



HOUSE OF MERCY ANNUAL REPORT - 2016

A Ministry of the Sisters of Mercy providing a home and specialized care for persons living with AIDS

Mission: The core mission of House of Mercy is to provide care in a residential setting for low-income persons living with AIDS who can no longer care for themselves and face homelessness. In addition to room and board, House of Mercy provides clinical treatments and therapies designed to enhance the physical, emotional and spiritual lives of our residents.



Primary Service Area: Ten-county region in NC. including Mecklenburg and Gaston Counties. Small by design, House of Mercy is located on the Sisters of Mercy campus in Belmont, NC.

Total Persons Served: 322 persons since 1991

2016 Resident Demographics (all low-income):

- 9% – Hispanic/Latino
- 58% – Black
- 33% – Caucasian
- 58% – Male
- 42% – Female
- 8% – Ages 20 – 29 years
- 8% – Ages 30 – 39 year
- 42% – Ages 40 – 49 years
- 42% – Ages 50 years & older

A Growing Epidemic: The number of newly identified cases of HIV/AIDS continues to grow. The number of people living with HIV disease in the U.S. is over 1.1 million people living with HIV disease in the U.S., including more than 476,732 living with AIDS.

The impact of HIV/AIDS in the South is a growing concern with the most AIDS deaths and 45% of new AIDS diagnoses. As of December 31, 2014 there were 28,526 persons diagnosed and living with HIV infection in North Carolina and another estimated 4,279 (15%) who are unaware they are infected. As of June 30, 2015 there were 7,625 reported persons with HIV disease (including 3,108 with AIDS) in our 10-county service area including Mecklenburg and Gaston counties.*



The Continuing Need: The prognosis for HIV/AIDS patients has improved significantly in recent years and so has the need for specialized care and housing. Nearly all House of Mercy residents

have become Medicaid-eligible because the expense of fighting their illness has exhausted their personal resources.



When provided with good care and the proper medications in a stable environment, even patients who are in advanced stages of AIDS can improve. During the last 3 ½ years, 40 residents were discharged (deaths, transfers, moves). Seventeen residents tried HIV AIDS Anti-Retroviral Therapy (HAART) and 14 of those tolerated and continued taking the medications. All 14 on HAART experienced improved CD4 counts and reduced viral load (measure of immunity). Seven of the 14 (50%) moved to independent living. In cases where residents return to the larger community, our Director of Nursing is available to help with securing housing and resources necessary for their successful transition.

House of Mercy’s service is both labor and cost intensive. State reimbursement for our residential services totals \$46 per residential day.

*NC 2014 HIV/STD Surveillance Report; Quarterly Reports Vol. 2014 No. 4 and 2015 No. 2. Deaths since 1.1.14 not reported.



Our cost of providing care per resident is \$415 daily due to 24-hour staffing, medication cost and other expenses. This year we must raise \$308,775 from donations, grants and fundraising events to meet our operating expenses. The Sisters of Mercy contribute funds sufficient to pay all administrative expenses. House of Mercy is a \$85,000 grant recipient of Carolinas CARE Partnership.

Patient Care: Coordinated HIV care is a central element of House of Mercy’s client-focused strategy – assessing a client’s need for specific health, psychological and social services; and assisting the client to access a wide range of services that will address those needs. There are eight core components of HIV coordinated care: resident intake, assessment, care plan development, resource development, service coordination, monitoring, reassessment and discharge.



House of Mercy is similar to a hospice in some respects. At an inpatient hospice the objective is usually to control pain and care for patients as they die. House of Mercy provides similar palliative services, however, our objective is not only to ease patients’ pain, but also to help those patients who have a chance of getting better. In some cases, aggressive therapies can improve a resident’s health so that he or she can be discharged.

Although House of Mercy is designed, decorated and maintained to reflect the feeling of a private home, it is well equipped to provide state-of-the-art care to residents. A trained staff provides professional care 24 hours a day, making sure that residents eat nutritious meals and take their medications on the prescribed schedule. In fiscal year 2016, 12 residents were served by House of Mercy: 7 male, 5 female, 7 Black, 4 Caucasian, and 1 Latino.

Staffing & Governance: House of Mercy has 14 employees with 11 working directly in the residence. These include the bilingual Coordinator of Resident Recreation and Volunteers, and ten other caregivers (LPNs and CNAs) who report to the Director of Nursing and Case Manager. The Director of Nursing and Case Manager, the

Director of Administrative and HR Services, and the Director of Development report to the President/CEO. The President/CEO is accountable to the House of Mercy’s 10-member Board of Directors. This Board meets bi-monthly with committee meetings held as needed.

Objectives and Evaluation Procedures: To provide the best in care for its target population House of Mercy has established the following objectives and evaluation tools. In our fiscal year ending June 30, 2016, House of Mercy met or surpassed all objectives outlined below.

A. Objectives and evaluation tools: operation of the residential facility

Objective 1: House of Mercy will meet all facility standards contained in the 83 page licensure manual titled “Rules for Family Care Homes” administered by the Division of Health Services Regulation and the Gaston County Department of Social Services.

Evaluation Tool: The Department of Social Services conducts an unannounced monthly survey and the NC Division of Health Services Regulation conducts an annual survey. House of Mercy must meet all applicable requirements to maintain its licensure. House of Mercy has earned a 4-Star (100%) Adult Care Rating Certificate from the State of NC and meets Charitable Accountability Standards.

Objective 2: House of Mercy must maintain a safe facility that meets all applicable local codes.

Evaluation Tool: Annually, House of Mercy is inspected by the Belmont Fire Department, the Gaston County Health Department, and an independent alarm company to ensure the facility meets applicable fire and safety codes and the smoke detector and safety systems are functioning properly.

B. Objectives and evaluation tools: administration of health and related services at House of Mercy.

Objective 1: All staff must be trained to administer medications and successfully complete competency tests. Also, systems must be maintained to ensure medications are provided to House of Mercy residents consistent with federal and state guidelines.

Evaluation Tool: House of Mercy maintains a system for monitoring staff compliance with state medication

exams and continuing education requirements. The results from the system are routinely examined by local DSS staff as part of the Adult Care Monitoring visit.

Objective 2: House of Mercy is responsible for preparing a plan of care for each resident after consulting with the resident and approved by their physician. Services provided are to be consistent with their plan of care.

Evaluation Tool: At admission, the Director of Nursing prepares an individualized Care Plan for each resident. Each Care Plan developed by the Director of Nursing must be signed by a physician. Care provided to each resident and their current health status are routinely assessed against their individualized care plan. Each month resident charts are examined separately by an outside surveyor from DSS to ensure that the plan of care is being followed. Any variances from the plan of care are noted and follow up actions are initiated.



C. Objectives and evaluation tools: outcomes.

Objective 1: Annually, House of Mercy's goal is to provide at least 1,545 days of patient care.

Evaluation Tool: The number of days of care is reported monthly to the House of Mercy Board, the Department of Social Services and to other interested parties. In FY 2016, 1765 days of care were provided (81% occupancy) with 400 days of 100% charity care for residents with no source of government reimbursement (i.e. Social Security, Medicaid).

Objective 2: From the date of admission to the date of discharge 50 percent of residents receiving anti-viral medication should show an improvement in their T-Cell Count (a measure of immune system's health) and a reduction in their viral load.

Evaluation Tool: House of Mercy prepares aggregate reports showing changes in T-Cell counts and viral load for each resident. Improvements in these two indicators often result in a successful discharge from House of Mercy. In FY 2016, 100% of residents on continued antiretroviral therapy showed improved lab results.

Objective 3: At least 90% of our residents should be satisfied with the care they receive during the year.

Evaluation Tool: Bi-monthly a board member from House of Mercy administers a confidential survey to monitor the satisfaction of residents with the care they receive at the facility. Aggregate results are shared at board meetings and appropriate changes are made in response to resident concerns.



Above all else, House of Mercy is a home where persons living with AIDS can live and grow in a supportive community. Ultimately, the values expressed in our mission statement set the standard in serving our residents' needs.

- All persons have the right to dignity in life and death
- All persons have the right to safe, loving, peaceful and comfortable surroundings.
- All persons have the right to complete, competent medical care without financial stress
- All persons have the right to a full life until death.
- All persons have the right to have their physical needs attended by competent caregivers when they can no longer care for themselves.

Tax-exempt Status: House of Mercy is exempt from federal income tax under IRS section 501(c)3. House of Mercy, a ministry of the Sisters of Mercy, falls under the IRS 2015 Group Ruling for the US Conference of Catholic Bishops as a public charity listed in *The 2016 Official Catholic Directory*. Our Tax I.D. is #56-1733055.

Privacy Policies: Privacy policies for House of Mercy clients, donors and volunteers are on our website.

Financial Information: A complete financial review is conducted annually by an independent certified public accounting firm. Copies are kept on file at House of Mercy Administration, 100 McAuley Circle, Belmont, NC. See www.thehouseofmercy.org for a link to our most recent Form 990.

House of Mercy Administrative Staff (70 years total serving House of Mercy):

Stan Patterson, President & CEO

Shirley Stowe, Director of Nursing & Case Manager

Connie Hastings, Director of Administration & Human Resources

Marjorie Storch, Director of Development

House of Mercy Board of Directors

Updated 12.6.16

Maggie S. Baucom
(Chair)

Coordinator
St. Gabriels Catholic Church

H. Yates Dunaway IV

Real Estate Development
Tri Bridge Residential, LLC

Kathleen Finnigan

Human Resources Director
Habitat for Humanity of Charlotte

Mike Grace
(Treasurer)

President
C FGI Westinghouse LLC

David Guidry

Senior Associate
King & Spalding Litigation Group

Katie Hayes

Life Care Coordinator
Sisters of Mercy
West Midwest Community,
Regional Community of Detroit

Tania Mariciano
(Secretary)

Information Security Analyst
Wells Fargo Bank
Interpreter
Carolinas Medical Center

Ellen Palmer
(Vice Chair)

Commercial Lending Officer
Bank of North Carolina

Stan F. Patterson
(President/CEO)

President & CEO
House of Mercy, Inc.

Sr. Jill Katherine Weber

Physical Therapist
Holy Angels Residential Center

House of Mercy, Inc.

Statement of Financial Position
June 30, 2016
(With Comparative Totals as of June 30, 2015)

	2016			2015
	Unrestricted	Temporarily Restricted	Totals	Totals
Assets				
Current assets				
Cash and cash equivalents	\$ 53,996	\$ -	\$ 53,996	\$ 132,871
Investments	1,017,580	-	1,017,580	1,020,026
Accounts receivable	33,775	-	33,775	4,758
Interest receivable	876	-	876	1,136
Prepaid expenses	16,140	-	16,140	14,998
Total current assets	<u>1,122,367</u>	<u>-</u>	<u>1,122,367</u>	<u>1,173,789</u>
Property and equipment				
Furniture and fixtures	44,741	-	44,741	44,741
Equipment	147,650	-	147,650	142,258
Vehicles	77,839	-	77,839	49,910
Building improvements	101,184	-	101,184	101,184
Total property and equipment	371,414	-	371,414	338,093
Less accumulated depreciation	(273,539)	-	(273,539)	(254,184)
Net property and equipment	<u>97,875</u>	<u>-</u>	<u>97,875</u>	<u>83,909</u>
Other assets	5,000	-	5,000	5,000
Total assets	<u>\$ 1,225,242</u>	<u>\$ -</u>	<u>\$ 1,225,242</u>	<u>\$ 1,262,698</u>
Liabilities and net assets				
Current liabilities				
Accounts payable	\$ 6,452	\$ -	\$ 6,452	\$ 3,843
Accrued expenses	50,777	-	50,777	71,469
Total current liabilities	<u>57,229</u>	<u>-</u>	<u>57,229</u>	<u>75,312</u>
Net assets				
Unrestricted	1,168,013	-	1,168,013	1,176,153
Temporarily restricted	-	-	-	11,233
Total net assets	<u>1,168,013</u>	<u>-</u>	<u>1,168,013</u>	<u>1,187,386</u>
Total liabilities and net assets	<u>\$ 1,225,242</u>	<u>\$ -</u>	<u>\$ 1,225,242</u>	<u>\$ 1,262,698</u>

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

“...Based on my review, I am not aware of any material modifications that should be made to the accompanying (2016) financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.”

William L. Woody, Jr., CPA, 226 Wilmot Drive, P.O. Box 550351, Gastonia, NC 28055

Financial Review was approved by House of Mercy's Board of Directors on October 4, 2016.