

GIVENS COMMUNITIES ANNUAL REPORT

July 25, 2024

Introduction

Welcome to the 2024 Annual Report for Givens Communities. As Chair of the Board of Directors, I am honored to present this report. In it, we celebrate our residents and dedicated team members, both of whom play an integral role in our community. They are among our most valuable assets, and it is a cherished tradition to honor them each year.

Mission and Vision

Our mission to create community and empower lives across Western North Carolina begins with a clear vision for the future. This vision of endless possibilities and vibrant aging is fueled by a tradition of ingenuity and passion, grounded by our core values that have guided Givens Communities for nearly five decades.

Growth and Financial Strength

Since incorporation in 1975, Givens Communities has grown to four residential communities: Givens Estates in Asheville, Givens Highland Farms in Black Mountain, Givens Gerber Park in south Asheville, and Givens Great Laurels in Waynesville. We serve more than 1,500 residents, with approximately 650 employees, nearly \$80 million in annual revenues, more than \$380 million in total assets, and \$130 million in cash and investments. Our fiscal management is exemplary, with a rating of A- by Fitch along with operating and liquidity ratios in the top quartile of benchmarks established by Commission on Accreditation of Rehabilitation Facilities (CARF) and a proven track record of successful completion of projects and expansions.

Goals and Strategic Plan

The goals of Givens Communities include developing and enhancing existing communities and campuses, creating new communities to offer more affordable senior living options, and pioneering innovative ways to provide care and services in homes. We strive to be the employer of choice by hiring and retaining a dedicated workforce aligned with our core values. Also, we are committed to promoting diversity, equity, inclusion, and belonging in the workplace and our communities.

To ensure success in accomplishing these goals, we updated our 3-year strategic plan focusing on six key areas or pillars for a roadmap for the future. The strategic plan was a collaboration between board members, leadership, residents, and team members. These focus areas are:

1. **Individual and Community Experience:** Creating, communicating, and delivering unique and relevant experiences.
2. **Team:** Developing positive strategies and systems to create a culture that advances and aligns the organization.
3. **Finance:** Growing and leveraging financial strengths to empower the organization and further our strategic initiatives.
4. **Technology and Innovation:** Pursuing and deploying innovative solutions to empower residents, team members, and operational efficiency.
5. **Outreach:** Collaborating to expand and enhance programs and services.

6. **Growth:** Expanding access and reach to grow the organization both internally and externally.

We are confident that focusing on these areas will allow Givens Communities to continue our tradition of progress in senior living.

Core Values and Community Engagement

We are a workplace of choice, with a career environment of diversity, support, and acceptance. Our Diversity, Equity, Inclusion, and Belonging Task Force stands vigilant to uphold our core values, which were updated in early 2024 to better reflect our organizational culture:

- **People Passionate:** We value every person. We strive to respect, support, enrich, and empower one another.
- **Make a Difference:** We honor our legacy of making a difference in the lives of others. We see opportunities in challenges, seek creative solutions, and work tirelessly to ensure that we are improving and innovating to be a positive force in our community.
- **Power of Community:** We are better and more creative when we work together. We harness the power of community for the greatest possible impact through collaboration, strong relationships, and embracing diversity.
- **Do What's Right:** We act with integrity and accountability, recognizing that what is right is not always easy or popular. We take responsibility for our decisions, persevere through challenges, and are good stewards of our resources.

There are tangible results from our core values and the standards of our mission and vision. The inaugural Newsweek Best Continuing Care Retirement Communities ranks Givens Highland Farms as seventh in North Carolina and 40th nationally, while Givens Estates is number one in North Carolina and 13th in the country, among more than 2,000 Continuing Care Retirement Communities nationwide. These rankings were the result of extensive evaluations conducted by the magazine in collaboration with the research firm Statista.

Accreditation

In 2024, Givens Estates and Givens Highland Farms proudly achieved reaccreditation by Commission on Accreditation of Rehabilitation Facilities (CARF), reaffirming our unwavering commitment to providing exceptional care and services to our residents, team members, and communities.

Financial Stewardship

Excellence in financial stewardship was again recognized by Fitch Ratings, reaffirming an A- rating and stable fiscal outlook. This was driven by Givens' high occupancy rates, solid demand indicators, strong operations, and an innate leadership ability to adapt to an ever-changing marketplace.

Leadership Transitions

In 2023-2024, we experienced several leadership transitions. Scott Farkas rejoined Givens Communities in October 2023 as Chief Operating Officer. Scott began his journey with Givens in 2012, serving as Controller at Givens Highland Farms and Givens Estates, and most recently as Chief Financial Officer at ThriveMore in Winston-Salem since 2020. In his new role, Scott will provide additional operational support, identify internal efficiencies, and develop consistent policies, procedures, and quality of care across our organization. We are very grateful to have Scott return to Givens.

Following the retirement of John Cowan as Givens Estates Executive Director in June 2023, Kirsten Cone was appointed as the new Executive Director in January 2024. Kirsten brings extensive senior care experience from Choice Health Management, Kisco Senior Living, Valencia Terrace, Heritage Greens, and CarePartners PACE, where she served as Program Director. We are confident that Kirsten will continue the great traditions of leadership at Givens Estates.

In February 2024, Mark Bailey, Director of Development and Philanthropy, concluded an impressive 35 years of dedicated service to Givens Communities. Throughout his outstanding tenure, Mark's passion for our mission was the catalyst for numerous successful campaigns and initiatives. He forged enduring relationships that were crucial to advancing our mission and vision. We are deeply grateful for Mark's dedication, passion, and commitment.

In March 2024, we welcomed Jennifer Soster as our new Philanthropy Director. Jennifer is a nonprofit professional with over 25 years of progressive development and leadership experience. Before joining Givens Communities, she served as Director of Donor Relations for the University of North Carolina Asheville and Director of Institutional Effectiveness for Warren Wilson College. Prior to relocating to Asheville, she served her alma mater, DePauw University, for more than two decades in various leadership roles.

Community Engagement and Public Service

Public service engagement by Givens increased twofold from the previous year through events, activities, and programs sponsored by the Philanthropy Department and participation by residents and team members. Examples include the Dr. Martin Luther King Jr. Association of Asheville and Buncombe County, Blue Ridge Pride, Asheville Symphony, Alzheimer's Association, Four Season's Tree of Lights Festival, Asheville-Buncombe Elder Abuse Awareness Week, MLK Youth Scholarship Fund, and Blue Ridge Public Radio.

Future Plans and Initiatives

Work to accommodate senior living needs remains an ongoing process. North Carolina is aging much more rapidly than most of the country. The median age has risen 4.3 percent since 2010 - much higher than the overall national rate of 2.7 percent. For instance, in Haywood County, the population is projected to grow from approximately 63,000 today to more than 71,000 in the next decade, with 36% being 60 years old and older.

In 2023, we launched two new programs for supporting older adults: Givens Home First, a home and community-based services program that empowers participants to age gracefully in the comfort of their homes at Givens Estates in Asheville and Givens Highland Farms in Black Mountain, with plans for eventual expansion to Givens Affordable Communities as well across the region; and Givens Choice, the only Continuing Care at Home membership program in the area, which caters to people who want to remain in their homes as they age with Care Navigation and Management, guaranteed lifetime access to a wide range of healthcare benefits, and access to services and amenities at our Independent Living campuses.

At Givens Affordable Communities, our future endeavors include planned construction of Webster Village in Jackson County, a partnership between Givens Communities, Western Carolina University, and Mountain Projects of Sylva, which will feature more than 200 housing units, including 120 senior living apartments. In McDowell County, Givens has purchased the historic Clinchfield Mill in Marion with a \$3 million grant from the Dogwood Health Trust and undertaken a partnership with Western North Carolina Community Health Center and The Gateway Health Foundation for onsite affordable housing.

Recent Projects

In 2023-2024, we began and completed several projects at our communities. At Givens Estates, we completed work on a Welcome Center to enhance campus safety and security. We also completed the renovation of the Givens Manor and grounds for use as offices for Givens Communities and life enrichment spaces for residents. Also, we revisited the masterplan for the Givens Estates campus to focus on assisted living and memory care assisted living, with plans to announce further details in late 2024.

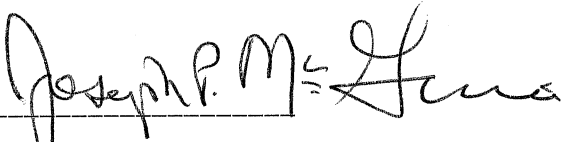
At Givens Highland Farms, Brookside Commons, Brookside North Apartments, and Vista Ridge North Apartments were completed, and work began on our next phase of development, Vista Ridge South. We also purchased over six acres adjacent to Meadowmont for future development.

Conclusion

Givens Communities continues to be an exciting nonprofit senior living organization. On behalf of our Board of Directors, residents, and team members, we are grateful for the opportunity to serve this region in a valued alliance alongside the Western North Carolina Conference of The United Methodist Church.

Thank you for your continued support and commitment to our mission. We look forward to another year of growth, innovation, and community building.

Respectfully submitted,

A handwritten signature in black ink that reads "Joseph P. McGuire". The signature is written in a cursive style and is positioned above a horizontal line.

Joseph P. McGuire
Board Chair