)</b>
<b>Cash, Cash Equivalents and Restricted Cash at Beginning of Year</b>	<b>6,600,711</b>	<b>9,805,754</b>
<b>Cash, Cash Equivalents and Restricted Cash at End of Year</b>	<b><u>\$ 16,397,762</u></b>	<b><u>\$ 6,600,711</u></b>

	<u>2025</u>	<u>2024</u>
<b>Reconciliation to Cash, Cash Equivalents and Restricted Cash on Statements of Financial Position</b>		
Cash and cash equivalents	\$ 15,637,162	\$ 5,572,250
Cash and cash equivalents, restricted, bond sinking fund	-0-	306,761
Cash and cash equivalents, restricted, operating reserve	<u>760,600</u>	<u>721,700</u>
Cash, Cash Equivalents, and Restricted Cash on the Statements of Cash Flows	<u>\$ 16,397,762</u>	<u>\$ 6,600,711</u>
 <b>Supplemental Disclosure of Cash Flow Information:</b>		
Interest paid	<u>\$ 1,794,679</u>	<u>\$ 2,250,261</u>
Operating cash flows for amounts paid included in the measurement of lease liabilities	<u>\$ 38,036</u>	<u>\$ 30,010</u>
<b>Noncash Operating Activities:</b>		
Right-of-use assets and lease liabilities acquired under operating leases	<u>\$ 113,717</u>	<u>\$ 28,168</u>
<b>Noncash Investing and Financing Activities</b>		
Gross proceeds from sale of facilities	\$ 21,265,890	\$ -0-
Less: settlement costs	(1,007,610)	-0-
Less: closing cost credit to buyer	(600,000)	-0-
Less: transfer of accrued vacation	<u>(104,067)</u>	<u>-0-</u>
Net proceeds from sale of facilities (included in cash flows from investing activities)	<u>\$ 19,554,213</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements.

**Note 1: Nature of Organization and Summary of Significant Accounting Policies**

Brooke Grove Foundation, Inc. (the Foundation) provides housing for seniors and senior care on continuum that includes independent living, assisted living, long-term skilled nursing, short-term rehabilitative, and respite care. Brooke Grove Foundation was incorporated under the laws of the State of Maryland on December 7, 1992. The Foundation operates one skilled nursing facility (Brooke Grove Rehabilitation and Nursing Center), seven assisted living facilities (Sandy Spring Assisted Living), and one independent living facility (Sandy Spring Independent Living) on its Sandy Spring, Maryland campus. The Foundation also operated one skilled nursing facility (Williamsport Nursing Home) and one assisted living facility (Twin Oaks Assisted Living) on its Williamsport, Maryland campus through September 2024 and one personal care home (Rest Assured Living Center) in Meyersdale, Pennsylvania through December 2024. The Foundation sold all related property of Williamsport Nursing Home, Twin Oaks Assisted Living and Rest Assured Living Center to unrelated third parties during the year ended June 30, 2025 (see Note 10).

The accounting and reporting policies of the Foundation conform to accounting principles generally accepted in the United States of America. Following is a description of the most significant of those policies:

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents: The Foundation classifies all investments which are readily convertible to cash and which have a maturity of three months or less when purchased as cash equivalents.

Accounts Receivable: Accounts receivables arise from services rendered to residents which are billed either to the residents, insurance companies or to government agencies and are carried at original invoice amount less an estimate made for credit losses. The Foundation provides for credit losses based on anticipated credit losses. Estimated credit losses are determined from a review of outstanding receivables, historical collection experience with individual accounts and payor sources, existing economic conditions and supportable forecasts of future events. Receivables are written off by management when, in their determination, all collection efforts have been exhausted. Recoveries of receivables previously written off are recorded when received. The Foundation does not require collateral or other security to support accounts receivable.

Property and Depreciation: Property is recorded at cost or, if donated, at fair value at the date of gift, less accumulated depreciation. Expenditures for repairs and maintenance are charged to expense as incurred; expenditures for improvements and major repairs that materially extend the useful lives of assets are capitalized. The Foundation capitalizes property acquisitions in excess of \$3,500 having an estimated useful life of three years or more. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Land improvements	5 - 15 years
Buildings and improvements	7 - 40 years
Furniture, fixtures and equipment	3 - 15 years
Motor vehicles	5 - 10 years

**Note 1: Nature of Organization and Summary of Significant Accounting Policies (Continued)**

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment is measured by the amount by which the carrying amount of these assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell. There was no impairment of long-lived assets recognized during the years ended June 30, 2025 and 2024.

Leases: The Foundation determines if an arrangement is a lease at the inception of the contract. As of the lease commencement date, each lease is evaluated to determine if it will be classified as an operating or finance lease. Leases with terms of 12 months or less are considered short-term leases and lease assets and liabilities are not recognized. Lease terms include the noncancellable portion of the leases and reasonably certain renewal periods, termination options and purchase options. The Foundation accounts for lease and non-lease components as a single lease. The Foundation uses the risk-free interest rate when the rate implicit in the lease is not available. Variable lease payments that cannot be determined at the commencement of the lease such as increases in the lease payments based on changes in index rates or usage are not included in the lease assets or liabilities.

Interest Rate Swap Agreement: The Foundation uses an interest rate swap agreement to manage risks related to interest rate fluctuations on its bonds payable. The interest rate swap agreement has been designated as a cash flow hedge and is reported at fair value. The fair value of the interest rate swap agreement is the estimated amount that the bank or financial institution would receive or pay to terminate the swap agreement at the reporting date, taking into account current interest rates and current credit worthiness of the swap counter party. The net amount paid or received under the interest rate swap agreement is recognized in the statements of functional expenses as interest expense.

Deferred Financing Costs: Deferred financing costs represent costs incurred to secure bond financing (Note 8) which are being amortized over the life of the debt instrument, utilizing the straight-line method, and charged to interest expense. Under Generally Accepted Accounting Principles (GAAP), debt issuance costs related to the recognized debt liability are required to be presented in the statements of financial position as a direct reduction from the carrying amount of the debt liability.

Deferred financing costs as of June 30, 2025 and 2024 are as follows:

	2025	2024
Deferred financing costs	\$ 520,499	\$ 1,412,999
Less: Accumulated amortization	10,410	612,917
	<u>\$ 510,089</u>	<u>\$ 800,082</u>

**Note 1: Nature of Organization and Summary of Significant Accounting Policies (Continued)**

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

*Net Assets without Donor Restrictions:* Net assets available for use in general operations and not subject to 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.

Revenue Recognition: The Foundation generates contract revenue primarily by providing healthcare, assisted living care and independent living services to residents within its facility. It also generates contract revenue from miscellaneous revenue and rental income. Revenue is recognized when control of the promised good or service is transferred to a resident, in an amount that reflects the consideration to which the Foundation expects to be entitled from residents, third-party payors (including government programs and insurers) and others, in exchange for those goods and services.

Performance obligations are determined based on the nature of the services provided. The majority of the Foundation's healthcare services, including health services and assisted living, represent a bundle of services that are not capable of being distinct and as such, are treated as a single performance obligation satisfied over time as services are rendered. The Foundation also provides certain ancillary services which are not included in the bundle of services, and as such, are treated as separate performance obligations satisfied at a point in time, if and when those services are rendered. The Foundation also provides independent living services which also represent a bundle of services that are not capable of being distinct and therefore are treated as a single performance obligation satisfied over time as services are rendered. The Foundation determines the transaction price for each type of service based on contractually agreed-upon amounts or rates. Net resident health care service revenue is recorded at net realizable amounts from residents and third-party payors for services rendered.

Miscellaneous revenue encompasses revenue earned from employee meals, guest meals, vending machine revenue, and discounts on vendor purchases. The Foundation determines the transaction price for employee meals, guest meals and vending machine revenue based on agreed-upon amounts or rates set by the Foundation. Revenue generated from discounts on vendor purchases are determined by the contractual amounts established by the vendor. Miscellaneous revenue is treated as a single performance obligation satisfied at a point in time, if and when those services are rendered. Rental income encompasses revenue earned from rehabilitation services and employee housing.

The Foundation determines the transaction price for rental income based on agreed-upon rates set by the Foundation. Rental income is treated as a single performance obligation satisfied over time as services are rendered.

**Note 1: Nature of Organization and Summary of Significant Accounting Policies (Continued)**

The Foundation disaggregates its revenue from contracts with residents and others as follows:

	2025	2024
Performance obligations satisfied over time		
Resident service revenue - health services	\$ 33,310,338	\$ 41,033,798
Resident service revenue - assisted living	10,572,446	12,530,220
Resident service revenue - independent living	1,653,236	1,609,703
Amortization of entrance fees	753,648	758,876
Rental income	59,027	83,881
Performance obligations satisfied at a point in time		
Resident service revenue, ancillaries - health services	1,124,159	1,677,857
Resident service revenue, ancillaries - assisted living	133,267	229,298
Resident service revenue, ancillaries - independent living	249,946	264,579
Gain on unit turnover	366,505	431,288
Miscellaneous revenue	47,015	59,490
	\$ 48,269,587	\$ 58,678,990

The Foundation disaggregates revenue from contracts with residents by payor type (private or third-party reimbursement). The Foundation notes that this disaggregation of revenue into these categories achieves the disclosure objectives to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The payment terms and conditions with the Foundation's revenue-generating contracts vary by payor source (See Note 13). Approximately 60.8% and 60.4% of the Foundation's nursing care revenue for the years ended June 30, 2025 and 2024, respectively, was derived under third-party reimbursement programs.

The Foundation recognizes revenue in the statements of operations and changes in net assets and contract assets on the statements of financial position only when services have been provided. Since the Foundation has performed its obligation under the contract, it has unconditional rights to the consideration recorded as contract assets and therefore classifies those billed and unbilled contract assets as accounts receivable.

Payments that the Foundation receives from residents and others in advance of providing services represent contract liabilities. Such payments primarily relate to private pay patients and residents, which are billed monthly in advance. Contract liabilities were \$312,730, \$146,736 and \$113,433 as of June 30, 2025, 2024 and 2023, respectively.

The Foundation assesses an entrance fee for its independent living units. A portion of the entrance fee paid by a resident upon entering into an independent living unit contract is refundable upon the resident's death or discharge based on the terms of the resident contract. The refundable portion of the entrance fee is not affected by the amount assessed for future entrance fees.

**Note 1: Nature of Organization and Summary of Significant Accounting Policies (Continued)**

Refundable entrance fees are recorded in the accompanying statements of financial position as non-current liabilities. The nonrefundable entrance fees are classified as deferred entrance fees and are recognized as revenue on a straight-line basis over each individual resident's life expectancy (based on actuarial assumptions of the life expectancy of the residents in a continuing care retirement community).

The gross contractual liability for the refundable portion of entrance fees of the independent living unit contracts as of June 30, 2025 and 2024 was \$4,945,142 and \$5,392,386, respectively.

The Foundation also receives revenue from government grants, contributions, net investment return, and miscellaneous revenue. Conditional promises to give and government grants are not recognized until the conditions on which they depend have been substantially met, are earned and/or the service is provided. Contributions, including unconditional promises to give, are recognized as revenue when received. Net investment return and miscellaneous revenue is recognized as revenue in the period they are earned.

Contributions: Contributions received are recorded as without donor restriction or with donor restriction depending on the existence and/or nature of any donor restrictions.

Recognition of Donor Restrictions: All donor-restricted support is reported as an increase in net assets with donor restrictions. Upon the expiration of a temporary restriction, net assets with donor restrictions are reclassified to net assets without restrictions in the statements of operations and changes in net assets.

Functional Allocation of Expenses: The costs of providing various programs and other support activities have been summarized on a functional basis and by natural classification in the statements of functional expenses. Costs that can be identified with specific programs or support services are allocated directly. Costs that cannot be specifically identified with a particular function and that benefit more than one functional category are allocated based on estimates such as time and effort.

Advertising: Advertising costs are charged to operations when incurred. The Foundation has no significant direct-response ad advertising. Advertising expense for the years ended June 30, 2025 and 2024 was \$585,009 and \$757,510, respectively, and is included in advertising and marketing on the statements of functional expenses.

Income Taxes: The Foundation is exempt from federal and state income taxes under IRC §501(c)(3). Income which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. The Foundation had no unrelated business income for the years ended June 30, 2025 and 2024. Accordingly, no provision for income taxes is reflected in these financial statements. The Foundation's respective federal exempt organization tax returns are subject to examination by the IRS, generally for a period of three years after the returns are filed.

Subsequent Events: In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through October 27, 2025, the date the financial statements were available to be issued. During the period July 1, 2025 through October 27, 2025, the Foundation did not have any material recognizable subsequent events.

**BROOKE GROVE FOUNDATION, INC.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**Note 2: Liquidity and Availability of Funds**

A summary of the financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date comprise the following:

	2025	2024
Cash and cash equivalents	\$ 15,637,162	\$ 5,572,250
Accounts receivable, net	6,069,920	5,772,688
Due from third-party payor, net	-0-	60,829
Other receivables	58,270	95,921
Financial Assets Available for General Expenditure	<u>\$ 21,765,352</u>	<u>\$ 11,501,688</u>

As part of the Foundation's liquidity management plans, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**Note 3: Accounts Receivable**

Accounts receivable consists of the following at June 30, 2025, 2024 and 2023:

	2025	2024	2023
Medicare	\$ 1,990,820	\$ 1,941,250	\$ 2,175,648
Private	1,796,811	1,750,377	1,363,456
Medicaid	1,604,166	1,567,802	1,308,623
Insurance	1,290,387	646,599	668,627
Other	597,397	425,284	298,810
Accounts receivable	7,279,581	6,331,312	5,815,164
Less: Allowance for credit losses	1,209,661	558,624	754,874
Accounts receivable, net	<u>\$ 6,069,920</u>	<u>\$ 5,772,688</u>	<u>\$ 5,060,290</u>

The allowance for credit losses was composed of the following at June 30, 2025, 2024 and 2023:

	2025	2024	2023
Balance at beginning of year	\$ 558,624	\$ 754,874	\$ 970,579
Provision for credit losses	1,464,855	611,922	578,285
Write-offs	(840,872)	(817,869)	(843,930)
Recoveries	27,054	9,697	49,940
Balance at end of year	<u>\$ 1,209,661</u>	<u>\$ 558,624</u>	<u>\$ 754,874</u>

**BROOKE GROVE FOUNDATION, INC.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**Note 4: Due from (to) Third-Party Payor**

The amounts due from (to) third-party payor represents the estimated amounts due from (to) the Medicare program for settlement of cost reports which may not have been verified or final settled as of June 30, 2025. As of June 30, 2025, the Medicare cost reports for the year ended June 30, 2025, are subject to verification, leading to final settlement. The Medicare receivable (payable) is related to the bad debt write-offs of uncollectible Medicaid coinsurance amounts, less any interim payments received during the years ended June 30, 2025 and 2024, respectively.

The components of the amounts due from (to) the third-party payor as of June 30, 2025 and 2024 are as follows:

	2025	2024
Estimated cost report settlements		
Medicare		
Year ended June 30, 2025 (estimated)	\$ (54,665)	\$ -0-
Year ended June 30, 2024 (final)	-0-	60,829
	\$ (54,665)	\$ 60,829
Due from (to) third-party payor, net	\$ (54,665)	\$ 60,829

**Note 5: Property**

Property at June 30, 2025 and 2024 consisted of the following:

	2025	2024
Land	\$ 3,568,988	\$ 4,255,284
Land improvements	5,599,310	6,309,167
Buildings and improvements	64,599,161	87,238,676
Furniture, fixtures and equipment	12,583,644	15,828,079
Motor vehicles	826,611	1,051,494
Construction in progress	867,116	1,665,119
Total cost	88,044,830	116,347,819
Less: Accumulated depreciation	44,394,016	60,065,137
	\$ 43,650,814	\$ 56,282,682

**Note 6: Leases**

In August 2022, the Foundation entered into a noncancelable lease agreement to lease a vehicle which originally expired in July 2025. The lease required monthly payments of \$1,982. The Foundation was responsible for all repairs and maintenance of the vehicle and other additional charges as defined in the lease agreement. In addition to these costs, the Foundation was responsible for all mileage on the vehicle in excess of 7,500 miles per year at a rate of \$0.40 per mile. The Foundation terminated the lease early in May 2025. The Foundation paid termination costs of \$1,487 and recorded a gain on lease termination of \$496.

**BROOKE GROVE FOUNDATION, INC.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**Note 6: Leases (Continued)**

In July 2023, the Foundation entered into a noncancelable lease agreement to lease a copier which expires in June 2028. The lease requires monthly payments of \$519.

In February 2025, the Foundation entered into a noncancelable lease agreement to lease a copier which expires in January 2030. The lease requires monthly payment of \$2,101. The Foundation has recorded a right-of-use asset of \$113,717, which is being expensed over the life of the lease and an off-setting liability of \$113,717.

While all lease agreements provide for minimum lease payments, some include variable payments which are primarily based on output of the underlying leased assets. Variable payments are not determinable at the lease commencement and not included in the measurement of the right-of-use assets and liabilities.

Total equipment lease expense is included in equipment rental on the statements of functional expenses.

The Foundation's total lease expense for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
Short-term lease costs	\$ 150,784	\$ 141,562
Fixed lease costs	38,531	30,010
Variable lease costs	5,530	6,804
Lease termination costs	1,487	-0-
Total lease expense	<u>\$ 196,332</u>	<u>\$ 178,376</u>

As of June 30, 2025 and 2024, the right-of-use assets and lease liabilities related to operating leases were as follows:

	2025	2024
Operating lease right-of-use assets	<u>\$ 122,731</u>	<u>\$ 48,358</u>
Operating lease liabilities:		
Current maturities of operating lease liabilities	\$ 26,845	\$ 28,784
Operating lease liabilities, net of current maturities	<u>95,886</u>	<u>19,574</u>
Total operating lease liabilities	<u>\$ 122,731</u>	<u>\$ 48,358</u>

Other lease details as of June 30, 2025 and 2024 are as follows:

	2025	2024
Weighted average remaining lease term in years	4.36	2.47
Weighted average discount rate	4.25%	3.63%

**BROOKE GROVE FOUNDATION, INC.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**Note 6: Leases (Continued)**

As of June 30, 2025, future minimum lease payments under operating leases are as follows:

Year ending June 30,	
2026	\$ 31,432
2027	31,432
2028	31,432
2029	25,208
2030	<u>14,705</u>
Total	134,209
Less: Amount representing interest	<u>11,478</u>
Present value of future minimum lease payments	<u>\$ 122,731</u>

**Note 7: Notes Payable**

The Foundation requested and received funds in the form of non-interest bearing working capital loans from the Maryland Department of Health for Brooke Grove Rehabilitation and Nursing Center (BGRNC) and Williamsport Nursing Center (WNC) under a loan program which was established to give nursing home facilities financial assistance. The amount of funds available under the working capital loan program is based on calculations established by the Maryland Department of Health.

BGRNC received funds in the amount of \$103,697 based on initial calculations, however, the facility was required to repay \$6,897 during the year ended June 30, 2024, based redetermination calculations. WNC received funds in the amount of \$59,374 based on initial calculations, however, the facility was granted additional funding of \$7,047 during the year ended June 30, 2024, based on redetermination calculations.

The combined outstanding balance for both loans is \$163,221, which is currently required to be paid by May 1, 2026.

**BROOKE GROVE FOUNDATION, INC.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**Note 8: Long-Term Debt**

Long-term debt consists of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Montgomery County, Maryland Economic Development Refunding Revenue Bonds (2025) secured by the assets of the Foundation, in the total amount of \$26,398,000, payable through January 2050 in variable monthly installments plus variable rate of interest and subject to an interest rate swap agreement. See additional terms of bonds below.	\$ 26,174,575	\$ -0-
Variable Rate Demand Revenue Bonds (2010) secured by the assets of the Foundation and guaranteed by a letter of credit, dated November 18, 2010 in the original amount of \$10,500,000, payable through November 2037 in variable annual installments plus variable rate of interest. See additional terms of the bonds below.	-0-	7,075,000
Economic Development Revenue Bonds (2015) secured by the assets of the Foundation, in the total amount of \$31,146,248, payable through October 2043 in variable monthly installments plus variable rate of interest and subject to an interest rate swap agreement. See additional terms of bonds below.	-0-	26,301,130
Total Long-Term Debt	26,174,575	33,376,130
Less: Unamortized debt issuance costs	510,089	800,082
Total Long-Term Debt, Less Unamortized Debt Issuance Costs	25,664,486	32,576,048
Less: Current maturities	493,201	1,198,867
Long-Term Debt	<u>\$ 25,171,285</u>	<u>\$ 31,377,181</u>

The aggregate annual maturities of long-term debt, net of the annual amortization of deferred financing costs, subsequent to June 30, 2025 are as follows:

	<u>Principal Payments</u>	<u>Deferred Financing Costs</u>	<u>Total</u>
Year ending June 30,			
2026	\$ 514,021	\$ (20,820)	\$ 493,201
2027	543,428	(20,820)	522,608
2028	570,672	(20,820)	549,852
2029	607,167	(20,820)	586,347
2030	641,904	(20,820)	621,084
Thereafter	23,297,383	(405,989)	22,891,394
Total	<u>\$ 26,174,575</u>	<u>\$ (510,089)</u>	<u>\$ 25,664,486</u>

**Note 8: Long-Term Debt (Continued)**

The bonds contain various financial covenants, which are subject to periodic review by the bank. The Foundation was in compliance with all covenants as of June 30, 2025 and 2024. For the three quarters ending September 30, 2023, December 31, 2023 and March 31, 2024, the Foundation was in violation of one of the loan covenants. On June 3, 2024, the Foundation received a waiver of compliance from the bank and amended their agreement to change one of the loan covenant calculations for the quarters ending June 30, 2024, September 30, 2024 and December 31, 2024.

Variable Revenue Demand Revenue Bonds (2010): The Variable Revenue Demand Revenue Bonds (2010) were used entirely for the construction of a new wing of the Williamsport Retirement Village which was placed in service in January 2012. The bonds required monthly variable bona fide debt service fund payments, plus interest (4.00% as of June 30, 2024). These payments were held and invested in the US Government Money Market Fund by the trustee, M&T Investment Group (M&T), until payments were made to the bondholders annually. The Foundation was required to secure a letter of credit to M&T on an annual basis. The bonds originally expired in November 2037 but were paid in full upon the sale of the Williamsport location.

Deferred financing costs incurred as a result of issuing these bonds amounted to \$512,003 and were being amortized to interest expense using the straight-line method over the term of the bond, which was not materially different than the effective interest rate method. The deferred financing costs were fully amortized during the year ended June 30, 2025 with the payoff of the bonds. Interest expense related to these fees was \$255,488 and \$18,963 for the years ended June 30, 2025 and 2024, respectively.

Additionally, the Foundation was required to pay an annual commission in order to keep the letter of credit in force, equal to 1.75% of the outstanding debt at the time the letter of credit was issued. The annual commission was added to deferred financing costs and was \$145,703 the year ended June 30, 2024. The annual commission was being amortized to interest expense using the straight-line method over the term of the annual commission, which was not materially different than the effective interest rate method. The annual costs were fully amortized during the year ended June 30, 2025 with the payoff of the bonds. Interest expense for these commissions was \$82,154 and \$130,285 for the years ended June 30, 2025 and 2024, respectively.

Accumulated amortization of the total deferred financing cost was \$320,064 as of June 30, 2024.

Economic Development Revenue Bonds (2015): The Economic Development Revenue Bonds (2015) required interest payments at the index floating rate as defined in the agreement. The index floating rate was 7.79% per annum as of June 30, 2024. The effective interest rate was 7.77% per annum for the year ended June 30, 2024. The Foundation had a swap agreement that effectively fixed the interest rate on the bonds. The bonds originally matured in October 2043 but were refinanced during the year ended June 30, 2025 with the Montgomery County, Maryland Economic Development Refunding Revenue Bonds (2025).

Deferred financing costs incurred as a result of issuing these bonds amounted to \$625,368 and were being amortized to interest expense using the straight-line method over the term of the bond, which was not materially different than the effective interest rate method. The deferred financing costs were fully amortized during the year ended June 30, 2025 with the refinance of the bonds. Interest expense related to these fees was \$429,940 and \$22,335 for the years ended June 30, 2025 and 2024, respectively.

**Note 8: Long-Term Debt (Continued)**

Additionally, during the years ended June 30, 2024 and 2023, the Foundation was required to pay an extension fee for the bonds in the amount of \$32,500 and \$97,425, which extended the bonds to December 31, 2024 and June 30, 2024, respectively. The extension fees were added to the deferred financing costs and were being amortized to interest expense using the straight-line method over the term of the extension agreement, which was not materially different than the effective interest rate method. The deferred financing costs were fully amortized during the year ended June 30, 2025 with the refinance of the bonds. Interest expense for the extension fees were \$32,500 and \$55,672, for the years ended June 30, 2025 and 2024.

Accumulated amortization of the total deferred financing costs was \$292,853 as of June 30, 2024.

Montgomery County, Maryland Economic Development Refunding Revenue Bonds (2025): The Montgomery County, Maryland Economic Development Revenue Bonds (2025) were used entirely for the refinance of the Economic Development Revenue Bonds (2015). The bonds require monthly principal and interest payments at the index floating rate as defined in the agreement. The index floating rate was 5.33% per annum as of June 30, 2025. The effective interest rate was 5.41% per annum for the year ended June 30, 2025. The bonds mature in January 2050. The Foundation has a swap agreement that effectively fixed the interest rate on the bond.

Deferred financing costs incurred as a result of issuing these bonds amounted to \$520,499 and are being amortized to interest expense using the straight-line method over the term of the bond, which is not materially different than the effective interest rate method. Interest expense related to these fees was \$10,410 for the year ended June 30, 2025.

Accumulated amortization of the total deferred financing costs was \$10,410 as of June 30, 2025.

Interest Rate Swap Agreement: The Foundation entered into an interest rate swap agreement with Fulton Bank to alter the interest rate characteristics of the Montgomery County, Maryland Economic Development Refunding Revenue Bonds (2025). The Foundation uses this interest rate swap agreement to effectively convert its floating rate debt to a fixed rate basis, thus reducing the impact of interest rate changes on future income. This agreement involves the receipt of fixed rate amounts in exchange for floating rate interest payments over the life of the agreement without an exchange of the underlying principal amounts. The differential to be paid or received is accrued as interest rates change and recognized as an adjustment to interest expense related to the debt.

The interest rate swap agreement fixed the full amount of the total \$26,398,000 Montgomery County, Maryland Economic Development Refunding Revenue Bonds (2025) debt obligation. The interest rate swap agreement has a notional amount of \$26,196,239 as of June 30, 2025 and matures on January 15, 2032. The agreement has a fixed rate of 5.53%. The fair value of the interest rate swap agreement was (\$1,055,799), representing a liability to the Foundation.

Additionally, the Foundation had an interest rate swap agreement with M&T to alter the interest rate characteristics of the Economic Development Revenue Bonds (2015). The interest rate swap agreement fixed \$16,000,000 of the total \$31,146,248 Economic Development Revenue Bonds (2015) debt obligation. The interest rate swap agreement had a notional amount of \$14,441,346 and matured on October 1, 2022. The agreement had a fixed rate of 4.01%.

On November 1, 2022, the Foundation entered into a new interest rate swap agreement with M&T to fix \$27,687,734 which was the current balance of the Economic Development Revenue Bonds (2015) at the time of the new agreement. The new agreement was to mature on July 15, 2024 and had a fixed rate of 4.34%. The agreement was terminated by M&T on June 26, 2024 and required the Foundation to pay a termination fee of \$14,500.

**Note 8: Long-Term Debt (Continued)**

The change in the value of the interest rate swap agreement is reflected in the statements of operations and changes in net assets.

Bond Sinking Fund: Total cash held and restricted by M&T for the bond sinking fund was \$-0- and \$306,761 at June 30, 2025 and 2024, respectively. Interest earned on the bond sinking fund for the year ended June 30, 2025 and 2024 was \$3,493 and \$10,277, respectively.

Interest Expense: Total interest expense on all long-term debt, including payments required under the interest rate swap agreement and net of interest income earned on the bond sinking fund, was \$2,601,475 and \$2,467,239 for the years ended June 30, 2025 and 2024, respectively.

**Note 9: Fair Value Measurement**

GAAP establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation techniques used by the Foundation include the following:

Interest Rate Swap Agreement: Interest rate swap agreement is valued using estimated future cash flow projections based on internal assumptions regarding future amortized debt balances.

In determining the appropriate levels, the Foundation performs a detailed analysis of the assets and liabilities that are subject to fair value measurements.

**BROOKE GROVE FOUNDATION, INC.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**Note 9: Fair Value Measurement (Continued)**

The tables below represent the balances of assets and liabilities as of June 30, 2025 and 2024 measured at fair value on a recurring basis by level within the hierarchy:

	Total	Level 1	Level 2	Level 3
<u>June 30, 2025</u>				
Interest rate swap agreement	\$ (1,055,799)	\$ -0-	\$ (1,055,799)	\$ -0-
<u>June 30, 2024</u>				
Interest rate swap agreement	\$ -0-	\$ -0-	\$ -0-	\$ -0-

**Note 10: Sale of Facilities**

The Foundation entered into an Asset Purchase Agreement (APA) and Ownership Transfer Agreement (OTA) with an unrelated third-party buyer for the sale and transfer of all operational assets associated with Williamsport Retirement Village (Williamsport Nursing Home and Twin Oaks Assisted Living), including the land, buildings and equipment, for a total consideration of \$20,600,000. The sale agreement was finalized on October 1, 2024, at which time the Foundation ceased operations of both facilities. The Foundation generated a gain from the sale of the facilities of \$9,105,125 during the year ended June 30, 2025, which has been reflected as part of other income (loss) on the statements of operations and changes in net assets. The Foundation also entered into an Interim Management Agreement with the new owner which expired on the later of either November 1, 2024 or upon execution of the new owner's bed license certification and regulatory approvals. The license certification has not been finalized by the new owners as of June 30, 2025 and the Interim Management Agreement is still active as of the date of the financial statements.

As part of the agreement, the Foundation held back \$1,000,000 of proceeds from the sale for an escrow account to fund the Foundation's indemnity obligations under the APA. These funds are included as escrow receivable on the statements of financial position as of June 30, 2025. The escrow will be released eighteen months from the anniversary date of the APA. The Foundation has not recorded an allowance for credit losses related to the escrow receivable based on their analysis at June 30, 2025.

The Foundation entered into a Purchase and Sale Agreement with a separate unrelated third-party buyer for the sale and transfer of all operational assets associated with Rest Assured Living Center, including the land, buildings and equipment, for a total consideration of \$665,890. The sale agreement was finalized on October 14, 2024, at which time the Foundation ceased operations of the facility. The Foundation generated a loss of \$640,864 during the year ended June 30, 2025, which has been reflected as part of other income (loss) on the statements of operations and changes in net assets.

**Note 11: Commitments**

Operating Reserve Requirement: The Maryland Department of Aging requires continuing care retirement communities to establish and fund an operating reserve equal to a specific percentage of annual operating expenses, measured as of the end of the prior year, exclusive of depreciation, amortization, and unusual and infrequent expenses (net operating expenses).

**Note 11: Commitments (Continued)**

The operating reserve requirement requires 25% of the annual operating activities. As of June 30, 2025 and 2024, the required reserve amounted to \$760,600 and \$721,700, respectively. The Foundation was in compliance with the required reserve amounts as of June 30, 2025 and 2024.

The following is the calculation of the operating reserve:

	2025	2024
Total annual operating expenses per financial statements (1)	\$ 41,237,075	\$ 39,876,687
Less depreciation expense (1)	2,640,885	2,648,208
Total annual operating expenses, net (1)	38,596,190	37,228,479
Operating Expenses after Bed Ratio Accommodations	3,042,276	2,886,521
Required percentage	25%	25%
Operating Reserve (rounded)	<u>\$ 760,600</u>	<u>\$ 721,700</u>

(1) Based on previous year's operating expenses

Estimated Future Service Obligations: The Foundation was established to provide continuing care to qualified residents. GAAP requires that facilities with continuing care contracts evaluate and accrue any projected losses in their resident contracts. The Foundation has made the required calculations and concluded that as of June 30, 2025 and 2024, the present value of future cash flows exceeds the present value of the projected costs related to continuing care contracts. Accordingly, no accrual was required as of June 30, 2025 and 2024.

**Note 12: Self-Insurance Plans**

Health Insurance Plan: The Foundation has a partial self-insurance program for their employee's health care costs. The Foundation is liable for losses due to medical and prescription claims for any covered/specific members up to \$175,000 per year, up to \$826 per enrolled employee per month and up to \$1,698 per enrolled family per month across the entire covered population. The aggregate annual maximum cost to the Foundation is \$1,000,000 per year. The Foundation has third-party stop loss insurance coverage for any losses in excess of such amounts. Self-insurance costs are accrued based on claims reported as of the statements of financial position date as well as an estimated liability for claims incurred but not reported. The total accrued liability estimated by management for self-insurance costs was \$187,098 and \$175,080 as of June 30, 2025 and 2024, respectively, and is included in accounts payable and accrued expenses on the statements of financial position. As of June 30, 2025, the Foundation is required to maintain a letter of credit in the amount of \$508,000 for capitalization funds.

Unemployment Compensation Plan: The Foundation has elected to maintain a self-insured unemployment compensation plan as a reimbursable employer as defined by the Department of Labor, Licensing and Regulation of the State of Maryland (the Department), whereby it pays qualified claims directly to the Department in lieu of submitting quarterly unemployment taxes. In order to be eligible for self-funding, the Department requires that funds be held as collateral in the event the Foundation would fail to pay its claims. As of June 30, 2025, the Department required collateral of \$265,932 which the Foundation has satisfied with a surety bond in the amount of \$265,932 as of June 30, 2025.

**Note 13: Certain Significant Risks and Uncertainties**

Uninsured Balances: The Foundation maintains its cash balances at various financial institutions. Periodically during the year, the Foundation's cash balances may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to significant risk on cash balances.

Resident Service Revenue: The Foundation receives revenue from Medicare, Medicaid and private pay residents. The health care industry is continuing to experience the effects of the federal and state governments' trend toward cost containment, as government and other third-party payors seek to impose lower reimbursement and utilization rates and negotiate reduced payment schedules with providers. It is not possible to fully quantify the effect of recent legislation, the interpretation or administration of such legislation, or any other government initiatives on the Foundation's business. Accordingly, there can be no assurance that any future health care legislation will not adversely affect the Foundation's business. There can be no assurance that payments under government and private third-party payor programs will be timely, will remain at levels comparable to present levels, or will, in the future, be sufficient to cover the costs allocable to patients eligible for reimbursement pursuant to such programs. The Foundation's financial position and change in net assets may be affected by the reimbursement process, which in the health care industry is complex and can involve lengthy delays between the time that revenue is recognized and the time that reimbursement amounts are settled.

Economic Uncertainty: In early 2025, the President of the United States signed several Executive Order related to federal funding of certain currently funded programs, tariffs and other government initiatives. It is not possible to fully quantify the effect of these Executive Orders, the interpretation or administration of such Executive Orders, or any other initiatives on the Foundation's operations and financial status. Accordingly, there is no assurance that these orders adversely affect the Foundation's financial position, business operations and cash flows.

**BROOKE GROVE FOUNDATION, INC.**

**SUPPLEMENTARY INFORMATION**

**JUNE 30, 2025 AND 2024**

**Independent Auditor's Report on Supplementary Information**

To the Board of Directors  
Brook Grove Foundation, Inc.

We have audited the financial statements of Brooke Grove Foundation, Inc. as of and for the years ended June 30, 2025 and 2024, and our report thereon dated October 27, 2025, which expressed an unmodified opinion on those financial statements, appears on page 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on the following pages is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Gross, Mendelsohn & Associates, P.A.*

Baltimore, Maryland  
October 27, 2025

**BROOKE GROVE FOUNDATION, INC.**  
**Schedule of Operations and Changes in Net Assets by Division**  
**Year Ended June 30, 2025**

	<b>Williamsport Nursing Home</b>	<b>Brooke Grove Rehab &amp; Nursing</b>	<b>Rest Assured Living Center</b>	<b>Twin Oaks Assisted Living</b>	<b>Sandy Spring Assisted Living</b>	<b>Sandy Spring Independent Living</b>	<b>Total</b>
<b>Without Donor Restrictions</b>							
<b>Support and Revenue</b>							
Health services	\$ 3,823,715	\$ 30,610,782	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 34,434,497
Assisted living and services	-0-	-0-	553,595	627,723	9,524,395	-0-	10,705,713
Independent living and services	-0-	-0-	-0-	-0-	-0-	1,903,182	1,903,182
	<u>3,823,715</u>	<u>30,610,782</u>	<u>553,595</u>	<u>627,723</u>	<u>9,524,395</u>	<u>1,903,182</u>	<u>47,043,392</u>
Gain on unit turnover	-0-	-0-	-0-	-0-	-0-	366,505	366,505
Amortization of entrance fees	-0-	-0-	-0-	-0-	-0-	753,648	753,648
Contributions	-0-	3,364	-0-	-0-	-0-	-0-	3,364
Net investment return	74,898	310,635	18,579	5,416	83,497	25,861	518,886
Miscellaneous revenue (expense)	530	36,631	1	(59)	7,759	2,153	47,015
	<u>75,428</u>	<u>350,630</u>	<u>18,580</u>	<u>5,357</u>	<u>91,256</u>	<u>1,148,167</u>	<u>1,689,418</u>
<b>Total Support and Revenue</b>	<u>3,899,143</u>	<u>30,961,412</u>	<u>572,175</u>	<u>633,080</u>	<u>9,615,651</u>	<u>3,051,349</u>	<u>48,732,810</u>
<b>Expenses</b>							
Program services:							
Health services	4,981,151	29,264,123	-0-	-0-	-0-	-0-	34,245,274
Assisted living	-0-	-0-	685,062	606,934	7,670,703	-0-	8,962,699
Independent living	-0-	-0-	-0-	-0-	-0-	2,080,249	2,080,249
Total Program Services	<u>4,981,151</u>	<u>29,264,123</u>	<u>685,062</u>	<u>606,934</u>	<u>7,670,703</u>	<u>2,080,249</u>	<u>45,288,222</u>
Supporting services:							
Management and general	553,458	3,323,490	29,009	66,506	1,155,954	289,485	5,417,902
Total Expenses	<u>5,534,609</u>	<u>32,587,613</u>	<u>714,071</u>	<u>673,440</u>	<u>8,826,657</u>	<u>2,369,734</u>	<u>50,706,124</u>
<b>Income (Loss) from Operations</b>	<u>(1,635,466)</u>	<u>(1,626,201)</u>	<u>(141,896)</u>	<u>(40,360)</u>	<u>788,994</u>	<u>681,615</u>	<u>(1,973,314)</u>
<b>Other Income (Expense)</b>							
Gain (loss) on disposal of facility	8,071,571	-0-	(640,864)	1,033,554	-0-	-0-	8,464,261
Gain on lease termination	-0-	-0-	-0-	-0-	-0-	496	496
Rental income	9,287	34,272	109	1,799	12,702	858	59,027
Change in value of interest rate swap agreement	-0-	(1,055,799)	-0-	0	-0-	-0-	(1,055,799)
Total Other Income (Expense)	<u>8,080,858</u>	<u>(1,021,527)</u>	<u>(640,755)</u>	<u>1,035,353</u>	<u>12,702</u>	<u>1,354</u>	<u>7,467,985</u>
<b>Change in Net Assets</b>	<u>6,445,392</u>	<u>(2,647,728)</u>	<u>(782,651)</u>	<u>994,993</u>	<u>801,696</u>	<u>682,969</u>	<u>5,494,671</u>
<b>Net Assets at Beginning of Year</b>	<u>(894,289)</u>	<u>(1,922,698)</u>	<u>2,008,701</u>	<u>1,030,783</u>	<u>17,189,946</u>	<u>311,642</u>	<u>18,648,689</u>
<b>Net Assets at End of Year</b>	<u>\$ 5,551,103</u>	<u>\$ (4,570,426)</u>	<u>\$ 1,226,050</u>	<u>\$ 2,025,776</u>	<u>\$ 17,991,642</u>	<u>\$ 994,611</u>	<u>\$ 24,143,360</u>

**BROOKE GROVE FOUNDATION, INC.**  
**Schedule of Operations and Changes in Net Assets by Division**  
**Year Ended June 30, 2024**

	<b>Williamsport Nursing Home</b>	<b>Brooke Grove Rehab &amp; Nursing</b>	<b>Rest Assured Living Center</b>	<b>Twin Oaks Assisted Living</b>	<b>Sandy Spring Assisted Living</b>	<b>Sandy Spring Independent Living</b>	<b>Total</b>
<b>Without Donor Restrictions</b>							
<b>Support and Revenue</b>							
Health services	\$ 14,653,110	\$ 28,058,545	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 42,711,655
Assisted living and services	-0-	-0-	1,136,483	2,153,952	9,469,083	-0-	12,759,518
Independent living and services	-0-	-0-	-0-	-0-	-0-	1,874,282	1,874,282
	<u>14,653,110</u>	<u>28,058,545</u>	<u>1,136,483</u>	<u>2,153,952</u>	<u>9,469,083</u>	<u>1,874,282</u>	<u>57,345,455</u>
Gain on unit turnover	-0-	-0-	-0-	-0-	-0-	431,288	431,288
Amortization of entrance fees	-0-	-0-	-0-	-0-	-0-	758,876	758,876
Government grants	554	2,607	16	23	51	2	3,253
Contributions	300	23,075	25	-0-	-0-	-0-	23,400
Net investment return	162,548	192,677	34,368	-0-	-0-	33,673	423,266
Miscellaneous revenue	15,061	32,276	1,015	1,851	7,466	1,821	59,490
	<u>178,463</u>	<u>250,635</u>	<u>35,424</u>	<u>1,874</u>	<u>7,517</u>	<u>1,225,660</u>	<u>1,699,573</u>
<b>Total Support and Revenue</b>	<u>14,831,573</u>	<u>28,309,180</u>	<u>1,171,907</u>	<u>2,155,826</u>	<u>9,476,600</u>	<u>3,099,942</u>	<u>59,045,028</u>
<b>Expenses</b>							
Program services:							
Health services	15,456,586	27,149,646	-0-	-0-	-0-	-0-	42,606,232
Assisted living	-0-	-0-	1,191,776	1,990,576	7,684,859	-0-	10,867,211
Independent living	-0-	-0-	-0-	-0-	-0-	2,037,926	2,037,926
<b>Total Program Services</b>	<u>15,456,586</u>	<u>27,149,646</u>	<u>1,191,776</u>	<u>1,990,576</u>	<u>7,684,859</u>	<u>2,037,926</u>	<u>55,511,369</u>
Supporting services:							
Management and general	1,721,323	2,971,575	88,876	224,717	1,129,229	263,840	6,399,560
<b>Total Expenses</b>	<u>17,177,909</u>	<u>30,121,221</u>	<u>1,280,652</u>	<u>2,215,293</u>	<u>8,814,088</u>	<u>2,301,766</u>	<u>61,910,929</u>
<b>Income (Loss) from Operations</b>	<u>(2,346,336)</u>	<u>(1,812,041)</u>	<u>(108,745)</u>	<u>(59,467)</u>	<u>662,512</u>	<u>798,176</u>	<u>(2,865,901)</u>
<b>Other Income (Expense)</b>							
Gain on disposal of assets	1,967	-0-	-0-	-0-	-0-	-0-	1,967
Rental income	29,865	35,062	-0-	9,301	9,653	-0-	83,881
Termination of interest rate swap agreement	-0-	14,500	-0-	-0-	-0-	-0-	14,500
Change in value of interest rate swap agreement	-0-	(111,942)	-0-	-0-	-0-	-0-	(111,942)
<b>Total Other Income (Expense)</b>	<u>31,832</u>	<u>(62,380)</u>	<u>-0-</u>	<u>9,301</u>	<u>9,653</u>	<u>-0-</u>	<u>(11,594)</u>
<b>Change in Net Assets</b>	<u>(2,314,504)</u>	<u>(1,874,421)</u>	<u>(108,745)</u>	<u>(50,166)</u>	<u>672,165</u>	<u>798,176</u>	<u>(2,877,495)</u>
<b>Net Assets at Beginning of Year</b>	<u>1,420,215</u>	<u>(48,277)</u>	<u>2,117,446</u>	<u>1,080,949</u>	<u>16,517,781</u>	<u>(486,534)</u>	<u>21,526,184</u>
<b>Net Assets at End of Year</b>	<u>\$ (894,289)</u>	<u>\$ (1,922,698)</u>	<u>\$ 2,008,701</u>	<u>\$ 1,030,783</u>	<u>\$ 17,189,946</u>	<u>\$ 311,642</u>	<u>\$ 18,648,689</u>



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**Brooke Grove Retirement Village  
Certificate of Registration Renewal October 2025  
Exhibit B**

**Operating Budgets  
and  
Cash Flow Projections  
for  
2025, 2026, 2027**

## EXHIBIT G-2

**Brooke Grove Foundation**  
**Consolidated Operating Budgets**  
**For the Years Ending June 30**  
**(in thousands of dollars)**

	Approved	Proposed
	FY 26	FY 27
Revenue		
Routine services	\$ 41,320	\$ 42,970
Net Assets released from restriction		
Grant Revenue		
Other Revenue	640	\$ 660
Amortization of entrance fees	760	\$ 790
Total revenue	42,720	44,420
Operating Expenses		
Program expenses	38,126	\$ 39,170
General and Administrative	4,561	\$ 4,690
Total Expenses	42,687	43,860
Operating Income	33	560
Other Revenues (Expenses)	5	-
Increase (decrease) in unrestricted net assets	\$ 38	\$ 560

## EXHIBIT G-3

**Brooke Grove Foundation**  
**Projected Statements of Cash Flow**  
**For the Years Ending June 30**  
**(in thousands of dollars)**

	Actual	Proj.	Proj.
	FY 25	FY 26	FY 27
<b>Cash flows from operating activities</b>			
Change in net assets	\$ 5,495	\$ -	\$ 600
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:			
Amortization of advance fees	(754)	(760)	(790)
Gain on Unit Turnover	(367)	(400)	(450)
Gain on disposal of facilities	(8,464)		
(Gain) loss on disposal of assets	-		
Unrealized gain on interest rate swap	1,056		
Non-cash interest expense	810		
Depreciation	2,773	2,650	2,730
Provision for bad debts	1,465	400	425
Change in operating assets and liabilities:			
Accounts receivable	(1,762)		
Prepaid expenses and other current assets	149		
Escrow receivable	(1,000)	1,000	
Accounts payable and other accrued expenses	(273)		
Deposits and other	140		
Due to third-party payor	55		
Deferred revenue, non-current			
Refundable grant liability	-		
Net cash and cash equivalents provided by operating activities	(677)	2,890	2,515
<b>Cash flows from investing activities</b>			
Purchases of property and equipment	(1,336)	(2,000)	(2,000)
Proceeds from disposal of facilities	19,554		
Proceeds received on sale of fixed assets			
Net cash and cash equivalents used in investing activities	18,218	(2,000)	(2,000)
<b>Cash flows from financing activities</b>			
Refunds of refundable entrance fees, net	486	750	800
Payments on letter of credit	(508)		
Proceeds from long-term debt	26,398		
Principal payments on debt	(34,120)	(515)	(545)
Net cash and cash equivalents provided by financing activities	(7,744)	235	255
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>9,797</b>	<b>1,125</b>	<b>770</b>
Cash and cash equivalents, beginning of year	6,601	16,398	17,523
Cash and cash equivalents, end of year	\$ 16,398	\$ 17,523	\$ 18,293

**Brooke Grove Retirement Village  
Certificate of Registration Renewal October 2025  
Exhibit C**

**Operating Reserves**

October 27, 2025

Maryland Department of Aging  
301 West Preston Street, Suite 1007  
Baltimore, Maryland 21201-2374

To Whom It May Concern:

We have audited the financial statements of Brooke Grove Foundation, Inc. (the Foundation) as of June 30, 2025. Our report dated October 27, 2025 expressed an unmodified report on those financial statements. The Foundation's management prepared the calculation of required Operating Reserves as of June 30, 2025 as noted below.

Brooke Grove Foundation, Inc.  
Continuing Care Retirement Community  
Calculation Operating Reserves  
For the Year Ended June 30, 2025  
(amounts are in thousands)

<b>Amounts per prior year audited financial statements:</b>	<b>Independent Living</b>	<b>Assisted Living</b>	<b>Skilled Nursing Facility</b>	<b>Total</b>
Total operating expenses	\$ 2,301,766	\$ 8,814,088	\$ 30,121,221	
Less depreciation expense	(689)	(365)	(1,587)	
	<u>1,612</u>	<u>8,449</u>	<u>28,535</u>	
Bed ratio	40	9	5	
Total number of accommodations	<u>40</u>	<u>112</u>	<u>190</u>	
	<u>1.0000</u>	<u>0.0804</u>	<u>0.0263</u>	
	1,612	679	751	
Current Reserve Percentage	<u>25.0%</u>	<u>25.0%</u>	<u>25.0%</u>	
Calculated Reserves	<u>\$ 403,105</u>	<u>\$ 169,736</u>	<u>\$ 187,728</u>	<u>\$ 760,569</u>

We reviewed the calculation of required Operating Reserves comparing the amounts used in the calculation with the amounts reported in the audited financial statements and found no exceptions. We also noted Operating Reserve funds in the amount of \$760,600 maintained in a separate bank account as of June 30, 2025.

Please do not hesitate to contact us with questions or comments.

Very truly yours,



Jennifer Rock, CPA, MFS

**Brooke Grove Retirement Village  
Certificate of Registration Renewal October 2025  
Exhibit D**

**Resident Meetings**

**Brooke Grove Retirement Village  
Certificate of Registration Renewal October 2025  
Exhibit D**

## **RESIDENT MEETINGS**

### ***“Coffee Talk”***

The following is a list of the dates of meetings held during the previous year with CCRC Subscribers. Monthly Meetings are held at Westbrooke Clubhouse and are open to all CCRC Residents. “Coffee Talk” is the name of this monthly information-sharing meeting among community members and the independent living management team.

November 19, 2025	May 20, 2026
December 17, 2025	June 17, 2026
January 9, 2026	July 15, 2026
February 18, 2026	September 16, 2026
March 18, 2026	October 21, 2026
April 15, 2026	

### ***Brooke Grove's Quarterly Meetings for CCRC Residents***

Below is a list of the dates that the officer(s) of the governing body will meet with the IL Community in the coming year.

January 9, 2026 (Annual)	July 15, 2026
April 15, 2026	October 21, 2026

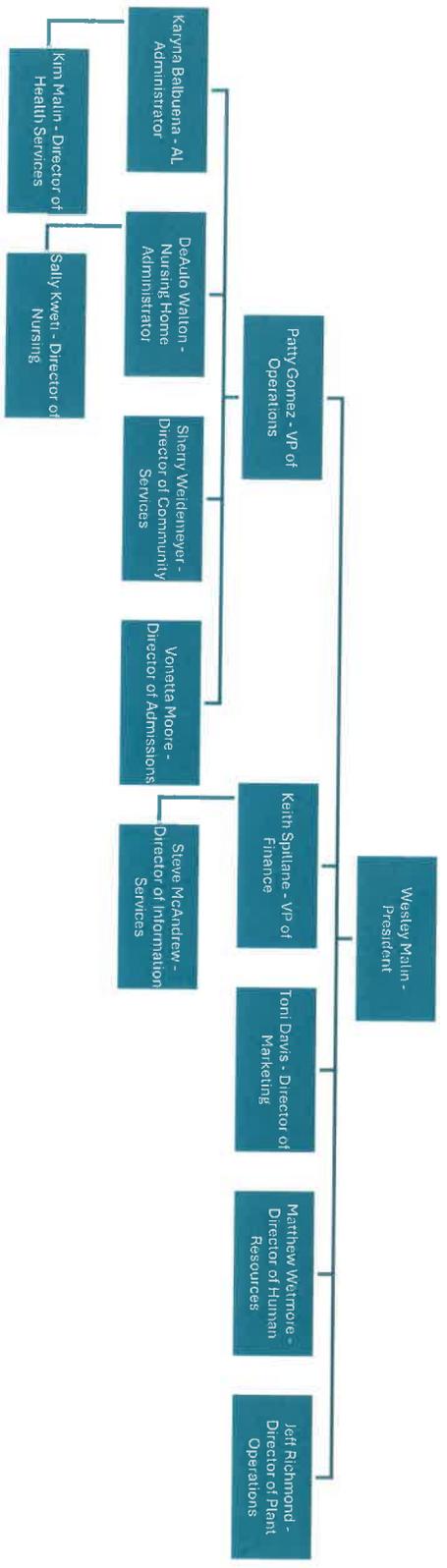
### ***Brooke Grove's Annual Meeting for CCRC Residents***

January 9, 2026

The January annual meeting is an opportunity for our CCRC Subscribers to meet with the President, the Vice President of Finance and the Vice President of Operations of Brooke Grove Foundation. In this annual exchange of information, our Vice President of Finance presents a summary of Brooke Grove's financial report. Following the financial report presentation, the floor is opened and Brooke Grove Foundation Officers address questions from the residents. The Vice President of Operations also attends and participates in the Independent Living Resident Association meetings by invitation on a quarterly basis and other meetings of the Association as invited by the Executive Committee of the ILRA.

**Brooke Grove Retirement Village  
Certificate of Registration Renewal October 2025  
Exhibit E**

**Organizational Chart**



**Brooke Grove Retirement Village**  
**Certificate of Registration Renewal October 2025**  
**Exhibit F**

**Most Recent Table of Fee Structure**

History of Fees, Independent Living Cottage Rates,  
Assisted Living and Healthcare Rates

**Brooke Grove Retirement Village  
Certificate of Registration Renewal October 2025  
Disclosure Statement Exhibit F**

**HISTORY OF FEES  
(In the past 5 years)**

**BROOKE GROVE CONTINUING CARE RETIREMENT COMMUNITY**

**Rate Increases to Independent Living/CCRC Residents:**

***Entrance Fees***

**2021: 3.0%**

**2022: 4.5%**

**2023: 5.0%**

**2024: 5.0%**

**2025: 5.0%**

***Monthly Fees***

**2021: 3.0% increase to base monthly charge and 2<sup>nd</sup> person fee**

**2022: 4.5% increase to base monthly charge; 2.8% for 2<sup>nd</sup> person fee**

**2023: 5.0% increase to base monthly charge and 2<sup>nd</sup> person fee**

**2024: 5.0% increase to base monthly charge and 2<sup>nd</sup> person fee**

**2025: 4.25% increase to base monthly charge and 2<sup>nd</sup> person fee**

**Rate Increases to Assisted Living Residents:**

**2021: 3.0%**

**2022: 3.5%**

**2023: 4.0%**

**2024: 4.0%**

**2025: 3.5%**

**Rate Increases to Brooke Grove Rehab & Nursing Residents:**

**2021: 3.0%**

**2022: 5.0%**

**2023: 5.0%**

**2024: 5.0%**

**2025: 5.0%**

## THE MEADOWS AND THE WOODS

# ASSISTED LIVING

NESTLED ON BROOKE GROVE'S 220-ACRE CAMPUS OF LUSH PASTURES AND FOREST, EACH HOME BRINGS IN THE BEAUTY OF THE OUTDOORS WITH OVERSIZED WINDOWS, SKYLIGHTS AND SUNNY DECKS. RESIDENTS CAN FREELY ACCESS SECURE COURTYARDS, RELAX IN BRIGHT GAZEBOS OR SPOT BUTTERFLIES IN OUR WILDFLOWER GARDEN.

The seven assisted living dwellings at The Meadows and The Woods seamlessly blend skilled assistance with the freedom of personal choice. Each house is home to 16 residents, who enjoy private rooms with private bathrooms and showers.

All of our staff members have specialized training in assisting people with memory loss and managing challenging behaviors with dignity. Using redirection and anxiety-reducing techniques, they calm and reassure, decreasing the need for medication.

### Services Available for Additional Fee\*

- Telephone service
- Barber and beautician services
- Dental services
- Massage therapy
- Physical, occupational and speech therapy services with copay (a portion may be covered by Medicare)
- Podiatry, psychiatry, audiology, optometry, dermatology and other consulting physician services
- Mobile X-ray service
- Medications and medical supplies

### Services Included in Daily Room Rates

- Personal assistance with daily activities such as bathing, grooming and taking medication
- Family-style dining
- Linen, laundry and housekeeping services
- 24-hour licensed and personal care staff
- Customized service plans
- LIFE® enrichment programming including excursions and daily social or recreational opportunities designed to appeal to residents' personal preferences and interests
- Specialized memory support and Alzheimer's care
- Emergency call system
- Pharmacy delivery service
- Cable TV service
- Wi-Fi

*\* Some of these examples may be covered by Medicare and other private insurance.*



# THE MEADOWS AND THE WOODS

## ASSISTED LIVING | CONTINUED

### DAILY ROOM RATES

#### **The Meadows Assisted Living**

Private Suite \$371/day

#### **The Woods Assisted Living Memory Support**

Private Suite \$348/day

#### **The Meadows Assisted Living Memory Support**

Private Suite \$386/day

*The above rates are based on location and include all care services and levels of care.*

**ASSISTED LIVING COMMUNITY FEE** \$4,500

The community fee is a one-time fee for residents moving into The Meadows or The Woods Assisted Living. It is refundable on a prorated basis up to 90 days.

### ASSISTED LIVING RESPITE STAY

A respite is a stay of one week to 30 days and is based on availability. The community fee does not apply to respite stays.

*Effective 7/1/2025  
Rates are subject to change*

THE COTTAGES AT BROOKE GROVE

# INDEPENDENT LIVING

OUR COTTAGES FEATURE SPACIOUS FLOOR PLANS, OVERSIZED GARAGES, STANDARD NINE-FOOT AND CATHEDRAL CEILINGS, PALLADIAN WINDOWS, UPGRADED KITCHENS, GAS FIREPLACES AND INSTALLED GENERATORS. WITH NO RESPONSIBILITY FOR MAINTENANCE, THERE'S MORE TIME FOR WHAT YOU REALLY WANT TO DO. WHETHER THAT'S RELAXING ON YOUR PORCH, WALKING, ENJOYING NATURE, EXPLORING LOCAL ATTRACTIONS, TAKING A FITNESS CLASS OR MEETING FRIENDS FOR A SHOW AT THE KENNEDY CENTER, YOUR OPTIONS ARE LIMITLESS.

## Understanding Your Entrance Fee Options

Entrance fees are essential for the financial well-being and operation of a continuing care retirement community (CCRC). An entry fee is the "buy-in" to the continuum of care and helps to create the basic foundation that supports all the services, programs, staff, and provision of higher-level healthcare available on campus. Brooke Grove offers three entrance fee options. You will find detailed terms outlined in the *Residence and Care Agreement*.

The **50 percent refundable fee option** entitles you or your heirs to 50 percent of the entrance fee amount paid upon move-in to Brooke Grove once you no longer reside at Brooke Grove and your cottage has been reoccupied.

The **90 percent refundable fee option** entitles you or your heirs to a 90 percent refund of the entrance fee amount when you no longer reside at Brooke Grove and your cottage has been reoccupied.

The **72-month declining balance option** is partially refundable on a declining basis for 72 months (six years) and is ultimately exhausted after six years of residency. Should you choose this option but no longer reside at Brooke Grove *prior* to the end of the six-year period, you or your heirs are entitled to the portion of the entrance fee that has not yet amortized, once your cottage has been reoccupied. The refund calculation occurs by dividing the entrance fee amount by 72. Partial refunds are based on months of residency.



18100 Slade School Road • Sandy Spring, MD 20860 • 301-260-2320 • [www.bgf.org](http://www.bgf.org)

  
**BROOKE GROVE**  
RETIREMENT VILLAGE

A service of Brooke Grove Foundation, Inc.

THE COTTAGES AT BROOKE GROVE

INDEPENDENT LIVING | MODELS

MODEL AND SQUARE FEET	REFUNDABLE ENTRANCE FEE RANGES**			MONTHLY FEE**	
	72 MO. DECLINING*	50% OPTION*	90% OPTION*	1 <sup>st</sup> PERSON	2 <sup>nd</sup> PERSON
<b>Isaac Briggs/Briggs Creek</b> (Small, one-level cottage) Beginning at 1350 sq. ft. (2 BR, 2 full BA) Varied Briggs features may include: screened porch, wood flooring	\$321,900 to \$339,200	\$482,900 to \$500,100	\$643,800 to \$661,000	\$3,280	\$1,070
<b>Marston/Marston Manor</b> Beginning at 1500 sq. ft. (2 BR, 2 full BA) Varied Marston features may include: gas fireplace, sunroom (optional), screened porch, wood flooring, extra garage	\$352,200 to \$447,000	\$528,200 to \$623,100	\$704,300 to \$799,200	\$3,708	\$1,070
<b>Brooke/Brooke Meadow</b> Approx. 2000 sq. ft. on main level plus finished walkout lower level *** (2 to 3 BR, 2 to 3 full BA, some with den) Varied Brooke features may include: gas fireplace, wood flooring, screened porch, deck, two-zone HVAC, extra garage	\$498,300 to \$570,400	\$747,500 to \$835,600	\$996,500 to \$1,101,000	\$4,605	\$1,070
<b>One-level Brooke</b> (Only two cottages of this style) Approx. 2000 sq. ft. (2 BR, 2 full BA)	\$415,100 to \$448,600	\$620,300 to \$653,900	\$825,700 to \$859,300	\$4,158	\$1,070

New second person fee \$1,125 effective 7/1/26

Standard features for ALL cottage styles include: nine-foot ceilings, oversized one-car garage, ceiling fans, roll-out kitchen cabinets, covered front porch, custom pleated shades on all windows, installed natural gas generator, granite or quartz kitchen countertops and bathroom vanity tops, full-sized washer/dryer.

\* Carefully read the Residence and Care Agreement (RCA) for the conditions that must be satisfied before Brooke Grove is required to refund the entrance fee.

\*\* Rates are subject to change.

\*\*\* Finished Basement Styles include:

Brooke (Hickory Knoll): All have recreation room, third BR and full third BA plus unfinished storage.

Brooke Meadow: Lower Level A - Recreation room, full BA, unfinished storage

Lower Level B - Recreation room, third BR, full BA, unfinished storage

Lower Level C - Recreation room, third BR, full BA, office/den, storage

Effective 7/1/2025

THE COTTAGES AT BROOKE GROVE

INDEPENDENT LIVING | AMENITIES

Monthly Fee Includes

- Chef-prepared, cooked-to-order gourmet dinner (Mon-Fri)
- Biweekly housekeeping services
- Annual window washing
- Interior and exterior cottage maintenance and repairs
- Landscaping: general lawn care and yard maintenance
- Snow and leaf removal
- Water and sewer
- Curbside trash/recycling pickup and US mail delivery
- Payment of property taxes
- Registered nurse intervention for hospital/subacute transitions
- Priority access to other levels of care
- Emergency Call System in cottage

- Private Fitness Center (senior-friendly exercise equipment and small group classes)
- Fitness Assessment and Wellness Programming (directed by certified fitness trainer)
- Community walking path with LifeTrail<sup>®</sup> fitness stations
- Transportation to most scheduled community events and off-campus excursions
- Wide variety of social, recreational and educational activities
- Access to Memory Support programming, if needed

Resident Expenses

- Gas and electric
- Telephone, cable TV, Internet

Effective 7/1/2025

# HOW TO BECOME AN INDEPENDENT LIVING RESIDENT

- All persons 60 or older are welcome to apply for independent living residency at Brooke Grove Retirement Village.
- Applications are included in the Brooke Grove information brochure packet and are also available online at [www.bgf.org](http://www.bgf.org).
- There is a **nonrefundable processing fee** of \$150 per person (\$300 per couple) due with the submission of your application(s). For joint applicants, a separate application is required for each individual.
- Upon preliminary financial approval, your retirement counselor will arrange for you to sign a **Priority List Agreement (PLA)**, which indicates your preference for cottage size (small, medium, large) as well as your estimated date of readiness for moving to Brooke Grove.
- A **\$1,000/individual or \$1,500/couple fully refundable deposit** is required upon signing the agreement. This deposit secures your name on the priority list for a period of two years from the date of signing and will automatically renew annually, unless otherwise noted by Brooke Grove. If you qualify financially for one, two or three sizes of cottages, you may choose to be notified for any or all of the cottage openings. Only one deposit fee is required, even if you are interested in various sizes of homes.
- When an independent living home becomes available, all applicants for that size cottage are **notified by mail** (and email) about the opportunity. Pricing and other details about the home are included in this written communication. If you are ready to consider a move and want to tour the home, you should contact the retirement counselor as soon as possible to schedule an appointment.
- When a decision is made to move forward, you will sign a **Residence and Care Agreement** outlining the entrance fee amount, type of entrance fee selected (50 percent refundable, 90 percent refundable or 72-month declining balance), as well as the current monthly fee amount. Ten percent of the selected entrance fee price is due when you sign the Agreement.
- A **Physician's Statement and Examination Form** is provided for completion by your personal physician. An independent living team member will meet with you after move-in to establish your File of Life emergency medical information to be kept on hand in your cottage in case of emergency.
- The **entrance fee balance** is due on or before your occupancy date.

# REHABILITATION SERVICES

BLENDING THE TALENTS OF AN EXTRAORDINARY STAFF AND A HEALING ENVIRONMENT, BROOKE GROVE OFFERS EXCEPTIONAL REHABILITATION AND SKILLED NURSING CARE. IN FACT, WE'VE BEEN RANKED AMONG THE TOP PROVIDERS IN THE STATE BY THE OFFICE OF HEALTH CARE QUALITY.

Our rehabilitative team will work with you and your family to achieve optimal recovery and independence, while creating ample opportunities for the activities that matter to you. Let the beauty of our 220-acre campus refresh you as you enjoy walking paths, our wildflower garden and charming outdoor courtyards.

## Services Included in Daily Room Rates

- Private and companion rooms with shower and individual climate control
- Window view for each guest, plus individual sinks and closets
- 24-hour skilled nursing care
- Guest services liaison
- Hospitality dining program supervised by a registered dietitian
- Linen, laundry and housekeeping services
- Customized service plans
- LIFE<sup>®</sup> enrichment opportunities including daily social, therapeutic and recreational programs
- Cable TV and telephone service
- Wi-Fi
- Social worker to assist with discharge planning

## Services Available for Additional Fee

- Barber/Beautician services
- Transportation for non-Medicare, admission-related appointments
- Dental services
- Massage therapy
- Podiatry and consulting physician services
- Other medical services and supplies as listed in Exhibit 1\*

\* Please ask your admissions coordinator for a copy of Exhibit 1.



# REHABILITATION AND NURSING CENTER

## REHABILITATION SERVICES | CONTINUED

DAILY ROOM RATES *(if not covered by Medicare or insurance)*

### Rehabilitation

Private Suite	\$638/day
Companion Suite	\$580/day

2025 MEDICARE COPAY	\$209.50/day
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*Effective 7/1/2025  
Rates are subject to change*

REHABILITATION AND NURSING CENTER

# LONG-TERM CARE & MEMORY SUPPORT

BROOKE GROVE REHABILITATION AND NURSING CENTER  
IS RANKED AMONG THE TOP PROVIDERS IN THE STATE BY  
THE OFFICE OF HEALTH CARE QUALITY.

We earned our reputation for providing excellent care because of our skilled and compassionate staff, who value community members as empowered individuals and care for them as family. Our expert team is also trained to help those with memory loss and Alzheimer's improve their health and abilities.

#### Services Included in Daily Room Rates

- Private and companion rooms
- 24-hour skilled nursing care
- Hospitality dining program supervised by a registered dietician
- Linen, laundry and housekeeping services
- Customized service plans
- LIFE<sup>®</sup> enrichment opportunities including daily social, therapeutic and recreational programs
- Family care plan meetings with care team
- Specialized memory support and Alzheimer's care
- Cable TV and telephone service
- Wi-Fi

#### Services Available for Additional Fee

- Barber/Beautician services
- Dental services
- Incontinence care
- Mental health Services
- Podiatry and consulting physician services
- Other medical services and supplies as listed in Exhibit 1\*

\* Please ask your admissions coordinator for a copy of Exhibit 1.



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## REHABILITATION AND NURSING CENTER

# LONG-TERM CARE & MEMORY SUPPORT | CONTINUED

DAILY ROOM RATES (if not covered by Medicare or insurance)

### Long-Term Care

Private Suite	\$533/day*
Companion Suite	\$474/day*

\* \$650 long-term care administrative processing fee applies to all long-term care admissions

### RESPIRE CARE

Additional \$50/day

A respite is a short-term stay of at least one week and is based on availability. This service offers an individual benefit to family caregivers, providing them the freedom to attend to other important matters and refresh their energy.

Effective 7/1/2025  
Rates are subject to change

## EXHIBIT 1

### FOR PRIVATE PAY, MEDICAID, and MEDICARE RESIDENTS

A. Items and Services Included in the Daily Rate.

The items and services described below are **included in the daily rate** for Private pay, Medicaid, and Medicare residents. There are no additional charges for these items.

Description of Items & Services Included In the Daily Rate	
1.	Room
2.	Board
3.	Personal Laundry. (However, facility is not equipped to handle wool clothing or clothing that requires dry cleaning. Please do not bring such articles to the facility.)
4.	Social Services
5.	Nursing care, including: <ul style="list-style-type: none"><li>a. The administration of prescribed medications and provision of treatments and diet.</li><li>b. The provision of care to prevent skin breakdown, bedsores and deformities.</li><li>c. The provision of care to keep the resident comfortable, clean and well-groomed.</li><li>d. The provision of care to protect the resident from accident, injury and infection.</li><li>e. The provision of care necessary to encourage, assist and train the resident in self-care and group activities.</li></ul>
6.	Resident Activities Program

B. Items and Services NOT INCLUDED in the daily rate.

Items and services not included in the daily rate are listed in the following table. You may be charged for these items if the Resident or you (or the Resident's physician with the Resident's or your approval) ask for and receive them. The services marked with an asterisk (\*) may have a separate supply charge. You will be notified of those charges at the time the supplies are ordered.

**SOME OF THESE ITEMS (marked "YES" in the table below) ARE COVERED BY MEDICARE (if your care qualifies as "Skilled Care") or MEDICAID.** If your care is paid for Medicare or Medicaid, we will not charge you a fee for those items.

Item or Service	<u>AMOUNT charged to Private Pay resident.</u> <b>(Amount shown is charged to Medicare or Medicaid resident only if a NO appears in the "Covered By" column.)</b>	Covered By:	
		Medicare (Skilled)	Medicaid
Admission Processing	(First 30 days) Per Day: \$15.00	YES	YES
Acupuncture	Billed by Acupuncturist at current rate Contact Acupuncturist	NO	NO
Audiology	Billed by Audiologist: Hearing Test: \$80.00 Tympanogram: \$35.00	YES YES	NO NO
Dental Services (Billed by Dentist)	Billed by Dentist at current rate Emergency Dental Care Contact Dentist	NO NO	NO YES
Podiatry Services (Billed by Podiatrist)	Billed by Podiatrist at Current Rate Contact Podiatrist	YES (If medical need)	YES (If medical need)
Speech, Physical and Occupational	If not under Medicare, therapy is billed by Rehab Company at the current rate.	Yes	Yes

Item or Service	<u>AMOUNT charged to Private Pay resident.</u>  (Amount shown is charged to Medicare or Medicaid resident only if a NO appears in the "Covered By" column.)	Covered By:	
		Medicare (Skilled)	Medicaid
Therapy	Contact Rehab Co.	YES	YES
Optical Services Optometry Services	Billed by Optician at current rate-Contact Optician Billed by Optometrist at current rate Contact Optometrist	NO	NO
Beauty, Barber This is a sample of the most frequent services. See attached for current offerings.	Women's Haircut \$24.00	NO	NO
	Men's Haircut \$20.00	NO	NO
	Shampoo Only \$8.00	NO	NO
	Shampoo & Set \$38.00	NO	NO
	Shampoo & Blow Dry \$28.00	NO	NO
	Permanent Wave \$85.00	NO	NO
	Permanent Color \$50.00	NO	NO
	Color Rinse \$10.00	NO	NO
	Deep Conditioning Treatment \$10.00	NO	NO
	Manicure \$18.00	NO	NO
Pedicure \$40.00	NO	NO	
Polish Change \$10.00	NO	NO	
Personal Clothing (Examples)	(As charged to the facility) Sweater: \$27.98	NO	NO
	Knit Slacks: \$14.98	NO	NO
	Flannel Nightgown: \$14.98	NO	NO
Mark Dentures	Each: \$20.00 to \$30.00	NO	NO
Newspaper	(Actual Cost) per week: Billed by the Distributor	NO	NO
Cosmetics/ Grooming Supplies	(Examples) Toothbrush \$ .46	YES	YES
	Twin Blade Razor \$ .52	YES	YES
	Toothpaste (2.75 oz) \$2.83	YES	YES
		YES	YES

Item or Service	<b><u>AMOUNT charged to Private Pay resident.</u></b> <b>(Amount shown is charged to Medicare or Medicaid resident only if a NO appears in the "Covered By" column.)</b>		<b>Covered By:</b>	
			Medicare (Skilled)	Medicaid
	Admission Kit	\$20.00		
Medical Supplies (Examples)	Sterile Water Irrigation Bottle	\$2.65	YES	YES
	Urethral Catheter Tray 14 FR	\$7.33	YES	YES
	Cannula Standard 14'W/tubing	\$4.36	YES	YES
	Belt Gait Metal Buckle	\$19.78	YES	YES
	Duoderm 4" x 4"	\$21.31	YES	YES
	Prefilled Humidifier	\$6.30	YES	YES
	Non-Skid Slippers	\$2.50	YES	YES
	Ted Stockings Large, Regular	\$44.55	YES	YES
	Sterile Stretch Gauze 4"	\$1.66	YES	YES
	Insulin Syringe 1 cc	\$1.18	YES	YES
Private Telephone Equipment and Services	For Long Term Care- Basic Equipment and Services Provided by Facility at no additional charge		NO	NO
Television Equipment and Services	Resident or Family responsible for providing equipment Basic Cable included – additional or premium services billed directly by Comcast		NO	NO
Rehab Phone/Cable	Equipment and Services Provided by Facility at no additional charge		N/A	N/A
Incontinent Care	Per Day: \$7.00 (Partial incontinence, per day:) \$3.50		YES	YES
Catheter Care*	Per Day: \$7.00		YES	YES
Colostomy Care*	Per Day: \$7.00		YES	YES

Item or Service	<u>AMOUNT charged to Private Pay resident.</u>  (Amount shown is charged to Medicare or Medicaid resident only if a NO appears in the "Covered By" column.)	Covered By:	
		Medicare (Skilled)	Medicaid
Privately hired aides / nurses	As arranged by the resident or resident's family. Estimate: GNA \$36.00/hr. LPN \$70.00/hr.	NO	NO
Feeding	Hand feeding: Specialized diet, per day: \$5.00 Tube Feeding* per day: \$15.00	YES	YES
Suctioning*	(Supplies Charges Only)	YES	YES
Oxygen Therapy*	Per Day: \$10.00	YES	YES
Nebulizer Treatment	Per Treatment: \$25.00  Billed by Laboratory. Phone: 410-423-6839	YES	YES
Pharmacy	Billed by Pharmacy. Phone: 866-298-1078	YES	YES
Radiology (X-ray)	Billed by Radiologist. Phone: 301-937-4072	YES	YES
Rentals:	Walker or Wheelchair – no charge Geriatric Chair – no charge Trapeze: \$31.00	YES YES YES	YES YES YES
Transportation	Start at \$100 in a 50-mile radius	NO	NO
Escort Fees*	\$36.00/hour	NO	NO

Item or Service	<u>AMOUNT charged to Private Pay resident.</u>  (Amount shown is charged to Medicare or Medicaid resident only if a NO appears in the "Covered By" column.)	Covered By:	
		Medicare (Skilled)	Medicaid
**Private Room Rate: Nursing Center	Brooke Grove Nursing Center Daily rate: \$533.00	NO	NO
Semi-Private Room Rate: Nursing Center	Brooke Grove Nursing Center Daily rate: \$473.00	YES	YES
Room Rate: Rehab Center Private/Semi- Private	Brooke Grove Rehab Only Building Daily rate: \$638.00 Private Suite \$580.00 Companion Suite	YES	YES

- \*\*
1. If you receive Medicaid and the Facility places you in a private room, the Facility may not charge you or anyone else an additional cost for a private room.
  2. If you **request** a private room in the Nursing Center while under a Medicare Part A stay, you will be charged the difference between a semi-private and private room rate.

**Brooke Grove Retirement Village  
Certificate of Registration Renewal October 2025  
Exhibit G-5**

**2025 CARF – CCAC Median Ratios  
and Explanation**

## Exhibit G (5)

**Brooke Grove Foundation  
CCAC-CARF Ratios  
For the Year Ended June 30, 2025  
CARF Data - 2025 Report**

	<b>FY24</b>	<b>FY25</b>	<b>Median (Single Site)</b>
Net Operating Margin Ratio	1.95%	20.95%	6.19%
Net Operating Margin Ratio - Adjusted	3.93%	22.67%	21.47%
Operating Ratio	97.17%	95.51%	97.58%
Operating Margin Ratio	-4.87%	11.28%	0.29%
Total Excess Margin Ratio	-4.86%	11.23%	2.44%
Days Cash on Hand	36.17	125.91	437.00
Debt Service Coverage Ratio	0.50	5.12	3.00
Age of Facility	18.67	16.01	11.77

Notes:

1. NOM Ratio - Higher than normal due to the sale of two campuses this past year.
2. DCOH - BGF is primarily skilled and assisted living. Independent Living only accounts for approximately 13% of the total units. SNF operators typically have much higher operating expenses and in turn have lower days cash on hand than a typical CCRC.